

GIGA TRONICS INC
Form 8-K
February 01, 2016

The 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): January 29, 2016

Giga-tronics Incorporated

(Exact name of registrant as specified in its charter)

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

| | |
|---|--------------|
| <u>4650 Norris Canyon Road, San Ramon, CA</u> | <u>94583</u> |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (925) 328-4650

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 3.02 Unregistered Sales of Equity Securities.

On January 29, 2016, in reliance on the exemption from registration afforded by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act and corresponding provisions of state securities or “blue sky” laws, Giga-tronics Incorporated (the “Company”) consummated the sale of 2,787,872 Units, each consisting of one share of common stock and a warrant to purchase 0.75 shares of common stock, to approximately 20 private investors pursuant to a Securities Purchase Agreement dated as of January 19, 2016. The press release announcing the execution of the Securities Purchase Agreement was previously filed with the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2016.

The purchase price for each Unit was \$1.24375. Gross proceeds were approximately \$3.5 million. Net proceeds to the Company after fees were approximately \$3.2 million. The portion of the purchase price attributable to the common shares included in each Unit was \$1.15, the consolidated closing bid price for the Company’s common stock on January 15, 2016. The warrant price was \$.09375 per Unit (equivalent to \$0.125 per whole warrant share), with an exercise price of \$1.15 per share. The term of the warrants is five years from the date of completion of the transaction. The Company expects to use the proceeds to pay suppliers past due accounts, to fund the forecasted increases in sales and manufacturing activities associated the Advanced Signal Generator and for working capital and general corporate purposes.

The Securities Purchase Agreement requires the Company to file a resale registration statement within 45 days of completion of the transaction for the newly issued shares and the common shares that would be acquired upon exercise of the warrants.

All but one of the investors was previously unaffiliated with the Company. The one affiliated investor is John Regazzi, the Company’s chief executive officer, who agreed to invest \$100,000 in the purchase of units through his individual retirement account.

The investor whose shares acquired or acquirable upon exercise of warrants will equal 5% or greater of the outstanding shares of the Company’s common stock upon closing of the transaction is Tom Lenard.

Emerging Growth Equities, Ltd. served as the Company’s exclusive placement agent in connection with the offering. Fees payable to Emerging Growth Equities, Ltd. at completion of the transaction was 6% of gross proceeds, or approximately \$208,000 in cash, plus warrants for the purchase of 292,727 shares of common stock at \$1.15 per share. The warrants have a term of five years. Additional fees will be payable at a similar rate upon exercise of warrants to be issued to the investors.

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: February 1, 2016

GIGA-TRONICS INCORPORATED

By: */s/ Steven D. Lance*
Steven D. Lance
Vice President of Finance,
Chief Financial Officer