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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**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): May 17, 2005 (May 11, 2005)

**I-Sector Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of Incorporation)

**1-31949**  
(Commission File Number)

**76-0515249**  
(IRS Employer Identification No.)

**6401 Southwest Freeway**  
**Houston, Texas 77074**  
(Address of Registrant's principal executive offices)

**(713) 795-2000**  
(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 (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 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 14-d-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 240.14d-4(c))
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## Item 1.01 Entry into a Material Definitive Agreement

At the annual meeting of stockholders (the "Meeting") of I-Sector Corporation (the "Company") on May 11, 2005, the stockholders of the Company approved an amendment to the I-Sector Corporation Incentive Plan, as amended and restated (the "Plan"). This amendment to the Plan increases the number of shares reserved for issuance under the Plan from 2,023,103 shares of common stock to 2,273,103 shares of common stock. The amendment was previously approved by the board of directors of the Company (the "Board") at a meeting on April 11, 2005. A copy of the amendment to the Plan is attached as Exhibit 10.1 to this report.

## Item 8.01 Other Events

At the Meeting, the stockholders of the Company also voted to re-elect James H. Long, Donald R. Chadwick, John B. Cartwright and Cary M. Grossman to the Board.

Represented at the Meeting, either in person or by proxy, were 5,030,184 shares of the common stock of the Company, which constituted 92.22% of the 5,454,534 shares of common stock outstanding and eligible to vote on the record date for the Meeting, April 8, 2005.

The tabulations of the votes at the meeting are as follows:

### Election of Directors:

<u>Name of Nominee</u>	<u>Number of Votes Voted For</u>	<u>Number of Votes Withheld</u>
James H. Long	4,887,935	142,249
Donald R. Chadwick	4,887,435	142,749
Cary M. Grossman	4,966,234	63,950
John B. Cartwright	4,954,343	75,841

### Amendment to the Incentive Plan:

	<u>Number of Votes Voted For</u>	<u>Number of Votes Voted Against</u>	<u>Number of Votes Withheld</u>	<u>Broker Non-Vote</u>
Amend the Incentive Plan	2,684,131	205,283	13,885	2,126,885

## Item 9.01 Financials Statements and Exhibits

### (c) Exhibits

Exhibit No.	Description
10.1	Third Amendment to I-Sector Corporation Incentive Plan

SIGNATURE

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 hereunto duly authorized.

Date: May 17, 2005

I-SECTOR CORPORATION

/s/ Brian Fontana

Brian Fontana  
Chief Financial Officer

## **INDEX TO EXHIBITS**

Exhibit No.	Description
10.1	Third Amendment to I-Sector Corporation Incentive Plan

**Third Amendment to the  
I-SECTOR CORP. INCENTIVE PLAN  
(As Amended and Restated Effective July 28, 2003)**

**WHEREAS**, the I-Sector Corp. Incentive Plan as amended and restated effective July 28, 2003, (the “Plan”) was adopted by the Board of Directors of I-Sector Corp. and approved by shareholders on July 28, 2003; and

**WHEREAS**, under Section 7.7 of the Plan the Board has the authority to amend the Plan subject to certain shareholder approval requirements; and

**WHEREAS**, the Board has authorized this third amendment of the Plan subject to stockholder approval as provided herein.

**NOW THEREFORE**, the Plan is hereby amended as follows:

Section 1.4 shall be amended in its entirety to read as follows:

**1.4 Shares of Common Stock Available for Incentive Awards**

Subject to adjustment under Section 6.5, there shall be available for Incentive Awards that are granted wholly or partly in Common Stock (including rights or Options that may be exercised for or settled in Common Stock) 2,273,103 Shares of Common Stock. The total number of Shares reserved for issuance under the Plan (pursuant to the previous sentence) shall be available for any one of the following types of grants: Incentive Stock Options, Nonstatutory Stock Options, SAR, Restricted Stock, a payment of a Performance Share in Shares, a payout of a Performance Unit in Shares, a payout of an Other Stock-Based Award in Shares described in Section 5 which includes, without limitation, Deferred Stock, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, other rights convertible into Shares, Incentive Awards valued by reference to the value of securities of or the performance of a specified Subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or any Parent or Subsidiary. The number of Shares of Common Stock that are the subject of Incentive Awards under this Plan, that are forfeited or terminated, expire unexercised, are settled in cash in lieu of Common Stock or in a manner such that all or some of the Shares covered by an Incentive Award are not issued to a Grantee or are exchanged for Incentive Awards that do not involve Common Stock, shall again immediately become available for Incentive Awards hereunder. The Committee may from time to time adopt and observe such procedures concerning the counting of Shares against the Plan maximum as it may deem appropriate. The Board and the appropriate officers of the Company shall from time to time take whatever actions are necessary to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that Shares are available for issuance pursuant to Incentive Awards.

During any period that the Company is a Publicly Held Corporation, then unless and until the Committee determines that a particular Incentive Award granted to a Covered Employee is not intended to comply with the Performance-Based Exception, the following rules shall apply to grants of Incentive Awards to Covered Employees:

(a) Subject to adjustment as provided in Section 6.5, the maximum aggregate number of Shares of Common Stock (including Stock Options, SARs, Restricted Stock, Performance Units and Performance Shares paid out in Shares, or Other Stock-Based Awards paid out in Shares) that may be granted or that may vest, as applicable, in any calendar year pursuant to any Incentive Award held by any individual Employee shall be 2,273,103 Shares.

(b) The maximum aggregate cash payout (including SARs, Performance Units and Performance Shares paid out in cash, or Other Stock-Based Awards paid out in cash) with respect to Incentive Awards granted in any calendar year which may be made to any individual Employee shall be Twenty Million dollars (\$20,000,000).

(c) With respect to any Stock Option or Stock Appreciation Right granted to a Covered Employee that is canceled or repriced, the number of Shares subject to such Stock Option or Stock Appreciation Right shall continue to count against the maximum number of Shares that may be the subject of Stock Options or Stock Appreciation Rights granted to such Employee hereunder to the extent such is required in accordance with Section 162(m) of the Code.

(d) The limitations of subsections (a), (b) and (c) above shall be construed and administered so as to comply with the Performance-Based Exception.

The Plan as amended hereby is effective on April 11, 2005, subject to approval of the stockholders of the Company within one year from April 11, 2005. Incentive Awards may be granted under the Plan pursuant to this amendment prior to the receipt of such stockholder approval; provided however, that if the requisite stockholder approval is not obtained then any such Incentive Awards granted hereunder shall automatically become null and void and have no force and effect.

**I-SECTOR CORP.**

By: /s/ JAMES H. LONG

James H. Long,  
Chairman of the Board  
and Chief Executive Officer