

MULTIBAND CORP  
Form DEFM14A  
November 24, 2009

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the securities  
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MULTIBAND CORPORATION  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

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Multiband Corporation

9449 Science Center Dr.  
New Hope, MN 55428  
(763) 504-3000

November 25, 2009

To the shareholders of Multiband Corporation

As a shareholder of Multiband Corporation, a Minnesota corporation (“Multiband”), you are cordially invited to attend a special meeting of the shareholders (the “Multiband Special Meeting” or “Special Meeting”). The Multiband Special Meeting will occur on Thursday, December 17, 2009 at 3 p.m. central time, at 9449 Science Center Drive, New Hope, MN 55428. At the Multiband Special Meeting, you will be asked to consider and vote upon a proposal to approve the acquisition (“the acquisition”) of the remaining 20% of the stock of the DirecTECH Holding Co, Inc. (DTHC) operating entities by Multiband via the issuance of ten million dollars worth of Series J Preferred Stock pursuant to that certain Stock Purchase Agreement (the “Agreement”) dated November 3, 2008, between Multiband and DTHC.

Multiband’s Board of Directors has unanimously approved the Acquisition. ACCORDINGLY, MULTIBAND’S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT MULTIBAND’S SHAREHOLDERS APPROVE THE ACQUISITION.

Under Minnesota state law and Multiband’s Articles of Incorporation and Bylaws as amended and restated, the Acquisition must be approved by the affirmative vote of the holders of a majority of Multiband’s issued and outstanding shares of common stock that are present in person or by proxy at the Special Meeting. Your vote is very important. Only shareholders of record of Multiband’s common stock at the close of business on November 10, 2009, will be entitled to notice of and to vote at the Multiband Special Meeting or any adjournment or postponement thereof. On November 10, 2009, there were 9,655,635 shares of our common stock outstanding and entitled to vote.

WHETHER OR NOT YOU PLAN TO ATTEND THE MULTIBAND SPECIAL MEETING, WE URGE YOU TO VOTE YOUR SHARES OF MULTIBAND AS THE CASE MAY BE, BY MAIL BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD. IF YOU RECEIVE MORE THAN ONE PROXY CARD BECAUSE YOU OWN SHARES OF MULTIBAND THAT ARE REGISTERED UNDER DIFFERENT NAMES OR, HELD IN MORE THAN ONE ACCOUNT BY A BANK, BROKER OR OTHER NOMINEE HOLDER, PLEASE VOTE ALL OF YOUR MULTIBAND SHARES OF COMMON STOCK SHOWN ON ALL OF YOUR PROXY CARDS.

Voting by proxy will not prevent you from voting your shares of Multiband common stock in person if you later decide to attend the special meeting and vote in person.

Thank you for your continued support.

MULTIBAND CORPORATION

November 25, 2009

/s/ James L. Mandel  
James L. Mandel  
Chief Executive Officer



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NOTICE OF SPECIAL MEETING OF MULTIBAND CORPORATION AND SHAREHOLDERS  
TO BE HELD ON DECEMBER 17, 2009

TO MULTIBAND CORPORATION SHAREHOLDERS:

A Special Meeting of the shareholders ( the “Multiband “Special Meeting”) of Multiband Corporation, a Minnesota corporation (“Multiband”) will be held on December 17, 2009, at 3:00 p.m. Central Standard Time at 9449 Science Center Drive, New Hope, Minnesota for the following purposes:

1. To approve the acquisition of the remaining 20% of the stock of the DTHC operating entities via the issuance of ten million dollars worth of Series J Preferred Stock.
2. To approve a proposal to grant the board of directors authority to adjourn, postpone or continue the Special Meeting.

Only holders of Multiband common stock at the close of business on November 10, 2009, are entitled to notice of and to vote at the Multiband Special Meeting.

Your vote is important, regardless of the number of shares of Multiband common stock that you own. The approval of the acquisition requires the affirmative vote of the holders of a majority of the issued and outstanding shares of Multiband common stock that are present in person or by proxy at the special meeting. Therefore, abstentions and broker non-votes will have the same effect as a vote against the Acquisition Proposal.

The proposal to adjourn the Special Meeting, if necessary or appropriate, requires the affirmative vote of the holders of a majority of the outstanding shares of Multiband common stock, respectively, that are present in person or by proxy at the Special Meeting. Abstentions are considered present and entitled to vote and therefore will have the same effect as a vote against any proposal to adjourn the Special Meeting, whereas broker non-votes are not considered present and entitled to vote and will not affect any proposal to adjourn the Special Meeting.

