

Edgar Filing: BLONDER TONGUE LABORATORIES INC - Form 8-K

BLONDER TONGUE LABORATORIES INC

Form 8-K

April 16, 2008

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, 2008

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

<u>Delaware</u>	<u>1-14120</u>	<u>52-1611421</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(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))

Edgar Filing: BLONDER TONGUE LABORATORIES INC - Form 8-K

Item 2.06 Material Impairments.

On April 10, 2008, the Board of Directors of Blonder Tongue Laboratories, Inc. (the "Company") made the decision to cease the operations of its wholly-owned subsidiary, Hybrid Networks, LLC ("Hybrid"), and liquidate its assets. The Company plans to wind down the operations of Hybrid by August 1, 2008.

Hybrid's business activities consist of the operation of video, high-speed data and/or telephony systems ("Systems") at 4 multi-dwelling unit communities under certain right-of-entry agreements ("ROE Agreements"). As part of the Company's on-going implementation of its strategic plan, management has continued to evaluate the impact and long-term viability of non-core business activities, including the continued operation of the Systems. The decision of the Board of Directors to discontinue Hybrid's operations was based upon such evaluation and the current cash flow and operating losses of Hybrid.

Based on this decision, the Company concluded on April 10, 2008 that a non-cash impairment charge in the amount of approximately \$400,000 is required to write-off Hybrid's assets, which includes the ROE Agreements and the equipment necessary to operate the Systems, substantially all of which is installed at the applicable property location.

As a result of ceasing the operations of Hybrid, the Company expects to make cash expenditures of approximately \$50,000 in connection with the early termination of certain contracts and agreements related to the operation of the Systems.

Forward Looking Statements

This report contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. These statements are neither promises nor guarantees, are based upon assumptions and estimates that might not be realized and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. These risks and uncertainties include, but are not limited to, increases in cash expenditures related to discontinuing the operations of Hybrid and the Company's ability to complete this process by August 1, 2008. There are a number of factors that may cause the Company's actual results to differ from these forward-looking statements, including the success of marketing and sales strategies and new product development, the price of raw materials, and general economic and business conditions. Other risks and uncertainties that may materially affect the Company are provided in the Company's annual reports to shareholders and the Company's periodic reports filed with the Securities and Exchange Commission from time to time, including reports on Forms 10-K and 10-Q. Please refer to these documents for a more thorough description of these and other risk factors.

Edgar Filing: BLONDER TONGUE LABORATORIES INC - Form 8-K

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 16, 2008