

BIOLASE, INC
Form 8-K
October 03, 2018

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) September 27, 2018

BIOLASE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of

Incorporation)

001-36385
(Commission

File Number)
4 Cromwell

87-0442441
(IRS Employer
Identification Number)

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Irvine, California 92618

(Address of principal executive offices) (Zip Code)

(949) 361-1200

(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:

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On September 27, 2018, BIOLASE, Inc., a Delaware corporation (the "Company"), entered into the Business Financing Modification Agreement (the "Modification Agreement") with Western Alliance Bank, an Arizona corporation ("Western Alliance"), which amended the terms and conditions of the Business Financing Agreement, as amended (the "Business Financing Agreement"), by and among the Company, Western Alliance, and two wholly owned subsidiaries of the Company: BL Acquisition Corp., a Delaware corporation ("BL I"), and BL Acquisition II Inc., a Delaware corporation ("BL II" and, together with the Company and BL I, the "Borrower").

The Modification Agreement contains representations, warranties, covenants, and conditions customary for a loan modification transaction of this type. Pursuant to the terms and conditions of the Modification Agreement, Western Alliance reduced the credit limit under the Business Financing Agreement to \$2.5 million, and the Borrower agreed to certain amended financial covenants contained in the Business Financing Agreement, including a revised adjusted quick ratio covenant (defined as (i) the aggregate of unrestricted cash and cash equivalents maintained with Western Alliance plus net trade accounts receivable divided by (ii) total current liabilities minus the current portion of deferred revenue) of at least 0.70 to 1.00, tested as of the end of each month, and a \$750,000 minimum unrestricted cash balance covenant. In addition, the Borrower agreed to deliver to Western Alliance a term sheet for an equity or debt financing for not less than \$5 million in gross proceeds, and agreed to close such financing on or before November 15, 2018.

On September 27, 2018, in connection with the Modification Agreement, the Company issued to Western Alliance a warrant (the "Warrant") to purchase a number of shares of Company common stock equal to \$120,000 divided by the exercise price of \$2.13 (as adjusted), which was the closing price of the Company's common stock on the Nasdaq Capital Market on September 27, 2018. The Warrant is immediately exercisable and expires on September 27, 2028. In lieu of exercising the Warrant, Western Alliance may convert the Warrant into a number of shares of Company common stock equal to the aggregate fair market value of the shares of Company common stock issuable upon exercise of the Warrant minus the aggregate exercise price of such shares and then divided by the fair market value of one share of Company common stock.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BIOLASE, INC.

Date: October 3, 2018

By: /s/ Todd Norbe
Todd Norbe
President and Chief Executive Officer