

HOOKER FURNITURE CORP
Form 8-K
August 13, 2009

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): August 11, 2009

HOOKER FURNITURE CORPORATION

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

000-25349
(Commission File No.)

54-0251350
(I.R.S. Employer Identification
No.)

440 East Commonwealth
Boulevard,
Martinsville, Virginia
(Address of principal executive
offices)

24112
(Zip Code)

(276) 632-0459
(Registrant's telephone number,
including area code)

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.

On August 11, 2009, Hooker Furniture Corporation (the "Company") executed an amendment to its credit agreement with Bank of America, N.A. Terms of the amendment, dated August 10, 2009, follow:

- upon execution of the amendment, the Company was required to repay in full the remaining balance of the term loans (\$3.8 million) outstanding under the agreement;
- effective as of July 30, 2009, the Funded Debt to EBITDA Ratio under the credit agreement has been changed from 1.25:1.0 to 2.0:1.0; and
- effective as of July 30, 2009, the Debt Service Coverage Ratio under the credit agreement has been eliminated.

After giving effect to the amendment of the credit agreement, the Company expects to be in compliance with all covenants under the agreement as of the end of its second quarter ended August 2, 2009.

All other terms of the credit agreement were unchanged. This summary of the terms of the amendment to the credit agreement is qualified in its entirety by reference to the text of the amendment attached as Exhibit 10.1 to this Form 8-K, which is incorporated herein by reference.

Statements made in this release, other than those concerning historical financial information, may be considered forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, including but not limited to: current economic conditions and instability in the financial and credit markets including their potential impact on the Company's (i) sales and operating costs and access to financing and, (ii) customers and suppliers and their ability to obtain financing or generate the cash necessary to conduct their business; general economic or business conditions, both domestically and internationally; price competition in the furniture industry; changes in domestic and international monetary policies and fluctuations in foreign currency exchange rates affecting the price of the Company's imported products; the cyclical nature of the furniture industry which is particularly sensitive to changes in consumer confidence, the amount of consumers' income available for discretionary purchases and the availability and terms of consumer credit; risks associated with the cost of imported goods, including fluctuation in the prices of purchased finished goods and transportation and warehousing costs; supply, transportation and distribution disruptions, particularly those affecting imported products; adverse political acts or developments in, or affecting, the international markets from which the Company imports products, including duties or tariffs imposed on products imported by the Company; risks associated with domestic manufacturing operations, including fluctuations in capacity utilization and the prices of key raw materials, transportation and warehousing costs, domestic labor costs and environmental compliance and remediation costs; the Company's ability to successfully implement its business plans; achieving and managing growth and change, and the risks associated with acquisitions, restructurings, strategic alliances and international operations; risks associated with distribution through retailers, such as non-binding dealership arrangements; capital requirements and costs; competition from non-traditional outlets, such as catalogs, internet and home improvement centers; changes in consumer preferences, including increased demand for lower quality, lower priced furniture due to declines in consumer confidence and/or discretionary income available for furniture purchases and the availability of consumer credit; and higher than expected costs associated with product quality and safety, including regulatory compliance costs related to the sale of consumer products and costs related to defective products. Any forward looking statement that the Company makes speaks only as of the date of that statement, and the Company undertakes no obligation to update any forward-looking statements whether as a result of new information, future events, or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Description

10.1 Fourth Amendment to Credit Agreement, dated as of August 10, 2009, between the Company and Bank of America N.A.

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.

HOOKER FURNITURE CORPORATION

By: /s/ Edwin L. Ryder
Edwin L. Ryder
Executive Vice President – Finance
and Administration

Date: August 13, 2009

Exhibit List

Exhibit Description

- 10.1 Fourth Amendment to Credit Agreement, dated as of August 10, 2009, between the Company and Bank of America N.A.