

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: June 27, 2011

VISUALANT, INCORPORATED  
(Exact name of Registrant as specified in its charter)

Nevada  
(State or jurisdiction of incorporation)

0-25541  
(Commission File No.)

91-1948357  
(IRS Employer Identification No.)

500 Union Street, Suite 406  
Seattle, Washington 98101  
(206) 903-1351  
(Address of Registrant's principal executive office and telephone number)

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## Section 1 – Registrant's Business and Operations

### Item 1.01 – Entry into a Material Definitive Agreement

On June 28, 2011, the Company closed a Securities Purchase Agreement with Ascendant Capital Partners (“Ascendant”), LLC dated June 17, 2011, pursuant to which Ascendant agreed to purchase up to \$3,000,000 worth of shares of the Company’s common stock from time to time over a 24-month period, provided that certain conditions are met. The financing arrangement entered into by the Company and Ascendant is commonly referred to as an “equity line of credit” or an “equity drawdown facility.”

Under the terms of the Securities Purchase Agreement, Ascendant will not be obligated to purchase shares of the Company’s common stock unless and until certain conditions are met, including but not limited to the SEC declaring effective a Registration Statement (the “Registration Statement”) on Form S-1 and the Company maintaining an Effective Registration Statement which registers Ascendant’s resale of any shares purchased by it under the equity drawdown facility. The customary terms and conditions associated with Ascendant’s registration rights are set forth in a Registration Rights Agreement that was also entered into by the parties on June 17, 2011.

Once the registration is declared effective, the Company has the right to sell and issue to Ascendant, and Ascendant will be obligated to purchase from the Company, up to \$3,000,000 worth of shares of the Company’s common stock over a 24-month period beginning on such date (the “Commitment Period”). The Company will be entitled to sell such shares from time to time during the Commitment Period by delivering a draw down notice to Ascendant. In such draw down notices, the Company will be required to specify the dollar amount of shares that it intends to sell to Ascendant, which will be spread over a five-trading-day pricing period. For each draw, the Company will be required to deliver the shares sold to Ascendant by the second trading day following the pricing period. Ascendant is entitled to liquidated damages in connection with certain delays in the delivery of its shares.

The Securities Purchase Agreement also provides for the following terms and conditions:

- Purchase Price - 90% of the Company’s volume-weighted average price (“VWAP”) on each trading day during the five-trading-day pricing period, unless the lowest VWAP or closing bid price (“Market Price”) on the trading day before settlement is lower, in which case the Purchase Price shall be the Market Price less \$.01.
- Threshold Price – The Company may specify a price below which it will not sell shares during the applicable five-trading-day pricing period. If the VWAP falls below the threshold price on any day(s) during the pricing period, such day(s) will be removed from the pricing period (and Ascendant’s investment amount will be reduced by 1/5 for each such day).
- Maximum Draw - 20% of the Company’s total trading volume for the 10-trading-day period immediately preceding the applicable draw down, times the average VWAP during such period (but in no event more than \$100,000).
- Minimum Draw - None.
- Minimum Time Between Draw Down Pricing Periods - Three trading days.
- Minimum Use of Facility – The Company is not obligated to sell any shares of its common stock to Ascendant during the Commitment Period.
- Commitment Fees - 5% (\$150,000), payable in shares of Company common stock based on the following schedule: \$75,000 worth of restricted shares to be delivered at initial closing, \$25,000 worth of shares if and when the S-1 is declared effective, and \$25,000 worth of shares at 30 and 60 days).
- Other Fees and Expenses – \$7,500 payable in cash or shares of common stock.
- Indemnification - Ascendant is entitled to customary indemnification from the Company for any losses or liabilities it suffers as a result of any breach by the Company of any provisions of the Securities Purchase Agreement, or as a result of any lawsuit brought by any stockholder of the Company (except stockholders who are officers, directors or principal stockholders of the Company).

