ULTRAPAR HOLDINGS INC
Form 6-K
July 01, 2010
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Form 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report Of Foreign Private Issuer

Pursuant To Rule 13a-16 Or 15d-16 Of

The Securities Exchange Act Of 1934

For the month of July, 2010

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.

(Translation of Registrant s Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ¨ No x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ¨ No x

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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ULTRAPAR HOLDINGS INC.

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ITEM
1. Filing of 2009 Form 20-F annual report

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ULTRAPAR ANNOUNCES FILING OF ITS 2009 FORM 20-F

São Paulo, Brazil, June 30, 2010 ULTRAPAR PARTICIPAÇÕES S.A. (BM&FBOVESPA:UGPA4/NYSE:UGP) (Ultrapar), a company engaged in the fuel distribution (Ultragaz/Ipiranga), chemicals (Oxiteno), and storage for liquid bulk (Ultracargo) businesses, hereby informs that, in accordance with its reporting obligations, it filed its 2009 Form 20-F annual report today with the U.S. Securities and Exchange Commission (SEC). The annual report is available for download at the company s website www.ultra.com.br, Investor Relations link and a hard copy of the complete audited financial statements can be obtained, free of charge, upon request by e-mail (invest@ultra.com.br) to Ultrapar s Investor Relations Department.

André Covre

Chief Financial and Investor Relations Office

Ultrapar Participações S.A.

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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, thereunto duly authorized.

Date: July 1, 2010

ULTRAPAR HOLDINGS INC.

By: /s/ André Covre
Name: André Covre
Title: Chief Financial and Investor Relations Officer

(Filing of 2009 Form 20-F annual report)

E: 7pt; FONT-FAMILY: times new roman"> 1.25

1/2/2016

David Ekman

100(8) - - 7.50
8/28/2011
- - - - 40,000(9) - - 6.75
4/27/2015
- - - - (10) 50,000 1.85
4/1/2017

James L. Mandel

100(11) - - 7.50
8/28/2011
- - - - 60,000(12) - - 7.50
1/8/2013
- - - - 20,000(13) - - 7.25
6/18/2014
- - - - 120,000(14) - - 7.35
1/6/2015
- - - - 34,625(15) - 103,875 1.25
1/2/2016
- - - - -(16) - 84,375 2.00
1/5/2017
- - - - -(17) - - 28,125 56 56,250 113 -(18) - - 60,000 114 60,000 114 59,211(19) - - 1.90
2/10/2017
- - - -

Henry Block

-(20) - 25,000 1.85
4/1/2017
- - - -

Kent Whitney

-(21) - 100,000 1.85
4/1/2017
- - - -

(1) The stock option was granted January 31, 2001 and is fully vested.

(2) The stock option was granted August 28, 2001 and is fully vested.

(3) The stock option was granted January 8, 2003 and is fully vested.

(4) The stock option was granted April 23, 2004 and is fully vested.

(5) The stock option was granted June 18, 2004 and is fully vested.

(6) The stock option was granted January 6, 2005 and is fully vested.

(7) The stock option was granted January 2, 2009 and is subject to the continued service of the executive officer, the option shall vest with respect to 1/4 on the first anniversary of the grant, 1/4 on the second anniversary of the grant, 1/4 on the third anniversary of the grant, and the remainder on the fourth anniversary of the grant.

(8) The stock option was granted August 28, 2001 and is fully vested.

(9) The stock option was granted April 27, 2005 and is fully vested.

(10) The stock option was granted April 1, 2010 and is subject to the continued service of the executive officer, the option shall vest with respect to 1/3 on the first anniversary of the grant, 1/3 on the second anniversary of the grant, and the remainder on the third anniversary of the grant.

(11) The stock option was granted August 28, 2001 and is fully vested.

(12) The stock option was granted January 8, 2003 and is fully vested.

(13) The stock option was granted June 18, 2004 and is fully vested.

(14) The stock option was granted January 6, 2005 and is fully vested.

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(15) The stock option was granted January 2, 2009 and is subject to the continued service of the executive officer, the option shall vest with respect to 1/4 on the first anniversary of the grant, 1/4 on the second anniversary of the grant, 1/4 on the third anniversary of the grant, and the remainder on the fourth anniversary of the grant.

