O REILLY AUTOMOTIVE INC
Form 8-K
June 20, 2013

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): June 17, 2013

O REILLY AUTOMOTIVE, INC.

(Exact Name of Registrant as Specified in its Charter)

Missouri	**000-21318**	**27-4358837**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

233 South Patterson

Springfield, Missouri 65802

((Address of principal executive offices, Zip code)

(417) 862-6708

(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:

¨ 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.
Underwriting Agreement

On June 17, 2013, O Reilly Automotive, Inc. (the Company) entered into an Underwriting Agreement (the Underwriting Agreement) with Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as the representatives of the underwriters named on Schedule I thereto (the Underwriters), and the Guarantors (as defined below) party thereto, with respect to the Company s issuance and sale of $300 million aggregate principal amount of the Company s 3.850% Senior Notes due 2023 (the Notes). The Underwriting Agreement includes customary representations, warranties and covenants. Under the terms of the Underwriting Agreement, the Company and the Guarantors also have agreed to indemnify the Underwriters against certain liabilities.

The estimated net proceeds from the offering of the Notes were approximately $297 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company used a portion of the net proceeds from the offering of the Notes to pay fees and expenses related to the offering of the Notes and intends to use the remaining net proceeds for general corporate purposes, which may include ordinary course working capital increases, repurchases of shares of our common stock, repayment of debt and to invest in other business opportunities, including acquisitions.

The above description of the Underwriting Agreement does not purport to be complete and is qualified in its entirety by reference to the Underwriting Agreement, attached as Exhibit 1.1 hereto, and incorporated herein by reference.

Indenture

The terms of the Notes are governed by an Indenture, dated as of June 20, 2013 (the Closing Date), by and among the Company, the Guarantors and UMB Bank, N.A. (the Trustee).

The Notes mature on June 15, 2023 and bear interest at a rate of 3.850% per year. Interest on the Notes is payable on June 15 and December 15 of each year, beginning on December 15, 2013. The Notes are the Company s general unsecured senior obligations and rank equally in right of payment with all of the Company s existing and future unsecured and unsubordinated indebtedness, including the Company s credit facility, the Company s 4.875% Senior Notes due 2021, the Company s 4.625% Senior Notes due 2021 and the Company s 3.800% Senior Notes due 2022. The Notes will be effectively subordinated to the Company s future secured indebtedness, if any, to the extent of the value of the collateral securing such indebtedness. The Notes are guaranteed on a senior unsecured basis by each of the Company s subsidiaries (the Guarantors) that incurs or guarantees the Company s obligations under the Company s credit facility or certain other debt of the Company or any of the Guarantors, including the Company s 4.875% Senior Notes due 2021, the Company s 4.625% Senior Notes due 2021 and the Company s 3.800% Senior Notes due 2022. As of the Closing Date, all of the Company s subsidiaries, except for certain immaterial subsidiaries, are Guarantors of the Notes. The Company is permitted to release guarantees of the Notes without the consent of holders of the Notes under the circumstances described in the Indenture.

Prior to March 15, 2023, the Company may redeem the Notes, at its option, in whole at any time or in part from time to time, at a purchase price equal to 100% of the principal amount plus a make-whole premium as set forth in the Indenture plus accrued and unpaid interest, if any, to but not including the redemption date. On or after March 15, 2023, the Company may redeem the Notes, at its option, in whole at any time or in part from time to time, at a purchase price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to but not including the redemption date.

If the Company undergoes a Change of Control Triggering Event (as defined in the Indenture), holders may require the Company to repurchase all or a portion of their Notes at a price equal to 101% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest, if any, to but not including the repurchase date.

The Indenture contains covenants that limit the ability of the Company and each of its subsidiaries, as applicable to, among other things: (i) create certain liens on its assets to secure certain debt; (ii) enter into certain sale and leaseback transactions; and (iii) in the case of the Company, merge or consolidate with another company or transfer all or substantially all of the Company s property, in each case as set forth in the Indenture. These covenants are, however, subject to a number of important limitations and exceptions.

The Indenture also contains customary event of default provisions including, among others, the following: (i) default in the payment of the principal of the Notes when the same becomes due and payable; (ii) default for 30 days in the payment when due of interest on the Notes; (iii) failure to comply with covenants or agreements in the Indenture or the Notes and failure to cure or obtain a waiver of such default within 60 days following notice as described below; (iv) a default under any debt for money borrowed by the Company or any of the Guarantors that results in acceleration of the maturity of such debt, or failure to pay any such debt within any applicable grace period after final stated maturity, in an aggregate amount greater than $75.0 million without suc