

FREDS INC  
Form 8-K  
October 19, 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 19, 2018 (October 15, 2018)

**FRED'S, INC.**

(Exact Name of Registrant as Specified in Charter)

Commission File Number 001-14565

Tennessee                      62-0634010  
(State or other Jurisdiction)    (IRS Employer

of Incorporation)              Identification No.)

4300 New Getwell Road, Memphis, Tennessee 38118

(Address of principal executive offices)

(901) 365-8880

Registrant's telephone number, including area code

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))

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).

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 financing accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On October 15, 2018, Fred's, Inc. (the "Company") and certain of its subsidiaries entered into that certain Third Amendment to Amended and Restated Addendum to Credit Agreement (the "Amendment"), by and among the Company and certain of its subsidiaries, Regions Bank, in its capacity as administrative agent, co-collateral agent and lender, and Bank of America, N.A., in its capacity as co-collateral agent and lender. The Amendment amends the Company's existing Amended and Restated Addendum to Credit Agreement, dated as of January 27, 2017, as amended as of July 31, 2017 and August 23, 2018. The Amendment does not otherwise amend that certain Credit Agreement dated as of April 9, 2015, as amended as of October 23, 2015, December 28, 2016, January 27, 2017, July 31, 2017, August 22, 2017, April 5, 2018 and August 23, 2018 (the "Credit Agreement"), or that certain Security Agreement, dated as of April 9, 2015, as amended as of July 31, 2017 and August 23, 2018 (the "Security Agreement").

Among other things, the Amendment:

Increases the frequency of certain financial reporting obligations of the Company and its subsidiaries to the lenders that apply only during the period from October 15, 2018 until the earlier of November 30, 2018 and the date on which the Company fails to comply with such reporting obligations;

Reduces the excess availability requirements during such period; and

Increases the percentage of the projected value of customer prescription files under the borrowing base, potentially allowing for increased borrowing capability during such period.

The lenders (and their respective subsidiaries or affiliates) under the Credit Agreement have in the past provided, or may in the future provide, investment banking, underwriting, lending, commercial banking, trust and other advisory services to the Company, its subsidiaries or affiliates. These parties have received, and may in the future receive, customary compensation from the Company, its subsidiaries or affiliates, for such services.

The foregoing description of the Amendment is qualified in its entirety by reference to the full text of the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

Third Amendment to Amended and Restated Addendum to Credit Agreement, dated as of October 15, 2018, by 10.1 and among Fred's, Inc. and certain of its subsidiaries, Regions Bank, in its capacity as administrative agent, co-collateral agent and lender, and Bank of America, N.A., in its capacity as co-collateral agent and lender.

**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.

**FRED'S INC.**

Date: October 19,  
2018

By: /s/ Joseph M. Anto

Name: Joseph M. Anto

Title: Interim Chief Executive Officer, Executive Vice President, Chief Financial Officer and  
Secretary

**EXHIBIT INDEX**

**Number Exhibit**

10.1 Third Amendment to Amended and Restated Addendum to Credit Agreement, dated as of October 15, 2018, by and among Fred's, Inc. and certain of its subsidiaries, Regions Bank, in its capacity as administrative agent, co-collateral agent and lender, and Bank of America, N.A., in its capacity as co-collateral agent and lender.