If you sign, date and mail your Proxy Card without indicating how you wish to vote, your vote will be counted as a vote in favor of the approval of the acquisition and in favor of the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies. If you fail to return your Proxy Card, the effect will be that your shares of Multiband common stock as the case may be, will not be counted for the purposes of determining whether a quorum is present at the Special Meeting and, because both proposals require a certain percentage vote to pass, will effectively act as votes against the proposals. If you are a Multiband shareholder of record and do attend the Special Meeting and wish to vote in person, you will be entitled to do so.

If you are a holder of Multiband common stock, please sign, date and return your enclosed Proxy Card to Steven M. Bell, Chief Financial Officer of Multiband, in the enclosed envelope, by one of the following means:

- (a) Delivery of the envelope by first-class mail to 9449 Science Center Dr., New Hope, MN 55428 (if you use first-class mail, you must place the envelope in the mail no later than December 14, 2009);
- (b) Delivery of the sealed envelope by hand to Steven M. Bell, no later than 3:00 p.m. Central Standard Time, December 17, 2009;
- (c) Facsimile at (763) 504-3060 to the attention of Steven M. Bell, no later than 3:00 p.m. Central Standard Time December 17, 2009.

This proxy is being mailed to shareholders on or about November 25, 2009.

By order of the Multiband Corporation Board of Directors

/s/ James L. Mandel  
James L. Mandel, Chief Executive Officer

New Hope, Minnesota, November 25, 2009

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## PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by our board of directors for our special meeting of shareholders to be held on December 17, 2009 or any adjournment or postponement of the meeting. The time, place and purposes of the meeting are disclosed on the cover page of these materials and in the notice of the special meeting.

This proxy statement, the proxy and the notice of the special meeting of shareholders are first being sent or given to shareholders on or about November 25, 2009. References in this proxy statement to “us”, “we” “our” or the “Corporation.” refer to Multiband Corporation.

The holders of our common stock as of the close of business on November 10, 2009 will be entitled to be present and to vote at the meeting. Each share of our common stock is entitled to one vote on each matter to be voted at the meeting. There are no other classes of our stock entitled to be voted at the meeting. On November 10, 2009, there were 9,655,635 shares of our common stock outstanding and entitled to vote. The board of directors requests that you execute and return the proxy promptly whether or not you plan to attend the meeting. Any vote by proxy may be revoked by the person giving it at any time before the meeting by giving written notice of such revocation to the corporate secretary or by executing a subsequent proxy or by voting in person at the special meeting.

The shares represented by properly executed proxies will be voted in accordance with the instructions provided therein and where no instructions are given, will be voted in favor of the proposal to acquire the remaining 20% of the DTHC operating entities via the issuance of ten million dollars worth of Series J Preferred Stock. Approval of the proposal requires the affirmative vote of a majority of the outstanding shares of our common stock entitled to vote at the meeting. Absentions are counted only for the purpose of determining whether a quorum is present at the meeting.

### Expenses of Proxy Solicitation

The expenses of preparing, printing and mailing this Proxy Statement/Prospectus and the proxies solicited hereby will be borne by Multiband. Additional solicitation may be made by telephone, facsimile or other contact by certain directors, officers, employees or agents of Multiband, none of whom will receive additional compensation therefore.

### Adjournments

Although it is not currently expected, the Multiband Special Meeting may be adjourned for the purpose of soliciting additional proxies to vote for the approval of the Merger Agreement. Any adjournment may be made without notice, other than by an announcement made at the Special Meeting.

QUESTIONS AND ANSWERS REGARDING THIS PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE MULTIBAND SPECIAL MEETINGS

Q: When and where will the Multiband Special Meeting Occur?

A: The Special Meeting of Multiband's shareholders will be held at 3:00 p.m. Central Standard Time, December 17, 2009, 9449 Science Center Drive, New Hope, MN 55428.

Q: What matters will Multiband's Shareholders be asked to vote at the Special Meeting?

A: They will be asked to vote on two proposals:

1) The approval of the acquisition;

2) The adjournment of the Special Meetings, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to approve the acquisition;

Q: Who is soliciting your proxy?

A: The proxy is being solicited by the Board of Directors of Multiband.

Q: How do the Multiband Board of Directors recommend you vote on the proposals?

A: The members of the Multiband Board of Directors recommend that Multiband's shareholders, respectively, vote:  
FOR the proposal to approve the acquisition;

FOR adjournment of the special meeting, if necessary or appropriate to solicit additional proxies to vote for the approval of the acquisition;

Q: When is the Acquisition expected to be completed?

