

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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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) August 21, 2000

Titan Motorcycle Co. of America

(Exact Name of Registrant as Specified in Charter)

Nevada  
(State or Other Jurisdiction  
of Incorporation)

000-24477  
(Commission  
File Number)

86-0776876  
(IRS Employer  
Identification No.)

2222 West Peoria Avenue, Phoenix, Arizona

85029

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (602) 861-6977

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

## ITEM 5. OTHER EVENTS.

## AMENDMENT TO THE WELLS FARGO CREDIT FACILITY

On August 21, 2000 Titan and Wells Fargo Credit, Inc., Titan's senior lender, entered into a Third Amendment to the Amended and Restated Loan and Security Agreement in the form attached as Exhibit 10.1 to this report, pursuant to which Wells Fargo: (1) modified certain financial covenants required to be satisfied by Titan for the quarter ended June 30, 2000, including the minimum net income requirement and the minimum net worth requirements, in order to permit the application of such covenants without taking into consideration, for certain relevant prior months, reserves and adjustments necessary for the return of inventory from affiliated store locations, and (2) required the delivery of certain consents to the modification by Titan's subordinated creditors. Without these amendments Titan would not have been in compliance with the terms of the Amended and Restated Loan Security Agreement. There can be no assurance that Titan will be able to comply with these continuing requirements on an ongoing basis or that Titan will be able to pay the amount due to Wells Fargo or negotiate an extension beyond September 11, 2000.

## NASDAQ DELISTING NOTIFICATION

On August 30, 2000, Titan received a letter from Nasdaq informing Titan that its common stock had failed to meet the minimum bid price of \$1.00 over the preceding 30 consecutive trading days, and that, as a result, Titan did not meet the maintenance criteria for continued listing on the Nasdaq SmallCap Market. Pursuant to the letter, Nasdaq has provided Titan 90 days to comply with the minimum bid price requirement. If Titan is unable to comply by November 28, 2000, its common stock will be delisted at the opening of business on November 30, 2000.

As described in a previous report on Form 8-K filed on July 20, 2000, Titan has already been notified by Nasdaq that it is not in compliance with other continued SmallCap Market criteria. Specifically, Nasdaq noted that Titan did not have either \$2 million in net tangible assets, \$35 million of market capitalization or \$5 million in net income. Nasdaq also inquired into the reasons for Titan's auditors rendering a going concern opinion in connection with Titan's 1999 financial statements, which (together with the opinion) were filed in its Form 10-KSB for the year-ended December 31, 1999. Subsequent to Nasdaq's notification, Titan's preferred stockholders agreed to modify the terms of their preferred stock so that the preferred stock would be characterized under generally accepted accounting principles as equity rather than as mezzanine instruments, which has had the effect of increasing our net tangible assets. Titan has also advised Nasdaq that the going concern opinion issued by its auditors arose principally out of the fact that its primary financing source, its line of credit with Wells Fargo Business Credit, was to come due on April 10, 2000, and at year-end the Company did not have another facility available to refinance this debt. Coupled with Titan's losses from operations, the auditors determined that a going concern opinion was appropriate. Although Titan has received an extension of its credit facility with Wells Fargo, there can be no assurance that Titan will be able to secure a replacement credit facility by the termination date. As of the date of this report, Nasdaq had not determined whether Titan's plan of compliance was acceptable to maintain its

Nasdaq listing. As a result, it is unsure whether Nasdaq will take action to delist the Company's securities and, if so, what the timing of such an action would be.

If the Company fails to maintain its Nasdaq SmallCap Market listing for its securities, trading in its stock is likely to be materially adversely effected. Among other things, the Company's common stock would then constitute "penny stock," which would place increased regulatory burden upon brokers, making them less likely to make a market in the stock.

In addition, if Titan is delisted, it will constitute a default under the terms of the Securities Purchase Agreements covering the 12% Convertible Debentures and the Series A, Series B and Series C Convertible Preferred Stock previously issued by Titan. As a result, Titan may be required to redeem the Debentures or the Convertible Preferred Stock at a time when it does not have sufficient funds to do so. In this case, Titan may be forced into liquidation or reorganization under the federal bankruptcy laws.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

EXHIBIT NUMBER	DESCRIPTION
- - - - -	- - - - -
10.1	Third Amendment to Amended and Restated Loan and Security Agreement dated as of August 21, 2000 by and between the Company and Wells Fargo Credit, Inc.

