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**UNITED STATES  
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): October 3, 2005**

**I-SECTOR CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of Incorporation)

**1-31949**  
Commission file number

**76-0515249**  
(I.R.S. 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:

- 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 14d-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 240.13e-4(c))
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**Item 8.01 Other Events**

On August 15, 2005 the Company announced that approximately \$13.4 million of receivables related to the Company's performance of a project for the Dallas Independent School District were past due and that payment of such receivables was being further delayed due to circumstances outside the control of the Company. Through October 3, 2005, approximately \$6.3 million of such past due receivables have been paid.

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.

**I-SECTOR CORPORATION**

Date: October 3, 2005

By: /s/ Brian Fontana  
Brian Fontana  
Chief Financial Officer