A: Multiband expects to complete the acquisition to be completed by no later than December 31, 2009 but that date may be extended by mutual agreement of the parties.

Q: What vote of shareholders is expected to approve the Acquisition?

A: Approval of the Acquisition requires an affirmative vote of a majority of the shareholders of Multiband common stock as of the record date of November 10, 2009 that are present in person or by proxy at the special meeting.

Q: Who is entitled to vote at the Multiband Special Meeting?

A: Multiband's shareholders as of the close of business on November 10, 2009, the record date for the Multiband Special Meeting are entitled to receive notice of and to attend and vote at the Multiband Special Meeting. At the record date, 9,655,635 shares of Multiband common stock, held by Multiband's shareholders of record were outstanding and entitled to vote. Multiband's shareholders may vote all shares that they owned as of the record date. Multiband's shareholders are entitled to one vote for each share of Multiband common stock that they own.





Q: What does it mean if you get more than one Proxy Card?

A: If you have shares of common stock that are registered in different names and/or are held in more than one account, you will receive more than one Proxy Card. Please follow the directions for voting on each of the Proxy Cards you receive to ensure that all of your shares are voted.

Q: How do you vote without attending the Special Meeting?

A: If you are a registered Multiband shareholder (that is, if you hold your shares of Multiband common stock in your name), you may vote your shares of common stock by following the instructions included with the enclosed Proxy Card and as indicated in the Notice of the Multiband Special Meeting.

If you hold your shares of Multiband common stock through a broker, bank or other nominee, you should follow the separate voting instructions provided by your broker, bank or other nominee with this Proxy Statement.

Q: How do you vote in person at the Multiband Special Meeting?

A: If you are a registered Multiband shareholder, you may attend the Special Meeting of the shareholders and vote your shares of Multiband common stock, as the case may be, in person at the Special Meeting by giving Multiband, as the case may be, a signed Proxy Card or ballot before the voting is closed. If you want to do that, please bring proof of identification with you. Even if you plan to attend the Special Meeting, Multiband recommends that you vote your shares of common stock in advance as described above, so your vote will be counted even if you later decide not to attend.

If your shares of Multiband common stock are held in “street name”, through a broker, bank or other nominee holder, only your nominee holder can vote your shares. (Shares purchased through a broker, typically, are registered and held in the name of an entity designated by the brokerage firm, in which event the shares are referred to as being held in “street name”.)

Q: If your shares of Multiband common stock are held in “street name” by your broker, bank or other nominee, will your nominee vote your shares for you?

A: Only if you provide instructions to your broker, bank or other nominee on how to vote may your broker, bank or other nominee act as such. You should follow the directions provided by your broker, bank or other nominee with this Proxy Statement regarding how to instruct your nominee to vote your shares. Without instructions from you, your shares will not be voted. If your broker, bank or other nominee fails to contact you, you should contact your broker, bank, or other nominee directly.

Q: May you change your vote?

A: You may revoke or change your proxy at any time before it is voted. If you are a registered shareholder of Multiband, you may revoke or change your proxy before it is voted by:

- 1) Filing a notice of revocation, which is dated later than the proxy you wish to revoke, with the Secretary of Multiband, as the case may be; or
- 2) Submitting a duly executed Proxy Card bearing a later date in the manner indicated on the Proxy Card and in the Notice of Multiband Special Meeting.

Simply attending the Special Meeting in person will not constitute revocation of a proxy. If your shares of common stock are held in "street name", you should follow the instructions of your broker, bank or other nominee regarding revocation or change of proxies.

Q: What happens if you sell your shares of Multiband common stock before the Special Meeting?

A: If you were a Multiband shareholder of record on November 10, 2009, the record date, you retain your right to vote at the Multiband Special Meeting, even if you sell your shares of common stock after that date. If you held your Multiband shares of common stock in "street name" on the record date, you retain your right to direct your broker or other nominee to vote at the Multiband Special Meeting, even if you sell your shares of capital stock after that date.

Q: What is a quorum?

A: A quorum of the holders of thirty-four percent (34%) of the issued and outstanding shares of Multiband common stock must be present to conduct business at the Multiband Special Meeting. Abstentions are counted as present for the purpose of determining whether a quorum is present.

Q: How are votes counted?

