

**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 (Date of earliest event reported):
October 13, 2006

INTEGRATED ELECTRICAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-13783
(Commission
File Number)

76-0542208
(IRS Employer
Identification No.)

1800 West Loop South, Suite 500
Houston, Texas
(Address of principal
executive offices)

77027
(Zip Code)

Registrant's telephone number, including area code: (713) 860-1500

(Former name or former address, if changed since last report): Not applicable

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 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 1.01 Entry into a Material Definitive Agreement.

On October 13, 2006, Integrated Electrical Services, Inc. (the “Company”) entered into an amendment and waiver (the “Amendment”), to the Loan and Security Agreement, dated as of May 12, 2006 (the “Loan Agreement”), with Bank of America, N.A., as collateral and administrative agent, and the lenders party thereto. The Amendment amends the Loan Agreement to change the minimum amount of the Shutdown EBIT (as defined in the Loan Agreement) for the period of October 1, 2005 through September 30, 2006 from \$18,000,000 to \$21,000,000. The Amendment also provides a waiver of any violation of Section 9.3.2 of the Loan Agreement resulting from the failure of the Company to achieve the minimum Shutdown EBIT on the August 31, 2006 measurement date.

The foregoing description of the Amendment is qualified in its entirety by reference to the Amendment, which is incorporated herein by reference and attached hereto as Exhibit 10.1.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amendment and Waiver, dated as of October 13, 2006, to the Loan and Security Agreement, dated May 12, 2006, by and among Integrated Electrical Services, and its subsidiaries Inc., Bank of America, N.A. and the lenders party thereto

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.

INTEGRATED ELECTRICAL SERVICES, INC.

By: /s/ Curt L. Warnock
Curt L. Warnock
Senior Vice President and General Counsel

Date: October 19, 2006

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amendment and Waiver, dated as of October 13, 2006, to the Loan and Security Agreement, dated May 12, 2006, by and among Integrated Electrical Services, and its subsidiaries Inc., Bank of America, N.A. and the lenders party thereto

October 13, 2006

Integrated Electrical Services, Inc.
1800 West Loop South, Suite 500
Houston, Texas 77027
Attn: Chief Financial Officer

Re: Amendment to and Waiver regarding Section 9.3.2 of the Loan Agreement

Ladies and Gentlemen:

Reference is hereby made to that certain Loan and Security Agreement, dated as of May 12, 2006, by and among Integrated Electrical Services, Inc., a Delaware corporation ("Parent"), the other credit parties signatory thereto (the "Credit Parties"), the financial institutions from time to time party thereto (the "Lenders") and Bank of America, N.A., as collateral and administrative agent for the Lenders (in such capacity, "Agent") (as amended or otherwise modified from time to time, the "Loan Agreement"). Unless otherwise indicated, all terms used herein shall have the same meanings as in the Loan Agreement.

Parent, on behalf of itself and the other Credit Parties, has requested that Agent and Lenders agree that effective immediately that Section 9.3.2 of the Loan Agreement be amended so that the reference to the dollar amount "-- \$18,000,000" is deleted and substituted therefor is the dollar amount "--\$21,000,000".

Subject to the terms and conditions set forth herein, Agent and Lenders hereby agree to the above-described amendment to Section 9.3.2 of the Loan Agreement so that the reference to the dollar amount "-- \$18,000,000" is hereby deleted and substituted therefor is the dollar amount "-- \$21,000,000".

In addition, Parent, on behalf of itself and the other Credit Parties, has informed Agent and Lenders that Credit Parties have violated Section 9.3.2 of the Loan Agreement for the August 31, 2006 measurement date (covering the period from October 1, 2005 through August 31, 2006) because Shutdown EBIT for such period was less than the - \$17,000,000 amount required by the Loan Agreement, and has requested that Agent and Lenders waive this violation of Section 9.3.2 of the Loan Agreement.

Subject to the terms, conditions and provisions of this letter, each of Agent and Lenders hereby waives the above-described violation of Section 9.3.2 of the Loan Agreement.

Except as expressly set forth herein, all of the other terms, provisions and conditions of the Loan Agreement, the other Loan Documents and any other agreements shall remain and continue in full force and effect.

Parent and the other Credit Parties are hereby notified that irrespective of (i) any waivers previously granted by Agent and Lenders regarding the Loan Agreement and the other Loan Documents, (ii) any previous failures or delays of Agent and Lenders in exercising any right, power or privilege under the Loan Agreement or the other Loan Documents, or (iii) any previous failures or delays of Agent and Lenders in the monitoring or in the requiring of compliance by Parent and the other Credit Parties with the duties, obligations, and agreements of Parent and the other Credit Parties in the Loan Agreement and the other Loan Documents, hereafter Parent and the other Credit Parties will be expected to comply

strictly with their respective duties, obligations and agreements under the Loan Agreement and the other Loan Documents.

This letter (i) shall not apply to or constitute a consent to any future amendment to any other provision of the Loan Agreement or any other Loan Document or a waiver of any other past, present or future violation of any provision of the Loan Agreement or any other Loan Document, and (ii) shall not directly or indirectly in any way whatsoever (a) impair, prejudice, or otherwise adversely affect Agent's or any Lender's right at any time to exercise any right, privilege or remedy in connection with the Loan Agreement, any other Loan Document; any other agreement or any other contract or instrument, (b) amend or alter any other provision of the Loan Agreement, any other Loan Document, any other agreement, or any other contract or instrument, or (c) constitute any course of dealing or other basis for altering any obligation or right of any party to the Loan Agreement, any other Loan Document, any other agreement, or any other contract or instrument.

Notwithstanding any provision of this letter to the contrary, this letter shall not be directly or indirectly effective against Agent and Lenders for any purpose unless and until Agent receives a copy of this letter which has been duly signed by Parent on behalf of itself and the other Credit Parties.

Yours very truly,

BANK OF AMERICA, N.A., as Agent and a Lender

By: /s/ H Michael Wills
Name: H MICHAEL WILLS
Title: SENIOR VICE PRESIDENT

WELLS FARGO FOOTHILL, LLC , as a Lender

By: /s/ David P Hill
Name: David Hill
Title: Vice President

THE CIT GROUP/BUSINESS CREDIT, INC. , as a Lender

By: /s/ Kirk Wolverton
Name: Kirk Wolverton
Title: Vice President

ACCEPTED AND AGREED BY:

INTEGRATED ELECTRICAL SERVICES, INC.,
ON BEHALF OF ITSELF AND EACH OF ITS SUBSIDIARIES

BY: /s/ David A Miller
NAME: David A. Miller
TITLE: CFO