(16) The stock option was granted January 5, 2010 and is subject to the continued service of the executive officer, the option shall vest with respect to 1/4 on the first anniversary of the grant, 1/4 on the second anniversary of the grant, 1/4 on the third anniversary of the grant, and the remainder on the fourth anniversary of the grant.

(17) The restricted stock grant was granted January 5, 2010 and is subject to the continued service of the executive officer, the restricted stock grant shall vest with respect to 1/3 on the first anniversary of the grant, 1/3 on the second anniversary of the grant, and the remainder on the third anniversary of the grant.

(18) The restricted stock grant was granted January 11, 2010 and is subject to the continued service of the executive officer, the restricted stock grant shall vest with respect to 1/2 on the first anniversary of the grant, and the remainder on the second anniversary of the grant.

(19) The stock option was granted February 10, 2010 and is fully vested.

(20) The stock option was granted April 1, 2010 and is subject to the continued service of the executive officer, the option shall vest with respect to 1/3 on the first anniversary of the grant, 1/3 on the second anniversary of the grant, and the remainder on the third anniversary of the grant.

(21) The stock option was granted April 1, 2010 and is subject to the continued service of the executive officer, the option shall vest with respect to 1/3 on the first anniversary of the grant, 1/3 on the second anniversary of the grant, and the remainder on the third anniversary of the grant.

Option Exercises and Stock Vested

None of our named Executive Officers exercised any options in 2010.

Employment Agreements and Other Compensation and Long-Term Incentive Plans (in thousands)

The Company has no deferred compensation plans or long-term incentive plans and issued no long-term incentive awards during 2010.

The Company also has an employment agreement, from May 2011 to December 2014, with James L. Mandel, Chief Executive Officer, the terms of which involve an annual base salary of $525 and a $300 signing bonus, to be paid out over the next three years. Also, Mr. Mandel is eligible for an annual performance bonus based on an objective criteria established by the Company's compensation committee for up to 100% of his base salary. Mr. Mandel's job responsibilities involve developing company business plans, developing expansion and growth opportunities and directing other executive officers. If a change in control in the Company occurs as defined in the agreement, Mr. Mandel's earned compensation under the Agreement becomes accelerated.

The Company has an employment agreement with Mr. Steven Bell, General Counsel and Chief Financial Officer, for the term beginning May 2011 and expiring December 2014. Mr. Bell's compensation is not directly tied to the Company's performance. The agreement states the annual base salary for Mr. Bell will be $315 per year, with a $100 signing bonus, to be paid out in January 2012. Also, Mr. Bell is eligible for an annual performance bonus based on an objective criteria established by the Company's CEO for up to 50% of his base salary. Other key provisions of the contract include an agreement by Mr. Bell to keep confidential information secret both during and after employment by the Company and covenants not to compete with the Company for one year from the date of termination of employment. If a change in control in the Company occurs as defined in the agreement, Mr. Bell's earned compensation under the Agreement becomes accelerated.

The Company maintains key man life insurance policies on the lives of James Mandel and Steven Bell in the amounts of $5,000 and $3,000, respectively. The Company is the beneficiary of these policies. The Company also maintains a key man life insurance policy in the amount of $1,000 on the life of Steven Bell. . The Company is the beneficiary of this policy and has adopted a plan to pay fifty percent of all life insurance proceeds to the spouse or surviving children of Mr. Bell.

Report of the Compensation Committee
April 6, 2011
To the Board of Directors of Multiband Corporation:

We have reviewed and discussed with management the Company's Compensation Discussion and Analysis. Based on this review and these discussions, we recommend to the Board of Directors that the Compensation Discussion and Analysis be included in Multiband Corporation's Annual Report on Form 10-K.

THE COMPENSATION COMMITTEE

Eugene Harris, Chairman
Jonathan Dodge
Donald Miller

Risk Assessment of our Compensation Policies and Practices

The Compensation Committee, with the assistance of management, has reviewed the Company's compensation policies and programs for all employees for the purpose of assessing the risks associated with compensation. After that review, the Compensation Committee determined that the Company's compensation policies and programs do not create risks that are reasonably likely to have a material adverse effect on the Company.

