

DGT HOLDINGS CORP.

FORM 8-K (Current report filing)

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Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
Telephone	631 231-6400
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Industry	Medical Equipment & Supplies
Sector	Healthcare
Fiscal Year	07/31

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) June 7, 2004

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) 686-3600

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

On July 12, 2004, the Registrant announced (i) that it has resolved a dispute related to a motion filed on February 6, 2004 with respect to the registration of common shares underlying warrants of the Registrant, (ii) that it has obtained the final approval from the United States District Court for the Southern District of New York regarding the settlement with the Securities and Exchange Commission of previously announced claims against the Registrant in connection with the restatement of financial statements filed by former management for the fiscal years 1997 through the third quarter of fiscal 2000 and (iii) that its Villa Sistemi Medicali subsidiary in Italy was awarded an order from the Ministry of Health for the country of Romania for 100 remote control radiographic/fluoroscopic ("R/F") systems. For additional information, reference is made to the press release and Amendment No. 1 to the Warrant Agreement which are attached hereto as Exhibits 99.01 and 99.02, respectively, and incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

Not Applicable.

(b) Pro Forma Financial Information.

Not Applicable.

(c) Exhibits.

99.01 Press Release dated July 12, 2004.

99.02 Amendment No. 1 dated as of July 9, 2004 to the Warrant Agreement dated as of March 23, 2002 between Del Global Technologies Corp. and Mellon Investor Services LLC.

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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.

(Registrant)

Date: July 13, 2004

By: /s/ Walter F. Schneider

Walter F. Schneider
President and Chief
Executive Officer

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EXHIBIT INDEX

Exhibit No.

Description

99.01

Press Release dated July 12, 2004

99.02

Amendment No. 1 dated as of July 9, 2004 to the
Warrant Agreement dated as of March 23, 2002

DEL GLOBAL TECHNOLOGIES CORP.

FOR IMMEDIATE RELEASE

DEL GLOBAL TECHNOLOGIES RESOLVES SHAREHOLDER LITIGATION, AND
ADJUSTS EXERCISE PRICE AND TERM OF PREVIOUSLY ISSUED WARRANTS;
ACTIVATES EUR 8 MILLION ROMANIAN ORDER;
RECEIVES FINAL COURT APPROVAL OF SEC SETTLEMENT

VALHALLA, NY - July 12, 2004 -- Del Global Technologies Corp. (DGTC) ("Del Global") today announced the following developments:

RESOLUTION OF SHAREHOLDER LITIGATION

Del Global has resolved the dispute related to a motion filed on February 6, 2004 to enforce a January 2002 class action settlement agreement entered into by Del Global. In the February 2004 motion, the plaintiff class claimed damages due to Del Global's failure to timely complete a registration statement for the shares of common stock issuable upon exercise of certain warrants granted in the original class action settlement in 2002. In the February 2004 motion, the class sought damages of \$1.25 million together with interest and costs, and a declaration that \$2 million in subordinated notes issued as part of the 2002 class action settlement were immediately due and payable.

In settling this matter, Del Global has agreed to modify the exercise, or "strike," price of the warrants issued in 2002 from \$2.00 to \$1.50 per share, and to extend the expiration date of such warrants by one year to March 28, 2009.

In connection with this settlement, Del Global will recognize litigation settlement expense of approximately \$455,000 during the fourth quarter of fiscal 2004, ending July 31, 2004. This settlement charge will be comprised of a non-cash charge of approximately \$350,000 related to the value of warrant modifications, plus associated legal and valuation costs.

ROMANIAN ORDER

The Company announced that its Villa Sistemi Medicali subsidiary in Italy was awarded an order from the Ministry of Health for the country of Romania for 100 remote control radiographic/ fluoroscopic ("R/F") systems. The Ministry of Health has secured its financing for this EUR 8 million (approximately US \$9.8

million) order, and the Company has begun shipments to the customer. The Company currently expects that shipments under this order will be completed, and the revenue recognized, by the end of the second quarter of fiscal 2005.

"This is another example of our ability to compete in the global market to supply the best value in medical imaging systems. The first remote controlled R/F system has been installed in the Children's Hospital in Bucharest," said Walter F. Schneider, Del Global's President and CEO.

OBTAINS FINAL COURT APPROVAL OF SEC SETTLEMENT

Del Global also announced that it has obtained the final approval from the United States District Court for the Southern District of New York regarding the settlement with the Securities and Exchange Commission of previously announced claims against the Company. These claims had been initiated in connection with

the restatement of financial statements filed by former management for the fiscal years 1997 through the third quarter of fiscal 2000.