A: For the proposal relating to the approval of the Acquisition, Multiband's shareholders may vote "FOR", "AGAINST", or "ABSTAIN". Approval of the Acquisition requires (a) the affirmative vote of the holders of a majority of the issued and outstanding Multiband common stock that are present in person or by proxy at the special meeting. Abstentions will count for the purpose of determining whether a quorum is present, and will have the same effect as a vote against the Merger Agreement.

For the proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies to vote for approval of the acquisition, you may vote "FOR", "AGAINST", or "ABSTAIN". The proposal to adjourn the Special Meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative vote of the holders of a majority of the issued and outstanding Multiband common stock that are present in person or by proxy at the Special Meeting and entitled to vote on this proposal. Abstentions are considered present and entitled to vote and therefore will have the same effect as a vote against any proposal to adjourn the meeting, whereas broker non-votes are not considered present and entitled to vote and will not affect the proposal to adjourn the respective Special Meeting.

If you sign your Proxy Card without indicating your vote, your Multiband shares of common stock will be voted "FOR" the approval of the acquisition, and "FOR" adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies.

A broker non-vote generally occurs when a broker, bank, or other nominee holding shares on your behalf does not vote on a proposal because the nominee has not received your voting instruction and lack discretionary power to vote the shares. Nominee holders will not have discretion to vote shares without instructions from the beneficial owner thereof because the matters to be voted on are not "routine" matters as to which such discretion applies. Broker non-votes will not count as votes cast on a proposal.

Q: Is it important for you to vote?

A: Yes, because Multiband cannot conduct the votes to approve the acquisition without a quorum (as described above) of the holders of the issued and outstanding Multiband common stock present at the Special Meeting and Multiband needs the affirmative vote in favor of the Acquisition by the holders of a majority of the issued and outstanding Multiband common stock, voting as a single class on an as-converted basis,.



Q: Who will bear the cost of this solicitation?

A: The expenses of preparing, printing and mailing this Proxy Statement and the proxies solicited hereby will be borne by Multiband. Additional solicitation may be made by telephone, facsimile or other contact by certain directors, officers, employees or agents of Multiband, none of whom will receive additional compensation therefore.

Q: Will a proxy solicitor be used?

A: No, Multiband has decided not to retain the services of a proxy solicitor at the present time.

Q: Who can help answer your other questions?

A: If you have more questions about the Multiband Special Meeting, you should contact Steven M. Bell, Multiband's Chief Financial Officer, at (763) 504-3000

## SECURITY OWNERSHIP

## Certain Beneficial Owners

The table below includes all of our shareholders that we know to beneficially own more than 5% of our common stock as of November 10, 2009, unless otherwise indicated.

Name and Address of Beneficial Owners	Number of Shares 1 Beneficially Owned	Percent of Common Shares Outstanding
Steven M. Bell 9449 Science Center Drive New Hope, MN 55428	225,3132	2.34%
Frank Bennett 301 Carlson Parkway – Suite 120 Minnetonka, Minnesota 55305	228,0003	2.36%
Jonathan Dodge 715 Florida Avenue South – Suite 402 Golden Valley, MN 55426	56,1004	*
David Ekman 200 44th Street SW Fargo, ND 58103	433,9175	4.50%
Eugene Harris 7773 Forsyth Blvd Clayton, MO 63105	101,2906	1.05%
James L. Mandel 9449 Science Center Drive New Hope, MN 55428	247,3677	2.56%
Donald Miller 1924 Cocoplum Way Naples, FL 34105	337,0218	3.49%
Special Situations Fund II QP, LP 527 Madison Avenue New York, NY 10022	601,486	6.23%
DirecTECH Holding Company, Inc. 33 West Second Street, Suite 504 Maysville, KY 41056-1166	1,490,000	15.44%
Lacuna, LLC 1100 Spruce Street Boulder, CO 80302	437,000	4.53%
All Directors and executive officers as a group (seven persons)	1,629,008	16.88%

\*Less than one percent

1 Each person has sole voting and sole dispositive power with respect to all outstanding shares, except as noted. Based on common shares outstanding at November 10, 2009. Shares of common stock not outstanding but deemed beneficially owned by virtue of the individual's right to acquire them as of November 10, 2009 or within 60 days of such date are treated as outstanding when determining the number of shares beneficially owned by each person and the group and the percent of the class owned by each individual and the group. Unless otherwise indicated, each person named or included in the group has sole vesting and investment power with respect to the shares of common stock set forth opposite his or her name. Unless otherwise indicated, the information in the table does not include any stock options and/or warrants outstanding that cannot be exercised within 60 days of November 10, 2009.

