

CONVERSION SERVICES INTERNATIONAL INC
Form 8-K
December 07, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 5, 2011

Conversion Services International, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-30420
(Commission
File Number)

20-0101495
(IRS Employer
Identification No.)

100 Eagle Rock Avenue, East Hanover,
New Jersey
(Address of principal executive offices)

07936
(Zip Code)

Registrant's telephone number, including area code: (973) 560-9400

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 to 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 2.04 - Triggering Events that Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement

On December 5, 2011, Conversion Services International, Inc. (“the Company”) received a letter from Access Capital Inc. (the “Access”), stating the Company did not maintain positive cash flow on a rolling six month basis with respect to the month ending October 31, 2011(the “Default”), as required by the Loan And Security Agreement (the “Agreement”) dated March 31, 2008, and as amended April 6, 2011, entered between the Company and Access, and therefore an event of default existed. Pursuant to the terms of the Agreement, Access may seek certain remedies, including the right to demand payment of all amounts owed to them and the right to take possession of all collateral pledged to them under the Agreement. During the period the Company is in default of the Agreement, the interest rate on amounts owed to Access Capital will be 15% per annum.

SIGNATURES

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

December 7, 2011

CONVERSION SERVICES INTERNATIONAL, INC.

By: /s/ William B. Hendry
Name: William B. Hendry
Title: Chief Financial Officer