

# DGT HOLDINGS CORP.

## FORM 8-K (Current report filing)

Filed 10/26/04 for the Period Ending 10/22/04

Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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 22, 2004

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DEL GLOBAL TECHNOLOGIES CORP.  
(Exact name of registrant as specified in charter)

NEW YORK ----- (State or other jurisdiction of incorporation)	0-3319 ----- (Commission File Number)	13-1784308 ----- (IRS Employer Identification No.)
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ONE COMMERCE PARK, VALHALLA, NY ----- (Address of Principal Executive Offices)	10595 ----- (Zip Code)
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Registrant's telephone number, including area code (914) 686-3650  
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(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 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))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On October 22, 2004, the registrant and Villa Sistemi Medicali S.p.A.

("Villa Sistemi"), a subsidiary of the registrant, entered into an amendment (the "First Amendment") to that certain loan agreement between the registrant and Villa Sistemi dated September 23, 2004 (the "Villa Loan Agreement"), a copy of which is attached hereto as EXHIBIT 99.01 and incorporated herein by reference. The First Amendment to the Villa Loan Agreement (a) extends the maturity date of the loan to the earlier of (i) the consummation by the registrant of the sale of Villa Sistemi and Del Medical Imaging Corp., another subsidiary of the registrant, or (ii) September 1, 2005 and (b) modifies the interest rate of the loan to 5% per annum.

On October 25, 2004, the registrant entered into an amendment ("Amendment No. 6") to that certain loan and security agreement by and among the registrant, Bertan High Voltage Corp., RFI Corporation, Del Medical Imaging Corp. and GE Business Capital Corporation f/k/a/ Transamerica Business Capital Corporation (the "Lender") dated June 10, 2002 (the "Loan and Security Agreement"). A copy of Amendment No. 6 to the Loan and Security Agreement is attached hereto as EXHIBIT 99.02 and incorporated herein by reference. The following summary of Amendment No. 6 to the Loan and Security Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the actual text of such agreement. The terms of the Loan and Security Agreement were amended to provide that (i) the expiration date of the Loan and Security Agreement shall be the earlier of (1) August 1, 2005; (2) the date of termination of the Lender's obligations to make Loans (as defined in the Loan and Security Agreement) or to use its best efforts to cause Letters of Credit (as defined in the Loan and Security Agreement) to be used pursuant to the terms of the Loan and Security Agreement; or (3) the date on which either substantially all of the assets or stock of RFI Corporation or Del Medical Imaging Corp. are sold, (ii) the maximum amount of the facility under the Loan and Security Agreement is reduced to \$5,000,000, (iii) the borrowers under the Loan and Security Agreement agree to pay the Lender a fee for Amendment No. 6 in the amount of \$50,000, (iv) the Performance Fee (as defined in the Loan and Security Agreement) shall be paid upon execution of Amendment No. 6 and (v) to the extent the obligation of the Lender to make Loans and to use its best efforts to cause Letters of Credit to be issued is not terminated and the Obligations (as defined in the Loan and Security Agreement) are not paid in full by December 31, 2004, the borrowers under the Loan and Security Agreement shall pay the Lender on the first day of each month commencing on January 1, 2005 and ending the date all of the Obligations, including all amounts required for Collateralization (as defined in the Loan and Security Agreement) of Letters of Credit shall be paid in full and the Lender's commitments to make Loans under the Loan and Security Agreement shall have been terminated, a fee in the amount of \$10,000.

#### ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial Statements of Businesses Acquired.

Not Applicable

- (b) Pro Forma Financial Information.

Not Applicable

- (c) Exhibits.

99.01 First Amendment to Villa Loan Agreement dated October 22, 2004 between the registrant and Villa Sistemi.

99.02 Amendment No. 6 dated as of October 25, 2004 to the Loan and Security Agreement by and among the registrant, Bertan High Voltage Corp., RFI Corporation, Del Medical Imaging Corp. and GE Business Capital Corporation f/k/a/ Transamerica Business Capital Corporation, dated as of

June 10, 2002.

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.

DEL GLOBAL TECHNOLOGIES CORP.