2 Includes vested options to acquire 107,100 shares of common stock. Mr. Bell's Beneficial Ownership does include 6,250 shares of common stock owned by his spouse as to which Mr. Bell disclaims his beneficial ownership.

3 Includes vested options to purchase 56,000 shares of common stock.

4 Includes vested options to acquire 51,000 shares of common stock.

5 Includes vested options to purchase 70,100 shares of common stock and preferred shares convertible into 43,600 shares of common stock.

6 Includes vested options to purchase 50,000 shares of common stock.

7 Includes vested options to purchase 200,100 shares of common stock.

8 Includes warrants and vested options to purchase 137,400 shares of common stock.



MULTIBAND PROPOSAL NO. 1

PROPOSAL TO APPROVE THE ACQUISITION OF THE REMAINING 20% OF THE DTHC OPERATING ENTITIES VIA THE ISSUANCE OF TEN MILLION DOLLARS WORTH OF SERIES J PREFERRED STOCK.

On November 3, 2008, Multiband's Board of Directors unanimously approved a Stock Purchase Agreement whereby Multiband would purchase 100% of the stock of the operating entities of DTHC. The Board in approving the purchase relied, in part, on an independent fairness opinion written by Source Capital Group, Inc. which concluded the consideration for the overall purchase was fair. That opinion, dated December 26, 2008, is attached hereto.

Description of Transaction (in thousands)

Effective January 2, 2009, the Company purchased 80% of the issued and outstanding shares of common stock of all of the operating subsidiaries of DirecTECH Holding Company (DTHC) (an additional 29% of Multiband NC, Inc. (formerly Michigan MicroTECH (MMT)), 51% of which was previously purchased effective March 1, 2008 and 80% of Multiband NE, Inc.(NE), Multiband SW, Inc.(SW), Multiband EC Inc.(EC), Multiband MDU, Inc.(MBMDU), Multiband DV, Inc.(DV) and Multiband Security, Inc. (Security) (the "operating entities"). DTHC, a fulfillment agent for a national satellite television company, DirecTV, specializes in the providing of satellite TV to single family homes. The purpose of this acquisition was to increase the Company's business of installing video services in single family homes (HSP segment). The purchase price totaled \$40,400. The \$40,400 consists of three parts; 1) \$500 in cash which was paid at the initial closing date of January 2, 2009 and in escrow as a deposit at December 31, 2008, 2) a non-interest bearing note of \$500 payable without interest as follows: \$250 on demand on or after April 1, 2009 and \$250 after the Company's retention of senior financing, as defined, no later than August 31, 2009 and 3) a promissory note in the amount of \$39,400, due January 1, 2013, bearing interest at an annual rate of 8.25% (subject to adjustment in the event of a default), plus the remaining \$800 note payable from the purchase of 51% of NC. Subsequent to the closing, the Company and DTHC mutually agreed to offset the \$40,200 promissory note by the amount of \$5,844, for an offsetting receivable on Multiband's books as of December 31, 2008. This reduced the amount of this promissory note to \$34,356. As part of the agreement, Multiband has until December 31, 2009 to purchase the remaining 20% of the issued and outstanding shares of common stock of all DTHC. The consideration for the 20% purchase will be \$10,000 of Multiband Series J Preferred Stock, whose issuance will require Multiband shareholder approval. The closing on the remaining 20% stock transaction is anticipated to occur on or before December 31, 2009. However, part or all of the issuance may occur after December 31, 2009 if the parties mutually agree. The contingent consideration related to the acquisition agreement requires a 20% cash payout on all earnings in 2009 until the remaining 20% of the Company is acquired.

## THE PARTIES TO THE ACQUISITION AGREEMENT

### Multiband Corporation

Multiband is a corporation incorporated under the laws of the State of Minnesota with its principal executive offices at 9449 Science Center Drive, New Hope, Minnesota 55428. Our phone number is (763) 504-3000. Multiband is one of the largest providers of voice, data, and video to Multiple Dwelling Units in the United States. Multiband is also a large provider of DirecTV services to resident of single family homes through its Home Service Provider, or HSP division.

### DirecTECH Holding Company, Inc.

DirecTECH Holding Company, Inc. (DTHC), a Delaware corporation, was historically engaged in the general distribution of DirecTV, Inc. ("DirecTV") programming services. DTHC specialized in the provisioning of Satellite TV to single family homes. DTHC was the culmination of a corporate reorganization of DirecTV Home Service Providers ("HSPs") which have operated in regional markets since 1983, 1985, 1995, and 2000, respectively. DTHC's management team has extensive experience in cable television, Direct Broadcast Satellite and services provisioning.

