

Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

NEXTGEN COMMUNICATIONS CORP  
Form 10QSB  
May 15, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2002

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-22388  
-----

NEXTGEN COMMUNICATIONS CORPORATION

-----  
(Name of Small Business Issuer in Its charter)

Delaware

99-0273889

-----  
(State or Other Jurisdiction of  
Incorporation or Organization)

-----  
(IRS Employer  
Identification No.)

11850 Jones Road, Houston, Texas

77070

-----  
(Address of Principal Executive Offices)

-----  
(Zip Code)

(281) 970-9859

-----  
(Issuer's Telephone Number, Including Area Code)

-----  
(Former Name, Former Address and Former  
Fiscal Year, if Changed Since Last Report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No  
--- ---

The number of shares outstanding of the registrant's common stock, \$.001 par value per share, as of April 30, 2002, was 9,271,882 shares.

Transitional Small Business Disclosure Format: Yes No X  
-----

Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

PART I  
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

NEXTGEN COMMUNICATIONS CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(In thousands)

	March 31, 2002	December 31, 2001
	-----	-----
	(unaudited)	
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,014	\$ 2,210
Accounts receivable, net of allowance for doubtful accounts of \$30	--	639
Costs and earnings in excess of billings	--	226
Note receivable - current portion	326	353
Inventory	--	50
Other current assets	39	41
	-----	-----
Total current assets	1,379	3,519
Restricted cash	--	167
Note receivable, long-term portion	2,019	1,049
Property and equipment, net of accumulated depreciation of \$4 and \$73	127	470
Goodwill, net of accumulated amortization of \$0 and \$44	--	3,465
Other assets	--	2
	-----	-----
TOTAL ASSETS	\$ 3,525	\$ 8,672
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 519	\$ 1,851
Billings in excess of costs	--	220
Due to affiliate	1,370	1,370
Deferred revenue	--	63
Notes payable - current portion	--	5
Note payable - stockholder - current portion	--	208
Other current liabilities	27	6
	-----	-----
Total current liabilities	1,916	3,723
Long-term debt - stockholder	--	133
Long-term debt - others	58	11
	-----	-----
Total liabilities	1,974	3,867

Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

Stockholders' equity		
Common stock, \$.001 par value, 50,000 shares authorized 9,271 shares issued and outstanding	9	11
Additional paid-in capital	23,892	26,393
Notes receivable	(125)	--
Accumulated deficit	(22,225)	(21,599)
Total stockholders' equity	1,551	4,805
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,525	\$ 8,672

The accompanying notes are an integral part of these financial statements.

1

NEXTGEN COMMUNICATIONS CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share amounts)  
(Unaudited)

	Three Months ended March 31,	
	2002	2001
Revenue	\$ 253	\$ 30
Cost of revenue	157	--
Gross profit	96	30
Selling, general and administrative expenses	640	301
	(544)	(271)
Loss on sale of asset	(105)	--
Interest income	23	53
Loss before income taxes	(626)	(218)
Income taxes	--	--
Net loss	\$ (626)	\$ (218)
Net loss per share	\$ (0.06)	\$ (0.02)
Weighted average number of common shares outstanding	10,245,211	8,763,978

=====

The accompanying notes are an integral part of these financial statements.

2

NEXTGEN COMMUNICATIONS CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED MARCH 31, 2002 AND 2001  
(In thousands)  
(Unaudited)

	2002	2001
	-----	-----
Net cash used in operating activities, net of effects of business acquired	\$ (638)	\$ (150)
Cash flow from investing activities:		
Divestiture of cash	(197)	--
Purchase of machinery and equipment	(135)	--
	-----	-----
Net cash used in investing activities	(332)	--
Cash flow from financing activities:		
Net payments on notes receivable	57	124
Net advances on capital leases and long-term debt	(283)	--
	-----	-----
Net cash (used in) provided by financing activities	(226)	124
	-----	-----
Net decrease in cash	(1,196)	(26)
Cash, beginning of period	2,210	33
	-----	-----
Cash, end of period	\$ 1,014	\$ 7
	=====	=====

The accompanying notes are an integral part of these financial statements.