Compensation Committee Interlocks and Insider Participation

During 2010, the Compensation Committee was composed of Mr. Harris, Chairman, Mr. Dodge and Mr. Miller. None of the Company's executive officers served during the year ended December 31, 2010 as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity whose executive officers served on our Board of Directors or Compensation Committee.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors, and persons who beneficially own more than 10% of the Company's common stock to file reports of ownership and changes in ownership with the SEC. These persons are required to provide us with copies of all Section 16(a) reports that they file. Based solely upon a review these reports and written representations from our directors and executive officers, we believe that our directors, executive officers and 10% owners complied with all Section 16(a) filing requirements applicable to them during the year ended December 31, 2010.

Preferred Stock
This section describes the general terms and provisions of our preferred stock. A certificate of designation that contains the terms of each class or series of preferred stock has been filed with the State of Minnesota and the SEC each time we issued a new class or series of preferred stock. Each certificate of designation establishes the number of shares included in a designated class or series and fixes the designation, powers, privileges, preferences and rights of the shares of each class or series as well as any applicable qualifications, limitations or restrictions.

Our board of directors has been authorized to provide for the issuance of various series of preferred stock without the approval of shareholders. With respect to each class or series of our preferred stock, our board of directors has the authority to fix the following terms, among others:

- the designation of the series;
- the number of shares within the series;
- whether dividends are cumulative and, if cumulative, the dates from which dividends are cumulative;
- the rate of any dividends, any conditions upon which dividends are payable, and the dates of payment of dividends;
- whether interests in the shares of preferred stock will be represented by depositary shares;
- whether the shares are redeemable, the redemption price and the terms of redemption;
- the amount payable for each share if we dissolve or liquidate;
- whether the shares are convertible or exchangeable, the price or rate of conversion or exchange, and the applicable terms and conditions;
- any restrictions on issuance of shares in the same series or any other series;
- voting rights applicable to the series of preferred stock; and
- any other rights, priorities, preferences, restrictions or limitations of such series.

Holders of shares of preferred stock will be subordinate to the rights of our general creditors. Shares of our preferred stock that we issue in accordance with their terms will be fully paid and non-accessible, and will not be entitled to preemptive rights unless specified in the applicable certificate of designation.

The following chart summarizes certain terms of our outstanding preferred stock as of June 30, 2011. The certificate of designation for each series should be carefully reviewed to determine exact rights and preferences of each class (in thousands, except share and liquidation preference amounts).

Class/Series	Date of Issuance	Shares Out-standing (1)	Annual Dividend Rate	Ratio of Shares issued upon conversion (2)	Present Total Number of Shares Issuable Upon Conversion	Liquidation Preference	Redeemable by Company
A	12/98	12,696	8% payable quarterly	1 share	12,696	$ 141,170	Yes (4)
C	6/00	112,000	10% payable quarterly	.40 share	44,800	1,120,000	Yes (5)
F	6/04	150,000	10% payable quarterly	1 share	150,000	1,500,000	Yes (5)
G	9/04	10,000	8% payable quarterly	1.25 shares	12,500	100,000	—
H	11/04	1	6% payable semi-annually (3)	$ 5.00/share	20,000	115,000	Yes (6)(7)
					239,996		

(1) All preferred stock is non-voting.

(2) Preferred shares are convertible at any time. Figures are adjusted for a 1-for-5 reverse stock split of the Company's common stock, effective August 7, 2007.

(3) Dividends payable in common stock at a fixed rate of $1.00 per share.

(4) Redeemable at $10.50 per share in accordance with the terms and conditions of the preferred stock certificate of designation.

(5) Redeemable at $10.00 per share whenever the Company's common stock price exceeds certain defined criteria and other terms and conditions of the preferred stock certificate of designation.

(6) Redeemable at $100,000 per share in accordance with the terms and conditions of the preferred stock certificate of designation.

(7) Redeemable at option of holder in accordance with the terms and conditions of the preferred stock certificate of designation.

