

TELETECH HOLDINGS INC
Form 8-K
June 07, 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 3, 2013**

TeleTech Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of

Incorporation)

001-11919
(Commission

File Number)

84-1291044
(I.R.S. Employer

Identification No.)

9197 S. Peoria Street, Englewood, Colorado
(Address of Principal Executive Offices)

80112
(Zip Code)

(303) 397-8100

(Registrant's Telephone Number, Including Area Code)

Edgar Filing: TELETECH HOLDINGS INC - Form 8-K

(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)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12(b))
 - ☐ 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.

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

On June 3, 2013, TeleTech Holdings, Inc. (the "Company") entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with a syndicate of lenders (collectively, the "Lenders") led by Wells Fargo Bank, National Association, as administrative agent, swing line lender and fronting lender. The Credit Agreement amends and restates in its entirety the Company's prior Credit Agreement dated as of October 1, 2010, as amended (the "Prior Credit Agreement").

The Credit Agreement provides for a secured revolving credit facility that matures on June 3, 2018 with an initial maximum aggregate commitment of \$700.0 million, including a \$35.0 million sub-limit for letters of credit and a swing line loan sub-limit of \$25.0 million. The Credit Agreement also provides for a sub-limit for loans or letters of credit in foreign currencies of 50% of the total commitment amount. The Company may increase the maximum aggregate commitment under the Credit Agreement by \$300.0 million to \$1.0 billion if certain conditions are satisfied, including that the Company is not in default under the Credit Agreement at the time of the increase and that the Company obtains the commitment of the lenders participating in the increase. Loans under the Credit Agreement shall be used to refinance the Company's existing indebtedness under the Prior Credit Agreement, to finance ongoing working capital requirements and for other general corporate purposes (including, without limitation, capital expenditures, acquisitions, share repurchases and dividends).

Loans under the Credit Agreement are designated at the Company's election as:

- base rate loans,
- Eurodollar loans, or
- alternate currency loans.

Base rate loans bear interest at a rate equal to the greatest of (i) Wells Fargo Bank, National Association's prime rate, (ii) the federal funds effective rate plus 0.5% or (iii) the one month London Interbank Offered Rate plus 1.25%, in each case plus a margin as set forth below. Eurodollar loans bear interest at a rate equal to the rate obtained by dividing (i) the rate in the London interbank market for dollar deposits in immediately available funds as quoted by Reuters or Bloomberg with a maturity comparable to the term of the Eurodollar loan by (ii) 1.00 minus the percentage prescribed by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement for a member bank in respect of Eurocurrency liabilities, plus a margin as set forth below. Alternate currency loans bear interest at a rate equal to the rate of interest quoted by Reuters or Bloomberg as the rate for deposits in the applicable currency in immediately available funds, plus a margin as set forth below.

Edgar Filing: TELETECH HOLDINGS INC - Form 8-K

The applicable margins from June 3, 2013 until a compliance certificate is provided by the Company in connection with the delivery to the Lenders of the Company's quarterly financial statements for the quarter ended June 30, 2013, are 0.125% for base rate loans or swing line loans and 1.125% for Eurodollar loans or alternate currency loans. Thereafter the borrowing margins are determined by reference to the Company's leverage ratio, as set forth in the table below:

Leverage Ratio	Applicable Margin for Base Rate Loans or Swingline Loans	Applicable Margin for Eurodollar Loans or Alternate Currency Loans
≥3.00 to 1.00	1.000%	2.000%
≥2.25 to 1.00 but <3.00 to 1.00	0.625%	1.625%
≥1.25 to 1.00 but <2.25 to 1.00	0.375%	1.375%
≥1.00 to 1.00 but <1.50 to 1.00	0.125%	1.125%
<1.00 to 1.00	0.000%	1.000%

Letter of credit fees are 0.125% of the stated amount of the letter of credit on the date of issuance, renewal or amendment, plus an annual fee equal to the borrowing margin for Eurodollar loans multiplied by the stated amount of the letter of credit. Facility fees are payable to the Lenders in an amount equal to the unused portion of the credit

Edgar Filing: TELETECH HOLDINGS INC - Form 8-K

facility multiplied by a commitment fee equal to 0.15% from June 3, 2013 until a compliance certificate is provided by the Company in connection with the delivery to the Lenders of the Company's quarterly financial statements for the quarter ended June 30, 2013, and thereafter as determined by reference to the Company's leverage ratio, as set forth in the table below:

Leverage Ratio	Commitment Fee Rate
≥3.00 to 1.00	0.275%
≥2.25 to 1.00 but <3.00 to 1.00	0.225%
≥1.50 to 1.00 but <2.25 to 1.00	0.175%
≥1.00 to 1.00 but <1.50 to 1.00	0.150%
<1.00 to 1.00	0.125%

