

ALLIED MOTION TECHNOLOGIES INC
Form 8-K
August 28, 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): **August 22, 2013**

ALLIED MOTION TECHNOLOGIES INC.

(Exact Name of Registrant as Specified in its Charter)

Colorado
(State or Other Jurisdiction
of Incorporation)

0-04041
(Commission File Number)

84-0518115
(IRS Employer
Identification No.)

455 Commerce Drive, Suite 4
Amherst, New York 14228
(Address of Principal Executive Offices, including zip code)

(716) 242-8634
(Registrant's telephone number, including area code)

Edgar Filing: ALLIED MOTION TECHNOLOGIES INC - Form 8-K

Not Applicable

(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 7.01 Regulation FD Disclosure

On August 22, 2013, Allied Motion Technologies Inc. issued the press release attached hereto as Exhibit 99.1 announcing that Allied Motion Technologies Inc. had agreed to acquire Globe Motors, Inc. on the terms and subject to the conditions set forth in the Purchase Agreement. The press release attached to this Current Report on Form 8-K as Exhibit 99.1 is incorporated herein by reference.

The information in this Item 7.01, including the information attached hereto as Exhibit 99.1, is being furnished, not filed, pursuant to Regulation FD. Accordingly, such information will not be incorporated by reference into any registration statement filed by Allied Motion Technologies Inc. under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 8.01 Other Events

On August 21, 2013, Allied Motion received a commitment letter (the Senior Commitment Letter) from Bank of America, N.A. and HSBC Bank USA, National Association (the Banks) with respect to a new senior secured credit facility of up to \$65 million consisting of a \$15 million revolving credit facility and up to \$50 million term loan facility (collectively, the Senior Credit Facilities). The Senior Commitment Letter provides that the maturity date of the Senior Credit Facilities will be five years after the closing date, and the interest rate will be equal to the LIBOR Rate, plus a spread based upon Allied Motion's ratio of total debt to EBITDA. The commitment of the Banks is subject to customary conditions, including the execution and delivery of definitive loan documentation, Allied Motion receiving up to \$30 million of mezzanine financing, the absence of any material adverse change in the business, assets, properties, liabilities, operations, condition (financial or otherwise) of Allied Motion or Globe Motors and any of their subsidiaries since March 31, 2013, simultaneous completion of the acquisition of Globe Motors by Allied Motion, and repayment of Allied Motion's existing indebtedness.

Allied Motion received a commitment letter dated July 22, 2013 (the Mezzanine Commitment Letter) from Prudential Capital Partners IV, L.P. (PCP) to purchase up to \$35 million principal amount of Senior Subordinated Notes (the Subordinated Notes) due on the sixth anniversary of their issuance. The Mezzanine Commitment Letter provides that the interest rate on the Subordinated Notes will be 14.50% with 13.00% payable in cash and 1.50% payable in-kind, quarterly in arrears. Allied Motion may prepay the Subordinated Notes at any time after the third anniversary of closing, in whole or in part, at par plus accrued interest. The commitment of PCP is subject to customary conditions, including that Allied Motion shall have simultaneously acquired Globe Motors, completion of documentation containing terms, conditions and other provisions satisfactory to PCP, that Allied Motion shall have obtained not less than \$50 million or more than \$60 million of senior term debt financing and a \$15 million revolving credit facility, and that there shall have been no material adverse change in the condition (financial or otherwise) or prospects of Allied Motion, Globe Motors, and their respective subsidiaries since December 31, 2012.

The debt financing contemplated by the Senior Commitment Letter and the Mezzanine Commitment Letter, together with cash on hand, will provide the funds necessary to finance the Globe Motors transaction and related expenses. The debt financing will also be used to refinance Allied Motion's existing indebtedness and to finance ongoing working capital and general corporate needs.

Cautionary Note Regarding Forward-Looking Statements

Edgar Filing: ALLIED MOTION TECHNOLOGIES INC - Form 8-K

Statements about the expected timing, completion and effects of the proposed transaction and all other statements in this report and the exhibits furnished or filed herewith, other than historical facts, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are not guarantees of future events and involve risks, uncertainties and other known

ALLIED MOTION TECHNOLOGIES INC.

By: */s/ Robert P. Maida*
Robert P. Maida
Chief Financial Officer