

MECHANICAL TECHNOLOGY INC
Form 8-K
September 23, 2011

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):

September 20, 2011

MECHANICAL TECHNOLOGY, INCORPORATED

(Exact name of registrant as specified in charter)

New York
(State or Other Jurisdiction
of Incorporation)

0-6890
(Commission File Number)

14-1462255
(IRS Employer
Identification No.)

431 New Karner Road, Albany, New York 12205
(Address of Principal Executive Offices) (Zip Code)

(518) 533-2200
(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 (see General Instruction A.2. below):

- 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 1.01 Entry into a Material Definitive Agreement.

See Item 2.03 below.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On September 20, 2011, MTI Instruments, Inc. ("Instruments"), a wholly-owned subsidiary of Mechanical Technology, Incorporated (the "Company"), entered into a working capital line of credit with First Niagara Bank, N.A. Pursuant to the Demand Grid Note, dated September 20, 2011, Instruments may borrow from time to time up to \$400,000 to support its working capital needs. The note is payable upon demand, and the interest rate on the note is equal to the prime rate with a floor of 4.0% per annum. The note is secured by a lien on all of the assets of Instruments and is guaranteed by the Company. The line of credit is subject to a review date of June 30, 2012. Under the line of credit, Instruments is required to hold a line balance of \$0 for 30 consecutive days out during each consecutive year.

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.

MECHANICAL TECHNOLOGY, INCORPORATED

Date: September 23, 2011

By: /s/ Peng Lim
Name: Peng K. Lim
Title: Chairman and Chief Executive Officer