

DECKERS OUTDOOR CORP
Form 8-K
September 06, 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): **August 30, 2011**

DECKERS OUTDOOR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-22446

(Commission File Number)

95-3015862

(IRS Employer Identification No.)

495A South Fairview Avenue, Goleta, California

(Address of principal executive offices)

93117

(Zip code)

Registrant's telephone number, including area code **(805) 967-7611**

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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 (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))
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Item 1.01. Entry into a Material Definitive Agreement.

On August 30, 2011, Deckers Outdoor Corporation (the Company) entered into a Credit Agreement (the Credit Agreement) with JPMorgan Chase Bank, National Association (JPMorgan) as the administrative agent, Comerica Bank and HSBC Bank USA, National Association, as Syndication Agents, and the lenders party thereto.

The Credit Agreement is a \$200 million secured revolving credit facility which contains a \$50 million sublimit for the issuance of letters of credit and a \$5 million sublimit for swingline loans. Subject to customary conditions and the approval of any lender whose commitment would be increased, the Company has the option to increase the maximum principal amount available under the Credit Agreement by up to an additional \$100 million, resulting in a maximum available principal amount of \$300 million. None of the lenders under the Credit Agreement has committed at this time or is obligated to provide any such increase in the commitments. Funds may be prepaid at any time and the Company has the right to permanently reduce or terminate the lenders' commitments provided for under the Credit Agreement.

At the Company's option, revolving loans issued under the Credit Agreement will bear interest at either adjusted LIBOR or an alternate base rate, in each case plus the applicable interest rate margin. Revolving loans will initially bear interest at adjusted LIBOR plus 1.25% per annum, in the case of LIBOR borrowings, or at the alternate base rate plus 0.25% annum, and thereafter the interest rate will fluctuate between adjusted LIBOR plus 1.25% per annum and adjusted LIBOR plus 1.50% per annum (or between the alternate base rate plus 0.25% per annum and the alternate base rate plus 0.50% per annum), based upon the Company's Total Adjusted Leverage Ratio (as defined in the Credit Agreement) at such time. In addition, the Company will initially be required to pay fees of 0.20% per annum on the daily unused amount of the revolving credit facility, and thereafter the fee rate will fluctuate between 0.20% and 0.30% per annum, based upon the Company's Total Adjusted Leverage Ratio.

The Company's obligations under the Credit Agreement are guaranteed by the Company's existing and future domestic subsidiaries (other than certain immaterial subsidiaries and foreign subsidiaries), and is secured by a first-priority security interest in substantially all of the assets of the Company and the guarantors, including all or a portion of the equity interests of certain of the Company's domestic subsidiaries and foreign subsidiaries.

Funds provided under the Credit Agreement may be used for working capital and general corporate purposes. Unless the lenders' commitments are terminated earlier in accordance with the Credit Agreement, the revolving loans and swingline loans provided for under the Credit Agreement are available until the fifth anniversary of the effective date of the Credit Agreement.

The Credit Agreement contains usual and customary representations and warranties, and usual and customary affirmative and negative covenants which include: limitations on liens, additional indebtedness, investments, restricted payments and capital expenditures; financial covenants (including maintenance of a minimum consolidated asset coverage ratio and a maximum consolidated leverage ratio); and other customary limitations. The Credit Agreement also contains usual and customary events of default which include: non-payment of principal, interest, fees and other amounts; material breach of a representation or warranty; non-performance of covenants and obligations; default on other material debt; bankruptcy or insolvency; material judgments; incurrence of certain material ERISA liabilities; and a change of control of the Company.

The foregoing summary of the Credit Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the Credit Agreement, a copy of which is attached as Exhibit 10.1 hereto and incorporated herein by reference.

**Item 2.03
a Registrant.**

Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Exhibits.

(d) Exhibits. The following exhibits are attached to this Current Report on Form 8-K:

Exhibit No.	Description
10.1	Credit Agreement, dated as of August 30, 2011, by and among Deckers Outdoor Corporation, as Borrower, JPMorgan Chase Bank, National Association, as Administrative Agent, Comerica Bank and HSBC Bank USA, National Association, as Syndication Agents, and the lenders from time to time party thereto.

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.

Deckers Outdoor Corporation

Date: September 6, 2011

/s/ Thomas A. George
Thomas A. George
Chief Financial Officer

EXHIBIT INDEX

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