## 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.

Titan Motorcycle Co. of America

/s:/Francis S. Keery/  
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Francis S. Keery  
Chief Executive Officer

Dated: September 7, 2000

## Exhibit Index

EXHIBIT NUMBER -----	DESCRIPTION -----
10.1	Third Amendment to Amended and Restated Loan and Security Agreement dated as of August 21, 2000 by and between the Company and Wells Fargo Credit, Inc.

THIRD AMENDMENT TO AMENDED AND  
RESTATED LOAN AND SECURITY AGREEMENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (the "Amendment") is made as of this 21st day of August, 2000 by and between TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation ("Borrower"), and WELLS FARGO CREDIT, INC., a Minnesota corporation ("Lender").

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Amended and Restated Loan and Security Agreement dated as of April 10, 2000 between Borrower and Lender, as amended by First Amendment to Amended and Restated Loan and Security Agreement dated as of July 10, 2000 and Second Amendment to Amended and Restated Loan and Security Agreement dated as of August 14, 2000 (the "Loan Agreement"); and

WHEREAS, Borrower has advised Lender that it expects to have incurred a \$271,000 Net Loss for the June 2000 fiscal month, a \$750,000 Net Loss for the July 2000 fiscal month and a \$500,000 Net Loss for the August 2000 fiscal month;

WHEREAS, Borrower has advised Lender that it intends to reserve from, or make adjustments to, its June 2000 fiscal month financial statements against Inventory, affiliate accounts receivable and affiliate motorcycle returns under the Transamerica Forbearance Agreement, in an amount not to exceed \$1,600,000 in the aggregate; and

WHEREAS, Borrower has requested an amendment to the financial covenants in the Loan Agreement consistent with its expected Net Losses, reserves and adjustments, and Lender is willing to grant such amendment on the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender, intending to be legally bound, agree as follows:

1. Definitions. Except as otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed thereto in the Loan Agreement.

2. Recitals. The recitals set forth above are true and accurate in every respect.

3. No Offsets. Borrower acknowledges with respect to the amounts owing to Lender that, as of the date of execution of this Amendment, Borrower has no offset, defense or counterclaim with respect thereto, no claim or defense in the abatement or reduction thereof, or any other claim against Lender or with respect to any document forming part of the transaction in respect of which the Prior Loan Agreement was made or forming part of any other transaction under which Borrower is indebted to Lender. Borrower acknowledges that all interest imposed under the Prior Loan Agreement and Loan Documents through the date of execution hereof, and

all fees and other charges that have been collected from or known by Borrower to have been imposed upon Borrower with respect to the Prior Loan Agreement were and are agreed to, and were properly computed and collected, and that Lender has fully performed all obligations that it may have had or now has to Borrower, and Lender has no obligation to make any additional loan or extension of credit to or for the benefit of Borrower, except as provided in the Loan Agreement.

4. Release of Claims. In consideration of Lender's agreements contained herein, Borrower and its successors and assigns each hereby fully release, remise and forever discharge Lender and Bank and all of their past and present officers, directors, agents, employees, servants, partners, shareholders, attorneys and managers, and all of their respective heirs, personal representatives, predecessors, successors and assigns, for, from and against any and all claims, demands, causes of action, controversies, offsets, obligations, losses, damages, and liabilities of every kind and character whatsoever, including without limitation any action, omission, misrepresentation or other basis of liability founded either in tort or contract and the duties arising thereunder that Borrower, or any of its successors or assigns has had in the past, or now has, or which may hereafter accrue, whether known or unknown, whether currently existing or hereafter asserted, relating in any manner to, or arising from or in connection with, the indebtedness evidenced by the Prior Loan Agreement, this Agreement or the Loan Documents, any negotiations, loan administration, exercise of rights and remedies, payment, offset with respect to, or other matter relating to such indebtedness, any collateral securing payment and performance of such indebtedness, or any matter preliminary to the execution and delivery by Borrower and Lender of this Agreement, or any statement, action, omission or conduct of Lender or Bank or any of their officers, directors, agents, employees, servants, partners, shareholders, attorneys and managers relating in any manner to such indebtedness, collateral or this Agreement; provided, however, that the foregoing release and discharge shall not apply to the obligations of Lender expressly set forth in this Amendment or first arising after the date of this Amendment. Borrower acknowledges and agrees that Lender is not and shall not be obligated in any way to continue or undertake any loan, financing or other credit arrangement with Borrower, including without limitation any renewal of the indebtedness evidenced by the Loan Agreement, beyond the Maturity Date.