3

NEXTGEN COMMUNICATIONS CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002  
(In thousands, except for per share amounts)

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

### NOTE 1 - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Company Description and Nature of Operations

Nextgen Communications Corporation (together with its wholly-owned subsidiaries, the "Company" or "Nextgen") provided comprehensive network development services and components for the communications industry during the majority of the first quarter of 2002. The Company divested the subsidiary that conducted such operations in February 2002 (see Note 3). The Company has recently announced a new strategy, and is currently pursuing the acquisition of communications towers throughout the United States. The Company's corporate headquarters are based in Houston, Texas.

The accompanying unaudited interim consolidated financial statements have been prepared by the Company in accordance with generally accepted accounting principles and Regulation S-B, as promulgated by the Securities and Exchange Commission. Certain information and footnote disclosures normally included in audited financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Accordingly, these interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and related notes as contained in the Company's annual report on Form 10-KSB for the year ended December 31, 2001. In the opinion of management, the interim consolidated financial statements reflect all adjustments, including normal recurring adjustments, necessary for fair presentation of the interim periods presented. The results of operations for the three months ended March 31, 2002 are not necessarily indicative of results of operations to be expected for the full year.

On July 31, 2001, the Company filed a restated certificate of incorporation, thereby changing its name from U S Industrial Services, Inc. to Nextgen Communications Corporation. The restated certificate of incorporation also increased the authorized shares of the Company's common stock from 25,000 to 50,000, and decreased the par value of the Company's common and preferred stock from \$0.01 to \$0.001.

From September 29, 2000 to June 29, 2001, the Company had no significant operations. Prior to September 29, 2000, the Company operated as a multi-state service company, specializing in industrial cleaning services, including soil and groundwater remediation, hazardous material management and clean-up, asbestos abatement and lead hazard removal services.

### NOTE 2 - NOTE RECEIVABLE

The Company holds a note receivable from Spruce McIntyre Holding Corp. ("Spruce"), resulting from the Company's sale of certain assets to Spruce in September 2000. Principal payments were due in three installments beginning June 15, 2001. The note was modified on April 30, 2001 in a new principal amount of \$1,420, representing the outstanding principal balance of the original note on that date. The modified note bears an interest rate of 7.75% and matures on July 1, 2005. Payments of interest only were required through November 1, 2001, and 44 equal monthly payments of principal and interest of \$37 commenced on December 1, 2001. Outstanding principal at March 31, 2002, and December 31, 2001, was \$1,345 and \$1,402, respectively. The note is secured by the assets that the Company sold to Spruce.

The Company also holds a note receivable from Point to Point of

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

Louisiana, Inc. The principal amount of such note was \$1,000 on March 31, 2002. The terms of this promissory note and the details of the transaction in which it was received by the Company are set forth in Note 3 below.

4

NEXTGEN COMMUNICATIONS CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002  
(In thousands, except for per share amounts)

### NOTE 3 - BUSINESS COMBINATIONS AND DISPOSITIONS

#### Acquisition and Disposition of Point To Point Network Services, Inc.

On June 29, 2001, the Company acquired Point To Point Network Services, Inc. ("Point To Point"), based in Methuen, Massachusetts. Point To Point was a provider of fixed communications networking design and build-out services, such as voice, data, and video, to the communications industry. Consideration paid was 2,000 shares of the Company's common stock, valued at \$2,914, and cash of \$678, for an aggregate consideration of \$3,592. The Company also incurred direct costs related to the acquisition of \$189, for a total purchase price of \$3,781.

