

DIGITAL ALLY INC
Form 8-K
December 09, 2013

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): December 4, 2013

DIGITAL ALLY, INC.

(Exact Name of Registrant as Specified in Charter)

Nevada

001-33899

20-0064269

(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
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9705 Loiret Blvd., Lenexa, KS 66219

(Address of Principal Executive Offices) (Zip Code)

(913) 814-7774

(Registrant's telephone number, including area code)

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))

Item 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

On December 4, 2013, Digital Ally, Inc. (the “Company”) extended the maturity date of its \$2.5 million credit facility with a private, third-party lender from May 30, 2014 to May 30, 2015. The credit facility is composed of two promissory notes (the “Notes”): one in the principal amount of \$1.5 million issued in May 2011 and the other one in the principal amount of \$1.0 million issued in November 2011. The Notes bear interest at the rate of 8% per annum and are payable interest only on a monthly basis. The Notes may be prepaid without penalty at any time. The Notes are unsecured and subordinated to all existing future and senior indebtedness, as such term is defined in the Notes. The Notes are equal in terms of the priority of their payment.

In connection with the extension of the maturity dates of the Notes, the Company issued a warrant exercisable to purchase 40,000 shares of Common Stock at a price of \$8.50 per share through December 3, 2018.

The Company issued Source Capital Group, Inc. a warrant exercisable to purchase 10,000 shares of Common Stock at a price of \$8.50 per share through December 3, 2018 and paid a fee of \$10,000 for its services in connection with the extension of the maturity dates of the Notes. Such warrant has the same terms as the warrant issued to the lender.

The information contained in this current report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities under that section, nor shall it be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 FINANCIAL STATEMENT AND EXHIBITS

(d) Exhibits

10.35 Third Allonge to 8% Subordinated Note (\$1.5 million), dated December 4, 2013

10.36 Second Allonge to 8% Subordinated Note (\$1.0 million), dated December 4, 2013

10.37 Common Stock Purchase Warrant (40,000 shares), dated December 4, 2013

SIGNATURES

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.

Date: December 9, 2013

Digital Ally, Inc.

By: */s/ Stanton E. ROSS*

Name: Stanton E. Ross

Title: President and Chief Executive Officer