5. Representations and Warranties of Borrower. To induce Lender to enter into this Amendment and the arrangement contemplated by this Amendment, Borrower represents and warrants to Lender as follows:

(a) Borrower has all requisite corporate power and corporate authority to execute this Amendment and to perform all of its obligations hereunder, and this Amendment has been duly executed and delivered by Borrower and constitutes the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with its terms.

(b) The execution, delivery and performance by Borrower of this Amendment have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or any other Person, including, without limitation, the Subordinated Creditors, that, if not obtained would have a material adverse effect

on the Borrower's financial condition, properties or operations; (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to Borrower, or the articles of incorporation or by-laws of Borrower; or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

(c) Except as disclosed in the Borrower's May 31, 2000 financial statements delivered to Lender or otherwise disclosed in writing to Lender, all of the respective representations and warranties made by Borrower in the Loan Agreement and Loan Documents remain true, complete and correct in all material respects as of the date hereof, including, without limitation, the representations and warranties in Article 5 of the Loan Agreement, except to the extent of any changes to such representations and warranties previously disclosed in writing to Lender.

(d) After the execution of this Amendment, Borrower will be in compliance in all material respects with all of the covenants of Borrower under the Loan Agreement and other Loan Documents as of the date of execution of this Amendment.

(e) There are no oral agreements, understandings or course of conduct that would modify, amend, rearrange, vary, diminish or impair the Loan Agreement or other Loan Documents or the Obligation of Borrower evidenced thereby or to perform fully the Obligations of Borrower in strict accordance with the Loan Agreement and other Loan Documents, or which would permit Borrower to void or avoid its obligations in whole or in part.

No representation or warranty made by Borrower and contained herein or in the Loan Agreement or other Loan Documents, and no certificate, information or report furnished or to be furnished by Borrower in connection with the Loan Agreement or any of the other Loan Documents or any of the transactions contemplated hereby or thereby, contains or will contain a misstatement of material fact, or omits or will omit to state a material fact required to be stated in order to make the statements contained herein or therein not misleading in the light of the circumstances under which such statements were made.

6. Amendment Fee. In consideration of Lender's agreements contained herein, Borrower hereby agrees to pay Lender an amendment fee of \$5,000 that is deemed fully earned and non-refundable upon execution of this Amendment. Borrower hereby agrees that the Lender may, but shall not be obligated to, without further authorization by the Borrower, pay the amendment fee directly as an advance under the Loan Agreement on the effective date of this Amendment.

7. Minimum Net Income From Ordinary Operations. Section 6.13 of the Loan Agreement is hereby deleted in its entirety and the following inserted therefor:

Section 6.13 MINIMUM NET INCOME FROM ORDINARY OPERATIONS.  
Borrower's monthly Net Loss for the May 2000 fiscal month shall not be more than \$31,000; Borrower's monthly



Net Loss for the June 2000 fiscal month shall not be more than \$300,000; provided, however, for Borrower's June 2000 fiscal months only, Net Income will be determined prior to reserving from, or making adjustments to, Borrower's Inventory, Borrower's affiliate accounts receivable and Borrower's affiliate motorcycle returns under the Transamerica Forbearance Agreement, which reserves and adjustments shall not exceed \$1,600,000 in the aggregate; Borrower's monthly Net Loss for the July 2000 fiscal month shall not be more than \$750,000; Borrower's monthly Net Loss for the August 2000 fiscal month shall not be more than \$500,000; and Borrower's monthly Net Income for each fiscal month thereafter shall not be less than \$1.00

8. Minimum Book Net Worth. Section 6.14 of the Loan Agreement is hereby deleted in its entirety and the following inserted therefor:

Section 6.14 MINIMUM BOOK NET WORTH. Borrower's cumulative Book Net Worth as of the end of Borrower's 2000 second fiscal quarter, i.e., July 1, 2000, shall not be less than \$3,700,000; Borrower's cumulative Book Net Worth as of the end of Borrower's July 2000 fiscal month shall not be less than \$2,950,000; Borrower's cumulative Book Net Worth as of the end of Borrower's August 2000 fiscal month shall not be less than \$2,450,000; and as of the end of each fiscal month thereafter, Borrower's Book Net Worth must increase by at least \$1.00 from the prior month end Book Net Worth; provided, however, Borrower's Book Net Worth will be determined without taking into account the reserves from, and adjustments to, Borrower's Inventory, Borrower's affiliate accounts receivable and Borrower's affiliate motorcycle returns under the Transamerica Forbearance Agreement to be made in the June 2000 fiscal month, which reserves and adjustments shall not exceed \$1,600,000 in the aggregate.

