

Edgar Filing: PENNEXX FOODS INC - Form 8-K

PENNEXX FOODS INC
Form 8-K
June 02, 2003

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): May 29, 2003

PENNEXX FOODS, INC.

(Exact Name of Registrant as Specified in Charter)

Pennsylvania	000-31148	23-3008972
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5501 Tabor Avenue Philadelphia, Pennsylvania	19120
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(Address of Principal Executive Offices)	(Zip Code)
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(215) 743-4331

(Registrant's Telephone Number, Including Area Code)

Not Applicable

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

Item 7. Financial Statements and Exhibits:

(c) Exhibits:

Exhibit No.	Description:
10.1	Forbearance and Peaceful Possession Agreement between Smithfield Foods, Inc. and Pennexx Foods, Inc., dated as of May 29, 2003.

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Item 9. Regulation FD Disclosure

As of May 29, 2003, Pennexx Foods, Inc. ("Pennexx") entered into a Forbearance and Peaceful Possession Agreement (the "Forbearance Agreement") with Smithfield Foods, Inc. ("Smithfield") which has been approved by the United States District Court for the Eastern District of Pennsylvania. A copy of the Forbearance Agreement is attached hereto as Exhibit 10.1.

The principal terms of the Forbearance Agreement are as follows: (1) Smithfield will forebear from exercising any of its rights or remedies until June 18, 2003; (2) Pennexx is required to pay Smithfield approximately \$13.0 million on or before June 9, 2003 plus a per diem interest charge from and after May 30, 2003 to retire all amounts owed to Smithfield; (3) Pennexx is required to provide Smithfield with a release of its Guaranty of the Pennexx's Operating Lease obligations on or before June 18, 2003; and (4) Pennexx has, for itself and its shareholders and affiliates, released Smithfield from all obligations and liabilities other than those set forth in the Forbearance Agreement.

If Pennexx performs its obligations under the Forbearance Agreement, Smithfield will dismiss all actions against Pennexx, release all mortgages and liens on Pennexx property, and provide Pennexx with a general release. If Pennexx defaults under the Forbearance Agreement (including the failure to pay the amounts required on June 9, 2003), it is required to grant Smithfield immediate peaceable possession of all of the collateral which would, in effect, terminate Pennexx's business.

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.

PENNEXX FOODS, INC.
(Registrant)

By: /s/ Michael D. Queen

Michael D. Queen, President

Date: June 2, 2003

INDEX TO EXHIBITS

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