On February 22, 2002, the Company sold all of the shares of Point To Point that it owned to Point to Point of Louisiana, Inc., a Louisiana corporation (the "Buyer"). The purchase price for the 1 share of outstanding common stock of Point to Point (the "Shares") that the Buyer acquired from the Company was \$1,000, which the Buyer paid by issuing a Secured Promissory Note (the "Note") to the Company. The Note bears interest at 6.5% per annum, and requires a payment of accrued interest on February 22, 2003, and a payment of accrued interest and \$100 of principal on February 22, 2004, and all remaining principal and interest accrued thereon on February 22, 2005. The Note is secured by the Shares, pursuant to a Stock Pledge Agreement dated February 22, 2002. Richard W. Lancaster, a former director of the Company, serves as the President of the Buyer.

#### Settlement Agreement

A Settlement Agreement and Mutual Release of Claims (the "Release") was entered effective as of February 20, 2002, by and among Point To Point, the Company, and W. Michael Sullivan ("Sullivan"), a stockholder of the Company and former employee and stockholder of Point To Point. The Release settled certain disputes among the parties related to the Company's acquisition of Point To Point from Sullivan on June 29, 2001, and the termination of Sullivan's employment with Point To Point on November 1, 2001. Pursuant to the Release, Sullivan received approximately \$464 cash, comprised of approximately \$107 as severance for the termination of his employment with Point To Point, and approximately \$357 as payment in full of a promissory note issued by Point To Point to Sullivan on June 29, 2001. Also, approximately \$42 of liabilities of Point To Point that Sullivan had personally guaranteed were paid off in full. The Release required Sullivan to transfer 1,800 of his 2,000 shares of the Company's common stock back to the Company, and gave the Company the right to repurchase the 200

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

shares retained by Sullivan, at a purchase price of \$5.00 per share, until June 29, 2002. The Company has returned the 1,800 shares of common stock repurchased from Sullivan to its authorized, but unissued, shares.

### Letters of Intent

In March 2002, the Company entered into three letters of intent to acquire 229 communications towers for an aggregate purchase price of \$51.2 million. These acquisitions are contingent upon the occurrence of various events and conditions.

5

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

### OVERVIEW

Nextgen Communications Corporation ("we," "us," "Nextgen," or the "Company") is a Delaware corporation that was incorporated in 1998. Our growth strategy, developed in 2001, is to acquire communications towers and lease space on them to wireless carriers such as personal communications services, cellular, paging, microwave and specialized mobile radio, enhanced specialized mobile radio, wireless data transmission, radio and television broadcasting. Currently, we have entered into three non-binding letters of intent to acquire an aggregate of 229 towers, and we are in discussions to acquire additional towers. We plan to aggressively consolidate ownership of communications sites in purchase transactions with both wireless carriers and independent owners, and then increase our tenancy on these towers by allocating dedicated resources to selling antennae space on these towers. As a result of the recent downturn in the telecommunications industry, we believe that Nextgen is well positioned to further consolidate this market at attractive purchase prices based on multiples of tower cash flow. While we believe that we have the resources and potential financing sources, and favorable market conditions, to implement our proposed acquisition strategy, Nextgen has not acquired any towers to date.

### GROWTH STRATEGY

Our growth strategy is to capitalize on the rapid development of the wireless telecommunications market. The growth factors increasing demand for wireless communications, and subsequently, increasing the demand for antennae locations, are:

- o Technological advances in wireless communications service
- o Decreased cost per minute of wireless communications
- o Increased mobility
- o Greater awareness of the need for wireless services
- o New data applications
- o Issuance of new wireless network licenses

As competition in the wireless telecommunications market intensifies, we believe many wireless carriers will desire to preserve their capital and will continue the current trend of selling and leasing back their communications towers. By doing this, wireless carriers can:

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

- o Spend capital on activities that directly increase their subscriber base
- o Co-locate transmission facilities when available versus building their own infrastructure
- o Focus on core business activities

We will cater to these wireless carriers by offering to purchase their communications towers and lease them back to the carriers for terms of up to ten years. Also, such an arrangement with the carrier would only require us to provide access to space on our towers, and would not be dependent upon the type of technology the carrier uses.