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(Registrant)

Date: October 26, 2004

By: /s/ Walter Schneider

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Walter Schneider  
Chief Executive Officer

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
99.01	First Amendment to Villa Loan Agreement dated October 22, 2004 between the registrant and Villa Sistemi.
99.02	Amendment No. 6 dated as of October 25, 2004 to the Loan and Security Agreement by and among the registrant, Bertan High Voltage Corp., RFI Corporation, Del Medical Imaging Corp. and GE Business Capital Corporation f/k/a/ Transamerica Business Capital Corporation, dated as of June 10, 2002.

FIRST AMENDMENT TO LOAN AGREEMENT

The First Amendment to Loan Agreement (this "Agreement") is entered into as of the 22nd day of October, 2004, by and between Del Global Technologies Corp. ("Del Global") and Villa Sistemi Medicali, S.p.A. ("Villa").

BACKGROUND

Del Global and Villa are parties to a Loan Agreement dated September 23, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") pursuant to which Del Global has borrowed the principal sum of Euro 500,00 from Villa; and

Del Global has requested that Villa extend the Period of the Loan Agreement and Villa is willing to do so.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

2. AMENDMENT TO LOAN AGREEMENT. The Loan Agreement is hereby amended as follows:

(a) Section 2 is amended in its entirety to provide as follows:

"Subject to the provisions of Section 8 hereof, you will repay the Loan together with any interest due up to the time of repayment on the earlier of (i) the consummation by you of the sale of Villa Sistemi Medicali S.p.A. and Del Medical Imaging Corp., and (ii) September 1, 2005 (the "Period")."

(b) Section 3 is amended in its entirety to provide as follows:

"Interest is payable on the principal amount of the Loan at the end of the Period at 5% per annum. Interest will be computed on the basis of actual number of days on a 360-day year."

3. GOVERNING LAW. This Agreement is governed by the laws of Italy.

4. COUNTERPARTS. This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

5. FULL FORCE AND EFFECT. Except as expressly amended hereby, the Loan Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first written above.

Villa Sistemi Medicali, S.p.A.

By: /s/ Giuseppe Ammendola

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Name: Giuseppe Ammendola  
Title: Managing Director

Del Global Technologies Corp.

By: /s/ Walter F. Schnieder

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Name: Walter F. Schnieder  
Title:

## SIXTH AMENDMENT

TO

## LOAN AND SECURITY AGREEMENT

This xth Amendment to Loan and Security Agreement (this "Agreement") is entered into as of the 25th day of October, 2004, by and among DEL GLOBAL TECHNOLOGIES CORP., a New York corporation ("Del Global"), BERTAN HIGH VOLTAGE CORP., a Delaware corporation ("Bertan"), RFI CORPORATION, a Delaware corporation ("RFI"), and DEL MEDICAL IMAGING CORP., a Delaware corporation ("Del Medical") (each a "Borrower" and collectively, the "Borrowers") and GE BUSINESS CAPITAL CORPORATION F/K/A TRANSAMERICA BUSINESS CAPITAL CORPORATION, a Delaware corporation ("Lender").

## BACKGROUND

The Borrowers and the Lender are parties to a Loan and Security Agreement dated as of June 10, 2002 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") pursuant to which the Lender provides the Borrowers with certain financial accommodations.

The Borrowers have requested that the Lender extend the Expiration Date of the Loan Agreement and the Lender is willing to do so on the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of any loan or advance or grant of credit heretofore or hereafter made to or for the account of the Borrowers by the Lender, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1 DEFINITIONS. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

2 AMENDMENT TO LOAN AGREEMENT. Subject to satisfaction of the conditions precedent set forth in Section 3 below, the Loan Agreement is hereby amended as follows:

(a) Section 1.1 of the Loan Agreement is amended as follows:

(i) The following defined terms are amended in their entirety to provide as follows:

"EXPIRATION DATE" means the earlier of: (i) August 1, 2005; (ii) the date of termination of the Lender's obligations to make Loans or to use its best efforts to cause Letters of Credit to be issued pursuant to the terms hereof, and (iii) the date on which either substantially all of the assets or stock of RFI or Del Medical are sold.

"MAXIMUM AMOUNT OF THE FACILITY" means Five Million Dollars (\$5,000,000).

