

TrueBlue, Inc.
Form 8-K
July 16, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): July 13, 2018

TRUEBLUE, INC.
(Exact Name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction
of Incorporation)
001-14543 91-1287341
(Commission (IRS Employer
File Number) Identification No.)

1015 A Street, Tacoma, Washington 98402
(Address of Principal Executive Offices) (Zip Code)
(253) 383-9101
(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 (see General Instruction A.2. below):

..Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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.. 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 as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 July 13, 2018, TrueBlue, Inc. (the “company”) entered into a credit agreement with Bank of America, N.A. as administrative agent and collateral agent, Bank of America Merrill Lynch, Wells Fargo Securities, LLC, and PNC Bank, N.A. as joint lead arrangers and joint bookrunners, Wells Fargo Bank, N.A., PNC Bank, N.A., KeyBank, N.A., and HSBC Bank USA, N. A. as co-agents, and the lenders that are parties thereto (the “Revolving Credit Facility”). In connection with entering into the new Revolving Credit Facility, the company also terminated the second amended and restated credit agreement associated with its prior credit facility (the “Terminated Credit Facility”), which was set to expire in June 2019. The company did not incur any early termination penalties in connection with the termination of the Terminated Credit Facility.

The Revolving Credit Facility provides a revolving line of credit of up to \$300 million, matures in five years and also includes the following:

- **Accordion.** The Revolving Credit Facility contains an accordion feature which, subject to lender approval, provides the company with the option to increase the total amount of the facility up to \$450 million.
- **Loan fees and interest.** Under the terms of the Revolving Credit Facility, the company pays a variable rate of interest on the outstanding principal balance, a fee on outstanding letters-of-credit and a commitment fee. These rates are based on LIBOR or the base rate (highest of (a) Federal Funds Rate plus 0.50%, (b) Bank of American prime rate and (c) LIBOR plus 1.0%), plus an applicable spread, as set forth below:

| Consolidated leverage ratio | Base rate loans | Eurodollar loans | Letters of credit | Commitment fee |
|-----------------------------|-----------------|------------------|-------------------|----------------|
| < 1.00:1 | 0.25% | 1.25% | 1.00% | 0.250% |
| ≥ 1.00:1 but < 1.50:1 | 0.50% | 1.50% | 1.25% | 0.275% |
| ≥ 1.50:1 but < 2.00:1 | 0.75% | 1.75% | 1.50% | 0.300% |
| ≥ 2.00:1 but < 2.50:1 | 1.00% | 2.00% | 1.75% | 0.325% |
| ≥ 2.50:1 but < 3.00:1 | 1.25% | 2.25% | 2.00% | 0.350% |
| ≥ 3.00: 1 | 1.50% | 2.50% | 2.25% | 0.375% |

Under the terms of the Revolving Credit Facility, letters-of-credit also include a fronting fee of 0.50%.

- **Collateral.** Obligations under the Revolving Credit Facility are secured by certain collateral of the company and its domestic subsidiaries.
- **Covenants.** The Revolving Credit Facility contains customary representations and warranties, events of default, and affirmative and negative covenants, including, among others, financial covenants based on the company’s leverage and fixed charge coverage ratios.

This description of the Revolving Credit Facility does not purport to be complete, and is subject to and qualified in its entirety by reference to the full text of the credit agreement, which is attached as Exhibit 10.1 to this Form 8-K, and is incorporated by reference herein.

In connection with entering into the new Revolving Credit Facility, the company pre-paid in full its outstanding obligations of approximately \$22 million with Synovus Bank, terminating all commitments under this term loan (the “Term Loan”) dated February 4, 2013 (as subsequently amended). The company did not incur any early termination penalties in connection with the termination of the Term Loan.

Item 1.02. Termination of a Material Definitive Agreement.

The disclosure set forth in Item 1.01 of this Form 8-K related to the Terminated Credit Facility is incorporated by reference in this Item 1.02.

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

To the extent required by Item 2.03 of Form 8-K, the information contained or incorporated in Item 1.01 of this Form 8-K with respect to the Revolving Credit Facility is incorporated by reference in this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Credit agreement by and among Bank of America, N.A., Wells Fargo Bank, N.A., PNC Bank, National Association, Key Bank, HSBC and TrueBlue, Inc. dated as of July 13, 2018.
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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.

TRUEBLUE, INC.
(Registrant)

Date: July 16, 2018 By: /s/ Derrek L. Gafford
Derrek L. Gafford
Chief Financial Officer and Executive Vice President

EXHIBIT INDEX

| Exhibit number | Exhibit description | Filed herewith |
|----------------|--|----------------|
| 10.1 | <u>Credit agreement by and among Bank of America, N.A., Wells Fargo Bank, N.A., PNC Bank, N.A., KeyBank, N.A., HSBC Bank USA, N.A. and TrueBlue, Inc. dated as of July 13, 2018.</u> | X |