This growth strategy is financially oriented, as opposed to geographically oriented, as we seek to acquire communications towers at favorable purchase prices. We gauge the value of communications towers primarily by considering their current tower cash flow, location, and opportunities to add new tenants. Tower cash flow is calculated by subtracting from gross tenant revenues the direct expenses associated with operating a tower, such as ground lease payment, utilities, real estate taxes, insurance and maintenance. Ultimately, our focus is to acquire multi-tenant towers, with underutilized capacity, in markets that we believe will be attractive to wireless carriers seeking to build out their networks.

### CURRENT LETTERS OF INTENT TO ACQUIRE TOWERS

186-Tower Portfolio: In March 2002, we entered into a letter of intent to acquire 186 communications towers from a regional wireless carrier. The purchase price for these towers is \$40.0 million, of which \$30.0 million is payable in cash, and \$10.0 million through the issuance of our subordinated promissory note. We intend to finance a substantial portion of the cash required to close this purchase by issuing senior debt collateralized by the towers and their tower cash flow. These 186 towers generated approximately \$4,000,000 in tower cash flow in 2001, on a pro forma basis, which yields a

6

purchase price of approximately ten times annual tower cash flow.

28-Tower Portfolio: In March 2002, we entered into a letter of intent to acquire 28 communications towers from a regional wireless carrier. The purchase price for these towers is \$5.6 million, of which \$4.2 million is payable in cash, and \$1.4 million through the issuance of our subordinated promissory note. We intend to finance a substantial portion of the cash required to close this purchase by issuing senior debt collateralized by the towers and their tower cash flow. These 28 towers generated approximately \$840,000 in tower cash flow in 2001, on a pro forma basis, which yields a purchase price of approximately seven times annual tower cash flow.

15-Tower Portfolio: In March 2002, we entered into a letter of intent to acquire 15 communications towers from a regional independent tower owner. The purchase price for these towers is \$5.6 million cash, a substantial portion of which we intend to finance by issuing senior debt collateralized by the towers and their tower cash flow. These 15 towers generated approximately \$1.2 million tower cash flow in 2001, on a pro forma basis, which yields a purchase price of approximately five times annual tower cash flow.



## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

The proposed acquisitions discussed above are subject to the satisfactory completion of our due diligence review, and the successful negotiation and execution of definitive purchase and loan agreements, which will contain numerous conditions to closing. There can be no assurance that we will be able to consummate these transactions.

We will continue to actively pursue the acquisition of additional communications towers as we proceed with our growth strategy. Our ability to acquire towers will be dependent upon, among other factors, our ability to obtain outside financing and the continuation of the current market conditions that have created attractive purchase prices for towers.

### COMPARISON OF FIRST QUARTER 2002 RESULTS OF OPERATIONS TO FIRST QUARTER 2001

On September 29, 2000, the Company sold certain subsidiaries that had operated within the industrial services sector. The Company had no operations from the date of such sale until it acquired Point To Point on June 29, 2001. The Company divested Point To Point on February 22, 2002. Therefore, comparisons between the results of operations for the first quarter of 2002 to the first quarter of 2001 would not be informative.

### LIQUIDITY AND CAPITAL RESOURCES

The Company's existing capital resources as of March 31, 2002, consisted of cash and notes totaling \$3,300. The Company believes that the cash currently on hand and the cash expected to be received as payments on promissory notes owed to the Company would be sufficient throughout the next twelve months to finance the Company's working capital needs and any remaining obligations from the Company's divested operations. Implementation of the Company's strategic plan of acquiring communications towers will require additional capital, however.

