

U.S. Auto Parts Network, Inc.
Form 8-K
April 30, 2012

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) April 26, 2012

U.S. AUTO PARTS NETWORK, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction

001-33264
(Commission

68-0623433
(IRS Employer

of incorporation)

File Number)
16941 Keegan Avenue, Carson, CA 90746

Identification No.)

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (310) 735-0092

N/A

(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.

On April 26, 2012, U.S. Auto Parts Network, Inc. (USAP), certain of its wholly-owned domestic subsidiaries and JPMorgan Chase Bank, N.A., as sole lender and administrative agent (in such capacity, the Agent) entered into a Credit Agreement, dated as of April 26, 2012 (the Credit Agreement). The Credit Agreement provides for a revolving commitment in an aggregate principal amount of up to \$40,000,000 (the Credit Facility), which is subject to a borrowing base derived from certain receivables, inventory, property and pledged cash. The Credit Facility matures on April 26, 2017. USAP used the proceeds of the loans borrowed on the closing date to repay in full its existing credit facility with Silicon Valley Bank.

Loans drawn under the Credit Facility bear interest, at USAP 's option, at a per annum rate equal to either (a) LIBOR plus an applicable margin of 1.50%, or (b) a base rate minus an applicable margin of 0.50%. Each applicable margin as set forth in the prior sentence is subject to increase or decrease by 0.25% per annum based upon USAP 's fixed charge coverage ratio. Undrawn availability under the Credit Facility will bear interest at a rate of 0.20% per annum.

Certain of USAP 's domestic subsidiaries are co-borrowers (together with USAP, the Borrowers) under the Credit Agreement, and certain other domestic subsidiaries are guarantors (the Guarantors and, together with the Borrowers, the Loan Parties) under the Credit Agreement. The Borrowers and the Guarantors are jointly and severally liable for the Borrowers obligations under the Credit Agreement.

The Loan Parties ' obligations under the Credit Agreement are secured, subject to customary permitted liens and certain exclusions, by a perfected security interest in (a) all tangible and intangible assets and (b) all of the capital stock owned by the Loan Parties (limited, in the case of foreign subsidiaries, to 65% of the capital stock of such foreign subsidiaries).

The Borrowers may voluntarily prepay the loans at any time without payment of a premium. The Borrowers are required to make mandatory prepayments of the loans (without payment of a premium) with net cash proceeds received upon the occurrence of certain prepayment events, which include certain sales or other dispositions of collateral, certain casualty or condemnation events, certain equity issuance or capital contributions, and the incurrence of certain debt.

The Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to USAP and its subsidiaries, including, among other things, restrictions on indebtedness, liens, fundamental changes, investments, dispositions, prepayment of other indebtedness, mergers, and dividends and other distributions. The Credit Agreement also contains a financial covenant that requires USAP and its subsidiaries (on a consolidated basis) to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0.

Events of default under the Credit Agreement include: failure to timely make payments due under the Credit Agreement; material misrepresentations or misstatements under the Credit Agreement and other related agreements; failure to comply with covenants under the Credit Agreement and other related agreements; certain defaults in respect of other material indebtedness; insolvency or other related events; certain defaulted judgments; certain ERISA-related events; certain security interests or liens under the loan documents cease to be, or are challenged by USAP or any of its subsidiaries as not being, in full force and effect; any loan document or any material provision of the same ceases to be in full force and effect; and certain criminal indictments or convictions of any Loan Party.

The foregoing description of the Credit Agreement is not intended to be complete and is qualified in its entirety by reference to the full text of the Credit Agreement, a copy of which is filed as Exhibit 99.1 hereto and incorporated by reference herein.

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

The information in Item 1.01 above is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Credit Agreement, dated as of April 26, 2012, by and between U.S. Auto Parts Network, Inc., certain of its wholly-owned domestic subsidiaries and JPMorgan Chase Bank, N.A.

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.

Dated: April 30, 2012

U.S. AUTO PARTS NETWORK, INC.

By: /s/ SHANE EVANGELIST
Shane Evangelist

Chief Executive Officer