

NETWORK INSTALLATION CORP
Form 4
January 26, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Dutchess Private Equities Fund, LP

2. Issuer Name and Ticker or Trading Symbol
NETWORK INSTALLATION CORP [NWKI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
312 STUART ST
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/24/2005

____ Director
____ Officer (give title below) Other (specify below)
See Note 1

BOSTON, MA 02116

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common | 01/24/2005 | | S | 130,769 D | \$ 2.115 4,294,311 | I | See Note (1) |
| Common | 01/25/2005 | | S | 34,074 D | \$ 2.095 4,294,311 | I | See Note (1) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| January 2005 102 Debenture | \$ 0 ⁽²⁾ | 01/21/2005 | | J ⁽³⁾ | \$ 60,000 | 01/21/2006 01/21/2010 | Common | \$ 60,000 |
| January 2005 102 Warrant | \$ 1.8 | 01/21/2005 | | J ⁽⁴⁾ | 60,000 | 01/21/2006 ⁽⁵⁾ 01/21/2010 | Common | 60,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|------------|
| | Director | 10% Owner | Officer | Other |
| Dutchess Private Equities Fund, LP 312 STUART ST BOSTON, MA 02116 | | | | See Note 1 |

Signatures

/s/ Douglas Leighton 01/26/2005

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Two of our directors, Michael Novielli, who is also our interim Chief Financial Officer, and Douglas Leighton, are the managing members of Dutchess Capital Management, LLC, which is the general partner to Dutchess Private Equities Fund, LP.
- (2) The debenture is convertible into common shares priced at the lower of 75% of the lowest closing bid of the common stock in the 15 trading days prior to conversion or 100% of the average closing bid prices of the common stock in the 15 trading days prior to closing.
- (3) Dutchess Private Equities Fund, LP purchased the debenture.
- (4) The Warrant was issued as an inducement for an investment.
- (5) The warrant is exercisable upon an effective registration statement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.