

DGT HOLDINGS CORP.

FORM 8-K (Current report filing)

Filed 02/07/05 for the Period Ending 02/02/05

Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
Telephone	631 231-6400
CIK	0000027748
Symbol	DGTC
SIC Code	3679 - Electronic Components, Not Elsewhere Classified
Industry	Medical Equipment & Supplies
Sector	Healthcare
Fiscal Year	07/31

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) February 2, 2005

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 10595

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (914) 686-3650

(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 February 2, 2005, the registrant entered into a consent and amendment ("Amendment No. 7") 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. 7 to the Loan and Security Agreement is attached hereto as EXHIBIT 99.01 and incorporated herein by reference. The following summary of Amendment No. 7 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. All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Loan and Security Agreement. The terms of the Loan and Security Agreement were amended to provide that (i) in no event shall the aggregate amount of the Loans and the Letters of Credit outstanding at any time (1) in respect of Eligible Inventory exceed \$2,500,000 or (2) exceed the Maximum Amount of the Facility, and (ii) the Fixed Charge Coverage Ratio for any fiscal quarter commencing with the second fiscal quarter of Borrowers' 2005 fiscal year shall not be less than 1.50 to 1.00. In addition, the Lender consented to the Borrowers' use of proceeds of the Loans to make payments not to exceed \$600,000 in connection with certain employment matters.

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 Consent and Seventh Amendment dated as of February 2, 2005 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.
(Registrant)

Date: February 7, 2005

By: /s/ Walter Schneider

Walter Schneider
Chief Executive Officer

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
99.01	Consent and Seventh Amendment dated as of February 2, 2005 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.

CONSENT AND SEVENTH AMENDMENT

TO

LOAN AND SECURITY AGREEMENT

This Consent and Seventh Amendment to Loan and Security Agreement (this "AGREEMENT") is entered into as of the 2nd day of February, 2005, 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 consent to the use of proceeds of the Loans to make payments in connection with certain employment matters 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.

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

2. CONSENT. Subject to the satisfaction of the conditions precedent set

forth in Section 4 below, Lender consents to the use of proceeds of the Loans to make payments not to exceed \$600,000 in connection with certain employment matters.

3. AMENDMENT TO LOAN AGREEMENT. Subject to satisfaction of the conditions precedent set forth in Section 4 below, the Loan Agreement is hereby amended as follows:

(a) Section 2.1(a) of the Loan Agreement is amended by deleting the proviso at the end thereof and inserting the following in its place:

"; PROVIDED, HOWEVER, that in no event shall the aggregate amount of the Loans and the Letters of Credit outstanding at any time (x) in respect of Eligible Inventory exceed \$2,500,000 or (y) exceed the Maximum Amount

of the Facility."

(b) Section 8.4 is hereby amended in its entirety to provide as follows:

"SECTION 8.4. Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio for any fiscal quarter commencing with the second fiscal quarter of Borrowers' 2005 fiscal year shall not be less than 1.50 to 1.00."

4. CONDITIONS OF EFFECTIVENESS. This Agreement shall become effective upon the Lender's receipt of this Agreement in form and substance satisfactory to the Lender.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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 F. Schneider

Name: Walter F. Schneider
Title: President and CEO

BERTAN HIGH VOLTAGE CORP.

By: /s/ Walter F. Schneider

Name: Walter F. Schneider
Title: President and CEO

RFI CORPORATION

By: /s/ Walter F. Schneider

Name: Walter F. Schneider
Title: President and CEO

DEL MEDICAL IMAGING CORP.

By: /s/ Walter F. Schneider

Name: Walter F. Schneider
Title: President and CEO

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

By: /s/ Jeffrey Zinn

Name: Jeffrey Zinn
Title: Duly Authorized Signatory

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End of Filing

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