The single Class F shareholder, at its sole discretion pursuant to a put option, can force the Company to redeem up to 50,000 Class F Preferred Shares (the equivalent of $500 worth). This has been redeemed already. Class H shareholders have the right to convert all or a portion of preferred shares upon the occurrence of a major transaction or triggering event as defined in the agreement and Multiband has the sole option to pay the redemption price in cash or shares of the Company's common stock. Classes G have no redemption "call" price. Upon Multiband's call for redemption, the holders of the preferred stock called for redemption will have the option to convert each share of preferred stock into shares of common stock until the close of business on the date fixed for redemption, unless extended by Multiband in its sole discretion. Preferred stock not converted would be redeemed.

Our ability to issue preferred stock, or rights to purchase such shares, could discourage an unsolicited acquisition proposal. For example, we could impede a business combination by issuing a series of preferred stock containing, among other rights and preferences, class voting rights that would enable the holders of such preferred stock to block a business combination transaction. Alternatively, we could facilitate a business combination transaction by issuing a series of preferred stock having sufficient voting rights to provide a required percentage vote of the shareholders. Additionally, under certain circumstances, our issuance of preferred stock could adversely affect the voting power of the holders of our common stock. Although our board of directors is required to make any determination to issue any preferred stock based on its judgment as to the best interests of our shareholders, our board of directors could act in a manner that would discourage an acquisition attempt or other transaction that some, or a majority, of our shareholders might believe to be in their best interests or in which shareholders might receive a premium for their stock over prevailing market prices of such stock. Our board of directors does not at present intend to seek shareholder approval prior to any issuance of currently authorized stock, unless otherwise required by law or applicable stock exchange requirements.

Related Party Transactions (in thousands, except shares and per share amounts)

On September 1, 2009, the Company entered into an unsecured short term promissory note in the amount of $800 with J. Basil Mattingly, Vice President of Business Development of the Company. The balance at both March 31, 2011 and December 31, 2010 was $115, and at December 31, 2009 was $745. The note carries an interest rate of 4% per annum and payment of its remaining balance as of December 31, 2010 was extended to June 30, 2011 at which time it was paid in full.

On January 2, 2009, the Company entered into a promissory note (DTHC Note) in the amount of $40,200 with DTHC, due January 1, 2013, bearing interest at an annual rate of 8.25% (subject to adjustment in the event of a default). The note was subsequently adjusted by $6,344 for an offsetting receivable which was on the Company's books as of December 31, 2008. This reduced the amount of this promissory note to $33,856. The Company has the right to offset a portion of certain claims against the note to DTHC once those claims are resolved. During the years ended December 31, 2010 and 2009, respectively, the Company offset $408 and $4,000 of its claims against the outstanding balance. During the three months ended March 31, 2011, the Company offset $350 of its claims against the outstanding balance. The balance as of March 31, 2011 was $29,100. The balance as of December 31, 2010 and 2009 was $29,449 and $29,856, respectively, (see Notes 2 and 15 to our audited consolidated financial statements for further discussion). The note is secured by the stock and assets of all of the DTHC operating entities. On January 2, 2009, the Company also entered into a short-term non-interest bearing note of $500 which has been paid as of June 30, 2011. The Company has a receivable due from a DTHC with no defined terms. The balance of this receivable was $518 at March 31, 2011, and at December 31, 2010 and 2009, respectively. This receivable has been paid as of June 30, 2011.

In connection with the purchase of the operating subsidiaries of DTHC, the Company has the right to offset a portion of certain claims against the note to DTHC. The Company has recorded receivables of $38 at March 31, 2011 and $352 and $1,011 at December 31, 2010 and 2009, respectively, which represent estimates of the amounts that will be recovered from DTHC including legal fees for the remaining litigation.

Proceeds for the Company's acquisition of US Install Inc. completed in February 2008 were obtained via an unsecured promissory note in the amount of $100 between the Company and Bas Mattingly Master, LLC, a trust controlled by J. Basil Mattingly, Vice President of Business Development of the Company. The balance of this note was paid in full as of March 31 2011, and was $50 and $100 at December 31, 2010 and 2009, respectively. The note carried an interest rate of 7% per annum.