### RISKS ASSOCIATED WITH FORWARD-LOOKING STATEMENT INCLUDED IN THIS FORM 10-QSB

This Form 10-QSB contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. These statements include the plans and objectives of management for future operations, including plans and objectives relating to the Company's tower acquisition strategy and availability of capital to fund such strategy. The forward-looking statements included herein are based on current expectations that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, regulatory framework, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. We refer you to the section entitled "Trends, Risks and Uncertainties" in Item 6 of Part II of our annual report on Form 10-KSB for the year ended December 31, 2001, for a list of specific factors that could cause actual results to differ materially from those indicated by our forward-looking statements made herein and presented elsewhere by management. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Form 10-QSB will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved. Furthermore, we do not undertake any obligation to update forward-looking statements made herein.

### PART II OTHER INFORMATION

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

### ITEM 1. LEGAL PROCEEDINGS.

The nature and scope of our business operations bring us into regular contact with the general public, a variety of businesses and government agencies. These activities inherently subject us to potential litigation, which we defend in the normal course of business. At March 31, 2002, there were various claims and disputes incidental to the business. The Company believes that the disposition of all such claims and disputes, individually or in the aggregate, should not have a material adverse affect upon our financial position, results of operations or cash flows. As of March 31, 2002, the Company has not been named as a responsible party for any environmental issues under the Federal Superfund Law.

7

### ITEM 2. CHANGES IN SECURITIES.

During the first quarter of 2002, the Company issued the following shares of its common stock without registration under the Securities Act of 1933, as amended (the "Securities Act"):

1. On February 1, 2002, in connection with his employment as Chief Financial Officer, R. Andrew White purchased 50,000 shares of the Company's common stock for \$1.25 per share, for which he gave the Company a promissory note in the principal amount of \$62,500, which was secured by 100,000 shares of the Company's common stock owned by Mr. White.
2. On March 31, 2002, the Company issued 50,000 shares to a former director of the Company pursuant to his exercise of certain stock options.

The above issuances were unregistered, as the Company was relying on the exemption from registration contained in Section 4(2) of the Securities Act, and Regulation D promulgated thereunder, on the basis that such transactions did not involve a public offering of securities.

Additionally, the Company returned 1,800,000 shares of its common stock to the Company's authorized but unissued shares, effective as of February 20, 2002. The Company reacquired such shares pursuant to a Settlement Agreement and Mutual Release of Claims, effective as of February 20, 2002, by and among Point To Point, the Company, and W. Michael Sullivan.

8

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

#### (a) Exhibits

- 2.1 Stock Purchase and Note Assignment Agreement, dated as of September 29, 2000, between Spruce MacIntyre Holding Corp., P.W. Stephens Environmental, Inc., P.W. Stephens Contractors, Inc., P.W. Stephens Services, Inc., P.W. Stephens Northwest, Inc. and U.S. Industrial Services, Inc. (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on February

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

20, 2001, and incorporated herein by reference).

- 2.2 Reorganization Agreement and Plan of Merger, effective as of June 29, 2001, by and among U S Industrial Services, Inc., a Delaware corporation, Point To Point Network Services, Inc., a Massachusetts corporation, and W. Michael Sullivan (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 19, 2001, and incorporated herein by reference).
- 2.3 Agreement for Sale of Shares, dated as of February 22, 2002, between Nextgen Communications Corporation, a Delaware corporation, and Point to Point of Louisiana, Inc., a Louisiana corporation (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.4 First Amendment to Agreement for Sale of Shares, executed to be effective as of February 22, 2002, by and between Nextgen Communications Corporation and Point to Point of Louisiana, Inc. (filed as Exhibit 2.2 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.5 Secured Promissory Note, dated February 22, 2002, issued by Point to Point of Louisiana to Nextgen Communications Corporation. (filed as Exhibit 2.3 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.6 First Amendment to Secured Promissory Note, executed to be effective as of February 22, 2002, by and between Point to Point of Louisiana, Inc. and Nextgen Communications Corporation (filed as Exhibit 2.4 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.7 Stock Pledge Agreement, executed to be effective as of February 22, 2002, by and between Point to Point of Louisiana, Inc. and Nextgen Communications Corporation (filed as Exhibit 2.5 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.8 Settlement Agreement and Mutual Release of Claims, executed to be effective as of February 20, 2002, by and among Point To Point Network Services, Inc., Nextgen Communications Corporation, and W. Michael Sullivan (filed as Exhibit 2.6 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.9 Repurchase Option Agreement, executed to be effective as of February 20, 2002, by and between Nextgen Communications Corporation and W. Michael Sullivan (filed as Exhibit 2.7 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 3.1 Certificate of Incorporation of the Company, as restated on July 31, 2001 (filed as Exhibit A to the Company's Information Statement on Schedule 14C filed on July 9, 2001, and incorporated herein by reference).
- 3.2 Bylaws of the Company, as amended on April 2, 2001 (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-QSB

