

AMERICAS CARMART INC
Form 8-K
October 30, 2017

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): **October 25, 2017**

AMERICA'S CAR-MART, INC.

(Exact name of registrant as specified in its charter)

Texas

0-14939

63-0851141

(State or other jurisdiction of incorporation) (Commission file number) (I.R.S. Employer Identification No.)

802 SE Plaza Avenue, Suite 200, Bentonville, Arkansas 72712

(Address of principal executive offices, including zip code)

(479) 464-9944

(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:

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On October 25, 2017, America's Car-Mart, Inc., a Texas corporation (the "Company"), and its subsidiaries, Colonial Auto Finance, Inc., an Arkansas corporation ("Colonial"), America's Car Mart, Inc., an Arkansas corporation ("ACM"), and Texas Car-Mart, Inc., a Texas corporation ("TCM"), entered into Amendment No.1 to the Second Amended and Restated Loan and Security Agreement ("Agreement"), dated as of December 12, 2016, by and among the Company, Colonial, ACM, TCM and a group of lenders.

Amendment No. 1 to the Agreement (the "Amendment") amends the definition of "Permitted Distributions". The Amendment (i) increases the aggregate limit on repurchases beginning with the effective date of the Agreement to \$50 million, net of proceeds received from the exercise of stock options, plus for a period of six months, the amount of repurchases available to the Company immediately prior to the effective date of the Amendment (net of proceeds received from exercise of stock options), and (ii) reduces the upper threshold to 20% from 25% for minimum net availability of the borrowing base for financial covenant testing and limitations on distributions.

The Amendment also provides for a 0.025% decrease in the second pricing tier and a 0.125% decrease in the third pricing tier for determining the applicable interest rate. The Amendment also adds a fourth pricing tier at LIBOR plus 2.875%, based on the Company's consolidated leverage ratio if greater than 1.75:1.00 for the preceding fiscal quarter. The Amendment does not change the first pricing tier. Pricing tiers are based on the Company's consolidated leverage ratio for the preceding fiscal quarter. The current applicable interest rate is in the second pricing tier under the Amendment which is generally LIBOR plus 2.35%.

The Amendment also increases the termination fee to 0.5% of the revolver commitment being terminated.

Borrowings continue to be secured primarily by accounts receivable and inventory for the respective subsidiaries.

The descriptions above are summaries and are qualified in their entirety by Amendment No. 1, which is filed as an exhibit to this report and is incorporated herein by reference.

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

The information set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

(d) Exhibits.

4.1 Second Amended and Restated Loan and Security Agreement dated December 12, 2016, among America's Car-Mart, Inc., a Texas corporation, as Parent; Colonial Auto Finance, Inc., an Arkansas corporation, America's Car Mart, Inc., an Arkansas corporation, and Texas Car-Mart, Inc., a Texas corporation, as Borrowers; and certain financial institutions, as Lenders, with Bank of America N.A., as Agent, Lead Arranger and Book Manager (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 15, 2016).

4.2 Amendment No. 1 to Second Amended and Restated Loan and Security Agreement dated October 25, 2017, among America's Car-Mart, Inc., a Texas corporation, as Parent; Colonial Auto Finance, Inc., an Arkansas corporation, America's Car Mart, Inc., an Arkansas corporation, and Texas Car-Mart, Inc., a Texas corporation, as Borrowers; and certain financial institutions, as Lenders, with Bank of America N.A., as Agent, Lead Arranger and Book Manager.

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.

America's Car-Mart,
Inc.

Date: October 27, 2017 /s/ Jeffrey A. Williams
Jeffrey A. Williams
President, Chief
Financial Officer and
Secretary
(Principal Financial
Officer)

Exhibit Index

4.1 Second Amended and Restated Loan and Security Agreement dated December 12, 2016, among America's Car-Mart, Inc., a Texas corporation, as Parent; Colonial Auto Finance, Inc., an Arkansas corporation, America's Car Mart, Inc., an Arkansas corporation, and Texas Car-Mart, Inc., a Texas corporation, as Borrowers; and certain financial institutions, as Lenders, with Bank of America N.A., as Agent, Lead Arranger and Book Manager (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on December 15, 2016).

4.2 Amendment No. 1 to Second Amended and Restated Loan and Security Agreement dated October 25, 2017, among America's Car-Mart, Inc., a Texas corporation, as Parent; Colonial Auto Finance, Inc., an Arkansas corporation, America's Car Mart, Inc., an Arkansas corporation, and Texas Car-Mart, Inc., a Texas corporation, as Borrowers; and certain financial institutions, as Lenders, with Bank of America N.A., as Agent, Lead Arranger and Book Manager.