- Conditions to Ascendant's Obligation to Purchase Shares - Trading in the Company's common stock must not be suspended by the SEC or other applicable trading market; the Company must not have experienced a material adverse effect; all liquidated damages and other amounts owing to Ascendant must be paid in full; the Registration Statement must be effective with respect to Ascendant's resale of all shares purchased under the equity drawdown facility; there must be a sufficient number of authorized but unissued shares of the Company's common stock; and the issuance must not cause Ascendant to own more than 9.99% of the then outstanding shares of the Company's common stock.
- Termination - The Securities Purchase Agreement will terminate if the Company's common stock is not listed on one of several specified trading markets (which include the NYSE AMEX, OTC Bulletin Board and Pink Sheets, among others); if the Company files for protection from its creditors; or if the Registration Statement was not declared effective by the SEC by the date nine months following the date of the Securities Purchase Agreement. . The Company may terminate the Securities Purchase Agreement with five days' notice.

The Securities Purchase Agreement also contains certain representations and warranties of the Company and Ascendant, including customary investment-related representations provided by Ascendant, as well as acknowledgements by Ascendant that it has reviewed certain disclosures of the Company (including the periodic reports that the Company has filed with the SEC) and that the Company's issuance of the shares has not been registered with the SEC or qualified under any state securities laws. The Company provided customary representations regarding, among other things, its organization, capital structure, subsidiaries, disclosure reports, absence of certain legal or governmental proceedings, financial statements, tax matters, insurance matters, real property and other assets, and compliance with applicable laws and regulations. The Company's representations and warranties are qualified in their entirety (to the extent applicable) by the Company's disclosures in the reports it files with the SEC. The Company also delivered confidential disclosure schedules qualifying certain of its representations and warranties in connection with executing and delivering the Securities Purchase Agreement.

The shares to be issued by the Company to Ascendant under the Securities Purchase Agreement will be issued in private placements in reliance upon the exemption from the registration requirements set forth in the Securities Act provided for in Section 4(2) of the Securities Act, and the rules promulgated by the SEC thereunder.

The Company expects to issue up to 4,285,714 shares of common stock to be sold to Ascendant under a Securities Purchase Agreement dated June 17, 2011.

The above description is intended as summaries of the Security Purchase and Registration Rights Agreements, which were attached as exhibits to Form S-1 that was filed with the SEC on June 28, 2011 and are hereby incorporated by reference.

## **Section 2 – Financial Information**

### **Item 2.01 – Completion of Acquisition or Disposition of Assets.**

On January 24, 2011, the Company announced that it signed a letter of intent to Eagle Technologies USA ("Eagle") ([www.eagletechnologiesusa.com](http://www.eagletechnologiesusa.com)) of Brea, California.

On June 27, 2011, the Company announced that it signed a new letter of intent to Eagle.

Eagle, founded by card industry leaders Greg and Ryan Hawkins and Jeff Fulmer in 2008, has rapidly emerged as the premier provider of blank PVC and polyester composite cards to the identification market. Eagle will provide an immediate additional \$1 million in annual revenue to Visualant and is projected to grow to \$3 to \$4 million in revenues over the next two years as Eagle increases the range and technical sophistication of its product line.

With this acquisition, Visualant will continue with its strategic initiative to consolidate relevant security and authentication assets. At the same time, Visualant will provide Eagle and its management the human and capital resources necessary to rapidly accelerate its growth. Upon the closing of this acquisition, the Eagle team will continue to manage Eagle with full profit and loss responsibility.

Under the terms of the Letter of Intent, Eagle will be acquired for \$1 million, consisting of 1.2 million shares of restricted VSUL common stock valued at \$.4167 per share, the price during the period of the negotiations, and a promissory note in the amount of \$500,000 payable as follows:

- 1) \$150,000 will be paid in cash to Seller on the earlier of the one-year anniversary of the closing date of the Acquisition or upon the closing of more than Two Million Five Hundred Thousand in financing.
- 2) \$150,000 will be paid in cash to Seller on the earlier of the two-year anniversary of the closing date of the Acquisition or upon the closing of more than Five Million in aggregate financing since closing.
- 3) \$200,000 on the earlier of the third anniversary of closing date of the Acquisition or upon the closing of more than Seven Million Five Hundred Thousand in aggregate financing since closing.

