

COMFORT SYSTEMS USA INC
Form 8-K
September 28, 2011

**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) **September 23, 2011**

Comfort Systems USA, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13011
(Commission
File Number)

76-0526487
(IRS Employer
Identification No.)

675 Bering Drive, Suite 400
Houston, Texas
(Address of principal executive offices)

77057
(Zip Code)

Registrant's telephone number, including area code **(713) 830-9600**

(Former name or former address, if changed since last report.)

Edgar Filing: COMFORT SYSTEMS USA INC - Form 8-K

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

As previously disclosed, on July 16, 2010, Comfort Systems USA, Inc. (the "Company") entered into an amended and restated senior credit facility (the "Facility") with certain subsidiaries of the Company, as guarantors (the "Guarantors"), arranged by Wells Fargo Bank, National Association (the "Agent") and provided by a syndicate of banks including Wells Fargo Bank, National Association, Bank of Texas, N.A., Capital One, N.A., Regions Bank, and Branch Bank & Trust Company (BB&T) (the "Lenders"). On September 23, 2011, the Company entered into an Amendment No. 1 to Second Amended and Restated Credit Agreement, Second Amended and Restated Security Agreement, and Second Amended and Restated Pledge Agreement (the "Amendment" and, together with the Facility, the "Amended Facility") with the Guarantors, the Agent, and the Lenders.

The Amended Facility is secured by a first lien on substantially all of the Company's personal property except for assets related to projects subject to surety bonds and assets held by certain unrestricted subsidiaries and a second lien on the Company's assets related to projects subject to surety bonds. The Amended Facility will expire in September 2016 and contains only two financial covenants:

Leverage Ratio The Amended Facility requires that the ratio of the Company's Consolidated Total Indebtedness to its Consolidated EBITDA not exceed 3.00 for any four-fiscal quarter period ending September 30, 2011 through December 31, 2013, 2.75 for any four-fiscal quarter period ending March 31, 2014 through June 30, 2014, and 2.50 for any four-fiscal quarter period ending September 30, 2014 through maturity.

Fixed Charge Coverage Ratio The Amended Facility requires that the ratio of (a) Consolidated EBITDA, less non-financed capital expenditures, tax provision, dividends and amounts used to repurchase stock to (b) the sum of interest expense and scheduled principal payments be at least 2.00; provided that the numerator of the fixed charge coverage ratio will be reduced by stock repurchases and dividends as specified above only if the Company's Net Leverage Ratio (Consolidated Total Indebtedness minus cash in excess of \$20 million, divided by Consolidated EBITDA) exceeds 2.0 to 1.0 through December 31, 2013, 1.5 to 1.0 after December 31, 2013 through June 30, 2014, and 1.0 to 1.0 thereafter. Capital expenditures, tax provision, dividends and stock repurchase payments are defined under the Amended Facility for purposes of this covenant to be amounts for the four quarters ending as of any given quarterly covenant compliance measurement date.

Other Restrictions The Amended Facility permits acquisitions of up to \$15 million per transaction, provided that the aggregate purchase price of such an acquisition and of acquisitions in the same Fiscal Year does not exceed \$30 million. However, these limitations only apply when the Company's Net Leverage Ratio is greater than 2.0 to 1.0.

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

The information set forth above in Item 1.01 is hereby incorporated by reference into this Item 2.03.

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.

COMFORT SYSTEMS USA, INC.

By: /s/ Trent T. McKenna
Trent T. McKenna, Vice President
and General Counsel

Date: September 28, 2011