

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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TIDEL TECHNOLOGIES INC

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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

August 3, 2001

Date of Report
(Date of earliest event reported)

Tidel Technologies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

0-17288

75-2193593

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

5847 San Felipe, Suite 900, Houston, TX

77057

(Address of Principal Executive Offices)

(Zip Code)

(713) 783-8200

(Registrant's telephone number,
including area code)

(Former Name or Former Address, if Changed Since Last Report.)

Item 5. Other Events.

On August 3, 2001, Tidel Technologies, Inc. issued a press release, set forth as Exhibit 99.1 to this Current Report, which among other things, (1) provides an update on the pending bankruptcy case of Credit Card Center, formerly Tidel's largest customer, (2) provides an update on developments relating to Tidel's \$18 million principal amount 6% Convertible Debentures and (3) announces that Tidel's full financial results for its third quarter ended June 30, 2001 will be reported on or about August 14, 2001.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

Exhibit No.

Exhibits

99.1

Press Release of Tidel Technologies, Inc. dated August 3, 2001.

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.

TIDEL TECHNOLOGIES, INC.

Dated: August 3, 2001

By: /s/ Leonard Carr

Name: Leonard Carr

Title: Senior Vice President

CONTACT: Leonard Carr
Sr. Vice President
713-783-8200
lcarr@tidelmail.com

FOR IMMEDIATE RELEASE

TIDEL REPORTS STATUS OF COLLECTION AND REFINANCING MATTERS

HOUSTON, Texas -- August 3, 2001 --Tidel Technologies, Inc. (Nasdaq: ATMS) today reported on the status of the bankruptcy proceedings of Credit Card Center ("CCC"), formerly Tidel's largest customer, and the refinancing of Tidel's \$18 million 6% subordinated convertible debentures.

Management has been diligently pursuing Tidel's claim of approximately \$27 million as a principal secured creditor in the CCC Chapter 11 proceedings for the past two months. Tidel is represented by three different legal teams in New York, Pennsylvania and Texas, as well as a New York-based financial consulting firm. In the most recent hearing on the matter on July 27, 2001 in Philadelphia, the bankruptcy court allowed the continued use of cash collateral to fund CCC's operations and set the next hearing for August 15, 2001, at which time CCC expects to submit proposals for the sale of the company to prospective buyers. Action on all other material motions pending before the court has been deferred until that date.

CCC has now filed its formal financial schedules with the bankruptcy court indicating total assets of \$57 million and total liabilities of \$78 million. Preliminary data previously furnished by CCC had indicated assets of \$34 million and liabilities of \$87 million. Tidel is currently reviewing the filings to estimate amounts to be realized from the liquidation of assets securing its claim. Based on these findings, the company will establish a reserve for any amounts deemed to be unrecoverable.

Another matter of importance is the status of Tidel's \$18 million 6% subordinated convertible debentures. As previously reported, Tidel has been working with the holders of the subordinated debt, Montrose Investments Ltd. with respect to \$15 million and Liberty Acorn Trust with respect to \$3 million, to effect a restructuring. The holders had previously deferred taking any action with respect to the "put right" feature of the indebtedness, but both holders have now exercised their "put rights". Currently, Tidel is obligated to prepay the entire principal amount of \$18 million, together with any accrued but unpaid interest, on or before August 27, 2001. Notwithstanding these actions, Tidel is continuing discussions with the debt holders as to restructuring. In this

connection, Tidel has engaged Banc of America Securities LLC to review financing alternatives and assist in the discussions with the debt holders. Tidel does not

presently have the funds to cover the prepayment, and there can be no assurance that the funds necessary to prepay the obligation will become available.

Tidel also announced that full financial results for its third quarter ended June 30, 2001 will be reported on or about August 14, 2001.

Tidel Technologies, Inc. is one of the nation's leading manufacturers of automated teller machines and cash security equipment designed for specialty retail marketers. In 2000, Tidel was the leading provider of ATMs to non-bank locations in the U.S., and ranked 55th in Forbes' list of the 200 Best Small Companies in America. To date, Tidel has sold more than 30,000 retail ATMs and 115,000 retail cash controllers in the U.S. and 36 other countries. More information about the company and its products may be found on the Internet at www.tidel.com.

"SAFE HARBOR" DISCLAIMER UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: THIS PRESS RELEASE MAY CONTAIN FORWARD-LOOKING STATEMENTS, INCLUDING STATEMENTS AS TO ANTICIPATED OR EXPECTED RESULTS, BELIEFS, OPINIONS, AND FUTURE FINANCIAL PERFORMANCE. THE FORWARD-LOOKING STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND ASSUMPTIONS AND INVOLVE RISKS AND UNCERTAINTIES THAT MAY CAUSE THE COMPANY'S ACTUAL EXPERIENCE TO DIFFER MATERIALLY FROM THAT ANTICIPATED. ESTIMATES ARE BASED ON RELIABLE INFORMATION AND PAST EXPERIENCE. HOWEVER, OPERATING RESULTS ARE AFFECTED BY A WIDE VARIETY OF FACTORS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THE LEVELS OF ORDERS WHICH ARE RECEIVED AND CAN BE SHIPPED IN A QUARTER; CUSTOMER ORDER PATTERNS AND SEASONALITY; COSTS OF LABOR, RAW MATERIALS, SUPPLIES AND EQUIPMENT; TECHNOLOGICAL CHANGES; COMPETITION AND COMPETITIVE PRESSURES ON PRICING; AND ECONOMIC CONDITIONS IN THE UNITED STATES AND WORLDWIDE. ADDITIONALLY, FACTORS AND RISKS AFFECTING OPERATING RESULTS INCLUDE THOSE DESCRIBED IN THE COMPANY'S REGISTRATION STATEMENTS AND PERIODIC REPORTS FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

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