### Background of the Acquisition

Both DTHC and Multiband have been engaged in the general distribution of DirecTV, Inc., a California corporation ("DirecTV"), programming services. DTHC historically specialized in the provisioning of satellite TV to single family homes while Multiband historically specialized in the installation of video, voice, and data services to Multiple Dwelling Units (e.g., apartments and condominiums), as well as the operation of its proprietary call, support, and billing centers.

### DTHC Background

DTHC is actually the culmination of a corporate reorganization of DirecTV Home Service Providers (HSPs), which have operated in regional markets since 1983, 1985, 1995, and 2000. DTHC's management team has extensive experience in cable, Direct Broadcast Satellite, and services provisioning. The members of DTHC's corporate family that are DirecTV HSPs are DirecTECH Delaware, Inc., a Delaware corporation ("DTDE"), DirecTECH Southwest, Inc., a Louisiana corporation ("DTSW"), JBM, Inc., a Kentucky corporation ("JBM"), and Michigan Microtech, Inc., a Michigan corporation ("MMT"); otherwise referred to herein as the "Operating Entities."

DTDE was founded in 2000 under the name "Directec, Inc.", Directec, Inc. changed its name in 2004 to "DirecTECH, Inc" and later in 2004 to "DirecTECH Delaware, Inc." DTSW was founded in 1983 as "Comm-Craft, Inc.". Comm-Craft, Inc. changed its name to "DirecTECH Southwest, Inc." in 2004, under which name the company currently operates. JBM was founded in 1995 and adopted the assumed business name of "Primestar of the Bluegrass" in 1998. JBM replaced its assumed business name in 2002 with the assumed business name of "Bluegrass Satellite and Security", which is currently still in use. MMT was founded and adopted the assumed business name of "Michigan Microtech" in 1985. MMT adopted the second assumed business name of "Telesales" in 1998 and another assumed business name of "Microtech Security Systems" in 1999. DTHC sold 51% of MMT to Multiband effective March 1, 2008.

Through the course of business, the management of DTDE, DTSW, JBM, and MMT determined that each corporate entity stood to gain from synergies that would be created if the corporations operated under common ownership. To that end, DTHC was incorporated in late 2004, and in June 2005, DTDE, DTSW, JBM, and MMT “merged” to become wholly-owned subsidiaries of DTHC. Although each subsidiary exists independently and operates in specific geographic locations, shared resources have resulted in a more efficient corporate entity on the whole.

As of the projected Closing Date of the Acquisition, DTHC will be owned approximately 45% by its management and directors and two other shareholders and 55% by the DirecTECH Holding Company Employee Stock Ownership Trust (the “DTHC ESOT”).

#### Multiband Background

Multiband was founded in 1975 as a telephone systems dealer under the name of Vicom, Inc. (“Vicom”) and stayed in that business sector until April of 2005 when it concluded the sale of its Corporate Technologies subsidiary, a Value Added Reseller (“VAR”). Corporate Technologies was a \$30 million reseller of data and voice networks to commercial businesses.

In December of 2000, Vicom became traded on the NASDAQ exchange under the symbol VICM. This represented a move from the Pink Sheets to a national exchange in only five months.

Beginning in 2001, Vicom began the installation of its first MDU voice, video, and data installations. Leveraging the engineering and installation expertise of the Corporate Technologies subsidiary, the parent company initiated subscriber services under the name “Multiband”.

In April 2004, Vicom purchased the nation’s largest DirecTV Master System Operator, Minnesota Digital Universe, Inc. and thus entered the DirecTV distribution business.

In November of 2004, Vicom changed its name to Multiband Corporation and adopted its current NASDAQ trading symbol of MBND. Its operating business segments were re-named Multiband Subscriber Services and Multiband Business Services. The Business Services segment, d/b/a Corporate Technologies, was sold in 2005. In March 1, 2008, the Company purchased 51% of MMT and entered the business of providing DirecTV services to residents of single family homes.

#### Why We are Seeking Shareholder Approval

Pusuant to the statutes of Minnesota, our state of incorporation, and the rules of the Nasdaq Stock market whereby shareholder approval is needed if a stock issuance will potentially result in issuance of more than 20% of the outstanding stock of the company, a shareholder vote is required to approve the issuance of the Preferred Stock to DTHC.