Indebtedness under the Credit Agreement is guaranteed by certain of the Company's present and future domestic subsidiaries. The Company's foreign subsidiaries may guarantee borrowing of foreign borrowers under the Credit Agreement. Indebtedness under the Credit Agreement and the related guarantees are secured by security interests (subject to permitted liens) in the accounts receivable and cash of the Company and certain of its domestic subsidiaries and may be secured by certain tangible and intangible assets of the Company and such domestic subsidiaries if borrowings by foreign subsidiaries exceed \$100.0 million and the leverage ratio is greater than or equal to 3.00 to 1.00. The Company may also pledge 65% of the voting stock and 100% of the non-voting stock of certain of the Company's material foreign subsidiaries and may pledge 65% of the voting stock and 100% of the non-voting stock of the Company's other foreign subsidiaries.

The Credit Agreement contains customary affirmative and negative covenants and financial covenants. These covenants include, but are not limited to, the following, in each case subject to exceptions set forth in the Credit Agreement:

- incurring additional indebtedness, including guarantees of indebtedness;
- creating, incurring, assuming or permitting to exist liens on property and assets;
- making loans and investments and entering into certain types of mergers, consolidations and acquisitions;
- making capital distributions or paying, redeeming or repurchasing subordinated debt or paying certain management, consulting or other payments to any director, officer or equity holder;
- entering into certain affiliate transactions; and
- entering into agreements that would restrict the ability of the Company's subsidiaries to pay dividends and make distributions.

In addition, the Company is obligated to maintain the following:

- a leverage ratio of not greater than 3.5 to 1.0, subject to temporary increase in the event of an acquisition or series of acquisitions by the Company with consideration in excess of \$75 million upon request of the Company and approval of Wells Fargo Bank, National Association;
- a senior leverage ratio of not greater than 3.0 to 1.0, subject to temporary increase in the event of an acquisition or series of acquisitions by the Company with consideration in excess of \$75 million upon request of the Company and approval of Wells Fargo Bank, National Association;
- a minimum interest coverage ratio of not less than 2.5 to 1.0; and

- cash, cash equivalents and availability under the Credit Agreement sufficient to pay contingent obligations incurred in connection with acquisitions which may become payable within 12 months.

For the purposes of the Credit Agreement, the senior leverage ratio is the ratio of (i) indebtedness for borrowed money, obligations for bonds, debentures, notes or similar instruments, guaranties, obligations under any conditional sale or other title retention agreements, all capitalized lease, synthetic lease (other than for aircraft up to an aggregate of \$10.0 million) and asset securitization obligations, obligations with respect to letters of credit, obligations for the deferred purchase price of capital assets minus indebtedness that has been subordinated in favor of obligations under the Credit Agreement to (ii) the consolidated EBITDA of the Company over the most recently completed four quarters.

The Credit Agreement also contains various information and reporting requirements as well as customary events of default, including without limitation events of default based on payment obligations, material inaccuracies of representations and warranties, covenant defaults, cross defaults to certain other debt, certain ERISA events, changes in control, monetary judgments and insolvency proceedings. Upon the occurrence of an event of default, the Lenders may accelerate the maturity of all amounts outstanding under the Credit Agreement.

The foregoing summary of the Credit Agreement is not complete, and is qualified in its entirety by reference to the full text of the Credit Agreement, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On June 7, 2013, the Company issued a press release announcing that the Company has entered into the Credit Agreement. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information contained in this Item 7.01 and attached Exhibit 99.1 shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Exhibit
10.1	Amended and Restated Credit Agreement, dated as of June 3, 2013, among TeleTech Holdings, Inc., the foreign borrowers party thereto, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and Fronting Lender, KeyBank National Association, Bank of America, N.A., BBVA Compass, and HSBC Bank USA, National Association, each as Documentation Agent and Wells Fargo Securities, LLC, KeyBank National

Edgar Filing: TELETECH HOLDINGS INC - Form 8-K

Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated, BBVA Compass and HSBC Bank USA, National Association, as Joint Lead Arrangers

99.1

Press Release dated June 7, 2013

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.

Date: June 7, 2013

TELETECH HOLDINGS, INC.
(Registrant)

By:	/s/ Kenneth D. Tuchman
Name:	Kenneth D. Tuchman
Title:	Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Exhibit
10.1	Amended and Restated Credit Agreement, dated as of June 3, 2013, among TeleTech Holdings, Inc., the foreign borrowers party thereto, the lenders party thereto, Wells Fargo Bank, National Association, as Administrative Agent, Swing Line Lender and Fronting Lender, KeyBank National Association, Bank of America, N.A., BBVA Compass, and HSBC Bank USA, National Association, each as Documentation Agent and Wells Fargo Securities, LLC, KeyBank National Association, Merrill Lynch, Pierce, Fenner & Smith Incorporated, BBVA Compass and HSBC Bank USA, National Association, as Joint Lead Arrangers
99.1	Press Release dated June 7, 2013