The promissory note is collateralized by the stock and assets of Eagle until paid in full. In addition, consideration will be provided post closing to the ownership and senior management in Eagle in form of the creation of a bonus pool. The bonus pool will be comprised of one million shares of VSUL common stock which shall be escrowed at closing and released to Eagle ownership and management if they generate \$4 million in cash flow positive gross revenues within two years of closing of this transaction. The shares shall be distributed at the sole discretion of the ownership and senior management of Eagle.

The letter of intent is subject to (i) approval of the acquisition by the Board of Visualant and Eagle; (ii) completion of due diligence; and (iii) agreement to customary terms and conditions; and resolution of outstanding litigation. The acquisition is expected to close by August 30, 2011.

The above description of the Letter of Intent is only intended as summarize the Letter of Intent. The full Letter of Intent is attached as Exhibit 10.1.

**Item 9.01 – Financial Statements and Exhibits.**

(d) Exhibits –

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	Letter of Intent dated June 27, 2011 by and between Visualant, Inc. and Eagle Technologies USA.
10.2	Securities Purchase Agreement dated June 17, 2011 by and between Visualant, Inc. and Ascendant Capital Partners, LLC. (1)
10.3	Registration Rights Agreement dated June 17, 2011 by and between Visualant, Inc. and Ascendant Capital Partners, LLC. (1)

(1) Filed as an Exhibit to Form S-1 filed with the SEC on June 28, 2011 and hereby incorporated by reference.

## SIGNATURES

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.

Registrant: VISUALANT, INCORPORATED

By: /s/ Mark Scott  
Mark Scott, CFO

July 1, 2011

## Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Letter of Intent dated June 27, 2011 by and between Visualant, Inc. and Eagle Technologies USA.



June 27, 2011

Greg Hawkins, Jeff Fulmer & Ryan Hawkins  
Eagle Technologies USA  
595 Apollo Street  
Brea, CA 92821

**Re: Letter of Intent**

Dear Gentlemen:

The following represents a summary of the terms of our proposal regarding an acquisition by Visualant, Inc. ("Visualant" or "Company") or its wholly-owned subsidiary, TransTech Systems, Inc., of one hundred percent (100%) of the stock (on a fully-diluted basis) of Eagle Technologies USA ("ET"), a California corporation. This Letter of Intent ("Letter of Intent") sets forth the agreement of the parties to proceed promptly and in good faith to complete the terms of, and to execute, deliver and perform a Stock Purchase Agreement (the "Definitive Agreement").

This Letter of Intent shall expire on August 30, 2011 or until the parties enter into the Definitive Agreement, whichever occurs first, with an outside anticipated closing date of the transaction no later than thirty (30) days from the date the Definitive Agreement is executed by all parties or such other date for closing as is set forth in said Agreement. Upon written request to ET, Visualant shall be entitled to a 30-day extension of the expiration date of this Letter of Intent should any extension be necessary due to delays in completing the due diligence review pursuant to Section 5 below or in satisfying any of the conditions precedent in Section 4.

The transaction will be structured as follows:

1. Acquisition of Stock. Visualant or its wholly-owned subsidiary, TransTech Systems, Inc. will acquire from ET and/or its shareholders (collectively, the "Seller") one hundred percent (100%), on a fully-diluted basis, of all of the issued and outstanding shares of all classes of stock (the "Shares") of ET (the "Acquisition").