#### Certain Material Terms of the Preferred Stock

Ten Million Dollars worth of newly issued Series J Preferred Stock (100 shares of same) will be issued to complete the acquisition of 20% of the stock of the DTHC Operating Entities. The Holder of the Stock has the option with ten days written notice to convert any issued and outstanding Preferred Shares into fully paid and non-assessable Multiband common stock. The Conversion Price per share for the Series J Preferred Stock shall be equal to \$2.00 per common share. The Preferred Stock also pays an annual dividend of 8% per annum. The dividend is payable quarterly in common stock at a fixed conversion price of \$2.00 per share. However, during the life of the preferred stock, the total amount of the dividend shares cannot exceed 750,000 common shares. The Holder of the Preferred Stock also

has “piggyback” registration rights which would require the convertible common stock shares to be registered in the event the Company does a secondary stock offering. The complete terms and conditions of the Series J Preferred Stock can be found in the attached Annex.

## Selected Consolidated Financial Data- Multiband Corporation

The following selected financial data should be read in conjunction with our consolidated financial statements which can be found in our annual report on Form 10-K for the year ended December 31, 2008.

Statement of Operations Data	2008	2007	2006	2005	2004
Revenues	\$ 42,986,513	\$ 15,085,604	\$ 18,051,601	\$ 16,515,426	\$ 11,067,834
Cost of products and services (exclusive of depreciation and amortization listed separately below)	\$ 28,425,926	\$ 8,339,933	\$ 8,280,666	\$ 7,849,597	\$ 5,943,395
Cost of products and services as % of revenue	66.13%	55.3%	45.9%	47.5%	53.7%
Selling, general and administrative expenses	\$ 10,499,863	\$ 8,887,883	\$ 11,480,677	\$ 9,723,132	\$ 5,986,267
Selling, general and administrative as % of revenues	24.43%	58.9%	63.6%	58.9%	54.1%
Depreciation and amortization	\$ 3,025,478	\$ 3,623,903	\$ 5,168,209	\$ 4,780,436	\$ 3,432,779
Impairment of assets	\$ 132,209	\$ -	\$ 2,261,500	\$ -	\$ -
Income (loss) from operations	\$ 903,037	\$ (5,766,115)	\$ (9,139,451)	\$ (5,837,739)	\$ (4,294,607)
Other income (expense), net	\$ 1,826,061	\$ (322,238)	\$ (1,046,472)	\$ (1,655,088)	\$ (1,032,035)
Income (loss) before income taxes and minority interest in subsidiary	\$ 2,729,098	\$ (6,088,353)	\$ (10,185,923)	\$ (7,492,827)	\$ (5,326,642)
Provision for income taxes	\$ 1,132,000	\$ -	\$ -	\$ -	\$ -
Minority interest in net income of subsidiary	\$ 652,167	\$ -			
Income (loss) from continuing operations	\$ 944,931	\$ (6,088,353)	\$ (10,185,923)	\$ (7,492,827)	\$ (5,326,642)
Discontinued operations	\$ -	\$ -	\$ 2,200	\$ 17,827	\$ (4,457,320)
Net income (loss)	\$ 944,931	\$ (6,088,353)	\$ (10,183,723)	\$ (7,475,000)	\$ (9,783,962)
Loss attributable to common stockholders	\$ (3,143,344)	\$ (8,388,855)	\$ (14,250,446)	\$ (10,827,229)	\$ (10,374,417)
Loss from continuing operations	\$ (.34)	\$ (1.16)	\$ (2.11)	\$ (1.86)	\$ (1.27)
Loss from discontinued operations	\$ (.00)	\$ (.00)	\$ (.00)	\$ (.00)	\$ (.96)
Loss attributable to common stockholders	\$ (.34)	\$ (1.16)	\$ (2.11)	\$ (1.86)	\$ (2.23)
Weighted average shares outstanding	9,302,570	7,237,473	6,757,643	5,819,585	4,661,519
Balance Sheet Data	2008	2007	2006	2005	2004

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Working Capital (deficiency)	\$ 2,465,209	\$ (5,018,177)	\$ (5,294,245)	\$ (971,418)	\$ (8,931,414)
Total Assets	\$ 26,043,228	\$ 8,893,429	\$ 17,986,056	\$ 26,271,405	\$ 26,633,712
Mandatory Redeemable Preferred Stock					
(1)	\$ 150,000	\$ 220,256	\$ 280,000	\$ 333,334	\$ 500,000
Long-Term Debt, net (2)	\$ 345,874	\$ 118,924	\$ 2,969,764	\$ 3,816,536	\$ 3,498,657
Capital Lease Obligations, net (2)	\$ 317,628	\$ 249,469	\$ 491,672	\$ 452,649	\$ 481,249
Stockholders' Equity	\$ 5,642,247	\$ 673,838	\$ 5,659,309	\$ 14,968,295	\$ 8,549,431

