

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): October 28, 2004

DRYCLEAN USA, Inc.

-----  
(Exact name of registrant as specified in its charter)

Delaware

-----  
(State or other jurisdiction of incorporation)

0-9040

11-2014231

-----  
(Commission File Number)

-----  
(IRS Employer Identification No.)

290 N.E. 68 Street, Miami, Florida 33138

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(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (305) 754-4551

Not Applicable

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(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 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communication 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

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(a) On October 28, 2004, the Company received an extension until October 30, 2005 of its existing \$2,250,000 revolving line of credit facility. In addition, on October 28, 2004, the Loan Agreement, dated as of December 19, 2001, as amended, under which the revolving line of credit facility was established, was amended to eliminate the borrowing base restriction on borrowings under the revolving credit facility, thereby enabling the Company to borrow up to the full \$2,250,000 amount available under that facility regardless of the Company's levels of accounts receivable and inventories. The Company's obligations under the facility continue to be guaranteed by the Company's subsidiaries and collateralized by substantially all of the Company's and its

subsidiaries' assets.

(b) On October 28, 2004, the Company's wholly-owned subsidiary, Steiner Atlantic Corp. and William K. Steiner, Chairman of the Board of Directors, a director and a principal stockholder of the Company, entered into a letter of agreement confirming that the Lease dated October 6, 1995 between Steiner and William K. Steiner with respect to Steiner's facilities located at 290 N.E. 68th Street, 297 N.E. 67th Street and 277 N.E. 67th Street, Miami, Florida will continue until October 31, 2005 on the same terms and conditions, including rent, as prevailed immediately prior to such letter agreement.

Item 9.01 Financial Statements and Exhibits.  
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(a) Financial Statements of Businesses Acquired: None

(b) Pro Forma Financial Information: None

(c) Exhibits:

4.01 Letter agreement, dated October 28, 2004, between the Company and Wachovia Bank, National Association, formerly named First Union National Bank, extending the Company's revolving credit facility.

4.02 Letter agreement, dated October 28, 2004, between the Company and Wachovia Bank, National Association, formerly named First Union National Bank, eliminating the borrowing base restriction on borrowings under the Company's revolving credit facility.

99.01 Letter agreement, dated October 28, 2004, between Steiner-Atlantic Corp. and William K. Steiner with respect to the term of that certain Lease dated October 6, 1995 between Steiner and William K. Steiner with respect to Steiner's facilities located at 290 N.E. 68th Street, 297 N.E. 67th Street and 277 N.E. 67th Street Miami, Florida.

SIGNATURE  
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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 thereunto duly authorized.

DRYCLEAN USA, Inc.

Date: November 2, 2004            By: Venerando J. Indelicato  
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Venerando J. Indelicato,  
Treasurer and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.    Description  
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EXHIBIT 4.01

[WACHOVIA BANK, NATIONAL ASSOCIATION LETTERHEAD]

October 28, 2004

Michael Steiner  
Dryclean USA, Inc.  
290 NE 68th Street  
Miami, FL 33138

RE: Promissory Note from Dryclean USA, Inc. ("Borrower") to Wachovia Bank, National Association ("Wachovia") in the original principal of \$2,250,000.00 dated November 2, 1998 including any amendments (the "Note")

Dear Mr. Steiner:

Wachovia is pleased to extend its obligation to advance funds under the Note until October 30, 2005. All other forms, conditions and provisions of the Note and Loan Documents (as defined in the Note) remain unchanged and in full force and effect.

Thank you for allowing Wachovia to be of service. Please feel free to call me if you have any questions about this extension.

Sincerely,

Wachovia Bank, National Association

/s/ John C. Costa

John C. Costa  
Vice President

EXHIBIT 4.02

[WACHOVIA BANK, NATIONAL ASSOCIATION LETTERHEAD]

October 28, 2004

Michael Steiner  
Dryclean USA, Inc.  
290 NE 68th Street  
Miami, FL 33138

Dear Mr. Steiner:

Reference is made to that certain Loan Agreement dated as of December 19, 2001 as amended from time to time (the "Agreement") between Dryclean USA, Inc. (the "Borrower") and Wachovia Bank, National Association (the "Bank" or "Wachovia"). Reference is also made to the promissory note dated November 2, 1998 as amended from time to time (the "Note"). The Agreement, Note, and all other documents executed and delivered in connection therewith are collectively referred to herein as the "Loan Documents". All capitalized terms used but not defined herein shall have the meanings assigned in the Loan Documents.

Based on the long and favorable relationship the Bank has enjoyed with Dryclean USA, Inc., the Bank has agreed to modify certain requirements related to the facility referenced above in accordance with the terms of this Letter Agreement. As such, the following terms and conditions of that certain Agreement are hereby modified follows:

- o All references to "Borrowing Base" are hereby deemed to refer to \$2,250,000.00.

Except and to the extent specifically noted above, there shall be no change in any other provision or reporting requirements set forth in the Loan Documents. All other terms, conditions and provisions of the Agreement and Loan Documents remain unchanged and in a full force and effect.

Thank you for allowing Wachovia to be of service. Should you have any questions please contact the undersigned at (305) 789-1224.

Sincerely,

Wachovia Bank, National Association

/s/ John C. Costa

John C. Costa  
Vice President

EXHIBIT 99.01

William K. Steiner  
290 N.E. 68th Street  
Miami, Florida 33138

October 28, 2004

This will serve to confirm that the Lease dated October 6, 1995 between Steiner-Atlantic Corp. and William K. Steiner with respect to 290 N.E. 68th Street, 297 N.E. 67th Street and 277 N.E. 67th Street. Miami, Florida expires on October 31, 2005. The terms and conditions, including rent, presently prevailing shall prevail until October 31, 2005.

Very truly yours,

/s/ William K. Steiner

William K. Steiner

Agreed:

Steiner-Atlantic Corp.

By: /s/ Michael S. Steiner  
Michael S. Steiner  
President