

ADCARE HEALTH SYSTEMS, INC
Form 8-K
November 15, 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): November 8, 2013

AdCare Health Systems, Inc.

(Exact Name of Registrant as Specified in Charter)

Ohio

001-33135

31-1332119

(State or Other Jurisdiction of
Incorporation)

(Commission File Number)

(I.R.S. Employer
Identification No.)

1145 Hembree Road
Roswell, Georgia 30076

(Address of Principal Executive Offices)

(678) 869-5116

(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))

Item 1.01 Entry into a Material Definitive Agreement.

On November 8, 2013, certain wholly-owned subsidiaries (the “PrivateBank Borrowers”) of AdCare Health Systems, Inc. (the “Company”) entered into a Fourth Modification Agreement (the “Modification”) with The PrivateBank and Trust Company (“PrivateBank”), which modified that certain Loan Agreement, dated March 30, 2012, between the PrivateBank Borrowers and PrivateBank (as amended, the “PrivateBank Credit Facility”). The Modification, among other things: (i) releases certain collateral and sinking fund accounts of the Company held by PrivateBank to pay off part of the principal of the PrivateBank Credit Facility; (ii) reduces the total outstanding amount owing under the PrivateBank Credit Facility from \$13,664,956 to \$11,874,211 (iii) requires the PrivateBank Borrowers to deposit \$942,000 into a debt service reserve account as additional security under the PrivateBank Credit Facility; and (iv) amends certain financial covenants under the PrivateBank Credit Facility regarding maintaining minimum fixed charge coverage ratio and minimum EBITDAR of one of the PrivateBank Borrowers that is the operator of the Company’s skilled nursing facility located in Little Rock, Arkansas.

Certain subsidiaries of the Company are also borrowers under: (a) a credit facility with PrivateBank used to fund the purchase price of the acquisition of the Glenview Health & Rehabilitation facility located in Georgia; (b) a credit facility with PrivateBank used to fund the purchase price of the acquisition of the Woodland Manor facility located in Ohio; (c) a credit facility with PrivateBank used to fund the purchase price of the acquisition of four skilled nursing facilities and an office facility located in Arkansas; and (d) a revolving credit facility with PrivateBank used for general working capital purposes.

Item 2.03 Creation of a Direct Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant. The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by this reference.

SIGNATURES

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

Date: November 15, 2013

ADCARE HEALTH SYSTEMS, INC.

/s/ Ronald W. Fleming
Ronald W. Fleming
Chief Financial Officer