On April 15, 2009, the Company entered into an unsecured short term promissory note in the amount of $1,500 with director Frank Bennett. The note carried an interest rate of 6% with a 1% origination fee totaling $15, and was due May 15, 2009. On May 4, 2009, the note was extended until June 15, 2009. On June 15, 2009, the note was extended until June 14, 2011. In 2009, the Company issued 155,000 shares of preferred series E stock in exchange for $50 cash and the conversion of a $1,500 promissory note to director Frank Bennett. The Company paid $65 and $57 of preferred stock dividends to director Frank Bennett in the three months ended March 31, 2011 and 2010, respectively. The Company has paid $269 and $54 of preferred stock dividends to this director in the years ended December 31, 2010 and 2009, respectively. Payment has been in the form of cash, common stock and warrants.

The Company paid $23 and $20 of preferred series E stock dividends to director Eugene Harris in the three months ended March 31, 2011 and 2010, respectively. Payment has been in the form of cash and warrants. In 2009, the Company issued 55,000 shares of preferred series E stock for $550 cash to director Eugene Harris. In the years ended December 31, 2010 and 2009, respectively, the Company paid $94 and $19 of preferred stock dividends to this director. Payment has been in the form of cash and warrants.

In 2010, the Company redeemed 5,000 shares of preferred series E stock for $50 cash to director Eugene Harris. In June 2011, the Company redeemed all remaining shares of preferred series E stock for $500 from Mr. Harris.

In 2010, the Company redeemed 10,000 shares of preferred series E stock for $100 cash to director Frank Bennett. In June 2011, the Company redeemed all remaining shares of preferred series E stock for $1,450 from Mr. Bennett.
On May 26, 2009, the Company entered into a separate short-term loan with director Frank Bennett in the amount of $1,400. This loan was paid in full on May 28, 2009. The terms of the loan were approved by the disinterested members of the Company's audit committee.

The above transactions were approved by the disinterested members of the Company's audit committee.

Multiband and its subsidiaries lease principal offices located at 2000 44th Street SW, Fargo, ND 58013. The Fargo base rate is $18 per month. The Fargo property is owned in part by David Ekman, Chief Information Officer of the Company.

2008 Transactions with DTHC

In 2008, Multiband and DTHC performed certain management and information systems functions for one another pursuant to management consulting and employee leasing agreements. These agreements terminated concurrent with the Company's purchase of the former DTHC operating entities (Note 2 to our audited consolidated financial statements for further discussion). During the year ended December 31, 2008, the Company received a selling, general and administrative expense credit of $1,285 due to the reimbursement of direct expenses in relation to these management consulting agreements.

Prior to the purchase of certain of the operating subsidiaries of DTHC on January 2, 2009, the Company provided support center services to a then DirecTECH MDU (DTMDU) subsidiary of DTHC, currently Multiband MDU, Incorporated (MBMDU). The Company recorded MDU segment revenue of $416 from DTMDU for the year ended December 31, 2008. DTMDU was also one of the system operators in the MDU segment during 2008. The Company recorded MDU segment revenue of $2,917 and cost of products and services of $2,895 for the year ended December 31, 2008 related to this system operator.

In 2008, the Company earned a performance bonus as part of the aforementioned management consulting agreement with DTHC of $1,447 which was paid via reduction of the debt incurred in the acquisition of MMT (see Note 2 to our audited consolidated financial statements for further discussion). The Company recorded this consulting income as part of other income and expense on the statement of operations because the income does not constitute the entity's ongoing major or central operations. The consulting income was not a reimbursement of direct expenses.

During 2008 and 2009, the Company acquired the operating subsidiaries of DTHC in three stages: (1) on March 1, 2008, it acquired a 51% interest in Michigan Microtech, Inc. from DTHC, (2) on January 2, 2009, the Company acquired an additional 29% interest in Michigan Microtech, Inc. and an 80% interest in the other operating subsidiaries of DTHC, and (3) on December 17, 2009 the Company acquired the remaining 20% interest in the operating subsidiaries of DTHC (see Note 2 to our audited consolidated financial statements for further discussion).

