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DIAL THRU INTERNATIONAL CORP
Form 8-K
June 07, 2005

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): June 1, 2005

Dial Thru International Corporation

(Exact name of Registrant as specified in its charter)

Delaware	0-22636	75-2461665
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(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

17383 Sunset Boulevard, Suite 350
Los Angeles, California 90272

(Address of principal executive offices, including zip code)

(310) 566-1700

(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:

- Written communications pursuant to Rule 424 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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Item 1.01. Entry into a Material Definitive Agreement.

On June 1, 2005, the registrant amended the \$1,250,000 note payable agreement dated November 8, 2002, by and between the registrant and Global Capital Funding Group, L.P., a copy of which is attached hereto as Exhibit 10.1. The parties to the note payable agreement agreed to replace said agreement with a convertible note in the aggregate principal amount of \$1,250,000, a copy of which is attached hereto as Exhibit 4.1. This convertible note matures on February 29, 2008, and the interest rate due on the convertible note is 10.08%. The conversion price is equal to 80% of the average of the three (3) lowest volume weighted average sales prices as reported by Bloomberg L.P. during the twenty (20) trading days immediately preceding the date of the related notice of conversion. In addition, the registrant issued to the holder of the convertible note 100,000 shares of its common stock, and warrants to purchase 500,000 shares of its common stock at an exercise price of \$0.38 per share and 125,000 shares of its common stock at an exercise price of \$0.11 per share, both of which expire on June 1, 2010. Copies of these common stock purchase warrant agreements are attached hereto as Exhibits 4.2 and 4.3, respectively. In addition, interest of approximately \$350,000 due on the note payable at the time of the restructuring of this debt was converted to a non-interest bearing note payable maturing on March 30, 2007, a copy of which is attached hereto as Exhibit 4.4.

On June 1, 2005, the registrant also amended a \$550,000 convertible debenture dated January 28, 2002, by and between the registrant and GCA Strategic Investment Fund Limited, a copy of which is attached hereto as Exhibit 10.2. This convertible debenture was amended to extend the maturity date from November 8, 2004 to November 26, 2005. In consideration for this amendment, the registrant issued to the holder of this convertible debenture, 100,000 shares of its common stock, and warrants to purchase 150,000 shares of its common stock at an exercise price of \$0.38 per share and 110,000 shares of its common stock at an exercise price of \$0.11 per share, both of which expire on June 1, 2010. Copies of these common stock purchase warrant agreements are attached hereto as Exhibits 4.5 and 4.6, respectively.

On June 1, 2005, the registrant also amended a \$574,597 convertible debenture dated January 3, 2004, by and between the registrant and GCA Strategic Investment Fund Limited, a copy of which is attached hereto as Exhibit 10.3. This convertible debenture was amended to extend the maturity date from November 8, 2004 to November 26, 2006. In consideration for this amendment, the registrant issued to the holder of this convertible debenture, 40,000 shares of its common stock, and warrants to purchase 150,000 shares of its common stock at an exercise price of \$0.38 per share. A copy of this common stock purchase warrant agreement is attached hereto as Exhibit 4.7.

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

The disclosure set forth in Item 1.01 is incorporated by reference in this Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

The common stock and warrants described in Item 1.01 were issued in a private placement transaction made in reliance upon exemptions from registration pursuant to Section 4(2) of the Securities Act of 1933.

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Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number -----	Description of Document -----
4.1	Secured Promissory Note dated June 1, 2005 between Dial Thru International Corporation and Global Capital Funding Group, L.P.
4.2	Common Stock Purchase Warrant dated June 1, 2005 between Dial Thru International Corporation and Global Capital Funding Group, L.P.
4.3	Common Stock Purchase Warrant dated June 1, 2005 between Dial Thru International Corporation and Global Capital Funding Group, L.P.
4.4	Secured Promissory Note dated June 1, 2005 between Dial Thru International Corporation and Global Capital Funding Group, L.P.
4.5	Common Stock Purchase Warrant dated June 1, 2005 between Dial Thru International Corporation and GCA Strategic investment Fund Limited
4.6	Common Stock Purchase Warrant dated June 1, 2005 between Dial Thru International Corporation and GCA Strategic investment Fund Limited
4.7	Common Stock Purchase Warrant dated June 1, 2005 between Dial Thru International Corporation and GCA Strategic investment Fund Limited
10.1	Amendment Number 1 to Securities Purchase Agreement dated June 1, 2005 between Dial Thru International Corporation and Global Capital Funding Group, L.P.
10.2	Amendment Number 1 to Securities Purchase Agreement dated June 1, 2005 between Dial Thru International Corporation and GCA Strategic investment Fund Limited
10.3	Amendment Number 1 to Securities Purchase Agreement dated June 1, 2005 between Dial Thru International Corporation and GCA Strategic investment Fund Limited

SIGNATURES

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

Dial Thru International Corporation

Date: June 7, 2005

By: /s/ Allen Sciarillo

Allen Sciarillo
Chief Financial Officer, Secretary,
(Principal Accounting Officer and
Principal Financial Officer) and
Director