

Williams Industrial Services Group Inc.
Form 8-K
October 11, 2018

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 11, 2018**

Williams Industrial Services Group Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-16501
(Commission
File Number)

73-1541378
(IRS Employer
Identification Number)

100 Crescent Centre Parkway, Suite 1240

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Tucker, Georgia 30084

(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: **770-879-4400**

400 E. Las Colinas Boulevard, Suite 400

Irving, Texas 75039

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Loan the option, in certain instances, to purchase all outstanding obligations of the Borrowers under the other respective loan.

Prepayment

If at any time the amount outstanding under the ABL Facility exceeds the borrowing base in effect at such time, the Borrowers must repay the excess amount in cash, cash collateralize liabilities under letters of credit, or cause the cancellation of outstanding letters of credit (or any combination of the foregoing), in an aggregate amount equal to such excess. Borrowers are also required to repay certain amounts outstanding under the ABL Facility upon the occurrence of certain events involving the assets upon which the borrowing base is calculated, including receipt of payments or proceeds from Borrowers' accounts receivable, certain casualty proceeds in excess of \$25,000, and receipt of proceeds following certain asset dispositions.

The Borrowers also have certain reimbursement obligations in the event of payments by the agent or a lender against draws under outstanding letters of credit.

In addition, the Company may from time to time voluntarily prepay outstanding amounts under the ABL Facility, in whole or in part, in a minimum amount of \$100,000.

Fees

The Borrowers paid an origination fee to MidCap on the Closing Date in the amount of \$225,000. The Borrowers also must pay a customary unused line fee equal to 0.5% per annum of the average unused portion of the commitments under the ABL Facility, certain other customary fees related to MidCap's administration of the ABL Facility and a minimum balance fee. A prepayment fee is payable to the Lenders in the event the Lenders' funding obligations under the ABL Facility are terminated (by reason of an event of default or otherwise) 90 days or more prior to the maturity date. Such fee, if any, will be in an amount equal to the aggregate commitment under the ABL Facility at the time of termination, multiplied by 2.0% in the first year following the Closing Date, 1.5% in the second year, and 1.0% in the first nine months of the third year.

While any letter of credit is outstanding under the ABL Facility, the Borrowers must pay a letter of credit fee at a rate per annum equal to 6.0%, in addition to any other customary fees required by the issuer of the letter of credit.

Representations, Warranties, and Covenants

The Credit Agreement contains customary representations and warranties, as well as customary affirmative and negative covenants. The Credit Agreement contains covenants that may, among other things, limit the Company's ability to incur additional debt, incur liens, make investments, engage in mergers, dispositions, or sale-leasebacks, engage in new lines of business or certain transactions with affiliates, and change accounting policies or fiscal year.

The Credit Agreement also requires the Company to regularly provide financial information to the Lenders. The Company must also maintain a fixed charge coverage ratio, a total leverage ratio, minimum consolidated adjusted EBITDA and minimum liquidity.

Events of Default

Events of default under the Credit Agreement include, but are not limited to, failure to timely pay any amounts due and owing, a breach of certain covenants or any representations or warranties, the commencement of any bankruptcy or other insolvency proceeding, judgments in excess of certain acceptable amounts, certain events related to ERISA matters, impairment of security interests in collateral or invalidity of guarantees or security documents, and a default or event of default under the Company's Term Loan financing documents or the Intercreditor Agreement.

Item 8.01 Other Events.

On October 11, 2018, the Company issued a press release relating to the matters described in this report, a copy of which is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

Exhibit Number	Description
99.1	<u>Press release, dated October 11, 2018.</u>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 11, 2018

Williams Industrial Services Group Inc.

By: */s/ Charles E. Wheelock*
Charles E. Wheelock
Vice President, Administration, General Counsel &
Secretary
