

WINLAND ELECTRONICS INC
Form 8-K
October 06, 2009

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): September 30, 2009

WINLAND ELECTRONICS, INC.
(Exact name of registrant as specified in its charter)

Minnesota
(State or Other Jurisdiction of Incorporation)

1-15637
(Commission File Number)

41-0992135
(IRS Employer Identification
No.)

1950 Excel Drive
Mankato, Minnesota 56001
(Address of Principal Executive Offices) (Zip Code)

(507) 625-7231
(Registrant's telephone number, including area code)

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:

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Written communications pursuant to Rule 425 under the
o Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange
o Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b)
o under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c)
o under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01 Entry into a Material Definitive Agreement.

Item 9.01 Financial Statements and Exhibits.

SIGNATURE

Amendment No. 14 to Credit Agreement

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Item 1.01 Entry into a Material Definitive Agreement.

On September 30, 2009, Winland Electronics, Inc. and M&I Marshall & Ilsley Bank executed Amendment No. 14 to Credit Agreement, which further amends the Credit and Security Agreement dated June 30, 2003, as amended (the "Credit Agreement"). The current amendment amends the following provisions of the Credit Agreement:

- Section 1.1 definition of "Borrowing Base" to read "at any time, the lesser of: (a) the Maximum Line; or (b) 80% of Eligible Accounts";
- Section 1.1 (xi) to read "that portion of Accounts owed by an account debtor, regardless of whether otherwise eligible, which exceeds 15%, or, as to Accounts owed by XATA, 40% (or in any event such lower percentage as Lender may designate upon a determination by Lender that the quality of any Account has been diminished) of all Accounts owed by all account debtors.";
- Section 1.1 definition of "Maximum Line" to read "\$2,500,000.00";
- Section 1.1 clause (ii) to read "three and one-half percent (3.50%)";
- Section 2.6 (a) to read "Note. Except as set forth in Sections 2.6(b), 2.6(c) and 2.6(d), the outstanding principal balance of the Revolving Note shall bear interest at the greater of (i) five percent (5.0%) per annum, or (ii) the LIBOR Rate";
- Section 6.1 to add subsection (k) to read "on the first day of each week, a current borrowing base certificate substantially in the form of Exhibit C hereto"; and
- Section 6.12 to read "The Borrower will maintain its Tangible Net Worth, on a consolidated basis with all Subsidiaries, as of the end of each fiscal quarter commencing with the fiscal quarter ending September 30, 2009, at not less than \$7,300,000.00".

Amendment No. 14 to Credit Agreement is attached as an exhibit to this report.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements: None.

(b) Pro forma financial information: None.

(c) Shell company transactions: None.

(d) Exhibits:

10.1

Amendment No. 14 to Credit Agreement between the Company and M&I Marshall & Ilsley Bank dated September 30, 2009.

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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.

Winland Electronics, Inc.

Date: October 6, 2009

By: /s/ Glenn A. Kermes
Glenn A. Kermes
Chief Financial Officer

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EXHIBIT INDEX TO FORM 8-K

Date of Report:
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WINLAND ELECTRONICS, INC.

EXHIBIT

NO.	ITEM
10.1	Amendment No. 14 to Credit Agreement between the Company and M&I Marshall & Illsley Bank dated September 30, 2009.