

ESCALADE INC
Form 8-K
May 07, 2012

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) May 4, 2012

ESCALADE, INCORPORATED

(Exact Name of Registrant as Specified in Its Charter)

Indiana

(State or Other Jurisdiction of Incorporation)

0-6966

(Commission File Number)

13-2739290

(IRS Employer Identification No.)

817 Maxwell Avenue, Evansville, Indiana 47711

(Address of Principal Executive Offices) (Zip Code)

(812) 467-4449

(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):

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£ 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))

Section 1 – Registrant’s Business and Operations

Item 1.01 – Entry into a Material Definitive Agreement

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

On May 4, 2012, Escalade, Incorporated (“Escalade”) entered into the Eighth Amendment (the “Eighth Amendment”) to Escalade’s Credit Agreement with its issuing bank, JPMorgan Chase Bank, N.A. (“Chase”). The Eighth Amendment amends the Credit Agreement dated as of April 30, 2009, as amended by Amendments First through Seventh (collectively, the “Credit Agreement”), among the Company, Chase and the other lenders identified therein (collectively, “Lender”).

This Form 8-K describes the primary changes to the Credit Agreement as a result of the Eighth Amendment. For the entire text of the Eighth Amendment, which constitutes all of the changes resulting from the Eighth Amendment, please see Exhibit 10.1 attached hereto. Except as set forth in the Eighth Amendment, the terms and conditions of the Credit Agreement remain in full force and effect. All capitalized terms not defined in this Form 8-K have the meanings set forth in the Credit Agreement or, if applicable, as amended pursuant to the Eighth Amendment.

The Eighth Amendment modified the loan covenants relating to Capital Expenditures, stock repurchases, and issuances of common stock. Escalade now may incur increased Capital Expenditures of up to \$7,500,000 for fiscal year 2012, and up to \$4,000,000 for fiscal year 2013; repurchase shares of Escalade common stock for an aggregate amount of up to \$1,000,000; and issue up to 2,500,000 shares of its common stock pursuant to the Escalade 2007 Incentive Plan, as amended at Escalade’s 2012 Annual Meeting of Stockholders to increase the total number of shares available for grant thereunder from 1,000,000 shares to 2,500,000 shares.

Escalade’s indebtedness under the Credit Agreement continues to be collateralized by liens on all of the present and future equity of each of Escalade’s domestic subsidiaries and substantially all of the assets of the Company. In addition, each direct and indirect domestic subsidiary of Escalade has unconditionally guaranteed all of the indebtedness of Escalade arising under the Credit Agreement and has secured its guaranty with a first priority security interest and lien on all of its assets. The Pledge and Security Agreement dated April 30, 2009 by and between Escalade and Chase, and each Pledge and Security Agreement dated April 30, 2009 by and between each such Escalade subsidiary and Chase continue in full force and effect, as amended by the Master Amendment to Pledge and Security Agreements dated May 31, 2010 entered into by Chase, Escalade and each such subsidiary. The Unlimited Continuing Guaranty dated April 30, 2009 applicable to each of Escalade’s domestic subsidiaries continues in full

force and effect without change. In connection with the execution of the Eighth Amendment, each of Escalade's domestic subsidiaries consented to the execution of such Amendment and reaffirmed their Guaranty in favor of Lender.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit Description

10.1 Eighth Amendment to Credit Agreement dated as of May 4, 2012 by and between Escalade, Incorporated and JPMorgan Chase Bank, N.A.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Escalade, Incorporated has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 7, 2012 **ESCALADE, INCORPORATED**

By: /s/ DEBORAH J. MEINERT

Vice President Finance, Chief Financial Officer and Secretary