

FLOWSERVE CORP
Form 8-K
November 01, 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): October 28, 2013

FLOWSERVE CORPORATION

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction

of incorporation)

5215 N. O Connor Blvd., Suite 2300, Irving, Texas

1-13179
(Commission

File Number)

31-0267900
(IRS Employer

Identification No.)

75039

(Address of principal executive offices)
(972) 443-6500

(Zip Code)

(Registrant's telephone number, including area code)

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 (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)
- .. 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.

Notes Offering and Indenture

On November 1, 2013, Flowserve Corporation, a New York corporation (the *Company*), completed a public offering of \$300,000,000 aggregate principal amount of 4.000% Senior Notes due 2023 (the *Notes*). The Notes are fully and unconditionally guaranteed by each of the *Company*'s domestic subsidiaries that is a guarantor under the *Company*'s primary bank credit facility (collectively, the *Guarantors*). If additional subsidiaries guarantee the *Company*'s primary bank credit facility in the future, each such subsidiary also will be required to guarantee the Notes. The guarantee of any Guarantor may be released in certain circumstances, including if such Guarantor ceases to guarantee the *Company*'s primary bank credit facility.

The Notes were issued under a Senior Indenture (the *Base Indenture*), dated as of September 11, 2012, among the *Company* and U.S. Bank National Association, as Trustee (the *Trustee*), as supplemented by the Second Supplemental Indenture, dated as of November 1, 2013, among the *Company*, the *Guarantors* and the *Trustee*, establishing the terms and providing for the issuance of the Notes (the *Second Supplemental Indenture* and, together with the *Base Indenture*, the *Indenture*).

The Second Supplemental Indenture and form of the Notes, which is included therein, provide, among other things, that the Notes bear interest at a rate of 4.000% per year, payable semi-annually in arrears on May 15 and November 15 of each year, commencing on May 15, 2014, and will mature on November 15, 2023.

The *Company* estimates that the net proceeds from the offering of the Notes will be approximately \$295 million after deducting underwriting discounts and estimated offering expenses payable by the *Company*. The *Company* intends to use the net proceeds of the offering to repay the current balance on the *Company*'s revolving credit facility under that certain Credit Agreement, dated August 20, 2012, with Bank of America, N.A., as swingline lender, letter of credit issuer and administrative agent, and the other lenders party thereto, as amended by that certain First Amendment to Credit Agreement, dated October 4, 2013, with Bank of America, N.A., as swingline lender, letter of credit issuer and administrative agent, and the other lenders party thereto (the *Senior Credit Facility*), and use the remainder for general corporate purposes, which may include acquisitions.

At any time prior to August 15, 2023, the *Company* will have the right to redeem the Notes, in whole or in part from time to time, at the *Company*'s option, at a make-whole redemption price, plus accrued and unpaid interest. At any time on or after August 15, 2023, the *Company* may redeem the Notes, in whole or in part from time to time, at the *Company*'s option, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest. The *Company* is required to offer to repurchase the Notes for cash at a price of 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, upon the occurrence of a change of control triggering event.

The Indenture contains covenants that, subject to certain exceptions, limit the *Company*'s ability to:

incur indebtedness secured by principal properties;

enter into certain sale and leaseback transactions with respect to principal properties; and

enter into certain mergers, consolidations and transfers of all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis.

The Indenture contains customary events of default. If an event of default occurs and is continuing with respect to any series of the Notes, then the Trustee may, and at the direction of the holders of at least 25% in aggregate principal amount of outstanding Notes shall, declare the principal amount plus accrued and unpaid interest, if any, on the Notes to be due and payable immediately. In addition, in the case of an event of default arising from certain events of bankruptcy, insolvency or reorganization of the Company, the principal amount plus accrued and unpaid interest, if any, on the Notes will become due and payable immediately.

The description of the Indenture set forth above is qualified by reference to the Base Indenture and the Second Supplemental Indenture, filed as Exhibits 4.1 and 4.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Underwriting Agreement

On October 28, 2013, the Company entered into an underwriting agreement (the *Underwriting Agreement*) with each of the Guarantors, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as representatives of the several underwriters named therein (collectively, the *Underwriters*), relating to the issuance and sale of the Notes. The offering of the Notes has been registered under the Securities Act of 1933, as amended (the *Securities Act*), pursuant to the Company's registration statement on Form S-3ASR (Registration No. 333-183634), as supplemented by the Prospectus Supplement dated October 28, 2013 relating to the Notes, filed with the Securities and Exchange Commission pursuant to Rule 424(b) of the Securities Act on October 28, 2013.

The Underwriting Agreement contains customary representations, warranties and agreements of the Company and the Guarantors, conditions to closing, indemnification rights and obligations of the parties and termination provisions.

Some of the Underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In particular, certain of the Underwriters or their affiliates are lenders under the Senior Credit Facility and will receive a portion of the proceeds from the offering of the Notes.

The description of the Underwriting Agreement set forth above is qualified by reference to the Underwriting Agreement filed as Exhibit 1.1 to this Current Report on Form 8-K and incorporated herein by reference.

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

The information provided in Item 1.01 of this Current Report on Form 8-K concerning the Notes, the Indenture and the related guarantees is incorporated by reference into this Item 2.03.

Item 7.01 Regulation FD Disclosure.

On October 28, 2013, the Company announced the pricing of the Notes. A copy of the corresponding press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K furnished under this Item 7.01, including Exhibit 99.1 hereto, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liability of that Section, and shall not be incorporated by reference in any filing under the Securities Act or the Exchange Act except as expressly set forth by specific reference in such filing.

Item 9.01 Exhibits.

(d) Exhibits

Exhibit No.	Description of Exhibit
1.1	Underwriting Agreement, dated October 28, 2013, by and among Flowserve Corporation, certain of its subsidiaries, and J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as representatives of the several underwriters named therein.
4.1	Senior Indenture, dated September 11, 2012, by and between Flowserve Corporation and U.S. Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K filed by Flowserve Corporation on September 11, 2012).
4.2	Second Supplemental Indenture, dated November 1, 2013, by and among Flowserve Corporation, certain of its subsidiaries and U.S. Bank National Association, as trustee.
4.3	Form of 4.000% Senior Note due 2023 (included in Exhibit 4.2).
5.1	Opinion of Haynes and Boone, LLP.
23.1	Consent of Haynes and Boone, LLP (included in its opinion filed as Exhibit 5.1 hereto).
99.1	Press Release, dated October 28, 2013.

SIGNATURE

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.

FLOWSERVE CORPORATION

By: /s/ CAREY A. O CONNOR
Name: Carey A. O Connor
Title: Senior Vice President and General
Counsel

Date: November 1, 2013

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EXHIBIT INDEX

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