

Washington, D.C. 20549

CURRENT REPORT

Date of Report (Date of earliest event reported): June 1, 2015

(Exact name of registrant as specified in its charter)

California 0-12719 94-2656341
(State or other jurisdiction of incorporation) (Commission File No.) (IRS Employer Identification Number)

4650 Norris Canyon Road, San Ramon, CA 94583
(Address of principal executive offices) (Zip Code)

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N/A

(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 June 1, 2015, Giga-tronics Incorporated (the “Company”) entered into a \$2.5 million Revolving Accounts Receivable Line of Credit agreement with Bridge Bank N.A. The credit facility agreement replaced the existing line of credit with Silicon Valley Bank which expired April 15, 2015. The agreement provides for a borrowing capacity of \$2.5 million with the following sub-limits:

\$500,000 on a Non-Formula basis in addition to the Borrowing Base

\$100,000 under the Borrowing Base for International Services

\$100,000 under the Borrowing Base for Cash Management Services

The loan is secured by all assets of the Company including intellectual property and general intangibles and provides for a borrowing capacity equal to 80% of eligible accounts receivable. The loan matures on May 6, 2017 and bears an interest rate 1.5% over the prime rate of interest (which was 3.25% at the date of closing resulting in an interest rate of 4.75%). Interest is payable monthly with principal due upon maturity. The Company paid a commitment fee of \$12,500, and an additional \$12,500 is due on the first anniversary of the loan closing. The loan agreement contains financial and non-financial covenants that are customary for this type of lending and include a covenant to maintain an asset coverage ratio of at least 135% (defined as unrestricted cash and cash equivalents maintained with Bridge Bank N.A., plus eligible accounts receivable aged less than 90 days from the invoice date, divided by the total amount of outstanding principal of all obligations under the loan agreement). The amounts due under the facility could become immediately due in the event of default or in the event of a material adverse change in the Company’s business condition (financial or otherwise), operations, properties or prospects, or ability to repay the credit.

2.03 Creation of a Direct Financial Obligation or an Obligation under an off-balance Sheet Arrangement of a Registrant.

See discussion under Item 1.01 above.

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.

Date: June 2, 2015

GIGA-TRONICS INCORPORATED

By: /s/ Steven D. Lance
Vice President, Chief Financial
Officer
and Secretary