"PERFORMANCE FEE PAYMENT DATE" shall mean the Sixth Amendment Effective Date.

(b) The following defined terms are inserted in the appropriate alphabetical order:

"SIXTH AMENDMENT" means the Sixth Amendment to Loan and Security

Agreement dated as of October 25 , 2004 by and among the Lender and the Borrowers.

"SIXTH AMENDMENT EFFECTIVE DATE" means the date on which all of the conditions precedent set forth in the Sixth Amendment shall have been satisfied.

(c) Section 4.6 is amended in its entirety to provide as follows:

"SECTION 4.6 (a) PERFORMANCE FEE. On the Fourth Amendment Effective Date, Lender shall have earned the Performance Fee. The Borrowers shall pay the Lender the Performance Fee on the Performance Fee Payment Date.

(b) SIXTH AMENDMENT FEE. On the Sixth Amendment Effective Date, Borrowers shall pay Lender a fee in the amount of \$50,000 which shall be deemed fully earned on the Sixth Amendment Effective Date. To the extent the obligation of the Lender to make Loans and to use its best efforts to cause Letters of Credit to be issued is not terminated and the Obligations are not paid in full by December 31, 2004, Borrowers shall pay the Lender on the first day of each month commencing on January 1, 2005 and ending the date all of the Obligations, including all amounts required for Collateralization of Letters of Credit shall be paid in full and the Lender's commitments to make Loans under this Agreement shall have been terminated, a fee in the amount of \$10,000.

3. CONDITIONS OF EFFECTIVENESS. This Agreement shall become effective upon satisfaction or waiver in writing by the Lender of each of the following conditions precedent, each in form and substance satisfactory to the Lender: (a) the Lender's receipt of this Agreement duly executed by the Borrowers; (b) the Lender's receipt of evidence that the term of the loan from Villa Sistemi to Del Global has been extended beyond August 31, 2005; and (c) the Lender's receipt of a non-refundable fee in the amount of \$50,000 and all reasonable attorney's fees incurred in connection with this Agreement, each of which shall be charged to the Borrowers' loan account as a Loan on the date of this Agreement.

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4. REPRESENTATIONS AND WARRANTIES. The Borrowers hereby represent and warrant as follows:

(i) This Agreement and the Loan Agreement constitute legal, valid and binding obligations of the Borrowers and are enforceable against the Borrowers in accordance with their respective terms.

(ii) Upon the effectiveness of this Agreement, the Borrowers hereby reaffirm all covenants, representations and warranties made in the Loan Agreement to the extent the same are not amended hereby and agree that all such covenants, representations and warranties shall be deemed to have been remade as of the effective date of this Agreement.

(iii) No Event of Default or Default has occurred and is continuing or would exist after giving effect to this Agreement.

(iv) As of the date hereof, the Borrowers have no defense, counterclaim or offset with respect to the Loan Agreement.

5. EFFECT ON THE LOAN AGREEMENT. Except as specifically provided herein, the execution, delivery and effectiveness of this Agreement shall not operate as a waiver or an amendment of any right, power or remedy of the Lender, nor constitute a waiver of any provision of the Loan Agreement, or any other documents, instruments or agreements executed and/or delivered under or in connection therewith.

6. GOVERNING LAW. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall be governed by and construed in accordance with the laws of the State of Illinois.

7. HEADINGS. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

8. COUNTERPARTS; FACSIMILE. This Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

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IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first written above.

DEL GLOBAL TECHNOLOGIES CORP.

By: /s/ Walter Schneider  
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Name: Walter Schneider  
Title: President and CEO

BERTAN HIGH VOLTAGE CORP.

By: /s/ Walter Schneider  
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Name: Walter Schneider  
Title: President and CEO

RFI CORPORATION

By: /s/ Walter Schneider  
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Name: Walter Schneider  
Title: President and CEO

DEL MEDICAL IMAGING CORP.

By: /s/ Walter Schneider  
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Name: Walter Schneider  
Title: President and CEO

GE BUSINESS CAPITAL CORPORATION  
F/K/A TRANSAMERICA BUSINESS  
CAPITAL CORPORATION

By: /s/ Jeffrey Zinn

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Name: Jeffrey Zinn

Title: Duly Authorized Signatory