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

for the quarter ended June 30, 2001, and incorporated herein by reference).

- 10.1\* 1998 Stock Option Plan (filed as Exhibit 4.1 to the Company's Annual Report on Form 10-KSB for the year ended September 30, 1998, and incorporated herein by reference).
- 10.2 Promissory Notes in principal amounts of \$3,490,000 and \$1,000,000, respectively, issued to ATNAM Enterprises, Inc. by Kenny Industrial Services, L.L.C. (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 2001, and incorporated herein by reference).
- 10.3\* 2001 Stock Plan (filed as Exhibit B to the Company's Information Statement on Schedule 14C filed on July 9, 2001, and incorporated herein by reference).
- 10.4 Note Modification Agreement dated April 30, 2001, by and between Spruce MacIntyre Holding Corp. and U S Industrial Services, Inc. (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001, and incorporated herein by reference).
- 10.5\* Employment Agreement by and between Frank J. Fradella and U S Industrial Services, Inc., dated April 2, 2001. (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001, and incorporated herein by reference).
- 10.6\* Registration Rights Agreement by and between Frank J. Fradella and U S Industrial Services, Inc., dated April 2, 2001. (filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001, and incorporated herein by reference).
- 10.7\* Stock Option Agreement executed December 27, 2001, to be effective as of October 3, 2000, by and between Frank J. Fradella and Nextgen Communications Corporation (filed as Exhibit 2 to Amendment No. 3 to Schedule 13D of Frank J. Fradella filed on January 3, 2002, and incorporated herein by reference).
- 10.8\* Stock Option Agreement by and between R. Andrew White and Nextgen Communications Corporation, dated February 1, 2002.+
- 10.9\* Employment Agreement by and between R. Andrew White and Nextgen Communications Corporation, dated March 1, 2002.+

\* Denotes a management contract or compensatory plan or arrangement.

+ Filed herewith.

(b) Reports on Form 8-K

The Company filed a Current Report on Form 8-K on March 19, 2002, for an event as of February 22, 2002, to report the Company's sale of Point to Point and Settlement Agreement and Release of Claims with W. Michael Sullivan.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEXTGEN COMMUNICATIONS CORPORATION

Dated: May 15, 2002

By: /s/ FRANK J. FRADELLA

-----  
 Frank J. Fradella  
 President and Chief Executive Officer

Dated: May 15, 2002

By: /s/ R. ANDREW WHITE

-----  
 R. Andrew White  
 Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
2.1	Stock Purchase and Note Assignment Agreement, dated as of September 29, 2000, between Spruce MacIntyre Holding Corp., P.W. Stephens Environmental, Inc., P.W. Stephens Contractors, Inc., P.W. Stephens Services, Inc., P.W. Stephens Northwest, Inc. and U.S. Industrial Services, Inc. (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on February 20, 2001, and incorporated herein by reference).
2.2	Reorganization Agreement and Plan of Merger, effective as of June 29, 2001, by and among U S Industrial Services, Inc., a Delaware corporation, Point To Point Network Services, Inc., a Massachusetts corporation, and W. Michael Sullivan (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 19, 2001, and incorporated herein by reference).
2.3	Agreement for Sale of Shares, dated as of February 22, 2002, between Nextgen Communications Corporation, a Delaware corporation, and Point to Point of Louisiana, Inc., a Louisiana corporation (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

