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GLOBETEL COMMUNICATIONS CORP
Form 8-K
August 12, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K
Current Report
Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

July 30, 2004

GLOBETEL COMMUNICATIONS CORP.

(Exact name of registrant as specified in its charter)

| | | |
|--|---|---|
| Delaware ----- (State or other jurisdiction of incorporation) | 0-23532 ----- (Commission File Number) | 88-0292161 ----- (I.R.S. Employer Identification Number) |
|--|---|---|

| | |
|---|---------------------|
| 9050 Pines Blvd., Suite 110 Pembroke Pines, FL (Address of principal executive offices) | 33024 (Zip Code) |
|---|---------------------|

(954) 241-0590
(Registrant's telephone number including area code)

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE

On July 30, 2004, Globetel Communications Corp. (GlobeTel) filed with the Delaware Secretary of State, three Certificates of Designation, designating three new series of Preferred Shares, Series B, C and D.

Series B Preferred Shares have been authorized in the amount of 35,000 shares. The shares have the following rights and attributes:

1. Liquidation value: \$10.00 per share
2. Conversion Rights: Beginning on the first anniversary of the First Closing Date and for a period of two years thereafter, the Purchaser may convert (in whole or part) its Series B Preferred Stock into GLOBETEL common stock. The Series B Preferred Stock shall be convertible in at least 1,000 share increments. Each increment, at the time of conversion, will represent 1% of the issued and outstanding shares of GlobeTel common stock. On the third anniversary of the First Closing Date, all shares of Series B Preferred Stock owned by the Purchaser will automatically be converted into GlobeTel

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common stock (to the extent such shares have not been converted into common stock prior to this date).

3. Voting Rights: Provided that at least 85 % of the Series B Preferred Stock remains outstanding, the Holders of the Series B Preferred Stock, voting as a group, will have voting rights equal to 50% plus one share of GlobeTel's authorized shares of common stock for a period of three years from the date of the first issuance of Series B shares.

Series C Preferred Shares have been authorized in the amount of 5,000 shares. The shares have the following rights and attributes:

1. Liquidation value: \$10.00 per share
2. Conversion Rights: Convertible after one year from date of issuance into shares of Globetel Common Shares on the basis of 1,000 Series C shares shall equal 2% of the Common shares issued and outstanding at the time of conversion. All shares must be converted by the third anniversary of the date of first issuance of the shares or the shares shall automatically convert.
3. Voting Rights: The shares shall have voting rights equal to the number of common shares into which the preference shares may be converted at the time of any vote.

Series D Preferred Shares have been authorized in the amount of 5,000 shares. The shares have the following rights and attributes:

1. Liquidation Value: \$10.00 per share
2. Conversion Rights: : Convertible after two years from date of issuance into shares of Globetel Common Shares on the basis of 1,000 Series C shares shall equal 2% of the Common shares issued and outstanding at the time of conversion. All shares must be converted by the third anniversary of the date of first issuance of the shares or the shares shall automatically convert.
3. Voting Rights: The shares shall have voting rights equal to the number of common shares into which the preference shares may be converted at the time of any vote.

ITEM 7. EXHIBITS

Item No. Description

- 4.1 Certificate of Designation for Series B Preferred Shares
- 4.2 Certificate of Designation for Series C Preferred Shares
- 4.3 Certificate of Designation for Series D Preferred Shares

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

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GLOBETEL COMMUNICATIONS CORP.

August 3, 2004

By: /s/ Timothy Huff

Timothy Huff
Chief Executive Officer