Del Global Technologies Corp. is primarily engaged in the design, manufacture and marketing of cost-effective medical imaging and diagnostic systems consisting of stationary and portable x-ray systems, radiographic/ fluoroscopic systems, dental imaging systems and proprietary high-voltage power conversion subsystems for medical and other critical industrial applications. Industrial applications for which Del Global supplies power subsystems include airport explosives detection, analytical instrumentation, semiconductor capital equipment and energy exploration.

Statements about future results made in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. Del Global cautions that these statements are not guarantees of future performance. These statements involve a number of risks and uncertainties that are difficult to predict, including, but not limited to, the ability of Del Global to implement its business plan; retention of management; changing industry and competitive conditions; obtaining anticipated operating efficiencies; securing necessary capital facilities; favorable determinations in various legal and regulatory matters; the ability of Del Global to meet its obligations under the agreement in principle with the U.S. Government regarding the proposed settlement of the DoD matter; the ability of Del Global to avoid a debarment from doing business with the U.S. Government; and favorable general economic conditions. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company's filings with the Securities and Exchange Commission.

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CONTACT:

Del Global Technologies Corp.
Walter F. Schneider, President & Chief Executive Officer
Thomas V. Gilboy, Chief Financial Officer
(914) 686-3600

INVESTOR RELATIONS:

The Equity Group Inc.
Devin Sullivan
(212) 836-9608
Adam Prior
(212) 836-9606

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AMENDMENT NO. 1

to

WARRANT AGREEMENT

AMENDMENT NO. 1 dated as of July 9, 2004 (this "AMENDMENT") to the Warrant Agreement dated as of March 23, 2002 (the "WARRANT AGREEMENT") between DEL GLOBAL TECHNOLOGIES CORP., a New York corporation (the "Company"), and MELLON INVESTOR SERVICES LLC, a New Jersey limited liability company, as Warrant Agent (the "WARRANT AGENT").

WHEREAS, by Stipulation of Settlement dated as of October 18, 2001 (the "Settlement"), the securities class action MALEY, ET. AL. V. DEL GLOBAL TECHNOLOGIES CORP., ET. AL., 00 CV8490 (S.D.N.Y., J. McMahon) was settled;

WHEREAS, pursuant to the Settlement, among other consideration, the Company issued the Warrants;

WHEREAS, the Warrant Agreement provided that the Company was to "use its best efforts to secure the effective registration" of the common stock underlying the Warrants;

WHEREAS, as of February 5, 2004, the common stock underlying the Warrants had not yet been registered with the Securities and Exchange Commission;

WHEREAS, on or about February 6, 2004, plaintiffs' Lead Counsel filed a Motion for Summary Judgment (the "Motion") seeking relief and damages as a result of the fact that the common stock underlying the Warrants had yet to be registered;

WHEREAS, the parties have resolved their differences and settled the Motion and any and all disputes which remained among them;

WHEREAS, as part of such settlement, the Company agreed to modify the exercise or "strike" price to purchase shares of common stock of the Company upon exercise of the Warrants from \$2.00 per share to \$1.50 per share and to extend the Expiration Date by one year to March 28, 2009;

WHEREAS, the Company and the Warrant Agent have previously entered into the Warrant Agreement;

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company and its shareholders to amend the Warrant Agreement as hereinafter set forth in order to effect the terms of the settlement and has duly approved this Amendment and authorized its execution and delivery; and

WHEREAS, the certificates for the Warrants shall be deemed amended to reflect the terms of this Amendment.

NOW, THEREFORE, the parties hereto agree as follows:

1. All capitalized terms used herein, unless otherwise defined herein, shall have the meanings given to them in the Warrant Agreement, and each reference in the Warrant Agreement to "this Agreement", "hereof", "herein", "hereunder" or "hereby" and each other similar reference shall be deemed to

refer to the Warrant Agreement as amended hereby.

2. All references to "\$2.00" in Section 2.1 of the Warrant Agreement are hereby amended to be "\$1.50."

3. The first sentence of Section 2.2 of the Warrant Agreement is hereby amended by replacing the reference to "March 28, 2008" with "March 28, 2009".

4. This Amendment shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

5. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

6. Except as expressly amended hereby, the Warrant Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, this Amendment is executed as of the date first set forth above.

DEL GLOBAL TECHNOLOGIES CORP.

By: /s/ Thomas V. Gilboy

Name: Thomas V. Gilboy
Title: Chief Financial Officer

MELLON INVESTOR SERVICES LLC

By: Frank R. Misciargna

Name: Frank R. Misciargna
Title: Vice President and
Senior Client Service Manager