

C H ROBINSON WORLDWIDE INC
Form 8-K
August 26, 2013

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: August 23, 2013

(Date of earliest event reported)

C.H. ROBINSON WORLDWIDE, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 000-23189

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Delaware
(State or other jurisdiction)

41-1883630
(IRS Employer

of incorporation)

14701 Charlson Road, Eden Prairie, MN 55347

Identification No.)

(Address of principal executive offices, including zip code)

(952) 937-8500

(Registrant's telephone number, including area code)

Not Applicable

(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 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.

Accelerated Share Repurchase

In connection with the increased share repurchase authorization discussed in Item 8.01 below, C.H. Robinson Worldwide, Inc. (the *Company*) entered into two letter agreements (the *Agreements*) on August 24, 2013, one with each of Morgan Stanley & Co. LLC (*Morgan Stanley*) and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association (*J.P. Morgan*, and together with Morgan Stanley, the *Dealers*), to effect an accelerated share repurchase of the *Company*'s common stock. The material provisions of the *Agreements* are identical.

Under the *Agreements*, the *Company* will pay an aggregate purchase price of \$500 million to the *Dealers* on August 27, 2013 and receive approximately 6.1 million shares from the *Dealers*. The final number of shares that the *Company* will repurchase under the *Agreements* at maturity of the *Agreements* will be determined based on a discount to the arithmetic mean of the volume-weighted average prices of the *Company*'s common stock over the course of a calculation period. The calculation period for both *Agreements* is scheduled to end in April 2014, but each *Dealer* can accelerate the termination of the calculation period applicable to its respective *Agreement*. Under the terms of each *Agreement*, if the final number of shares to be repurchased from the relevant *Dealer* exceeds the number of shares previously delivered by that *Dealer*, the *Company* will receive from that *Dealer* a number of additional shares equal to such excess following the conclusion of the calculation period. Under the terms of each *Agreement*, if the final number of shares to be repurchased by the relevant *Dealer* is less than the number of shares previously delivered by that *Dealer*, the *Company* will deliver shares to that *Dealer* equal to such excess following the conclusion of the calculation period, or the *Company* may elect to settle any such deficit in cash.

The *Agreements* contain certain terms customary for agreements of this type, including provisions for adjustments upon the occurrence of certain corporate transactions or market events and the circumstances under which the *Agreements* may be extended, terminated or unwound early or adjusted in other respects. The description of the *Agreements* herein is qualified in its entirety by reference to the *Agreements*, which are filed as Exhibits 10.1 and 10.2 hereto and are incorporated herein by reference.

Morgan Stanley and J.P. Morgan, along with their respective affiliates, have performed, and may in the future perform, various commercial banking and other financial advisory services for the *Company* and its subsidiaries for which they have received, and will receive, customary fees and expenses.

Note Purchase Agreement

On August 23, 2013, the *Company* entered into a Note Purchase Agreement with certain institutional investors (the *Purchasers*) named therein (the *Note Purchase Agreement*).

Pursuant to the Note Purchase Agreement, the *Company* has agreed to issue and sell, and the *Purchasers* have agreed to purchase, on or around August 27, 2013 and no later than August 31, 2013 and subject to the terms and conditions set forth in the Note Purchase Agreement, (i) \$175,000,000 aggregate principal amount of the *Company*'s 3.97% Senior Notes, Series A, due August 27, 2023 (the *Series A Notes*), (ii) \$150,000,000 aggregate principal amount of the *Company*'s 4.26% Senior Notes, Series B, due August 27, 2028 (the *Series B Notes*) and (iii) \$175,000,000 aggregate principal amount of the *Company*'s 4.60% Senior Notes, Series C, due August 27, 2033 (the *Series C Notes* and, together with the *Series A Notes* and the *Series B Notes*, the *Notes*). The *Company* will apply the proceeds of the sale of the *Notes* for any of (i) working capital, (ii) general corporate purposes and (iii) share repurchases.

The Note Purchase Agreement contains customary provisions for transactions of this type, including representations and warranties regarding the *Company* and its subsidiaries and various covenants, including covenants that require the *Company* to maintain specified financial ratios. The Note Purchase Agreement provides for customary events of default, generally with corresponding grace periods, including, without limitation, payment defaults with respect to the *Notes*, covenant defaults, cross-defaults to other agreements evidencing indebtedness of the *Company* or its subsidiaries, certain judgments against the *Company* or its subsidiaries and events of bankruptcy involving the *Company* or its material subsidiaries. The occurrence of an event of default would permit certain *Purchasers* to declare certain *Notes* then outstanding to be immediately due and payable.

Under the terms of the Note Purchase Agreement, the Notes are redeemable, in whole or in part, at 100% of the principal amount being redeemed together with a make-whole amount (as defined in the Note Purchase Agreement) with respect to each Note. The obligations of the Company under the Note Purchase Agreement and the Notes are guaranteed by C. H. Robinson Company, a Delaware corporation and a wholly-owned subsidiary of the Company, and by C. H. Robinson Company, Inc., a Minnesota corporation and an indirect wholly-owned subsidiary of the Company.

The Notes will be issued by the Company to such initial purchasers in a private placement in reliance on Section 4(2) of the Securities Act of 1933, as amended (the Securities Act). The Notes will not be or have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The descriptions of the Notes and the Note Purchase Agreement herein are qualified in its entirety by reference to the Note Purchase Agreement, which is filed as Exhibit 10.3 hereto and is incorporated by reference.

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

The discussion regarding the Note Purchase Agreement under Item 1.01 is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

A copy of the Company's press release issued in connection with this report is attached to this report as Exhibit 99.1. The information contained in Exhibit 99.1 is being furnished pursuant to Item 7.01 of this Current Report on Form 8-K and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to liability under Section 18 of the Exchange Act. Furthermore, the information contained in Exhibit 99.1 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933 or the Exchange Act.

Item 8.01 Other Events.

On August 23, 2013, the Board of Directors increased the Company's share repurchase authorization by up to an additional 15 million shares of common stock (from approximately 8,700,000 shares currently available as of August 23, 2013 to approximately 23,700,000 shares). Repurchases may be made from time to time in the open market, by block purchase, in private transactions, in accelerated share repurchase transactions or otherwise, subject to market conditions and other factors.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Letter Agreement dated as of August 24, 2013, by and between C.H. Robinson Worldwide, Inc. and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association.
- 10.2 Letter Agreement dated as of August 24, 2013, by and between C.H. Robinson Worldwide, Inc. and Morgan Stanley & Co. LLC.
- 10.3 Note Purchase Agreement dated as of August 23, 2013, by and among the Company and the Purchasers.
- 99.1 Press Release dated August 26, 2013.

SIGNATURE

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.

C.H. ROBINSON WORLDWIDE, INC.

By: /s/ Ben G. Campbell
Ben G. Campbell
Vice President, General Counsel and

Secretary

Date: August 26, 2013

Exhibit Index

Exhibit No.	Description	Manner of Filing
10.1	Letter Agreement dated as of August 24, 2013, by and between C.H. Robinson Worldwide, Inc. and J.P. Morgan Securities LLC, as agent for JPMorgan Chase Bank, National Association.	Filed Electronically
10.2	Letter Agreement dated as of August 24, 2013, by and between C.H. Robinson Worldwide, Inc. and Morgan Stanley & Co. LLC.	Filed Electronically
10.3	Note Purchase Agreement dated as of August 23, 2013, by and among the Company and the Purchasers.	Filed Electronically
99.1	Press Release dated August 26, 2013	Filed Electronically