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BLONDER TONGUE LABORATORIES INC

Form 8-K

July 07, 2006

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): June 30, 2006

Blonder Tongue Laboratories, Inc.
(Exact Name of registrant as specified in its charter)

| | | |
|---|--------------------------|---|
| <u>Delaware</u> | <u>1-14120</u> | <u>52-1611421</u> |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

One Jake Brown Road, Old Bridge, New Jersey 08857
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (732) 679-4000

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))

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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On June 30, 2006, Blonder Tongue Laboratories, Inc. (the "Company") entered into a Share Exchange and Settlement Agreement ("Share Exchange Agreement") with Blonder Tongue Telephone, LLC ("BTT"), Resource Investment Group, LLC ("RIG"), Broadstar South, LLC ("BBS"), H. Tyler Bell ("TB"), and Douglas Bell ("DB"). Pursuant to the Share Exchange Agreement, in exchange for the 49 membership shares of BTT held by the Company, representing the Company's 50% ownership interest in BTT (the "BTT Shares"), BTT transferred back to the Company the 500,000 shares of the Company's common stock which was previously contributed by the Company to the capital of BTT (the "Company Common Stock"). Under the terms of the Share Exchange Agreement, the parties also agreed to the following:

- o the Company granted BTT a non-transferable equipment purchase credit in the aggregate amount of \$400,000 (subject to certain off-sets as set forth in the Share Exchange Agreement); two-thirds (2/3rds) of which (\$270,000) must be used solely for the purchase of telephony equipment and the remaining one-third (1/3rd) of which (\$130,000) may be used for either video/data equipment or telephony equipment;
- o the equipment credit expires automatically in six (6) months, on December 31, 2006;
- o certain non-material agreements were terminated, including the Amended and Restated Operating Agreement of BTT among the Company, BTT and RIG, the Joint Venture Agreement among the Company, BTT, TB and DB, the Royalty Agreement between the Company and BTT, and the Stock Pledge Agreement between the Company and BTT, each of which was dated September 11, 2003 (collectively, the "Prior Agreements");
- o BTT agreed, within ninety (90) days, to change its corporate name and cease using any intellectual property of the Company, including, without limitation, the names "Blonder", "Blonder Tongue" or "BT"; and
- o the mutual release among the parties of all claims related to (i) the ownership, purchase, sale or transfer of the BTT Shares or the Company Common Stock, (ii) the Joint Venture (as defined in the Joint Venture Agreement) and (iii) the Prior Agreements.

The foregoing description of the Share Exchange Agreement is qualified in its entirety by reference to the complete terms and conditions of the Share Exchange Agreement, which is filed as Exhibit 99.1 to this Current Report on Form 8-K.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

- (d) The following exhibits are filed herewith:
- | | |
|--------------|--------------------------|
| Exhibit 99.1 | Share Exchange Agreement |
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FORWARD LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. These statements are neither promises nor guarantees, are based upon assumptions and estimates that might not be realized and are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward looking statements. There are a number of factors that may cause actual results to differ from these forward-looking statements, including the success of marketing and sales strategies and new product development, the price of raw materials, and general economic and business conditions. Other risks and uncertainties that may materially affect the Company are provided in the Company's annual reports to shareholders and the Company's periodic reports filed with the Securities and Exchange Commission from time to time, including reports on Forms 10-K and 10-Q. Please refer to these documents for a more thorough description of these and other risk factors.

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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.

BLONDER TONGUE LABORATORIES, INC.

By: /s/ Eric Skolnik
Eric Skolnik
Senior Vice President and
Chief Financial Officer

Date: July 7, 2006