

Edgar Filing: EPLUS INC - Form 8-K

EPLUS INC
Form 8-K
July 01, 2004

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 28, 2004

EPLUS INC.

(Exact name of registrant as specified in its charter)

Delaware	000-28926	54-1817218
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

400 Herndon Parkway, Herndon, Virginia 20170

(Address, including zip code, of principal executive office)

(703) 834-5710

(Registrant's telephone number, including area code)

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Item 5. Other Events

On June 28, 2004, ePlus Technology, inc., a wholly-owned subsidiary of ePlus inc., modified the current floor planning agreements with GE Commercial Distribution Finance Corporation ("GECDF") that were originally entered into on September 8, 2000. The changes to the agreements included an accounts receivable facility of \$15,000,000 and an inventory floorplan credit facility of up to \$50,000,000, provided that at no time will the principal amount outstanding under the inventory floor plan with the accounts receivable facility and inventory facility exceed \$50,000,000.

On July 1, 2004, the Registrant issued a press release regarding modification of the current floor planning agreements with GE Commercial Distribution Finance Corporation that were originally entered into on September 8, 2000. The press release is attached hereto as Exhibit 99.1.

Purpose of the Credit Facility

ePlus Technology, inc. uses this credit source to finance its working capital requirements for inventories and accounts receivable. Their traditional business as sellers of computer technology assets and related network equipment and software products is financed through these arrangements known as floorplan financing, where the interest expense generally for the first thirty to forty days is not charged but is paid for by the distributor/manufacturer. These

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floorplan liabilities are recorded as accounts payable-trade as they are normally repaid within the thirty to forty day time frame and represent an assigned accounts payable originally generated with the supplier/manufacturer. If the thirty to forty day obligation is not paid timely, interest is then assessed at the stated contractual rates.

Principal Terms of the Credit Facility

The contracts provide for various repayment days dependent on the distributor/manufacturer, but the majority are 40 days on average. The facility can be terminated with 90 days notice by either party. The facility is for inventory financing and accounts receivable financing, and has an aggregate limit of \$50,000,000. Interest is assessed at the prime rate minus one-half of one percent on the outstanding principal debt under the accounts receivable facility.

ePlus inc., the parent of ePlus Technology, inc., has guaranteed this facility up to \$10,500,000.

ePlus Group, inc., with the consent of its credit facility supplier, agreed to guaranty any items it received from but not paid to ePlus Technology, inc.

EXHIBIT INDEX The following exhibits are filed as part of this report:

Exhibit Number	Description
5.1	Text of Business Financing Agreement dated September 8, 2000 between Deutsche Financial Services Corporation (now known as GE Commercial Distribution Finance Corporation) and ePlus Technology, inc.
5.1A	Text of Amendment to Business Financing Agreement and Agreement for Wholesale Financing dated March 31, 2004 between GE Commercial Distribution Finance Corporation and ePlus Technology, inc.
5.1B	Text of Amendment to Business Financing Agreement and Agreement for Wholesale Financing dated June 24, 2004 between GE Commercial Distribution Finance Corporation and ePlus Technology, inc.
5.2	Text of Agreement for Wholesale Financing dated September 8, 2000 between Deutsche Financial Services (now known as GE Commercial Distribution Finance Corporation) and ePlus Technology, inc.
5.3	Text of Paydown Addendum to Business Financing Agreement between Deutsche Financial Services (now known as GE Commercial Distribution Finance Corporation) and ePlus Technology, inc.
5.4	Text of Limited Guaranty dated June 24, 2004 between GE Commercial Distribution Finance Corporation and ePlus inc.
5.5	Text of Collateral Guaranty dated March 31, 2004 between GE Commercial Distribution Finance Corporation and ePlus Group, inc.
5.6	Text of Agreement Regarding Collateral Rights and Waiver between GE Commercial Distribution Finance Corporation and National City Bank, as Administrative Agent, dated March 24, 2004
99.1	Press Release dated July 1, 2004 regarding modification of the current floor planning agreements with GE Commercial Distribution Finance Corporation ("GECDF") that were originally entered into on September 8, 2000.

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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.

ePlus inc.

By: /s/ Steven J. Mencarini

Steven J. Mencarini
Chief Financial Officer

Date: July 1, 2004

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