- 2.4 First Amendment to Agreement for Sale of Shares, executed to be effective as of February 22, 2002, by and between Nextgen Communications Corporation and Point to Point of Louisiana, Inc. (filed as Exhibit 2.2 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.5 Secured Promissory Note, dated February 22, 2002, issued by Point to Point of Louisiana to Nextgen Communications Corporation. (filed as Exhibit 2.3 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.6 First Amendment to Secured Promissory Note, executed to be effective as of February 22, 2002, by and between Point to Point of Louisiana, Inc. and Nextgen Communications Corporation (filed as Exhibit 2.4 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.7 Stock Pledge Agreement, executed to be effective as of February 22, 2002, by and between Point to Point of Louisiana, Inc. and Nextgen Communications Corporation (filed as Exhibit 2.5 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.8 Settlement Agreement and Mutual Release of Claims, executed to be effective as of February 20, 2002, by and among Point To Point Network Services, Inc., Nextgen Communications Corporation, and W. Michael Sullivan (filed as Exhibit 2.6 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 2.9 Repurchase Option Agreement, executed to be effective as of February 20, 2002, by and between Nextgen Communications Corporation and W. Michael Sullivan (filed as Exhibit 2.7 to the Company's Current Report on Form 8-K filed on March 19, 2002, and incorporated herein by reference).
- 3.1 Certificate of Incorporation of the Company, as restated on July 31, 2001 (filed as Exhibit A to the Company's Information Statement on Schedule 14C filed on July 9, 2001, and incorporated herein by reference).
- 3.2 Bylaws of the Company, as amended on April 2, 2001 (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001, and incorporated herein by reference).
- 10.1\* 1998 Stock Option Plan (filed as Exhibit 4.1 to the Company's Annual Report on Form 10-KSB for the year ended September 30, 1998, and incorporated herein by reference).
- 10.2 Promissory Notes in principal amounts of \$3,490,000 and \$1,000,000, respectively, issued to ATNAM Enterprises, Inc. by Kenny Industrial Services, L.L.C. (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-QSB for the quarter ended March 31, 2001, and incorporated herein by reference).
- 10.3\* 2001 Stock Plan (filed as Exhibit B to the Company's Information Statement on Schedule 14C filed on July 9, 2001, and incorporated herein by reference).

## Edgar Filing: NEXTGEN COMMUNICATIONS CORP - Form 10QSB

- 10.4 Note Modification Agreement dated April 30, 2001, by and between Spruce MacIntyre Holding Corp. and U S Industrial Services, Inc. (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001, and incorporated herein by reference).
- 10.5\* Employment Agreement by and between Frank J. Fradella and U S Industrial Services, Inc., dated April 2, 2001. (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001, and incorporated herein by reference).
- 10.6\* Registration Rights Agreement by and between Frank J. Fradella and U S Industrial Services, Inc., dated April 2, 2001. (filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001, and incorporated herein by reference).
- 10.7\* Stock Option Agreement executed December 27, 2001, to be effective as of October 3, 2000, by and between Frank J. Fradella and Nextgen Communications Corporation (filed as Exhibit 2 to Amendment No. 3 to Schedule 13D of Frank J. Fradella filed on January 3, 2002, and incorporated herein by reference).
- 10.8\* Stock Option Agreement by and between R. Andrew White and Nextgen Communications Corporation, dated February 1, 2002.+
- 10.9\* Employment Agreement by and between R. Andrew White and Nextgen Communications Corporation, dated March 1, 2002.+

\* Denotes a management contract or compensatory plan or arrangement.

+ Filed herewith.