

ROLLINS INC
Form 8-K
November 02, 2012

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 31, 2012**

ROLLINS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-4422
(Commission File Number)

51-0068479
(IRS Employer
Identification No.)

2170 Piedmont Road, NE, Atlanta, Georgia 30324
(Address of principal executive office) (zip code)

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Registrant's telephone number, including area code: **(404) 888-2000**

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))
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Item 1.01. Entry into a Material Definitive Agreement.

On October 31, 2012, Rollins, Inc. ("Rollins"), a Delaware corporation, entered into a revolving credit agreement (the "Revolving Credit Agreement") with SunTrust Bank as Administrative Agent and Lender and Bank of America, N.A. as Syndication Agent and Lender. The Revolving Credit Agreement is filed as Exhibit 99.1 hereto and is incorporated herein by reference.

The Revolving Credit Agreement is guaranteed by certain of Rollins' domestic subsidiaries.

Neither Rollins nor any of its affiliates has any material relationship with any of the parties to the Revolving Credit Agreement apart from Rollins' ownership of its domestic subsidiaries and ordinary banking relationships.

In connection with the entry by Rollins into the Revolving Credit Agreement, Rollins terminated its former revolving credit agreement.

General Terms.

The Revolving Credit Agreement has a general term of four years and provides for an unsecured line of credit of up to \$175 million and a \$25 million swingline subfacility. Under certain circumstances more particularly described in the Revolving Credit Agreement, the line of credit may be increased by an additional amount of up to \$75 million. The maturity date of all revolving loans under the Credit Agreement is October 31, 2016, subject to optional annual extensions on the first three anniversaries of the Credit Agreement for one year each.

Interest Rates.

Revolving loans under the Revolving Credit Agreement bear interest at one of the following two rates, at Rollins' election:

- the Base Rate, which is the greater of (1) SunTrust Bank's prime rate for the day of the borrowing, (2) a fluctuating rate per annum equal to the Federal Funds Rate plus .50% and (3) the Adjusted LIBOR rate determined on a daily basis for an interest period of one month plus one percent; or
- with respect to any Eurodollar borrowings, Adjusted LIBOR (which equals LIBOR as increased to account for the maximum reserve percentages established by the U.S. Federal Reserve) plus an additional amount which varies between .75% and 1.00%, based upon Rollins' then-current debt-to-EBITDA ratio.

Financial Covenants and Events of Default.

The Revolving Credit Agreement contains customary terms and conditions, including, without limitation, certain financial covenants including covenants restricting Rollins' ability to

incur certain indebtedness or liens, or to merge or consolidate with or sell substantially all of its assets to another entity. Further, the Revolving Credit Agreement contains financial covenants restricting Rollins' ability to permit the ratio of Rollins' consolidated debt to EBITDA to exceed 2.5 to 1.

Borrowings

As of the date hereof, Rollins has no borrowings outstanding under the Revolving Credit Agreement.

Item 1.02. Termination of a Material Definitive Agreement.

The information disclosed above under Item 1.01 is incorporated herein by reference.

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

The information disclosed above under Item 1.01 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Revolving Credit Agreement dated as of October 31, 2012 between Rollins, SunTrust Bank and Bank of America, N.A.

SIGNATURES

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

Rollins, Inc.

Date: November 1, 2012

By: /s/Harry J. Cynkus

Name: Harry J. Cynkus

Title: Senior Vice President, Chief Financial

Officer and Treasurer