The following table is a condensed statement of operations for the year ended December 31, 2008, which presents the proforma financial results for the Company excluding all 2008 transactions with DTHC (unaudited, in thousands):

	Multiband Corporation (as filed)	Less: DTHC Related (unaudited)	Proforma (unaudited)
Revenues	$ 42,986	$ (3,333)	$ 39,653
Cost of products and services (exclusive of depreciation and amortization)	28,426	(2,895)	25,531
Selling, general and administrative	10,500	750	11,250
Management consulting income	2,366	(2,366)	—

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The Company also had receivable balances with various DTHC entities at December 31, 2008 of $7,666. Of this amount, $5,844 was subsequently offset in the first quarter of 2009 against the purchase price note used to acquire majority ownership of the operating subsidiaries of DTHC (Note 2 to our audited consolidated financial statements for further discussion).

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Equity Compensation Plan Information

The following table provides information as of December 31, 2010 about the Company's equity compensation plans.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	3,080,261	$ 2.66	16,919,739
Equity compensation plans not approved by security holders (1)	422,444	$ 4.03	0
TOTAL	3,502,705	$ 5.19	16,919,739

(1) The Company's Board has the authority to grant options and warrants to purchase shares of the Company's common stock outside of any equity compensation plans approved by security holders.

2. RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANTS (in thousands)

The Audit Committee of the Company selected Baker Tilly Virchow Krause, LLP, independent registered public accounting firm with offices in Minneapolis, Minnesota, to audit the Company's consolidated financial statements for the years ended December 31, 2010, 2009 and 2008. The following table details the fees paid to Baker Tilly Virchow Krause, LLP, for the years ended December 31, 2010 and 2009.

	2010	2009
Audit Fees	$ 327	$ 362
Audit-Related Fees	-	24(1)
Tax Fees	-	2
Total	$ 327	$ 388

(1) Fees related to accounting required for the acquisition of DirecTECH operating entities.

The Company's Audit committee consists of Frank Bennett, Eugene Harris and Donald Miller. All three are considered audit committee financial experts independent from management. The Company's current audit committee charter has been filed previously as exhibit 3.5. The audit committee is responsible for engaging the independent registered public accounting firm and fees related to their services.

The policy of the Company's audit committee is to review and pre-approve both audit and non-audit services to be provided by the independent registered public accounting firm (other than with de minimis exceptions permitted by the Sarbanes-Oxley Act of 2002). This duty may be delegated to one or more designated members of the audit committee with such approval reported to the committee at its next regularly scheduled meeting. Approval of non-audit services shall be disclosed to investors in periodic reports required by section 13(a) of the Securities Exchange Act of 1934. Approximately 100% of the fees paid to Baker Tilly Virchow Krause, LLP, were pre-approved by the audit committee.

No services in connection with appraisal or valuations services, fairness opinions or contribution-in-kind reports were rendered by Baker Tilly Virchow Krause, LLP. Furthermore, no work of Baker Tilly Virchow Krause, LLP, with respect to its services rendered to the Company was performed by anyone other than Baker Tilly Virchow Krause, LLP.

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Performance Graph

The following performance graph compares cumulative total shareholder returns on the Company's common stock over the last five fiscal years, ended December 31, 2010, with The NASDAQ Stock Market (U.S. Companies) Index and other leading industry indices, assuming initial investment of $100 at the beginning of the period and the reinvestment of all dividends.

COMPARISON OF FIVE YEAR – CUMULATIVE TOTAL RETURNS
PERFORMANCE GRAPH FOR
MULTIBAND CORPORATION
PREPARED BY THE RESEARCH DATAGROUP, INC.

MULTIBAND CORPORATION

	12/05	12/06	12/07	12/08	12/09	12/10
Multiband Corporation	100.00	47.50	45.17	19.83	33.33	47.33
NASDAQ Composite	100.00	112.29	124.12	73.89	107.17	125.79
Russell 2000	100.00	118.37	116.51	77.15	98.11	124.46
NASDAQ Telecommunications	100.00	131.62	147.08	84.80	117.24	127.95
S&P Telecommunication Services	100.00	136.81	153.14	106.45	115.95	137.94

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6. OTHER MATTERS

The management of the Company is unaware of any other matters that are to be presented for action at the meeting. Should any other matter come before the meeting, however, the persons named in the enclosed proxy will have discretionary authority to vote all proxies with respect to such matter in accordance with their judgment.

