

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

BLONDER TONGUE LABORATORIES INC

Form: 8-K

Date Filed: 2020-04-13

Corporate Issuer CIK: 1000683

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): April 10, 2020

Blonder Tongue Laboratories, Inc.
(Exact Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-14120
(Commission File Number)

52-1611421
(I.R.S. Employer
Identification No.)

One Jake Brown Road, Old Bridge, New Jersey 08857
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (732) 679-4000

Not Applicable
(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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.001	BDR	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

On April 10, 2020, Blonder Tongue Laboratories, Inc. (the “**Company**”) received loan proceeds of \$1,768,762 (“**PPP Loan**”) under the Paycheck Protection Program (“**PPP**”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“**CARES Act**”), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The PPL Loan is evidenced by a promissory note, dated as of April 5, 2020 (the “**Note**”), between the Company, as Borrower, and JPMorgan Chase Bank, N.A., as Lender (the “**Lender**”). The interest rate on the Note is 0.98% per annum, with interest accruing on the unpaid principal balance computed on the basis of the actual number of days elapsed in a year of 360 days. No payments of principal or interest are due during the six month period beginning on the date of the Note (the “**Deferral Period**”).

As noted above, the principal and accrued interest under the Note evidencing the PPP Loan are forgivable after eight weeks as long the Company has used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the Company terminates employees or reduces salaries during the eight-week period. The Company intends to use the proceeds for purposes consistent with the PPP. While the Company currently believes that its use of the PPP Loan proceeds will meet the conditions for forgiveness of the PPP Loan, we cannot assure you that we will not take actions that could cause the Company to be ineligible for forgiveness of the PPP Loan, in whole or in part. In order to obtain full or partial forgiveness of the PPP Loan, the Company must request forgiveness and must provide satisfactory documentation in accordance with applicable Small Business Administration (“**SBA**”) guidelines. Interest payable on the Note may be forgiven only if the SBA agrees to pay such interest on the forgiven principal amount of the Note. The Company will be obligated to repay any portion of the principal amount of the Note that is not forgiven, together with interest accrued and accruing thereon at the rate set forth above, until such unforgiven portion is paid in full.

Beginning one month following expiration of the Deferral Period, and continuing monthly until 24 months from the date of the Note (the “**Maturity Date**”), the Company is obligated to make monthly payments of principal and interest to the Lender with respect to any unforgiven portion of the Note, in such equal amounts required to fully amortize the principal amount outstanding on the Note as of the last day of the Deferral Period by the Maturity Date. The Company is permitted to prepay the Note at any time without payment of any premium.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information contained in Item 1.01 above is hereby incorporated by reference into this Item 2.03. Upon a default under the Note, including the non-payment of principal or interest, the obligations of the Company under the Note may be accelerated and the Lender pursue its rights under the Uniform Commercial Code and any other applicable law or in equity.

Item 8.01 Other Events

On April 13, 2020, the Company issued a press release regarding its receipt of the proceeds of the PPP loan. The release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits. The following exhibit is filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press Release dated April 13, 2020.
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SIGNATURE

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.

BLONDER TONGUE LABORATORIES, INC.

By: /s/ Eric Skolnik

Eric Skolnik

Senior Vice President and Chief Financial Officer

Date: April 13, 2020



FOR IMMEDIATE RELEASE:

Blonder Tongue Announces Receipt of Loan Proceeds Under Paycheck Protection Program

OLD BRIDGE, NJ / April 13, 2020 / Blonder Tongue Laboratories, Inc. (NYSE American: **BDR**) announced today that it has received loan proceeds of \$1,768,762 ("**PPP Loan**") under the Paycheck Protection Program ("**PPP**"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("**CARES Act**"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The PPL Loan is evidenced by a promissory note, dated as of April 5, 2020 (the "**Note**"), between the Company, as Borrower, and JPMorgan Chase Bank, N.A., as Lender (the "**Lender**"). The interest rate on the Note is 0.98% per annum. Payments of principal and interest are deferred for six months from the date of the of the Note (the "**Deferral Period**").

Principal and accrued interest under the Note are forgivable after eight weeks as long the Company has used the loan proceeds for the types of eligible purposes described above. The amount of loan forgiveness will be reduced if the Company terminates employees or reduces salaries during the eight-week period. The Company intends to use the proceeds for purposes consistent with the PPP, and while it believes that its use of the PPP Loan proceeds will meet the conditions for forgiveness of the PPP Loan, no assurance can be given that the Company will not take actions that could cause the Company to be ineligible for forgiveness, in whole or in part. In addition, interest payable may be forgiven only if the SBA agrees to pay such interest on the forgiven principal amount of the Note. Any unforgiven portion of the PPP Loan is payable over two years at an interest rate of 0.98% per annum, with payments deferred during the Deferral Period. The Company is permitted to prepay the Note at any time without payment of any premium.

About Blonder Tongue

Blonder Tongue Laboratories, Inc. is the oldest designer and manufacturer of cable television video transmission technology in the USA. The majority of our products continue to be designed and built in our state-of-the-art New Jersey facility for 50 years. Blonder Tongue Labs offers U.S.-based engineering and manufacturing excellence with an industry reputation for delivering ultra-high reliability products. As a leader in cable television system design, the Company provides service operators and systems integrators with comprehensive solutions for the management and distribution of digital video, IPTV and high-speed data services, as well as RF broadband distribution over fiber, IP, and Coax networks for homes and businesses. Additional information on the Company and its products can be found at www.blondertongue.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: The information set forth above includes "forward-looking" statements and accordingly, the cautionary statements contained in Blonder Tongue's Annual Report and Form 10-K for the year ended December 31, 2019 (See Item 1: Business, Item 1A: Risk Factors, Item 3: Legal Proceedings and Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations), and other filings with the Securities and Exchange Commission are incorporated herein by reference. The words "believe", "expect", "anticipate", "project", "target", "intend", "plan", "seek", "estimate", "endeavor", "should", "could", "may" and similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to projections for our future financial performance, our anticipated growth trends in our business and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Blonder Tongue undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Blonder Tongue's actual results may differ from the anticipated results or other expectations expressed in Blonder Tongue's "forward-looking" statements.

Contacts

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