

APRIA HEALTHCARE GROUP INC
Form 8-K
January 21, 2014

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): January 16, 2014

Apria Healthcare Group Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

333-168159
(Commission

File Number)

33-0488566
(IRS Employer

Identification No.)

26220 Enterprise Court

Lake Forest, California
(Address of principal executive offices)

92630
(Zip Code)

Registrant's telephone number, including area code: (949) 639-2000

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:

- .. 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 January 16, 2014, pursuant to the terms of a Stock Purchase Agreement (the *Purchase Agreement*), Apria Holdings LLC (*Holdings*), a Delaware limited liability company, Apria Finance Holdings Inc. (*AFH*), a Delaware corporation and a wholly owned subsidiary of *Holdings*, and Apria Healthcare Group Inc. (*Apria* or the *Company*), a Delaware corporation and a wholly owned subsidiary of *Holdings*, completed the sale (the *Transaction*) of the Coram home infusion therapy (including enteral nutrition) business of *Apria* (the *Business*) to Ocean Acquisition Sub, L.L.C. (*Purchaser*), a Delaware limited liability company and a wholly owned subsidiary of CVS Caremark Corporation, a Delaware corporation (*CVS*).

On January 16, 2014, in connection with the completion of the *Transaction*, the *Company* entered into an amendment (the *Amendment*) to that certain Asset Based Revolving Credit Facility (*ABL Facility*) among the *Company*, as borrower, Sky Acquisition LLC, as parent, the other guarantors party thereto from time to time, Bank of America, N.A., as administrative agent, U.S. Bank National Association as collateral agent, certain other agents party thereto and a syndicate of financial institutions and institutional lenders. The *Amendment* provided for, among other things, termination of all but \$35.0 million of the commitments available to the *Company* under the *ABL Facility*.

Item 1.02 Termination of a Material Definitive Agreement.

In connection with the completion of the *Transaction*, on January 16, 2014, the *Company* terminated the following agreements:

Credit Agreement Termination. On January 16, 2014, in connection with the completion of the *Transaction*, the *Company* repaid in full, cancelled and terminated that certain senior secured credit agreement (the *Credit Agreement*), among the *Company*, as borrower, Sky Acquisition LLC, as parent, the other guarantors party thereto from time to time, Bank of America, N.A., as administrative agent, U.S. Bank National Association as collateral agent, certain other agents party thereto and a syndicate of financial institutions and institutional lenders. In connection with such termination, all liens previously granted by the *Company* to the administrative agent for the benefit of the secured parties under the *Credit Agreement* were fully released.

Redemption of the Notes and Satisfaction and Discharge of the Indenture. On January 16, 2014, the *Company* provided a notice of redemption for \$157.5 million aggregate principal amount of its outstanding 12.375% Senior Secured Notes due 2014 (Series A-2) (the *Series A-2 Notes*), representing all of the *Company*'s outstanding *Series A-2 Notes*. The *Company* used a portion of the proceeds from the funding of the *Bridge Loan* (as defined below) to deposit the redemption price for the *Series A-2 Notes* with the trustee (the *Trustee*) under the indenture governing the *Series A-2 Notes* (the *Indenture*) and to pay fees and expenses associated with the redemption of the *Series A-2 Notes*. The *Series A-2 Notes* will be redeemed on February 15, 2014 (the *Redemption Date*) at a redemption price of 100% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but not including the *Redemption Date*. In addition, the *Company* has effected a satisfaction and discharge of the *Company*'s obligations with respect to the *Series A-2 Notes* under the *Indenture* and the *Trustee* has released all liens and other interests in any collateral securing the *Series A-2 Notes*. As a result of the redemption of the *Series A-2 Notes* and the satisfaction and discharge of the *Company*'s obligations under the *Indenture*, the *Company* is no longer obligated to and will not voluntarily file reports with the Securities and Exchange Commission.

Bridge Loan Funding and Subsequent Termination. In addition, on January 16, 2014, in connection with the completion of the Transaction, the Company incurred term loans of approximately \$1.145 billion pursuant to that certain Bridge Loan Credit Agreement with Goldman Sachs Bank USA, as administrative agent and collateral agent, and the lenders party thereto (the Bridge Loan), the proceeds of which were applied to repay certain outstanding debt of the Company. Substantially simultaneously with the consummation of the Transaction, the Company repaid in full, cancelled and terminated the Bridge Loan with a portion of the sale proceeds received by the Company from CVS.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Pursuant to the terms of the Purchase Agreement, on January 16, 2014, the Purchaser acquired the Business through the purchase of all of the issued and outstanding capital stock of AFH owned by Holdings, for a purchase price of approximately \$2.1 billion (the Purchase Price) on an enterprise value basis (debt-free, cash free and with a target level of working capital). The Purchase Price is subject to working capital and other post-closing adjustments.

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.

APRIA HEALTHCARE GROUP INC.

Date: January 21, 2014

By: /s/ Robert S. Holcombe

Name: Robert S. Holcombe

Executive Vice President, General Counsel and

Title: Secretary