Where you can find more information

You can read this proxy statement, form of proxy and our annual report on Form 10K and all our other filings with the SEC over the Internet at the SEC's website at www.sec.gov. Copies of the proxy statement and annual report Form 10K can also be found at our website which is http://www.multibandusa.com/investorRelations.asp. You may request copies of the filing either a hard copy mailing or electronic mailing, at no cost, by telephone at (763) 504-3000, or via electronic mail to steve.bell@multibandusa.com or by mail at Multiband Corporation, 9449 Science Center Drive, New Hope, Minnesota 55428 or via our website at www.multibandusa.com contact IR section, no later than August 10, 2011. You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. If you wish to be able to attend the meeting and vote in person please telephone us at 763-504-3000 for further direction.

Shareholders Proposals for the Annual Meeting in the Year 2012

Proposals of shareholders of the Company intended to be presented by such shareholders at the Company's 2012 Annual Meeting of Shareholders must be received by the Company no later than December 30, 2011, in order that they may be considered for inclusion in the proxy statement and form of proxy relating to that meeting.

Also, if a shareholder proposal intended to be presented at the 2012 Annual Meeting but not included in the Company's proxy statement and proxy is received by the Company after March 15, 2012, then management named in the Company's proxy form for the 2012 Annual Meeting will have discretionary authority to vote shares represented by such proxies on the shareholder proposal, if presented at the meeting, without including information about the proposal in the Company's proxy materials.

Date: July 20, 2011 By Order of the
Board of Directors

Steven M. Bell
Secretary

MULTIBAND CORPORATION
PROXY FOR ANNUAL MEETING OF SHAREHOLDERS, AUGUST 17, 2011

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. It will be voted on the matters set forth on this form as directed by the shareholder, but if no direction is made in the space provided, it will be voted FOR the election of all nominees to the Board of Directors, and FOR the ratification of all proposals submitted herewith to Multiband shareholders.

The undersigned, a shareholder of Multiband Corporation (the Company) hereby appoints James Mandel and Steven Bell, and each of them individually, as proxies, with full power of substitution, to vote on behalf of the undersigned the number of shares the undersigned is then entitled to vote, at the Annual Meeting of the Shareholders of Multiband Corporation to be held at 9449 Science Center Drive, New Hope, MN 55428 on August 17, 2011 at 3:00 p.m., and any adjournments or postponements thereof upon matters set forth below, with all the powers which the undersigned would possess if personally present.

Mark, sign and date your proxy card and return it in the postage-paid envelope provided or return it to Multiband Corporation, c/o Steven Bell, 9449 Science Center Drive, New Hope, Minnesota 55428.

1. Election of Directors: o For all nominees listed below (except as marked to the contrary below)

01	Steven Bell	02	Frank Bennett	03	Jonathan Dodge
04	Eugene Harris	05	James Mandel	06	Donald Miller
07	Peter Pitsch				

(INSTRUCTIONS: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDICATED NOMINEE WRITE THE NUMBER(S) OF THE NOMINEE(S) IN THE SPACE PROVIDED.)
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2. To ratify the election of Baker Tilly Virchow Krause, LLP, independent registered public accounting firm of the Company for Fiscal Year 2010. o For o Against o Abstain

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF ALL PROPOSALS CONTAINED IN THIS PROXY.

Address Change? Mark Box o
Indicate changes below:

The undersigned hereby revokes all previous proxies relating to the shares covered hereby and acknowledge receipt of the Notice and Proxy Statement relating to the Annual Meeting.

Dated: , 2011

Signature(s) in Box
SHAREHOLDERS MUST SIGN EXACTLY AS THE NAME APPEARS AT LEFT, WHEN SIGNED AS A CORPORATE OFFICER, EXECUTOR ADMINISTRATOR, TRUSTEE, OR GUARDIAN, ETC. PLEASE GIVE FULL TITLE, AS SUCH. BOTH JOINT TENANTS MUST SIGN.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 17, 2011

The following materials, also included with this Notice, are available for view on the Internet at http://www.multibandusa.com/investorRelations.asp

- :Proxy Statement for the Annual Meeting of Shareholders
- Annual Report to Shareholders, including Form 10-K, for the year end December 31, 2010.

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