

TRUEBLUE, INC.

FORM 8-K (Current report filing)

Filed 06/30/14 for the Period Ending 06/30/14

Address	1015 A STREET TACOMA, WA 98402
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**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): June 30, 2014

TRUEBLUE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Washington
(State or Other Jurisdiction of Incorporation)

001-14543
(Commission File Number)

91-1287341
(IRS Employer Identification No.)

1015 A Street, Tacoma, Washington
(Address of Principal Executive Offices)

98402
(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):

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

In connection with the completion of its acquisition of Staffing Solutions Holdings, Inc., a Delaware corporation (" **Seaton** "), on June 30, 2014 TrueBlue, Inc. (the " **Company** ") entered into a Second Amended and Restated Credit Agreement with Bank of America, N.A., as administrative agent and collateral agent, Wells Fargo Bank, National Association, and PNC Capital Markets LLC, as joint lead arrangers and joint book runners, Wells Fargo Bank, National Association and PNC Capital Markets LLC, as co-documentation agents, and the lenders that are parties thereto (the " **Revolving Credit Facility** "). The Revolving Credit Facility amends and restates the Company's Amended and Restated Credit Agreement dated as of September 30, 2011 (as subsequently amended) and replaces Seaton's existing credit facility.

The Revolving Credit Facility provides for a secured revolving credit facility of up to a maximum of \$300 million, matures in five years and provides for the following:

- **Borrowing Base.** The amount the Company can borrow under the Revolving Credit Facility is calculated according to a formula that is based upon the sum of (a) 90% of eligible billed receivables, plus (b) the lesser of (i) 85% of eligible unbilled accounts receivable and (ii) 15% of all eligible receivables, plus (c) \$17,437,500 for Eligible Real Property; minus (d) certain reserves, including a reserve for temporary worker payroll.
- **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 \$400 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 an unused commitment fee. These rates are based on LIBOR or the Base Rate (prime rate/daily 1-month LIBOR), plus an applicable spread based on Excess Liquidity as a percentage of the total commitments, as set forth below:

Excess Liquidity as a percentage of the Total Commitments	Base Rate Revolving Loans	LIBOR Revolving Loans	Letters of Credit
Greater than 75% *	.25%	1.25%	1.25%
Greater than 50% to 75%	.50%	1.50%	1.50%
Greater than 25% to 50%	.75%	1.75%	1.75%
Equal to or less than 25%	1.00%	2.00%	2.00%

* Top tier pricing is available only if the Company achieves a Funded Debt to Consolidated EBITDA ratio of less than 1.5:1.0.

"Excess Liquidity," is the amount equal to (i) unused borrowing capacity under the Revolving Credit Facility plus (ii) certain unrestricted cash and cash equivalents.

An unused commitment fee rate of (i) 0.375% when utilization is less than 25%, or (ii) 0.25% when utilization is greater than or equal to 25%, is also applied against the unused portion of the Revolving Credit Facility. Under the terms of the Revolving Credit Facility, letters-of-credit are priced at the margin in effect for LIBOR loans plus a fronting fee of 0.125%.

- Collateral. Obligations under the Revolving Credit Facility will be secured by substantially all of the Company's and its domestic subsidiaries' personal property and the Company's headquarters located in Tacoma, Washington.

On June 30, 2014, the Company issued a press release announcing the consummation of the Seaton acquisition, including the Revolving Credit Facility, which is included as Exhibit 99.1 to this Form 8-K.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On June 30, 2014, the Company completed its previously announced acquisition of all of the outstanding equity interests of Seaton pursuant to a Stock Purchase Agreement (the "**Purchase Agreement**"), dated as of June 1, 2014, among the Company, Seaton, and its equityholders.

The cash purchase price for the acquisition was \$310 million, subject to certain working capital and other adjustments. A portion of the purchase price was funded through the entry into the Revolving Credit Facility described in Item 1.01 with Bank of America, N.A., as administrative agent and collateral agent, Wells Fargo Bank, National Association, and PNC Capital Markets LLC, as joint lead arrangers and joint book runners, Wells Fargo Bank, National Association and PNC Capital Markets LLC, as co-documentation agents, and the lenders that are parties thereto.

On June 30, 2014, the Company issued a press release announcing the consummation of the Seaton acquisition, including the Revolving Credit Facility, which is included as Exhibit 99.1 to this Form 8-K.

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.

(a) Financial Statements of Businesses Acquired.

The financial statements required by Item 9.01(a) will be filed by amendment to this Form 8-K as soon as practicable, but not later than 71 calendar days after the date on which this Form 8-K was required to be filed.

(b) Pro Forma Financial Information.

The pro forma financial information required by Item 9.01(b) will be filed by amendment to this Form 8-K as soon as practicable, but not later than 71 calendar days after the date on which this Form 8-K was required to be filed.

(d) Exhibits

99.1 Press Release of the Company dated June 30, 2014

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.

TRUEBLUE, INC.
(Registrant)

Date: June 30, 2014

By: /s/ JAMES E. DEFEBAGH
James E. Defebaugh
Executive Vice President, General Counsel and Secretary

TRUEBLUE COMPLETES ACQUISITION OF SEATON
PeopleScout, Staff Management | SMX, HRX and StudentScout Join TrueBlue

TACOMA, WASH. – June 30, 2014 -- TrueBlue, Inc. announced today that it has completed its previously announced acquisition of Seaton Corp., including its PeopleScout, Staff Management | SMX, HRX and StudentScout service lines.

"We are pleased to have these respected and industry-leading brands join TrueBlue along with their talented employees," TrueBlue CEO Steve Cooper said. "We can now offer a broader range of specialized solutions to help clients better manage their workforce."

Cooper said TrueBlue will expand many of the centralized practices used by PeopleScout and Staff Management | SMX to support the company's strategy to deliver its staffing services through a smaller branch footprint.

"Our acquisition strategy has always been about building new competencies," he said. "The addition of Staff Management | SMX allows us to address the complex needs of customers with large, industrial workforces. Similarly, just as we've helped customers increase the productivity of their workforces through access to specialized staffing services, the addition of PeopleScout means customers can now rely on TrueBlue to do the same for recruiting their full-time workforce."

The acquisition makes TrueBlue the largest industrial staffing provider in the U.S., bringing 2013 pro forma revenue to \$2.3 billion.

About TrueBlue:

TrueBlue (NYSE: TBI) is a leading staffing provider that helps over 130,000 businesses be more productive through easy access to dependable temporary labor. TrueBlue provides specialized staffing solutions and onsite workforce management to industries that include construction, manufacturing, transportation, aviation, waste, hospitality, retail, renewable energy and more. Repeatedly recognized as one of Forbes Magazine's "Most Trustworthy Companies" for its accounting and governance practices, TrueBlue connects approximately 375,000 people to work annually across the U.S., Canada and Puerto Rico. Learn more about TrueBlue at www.trueblue.com.

Forward-looking Statements

This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "should," "expects," "intends," "projects," "plans," "believes," "estimates," "targets," "anticipates," and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include the expected benefits of the acquisition and any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Among these factors are the occurrence of any event, change or other circumstances that could give rise to risks related to disruption of management time from ongoing business operations due to the acquisition and failure to realize the benefits expected from the acquisition. Examples of additional factors can be found in our most recent filings with the Securities Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

Contacts:

Derrek Gafford, EVP & CFO
[253-680-8214](tel:253-680-8214)

Stacey Burke, VP of Corporate Communications
[253-680-8291](tel:253-680-8291)