2. Consideration. As consideration for the Shares, Visualant will pay Seller a total of One Million U.S. Dollars (\$1,000,000), which shall be payable in a combination of promissory notes and common stock as follows:

(a) One Million Two Hundred Thousand (1,200,000) SEC Rule 144 restricted shares of Visualant common stock.

500 Union Street      Suite 406      Seattle, WA 98101

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(b) A promissory note in the amount of Five Hundred Thousand Dollars (\$500,000) payable as follows:

- 1) The sum of One Hundred and Fifty Thousand Dollars (\$150,000) will be paid in cash to Seller on the earlier of the one-year anniversary of the closing date of the Acquisition or upon the closing of more than Two Million Five Hundred Thousand in financing.
- 2) The sum of One Hundred and Fifty Thousand Dollars (\$150,000) will be paid in cash to Seller on the earlier of the two-year anniversary of the closing date of the Acquisition or upon the closing of more than Five Million in aggregate financing since closing.
- 3) The sum of Two Hundred Thousand Dollars (\$200,000) on the earlier of the third anniversary of closing date of the Acquisition or upon the closing of more than Seven Million Five Hundred Thousand in aggregate financing since closing.
- 4) The promissory note shall have a security interest on all stock and assets of ET until paid in full.

(c) The foregoing consideration shall be structured in the definitive agreement in such as way as to provide such favorable tax consequences for ET and its shareholder may desire or deem necessary.

3. Management of ET Post-Acquisition.

(a) ET will be operated as a separate division or wholly-owned subsidiary of TransTech, with separate profit and loss responsibilities. Designated management will have employment contracts with base compensation, bonus and benefits commensurate with their positions. In no event will their compensation be less than that received during the previous year pre-closing.

(b) ET management and employees will participate in the Visualant employees' stock option plan under terms and conditions to be established by management and the Board of Directors of Visualant. Designated senior managers of ET shall have employment contracts with the company which shall be executed at closing.

(c) Visualant shall provide an aggregate of Two Hundred and Fifty Thousand Dollars (\$250,000) funding post closing for operating purposes to expand the product lines of ET.

(d) Additional consideration will be provided posting closing to the ownership and senior management in ET in form of the creation of a bonus pool. The bonus pool will be comprised of One Million (1,000,000) shares of Visualant common stock which shall be escrowed at closing and released to ET ownership and management if they generate Four Million Dollars in cash flow positive gross revenues with two years of closing of this transaction which shares shall be distributed in a manner to be agreed upon at the sole discretion of the ownership and senior management of ET.

4. Conditions Precedent. As conditions precedent to the closing of the Acquisition, the following events must first have occurred or be satisfied:

( a ) Consent of Directors and Shareholders. The Board of Directors and the shareholders of Visualant and ET shall have approved and agreed to the acquisition of the Shares of ET by Visualant.

( b ) Third-Party Consents. To the extent required under the terms of any existing contracts, all third-party approvals and consents shall have been obtained to the sale of the Shares and the sale of a controlling interest in ET to Visualant.

( c ) Due Diligence Review. Visualant and its legal counsel shall have completed, to their satisfaction in their sole discretion, their due diligence review of ET and all of its properties and assets.

( d ) Litigation. Resolution of the now outstanding litigation between ET and Los Angeles Collections shall have been obtained and such resolution shall be acceptable to Visualant.

5. Due Diligence. ET and its shareholders agree to honor all reasonable requests of Visualant, its legal counsel, accountants and other agents, for information, materials and documents that relate to ET, its properties and assets. Visualant and its agents and representatives agree to preserve the confidentiality of all information, materials and documents provided to them. In that regard, ET and its shareholders agree that Visualant shall have full and complete access to the books, records, financial statements and other documents (including without limitation, articles of incorporation, bylaws, minutes, stock transfer books, material contracts, and tax returns) of ET as Visualant, its legal counsel and accountants, may deem reasonable or necessary to conduct an adequate due diligence investigation and review.

