

INFOSONICS CORP
Form 8-K
May 06, 2008

**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 30, 2008**

InfoSonics Corporation

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation)

010-32217

(Commission File Number)

33-0599368

(IRS Employer Identification
No.)

4350 Executive Drive, Suite 100, San Diego, CA 92121

(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: **(858)-373-1600**

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))
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Item 1.01. Entry into a Material Definitive Agreement

On April 30, 2008, InfoSonics Corporation, a Maryland corporation (the “*Company*”), entered into a Loan, Security and Bulk Purchase Agreement and a Letter of Credit and Security Agreement (collectively, the “*Agreement*”) with Wells Fargo Century, Inc. (“*Lender*”), replacing its existing asset-based secured credit facility with Wells Fargo HSBC Trade Bank, N.A. Pursuant to the Agreement, Lender may advance up to \$45,000,000 to the Company based on the expected collections of eligible receivables as well as value of the Company's eligible inventory determined in accordance with the Agreement.. The outstanding advances may not exceed the lesser of \$45,000,000 or the sum of the value of the eligible receivables and eligible inventory (times their respective advance rates). The credit facility has a two-year term and is secured by all assets of the Company. The interest rate for each borrowing under the credit facility will be, at the option of the Company, either the Wells Fargo Bank N.A. prime rate minus 0.50% or the LIBOR rate plus 2.00%.

The description of the Agreement above does not purport to be complete and is qualified in its entirety by reference to the Agreement itself, which is filed as an exhibit to this Current Report.

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

The description of the Agreement set forth under Item 1.01 of this Current Report is incorporated herein by this reference.

Item 7.01. Regulation FD Disclosure

The Company issued a press release dated May 5, 2008, regarding the Loan, Security and Bulk Purchase Agreement and the Letter of Credit and Security Agreement entered into with Wells Fargo Century, Inc.

Item 9.01 Financial Statements and Exhibits.

ExhibitDescription

No.

10.1 Loan,
Security and
Bulk
Purchase
Agreement
dated April
30, 2008, by
and between
InfoSonics
Corporation
and Wells
Fargo
Century,
Inc.

10.2 Letter of
Credit and

Security
Agreement
dated April
30, 2008, by
and between
InfoSonics
Corporation
and Wells
 Fargo
Century,
Inc.

99.1 Press release
dated May
5, 2008.

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.

InfoSonics Corporation

Date: May 5, 2008

By: /s/ Jeffrey Klausner

Jeffrey Klausner
Chief Financial Officer

EXHIBIT INDEX

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and between
InfoSonics
Corporation
and Wells
Fargo
Century,
Inc.
- 10.2 Letter of
Credit and
Security
Agreement
dated April
30, 2008, by
and between
InfoSonics
Corporation
and Wells
Fargo
Century,
Inc.
- 99.1 Press release
dated May
5, 2008.
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