



Edgar Filing: AMERICAS CARMART INC - Form 8-K

(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))

**Item 1.01. Entry into a Material Definitive Agreement.**

On October 8, 2014, 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. 5 to the Amended and Restated Loan and Security Agreement ("Agreement"), dated as of March 9, 2012, by and among the Company, Colonial, ACM, TCM and a group of lenders.

Amendment No. 5 to the Agreement (the "Amendment") amends the Company's \$145 million credit facility (\$200 million including the option to request revolver commitment increases for up to an additional \$55 million). The Amendment extends the term of the Company's revolving credit facilities to October 8, 2017.

The Amendment provides for a new pricing tier for determining the applicable interest rate, based on the Company's consolidated leverage ratio for the preceding fiscal quarter, and provides for a 0.125% increase in each of the three existing pricing tiers for determining the applicable interest rate. The current applicable interest rate under the Amendment is generally LIBOR plus 2.375%. Borrowings are secured primarily by accounts receivable and inventory of the respective subsidiaries. The Amendment enhances the advances available to Colonial on its accounts receivable by adding advances at rates ranging from 45% to 50% on medium-term and long-term vehicle contracts, in addition to existing Colonial advance rates of up to 55% for all other contracts. The effect of the changes results in additional borrowing availability to support the Company's growth.

The Amendment also amends one of two alternative distribution limitations related to repurchases of the Company's stock. With respect to such limitation, the Amendment (i) resets the \$40 million aggregate limit on repurchases beginning with the effective date of the Amendment (updated from March 9, 2012), (ii) redefines the aggregate amount of repurchases to be net of proceeds received from the exercise of stock options, and (iii) changes the requirement that the sum of borrowing bases combined minus the principal balances of all revolver loans after giving effect to such repurchases be equal to or greater than 30% (increased from 25%) of the sum of the borrowing bases. The Amendment does not change the alternative distribution limitation that allows Company stock repurchases so long as the aggregate amount of such repurchases does not exceed 75% of the consolidated net income of the Company measured on a trailing twelve month basis; provided that immediately before and after giving effect to the stock repurchases, at least 12.5% of the aggregate funds committed under the credit facilities remain available.

The Amendment required a closing fee of \$217,500 and an arrangement fee of \$32,500.

The description above is a summary and is qualified in its entirety by Amendment No. 5 to the Agreement, 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.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.**

On September 17, 2014, the Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company approved the America's Car-Mart, Inc. Nonqualified Deferred Compensation Plan (the "Plan"). The plan is an unfunded, nonqualified deferred compensation plan designed to allow a select group of management or highly compensated employees of the Company, including the named executive officers of the Company to save for retirement on a tax-deferred basis. The eligibility of each participant will be determined by the Compensation Committee. The Plan is intended to comply with the requirements of 409A if the Internal Revenue Code of 1986, as amended.

The Plan constitutes an unsecured promise by the Company to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company. The Company (or one or more of its subsidiaries) is solely responsible for paying benefits to its participants and their beneficiaries.

The description above is a summary and is qualified in its entirety by reference to the Plan, which is filed as an exhibit to this report and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

4.1 Amended and Restated Loan and Security Agreement dated March 9, 2012, 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 Administrative 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 March 12, 2012).

4.2 Amendment No. 1 to Amended and Restated Loan and Security Agreement dated September 20, 2012, 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 Administrative Agent, Lead Arranger and Book Manager (Incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2012).

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4.3 Amendment No. 2 to Amended and Restated Loan and Security Agreement dated February 4, 2013, 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 Administrative Agent, Lead Arranger and Book Manager (Incorporated by reference to Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 2013 filed with the SEC on March 1, 2013).

4.4 Amendment No. 3 to Amended and Restated Loan and Security Agreement dated June 24, 2013, 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 Administrative Agent, Lead Arranger and Book Manager (Incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed with the SEC on June 28, 2013).

4.5 Amendment No. 4 to Amended and Restated Loan and Security Agreement dated February 13, 2014, 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 Administrative Agent, Lead Arranger and Book Manager (Incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed with the SEC on February 19, 2014).

4.6 Amendment No. 5 to Amended and Restated Loan and Security Agreement dated October 8, 2014, 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 Administrative Agent, Lead Arranger and Book Manager.

10.1

America's Car-Mart, Inc. Nonqualified Deferred Compensation Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, 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 10, 2014 /s/ Jeffrey A. Williams  
Jeffrey A. Williams  
Chief Financial Officer  
and Secretary  
(Principal Financial and  
Accounting Officer)

**Exhibit Index**

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