6. Good Faith Representation. This Letter of Intent is intended to set forth the basic terms and conditions of the parties with respect to the matters discussed. The parties agree that hereafter they shall promptly take all steps necessary to have their respective legal counsel prepare the final documentation necessary to effectuate their agreements. To the extent that any material issue is not resolved herein, the parties agree to promptly and in good faith resolve the same. Notwithstanding the lack of final documentation at this time, the parties agree to proceed at all possible speed to satisfy any conditions precedent to the completion of the intended Acquisition to all extents possible.

7. Confidentiality. The parties understand that it is possible certain of the conditions precedent may fail and that the intended transaction may not be completed, notwithstanding each party's good faith best efforts. Therefore, the parties agree that any information obtained from any other party pursuant to the negotiations leading to this Letter of Intent or hereafter until closing shall be deemed by each to be confidential trade and business secrets of each, and each party hereby warrants that it shall not disclose the same to any other person without the express prior written consent of the party from whom the information was obtained.



8 . Definitive Agreements. The parties intend that a Stock Purchase Agreement and any other necessary ancillary agreements (collectively, the "Definitive Agreements"), which will contain customary covenants, conditions, representations and warranties made as of the date of execution and as of the date of closing of the Acquisition, will be completed and executed by the parties at or prior to the time of closing.

9 . Lock-Up. The provisions of this Section 9 shall not be binding on ET until such time as the condition precedent set forth in Section 4(b) above has been satisfied or expressly waived by Visualant. Upon satisfaction or waiver of the condition precedent set forth in Section 4(b), and in consideration of the effort and expense to be incurred by Visualant in connection with its due diligence review and the proposed Acquisition, ET, its directors, officers and shareholders, jointly and severally, agree that for the period commencing on the date such condition precedent has been satisfied or waived and ending on the later of: (a) January 10, 2010, or (b) the date this Letter of Intent expires, including any extension hereof (the "lock-up period"), each of you will not in any way seek, on your own behalf or on behalf of others, to approach or involve other individuals or entities in this Acquisition except in cooperation and concert with the undersigned. Each of you further covenant and agree that during said lock-up period, you will not, either on your own behalf or on behalf of ET or the shareholders of ET: (a) discuss, entertain, consider, solicit or initiate any proposal (including any prior offer or solicitation) that contemplates the sale of ET or any of its assets, including but not limited to its intellectual property; or (b) negotiate or execute any contract, agreement or undertaking with any third party or entity that contemplates or provides for, either directly or indirectly, the sale of ET, or its assets; or (c) take any action which would materially alter the nature or extent of its assets, or otherwise render impossible the consummation of the transactions contemplated by this Letter of Intent.

10 . Conduct of Business. Until the closing of the Acquisition or the termination of this Letter of Intent, ET will conduct its business and operations in a manner consistent with past practices and will not engage in transactions outside the ordinary course of business.

11 . Expenses. The Company shall be solely responsible for paying the ET fees up to \$10,000 for legal counsel and accountants. ET and/or its shareholders will be responsible for any other expenses and any taxes due, if any, as a result of the stock sale contemplated herein.

12 . Binding Nature. Upon your approval and acceptance hereof, this Letter of Intent shall constitute a binding agreement to enter into the aforesaid Definitive Agreements, subject, however, to the satisfaction of the conditions precedent set forth in Section 4 above.

If you accept and agree to this Letter of Intent, please sign and date a copy of this letter and return it to the undersigned at 500 Union Street, Suite 406, Seattle, WA 98101, facsimile number (206) 903 1352.

Letter of Intent

Sincerely yours,

Visualant, Inc.

/s/ Ron Erickson  
Ron Erickson  
Its: Chairman

TransTech Systems, Inc.

/s/ Jim Gingo  
Jim Gingo  
Its: President

Agreed to and accepted on June 27, 2011

Eagle Technologies USA

/s/ Gregory Hawkins  
Gregory Hawkins  
Title: Managing Director