(1) – mandatory redeemable preferred stock is included in working capital (deficiency)

(2) – current portion of long-term debt and capital lease obligations is included in working capital (deficiency)

Unaudited Quarterly Results – Multiband Corporation

The following table sets forth certain unaudited quarterly operating information for each of the eight quarters in the two-year period ending December 31, 2008. This data includes, in the opinion of management, all normal recurring adjustments necessary for the fair presentation of the information for the periods presented when read in conjunction with the Company's consolidated financial statements and related notes thereto. Results for any previous fiscal quarter are not necessarily indicative of results for the full year or for any future quarter.

	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008	March 31, 2008	Dec. 31, 2007	Sept. 30, 2007	June 30, 2007	March 2007
es:								
nd	-	-	-	-	-	-	-	-
	\$ 1,242,666	\$ 799,445	\$ 840,466	\$ 848,562	\$ 797,164	\$ 1,084,114	\$ 1,404,398	\$ 1,85
	\$ 5,164,136	\$ 4,148,786	\$ 3,360,696	\$ 2,885,711	\$ 2,328,159	\$ 2,569,486	\$ 2,517,328	\$ 2,53
	\$ 7,719,116	\$ 7,392,428	\$ 6,604,545	\$ 1,979,956	\$ -	\$ -	\$ -	\$ -
es	\$ 14,125,918	\$ 12,340,659	\$ 10,805,707	\$ 5,714,229	\$ 3,125,323	\$ 3,653,600	\$ 3,921,726	\$ 4,38
s &								
ve of								
ation								
ation								
ly	\$ 9,655,989	\$ 8,556,168	\$ 6,393,571	\$ 3,820,198	\$ 1,944,754	\$ 2,345,895	\$ 1,871,238	\$ 2,17
e	\$ 3,326,506	\$ 2,757,319	\$ 2,560,755	\$ 1,855,283	\$ 1,829,947	\$ 2,360,254	\$ 2,308,426	\$ 2,38
ation								
ization	\$ 562,399	\$ 846,317	\$ 879,055	\$ 737,707	\$ 808,922	\$ 770,215	\$ 995,068	\$ 1,04
ment	\$ 66,757	\$ -	\$ 7,406	\$ 58,046	\$ -	\$ -	\$ -	\$ -
ng								
	\$ 514,267	\$ 180,855	\$ 964,920	\$ (757,005)	\$ (1,458,300)	\$ (1,822,764)	\$ (1,253,006)	\$ (1,23
e	\$ (142,804)	\$ (300,826)	\$ (113,000)	\$ (100,659)	\$ (73,623)	\$ (108,847)	\$ (168,010)	\$ (15
ment	\$ 919,528	\$ 1,446,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 36,185	\$ 8,109	\$ 32,407	\$ 40,183	\$ 4,288	\$ 13,267	\$ 141,037	\$ 2
ome								
Before								
nd								
y	\$ 1,327,176	\$ 1,335,076	\$ 884,327	\$ (817,481)	\$ (1,527,635)	\$ (1,918,344)	\$ (1,279,979)	\$ (1,36
Tax								
on	\$ 382,542	\$ 286,658	\$ 434,300	\$ 28,500	\$ -	\$ -	\$ -	\$ -

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y	\$	102,409	\$	137,755	\$	393,586	\$	18,417	\$	-	\$	-	\$	-	\$	-
ome	\$	842,225	\$	910,663	\$	56,441	\$	(864,398)	\$	(1,527,635)	\$	(1,918,344)	\$	(1,279,979)	\$	(1,360,000)
able to ns	\$	802,646	\$	846,649	\$	(47,221)	\$	(4,745,418)	\$	(1,674,439)	\$	(3,711,641)	\$	(1,400,453)	\$	(1,600,000)
er n																
able to n lders –	\$	0.08	\$	0.09	\$	0.00	\$	(0.56)	\$	(0.23)	\$	(.50)	\$	(.20)	\$	
er n																
able to n lders –	\$	0.08	\$	0.09	\$	0.00	\$	(0.56)	\$	(0.23)	\$	(.50)	\$	(.20)	\$	
ed																
ling –		9,634,174		9,561,718		9,499,469		8,497,734		7,415,629		7,356,413		7,093,071		7,000,000
ed																
ling –		9,865,287		9,796,685		9,499,469		8,497,734								