9. Events of Default. Section 8.1 of the Loan Agreement is hereby amended to add the following:

(x) Lender has not received signed copies of the Consent of Subordinated Creditors attached to the Third Amendment to Amended and Restated Loan and Security Agreement dated as of August 21, 2000 (the "Third Amendment") from Advantage Fund II Ltd., Koch Investment Group Limited, RCP Inc., Esquire Trade & Finance Inc. and Celeste Trust Reg. on or before August 28, 2000, or Lender has not received a signed copy of the Consent of Subordinated Creditors attached to the

Third Amendment from Oxford International, Inc. on or before  
September 4, 2000.

10. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument.

11. Voluntary Agreement. Borrower represents and warrants to Lender that (i) it has been represented by legal counsel of its choice in regard to the transaction provided for by this Amendment; (ii) it is fully aware and clearly understands all of the terms and provisions contained in this Amendment, including, without limitation, the release of claims in Section 4 above; (iii) it has voluntarily, with full knowledge and without coercion or duress of any kind, entered into this Amendment and the documents executed in connection with this Amendment; (iv) it is not relying on any representations, either written or oral, express or implied, made to it by Lender other than as set forth in the Loan Agreement and other Loan Documents and this Amendment; and (v) the consideration received by Borrower to enter into this Amendment and the arrangement contemplated by this Amendment has been actual and adequate.

12. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to its conflict of laws rules.

13. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument.

14. Successors and Assigns. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

15. Transaction Expenses. Borrower agrees to pay any and all reasonable costs and expenses incurred by Lender in connection with this Amendment, including, without limitation, reasonable attorneys' fees and disbursements of counsel to the Lender for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto. Borrower hereby agrees that the Lender may, at any time or from time to time in its sole discretion and without further authorization by the Borrower, pay such costs and expenses directly as an advance under the Loan Agreement.

16. Amendment. Except as otherwise amended hereby, all of the terms and provisions of the Loan Agreement shall remain in full force and effect and shall apply to each Advance thereunder.

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IS LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this Amendment is executed as of the date first above written.

BORROWER:

TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation

By:

Name:

Title:

LENDER:

WELLS FARGO CREDIT, INC., a Minnesota corporation

By:

Name:

Title:

CONSENT OF GUARANTORS

The undersigned, the Guarantors under the Guaranties, hereby (a) acknowledge receipt of a copy of the attached Third Amendment to Amended and Restated Loan and Security Agreement, (b) consent to the terms and conditions contained therein, and (c) agree that the covenants, agreements, duties and obligations of the undersigned, as Guarantors under your respective Guaranties, shall remain in full force and effect with respect to the Obligations evidenced by the Loan Agreement, as amended by the attached Third Amendment to Amended and Restated Loan and Security Agreement.

Dated as of this \_\_\_\_ day of August, 2000.

-----  
FRANCIS KEERY

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BARBARA KEERY

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PATRICK KEERY

CONSENT OF SUBORDINATED CREDITORS

The undersigned, the Subordinated Creditors under the Subordination Agreements, hereby (a) acknowledge receipt of a copy of the attached Third Amendment to Amended and Restated Loan and Security Agreement, (b) consent to the terms and conditions contained therein, and (c) agree that the covenants, agreements, duties and obligations of the undersigned, as Subordinated Creditor under the respective Subordination Agreements, shall remain in full force and effect with respect to the Obligations evidenced by the Loan Agreement, as amended by the attached Third Amendment to Amended and Restated Loan and Security Agreement.

Dated as of this \_\_\_\_ day of August, 2000.

ADVANTAGE FUND II LTD., a British Virgin Islands corporation

By: Genesee International Inc., as General Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KOCH INVESTMENT GROUP LIMITED, a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OXFORD INTERNATIONAL, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

-----  
FRANCIS KEERY

CELESTE TRUST REG., a Liechtenstein trust

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Title: -----

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

ESQUIRE TRADE & FINANCE INC., a  
British Virgin Islands corporation

By: -----

Name: -----

Title: -----

RCP INC., a California corporation

By: -----

Name: -----

Title: -----