

HOLLY CORP
Form 8-K
June 11, 2009

**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): June 11, 2009 (June 5, 2009)**

HOLLY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-03876
(Commission File Number)

75-1056913
(I.R.S. Employer
Identification Number)

**100 Crescent Court,
Suite 1600
Dallas, Texas**
(Address of principal
executive offices)

75201-6915
(Zip code)

Registrant's telephone number, including area code: **(214) 871-3555**

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

On June 5, 2009, Holly Corporation (the Company) and certain of the Company's existing subsidiaries (the Guarantors) entered into a Purchase Agreement (the Purchase Agreement) with UBS Securities LLC, as representative of the initial purchasers named therein (the Initial Purchasers), by which the Company agreed to issue and sell, and the Initial Purchasers agreed to purchase, \$200 million aggregate principal amount of 9.875% Senior Notes due 2017 (the Notes) in accordance with a private placement conducted pursuant to Rule 144A and Regulation S under the Securities Act of 1933. The sale of the Notes was completed on June 10, 2009. The Company intends to use the net proceeds from the sale of approximately \$187 million after estimated expenses (i) to make post-closing inventory payments expected to be between \$90 and \$100 million in connection with its recent acquisition of the Tulsa Refinery from Sunoco, Inc. (R&M) and (ii) for general corporate purposes, including planned capital expenditures. Interest on the Notes is payable on June 15 and December 15 of each year, beginning on December 15, 2009.

The Purchase Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions whereby the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other, have agreed to indemnify each other against certain liabilities.

The Notes were issued under and are governed by an indenture dated June 10, 2009 (the Indenture), between the Company, U.S. Bank Trust National Association, as trustee (Trustee), and the Guarantors. The Indenture contains customary terms, events of default and covenants relating to, among other things, the incurrence of debt, the payment of dividends or similar restricted payments, undertaking transactions with the Company's unrestricted affiliates, and limitations on asset sales. On or after June 15, 2013, the Company may on any one or more occasions redeem some or all of the Notes at a purchase price equal to 104.9375% of the principal amount of the Notes, plus accrued and unpaid interest to the redemption date, if any, such optional redemption prices decreasing to 102.4688% on or after June 15, 2014, and 100.0000% on or after June 15, 2015. Prior to June 15, 2012, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the Notes with the net proceeds of certain equity offerings at 109.875% of the aggregate principal amount thereof, plus accrued and unpaid interest to the redemption date, if any; provided that at least 65% of the aggregate principal amount of the Notes remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its affiliates) and the redemption occurs within 120 days of the date of the closing of such equity offering. Prior to June 15, 2013, the Company may redeem some or all of the Notes at a make-whole price plus accrued and unpaid interest to the redemption date, if any. If the Company experiences a change of control, the holders of the Notes may require the Company to purchase for cash all or a portion of their Notes at a purchase price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the redemption date, if any.

The Notes are senior unsecured obligations of the Company and will rank equally in right of payment with all of the Company's existing and future senior debt and senior to any future indebtedness of the Company that expressly provides for subordination to the Notes. The Notes are guaranteed on a senior unsecured basis by the Guarantors. The guarantees will rank equally in right of payment with all of the existing and future senior debt of the Guarantors and senior to any future indebtedness of the Guarantors that expressly provides for subordination to the guarantees. The Notes and guarantees are effectively subordinated to any secured debt, to the extent of the assets securing such debt, including indebtedness under the Company's senior secured credit agreement.

A copy of the Purchase Agreement is filed herewith as Exhibit 10.1. A copy of the Indenture, which includes the form of the certificate for the Notes, is filed herewith as Exhibit 4.1. The foregoing

summaries do not purport to be complete and are qualified in their entirety by reference to the Purchase Agreement and the Indenture.

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

Please see the information set forth in Item 1.01 above, which is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed as part of this current report on Form 8-K:

| Exhibit Number | Exhibit Title |
|----------------|---|
| 4.1 | Indenture, dated as of June 10, 2009, among the Company, the subsidiary guarantors named therein and U.S. Bank Trust National Association, as trustee, relating to the Company's 9.875% Senior Notes due 2017 (includes the form of certificate for the notes issued thereunder). |
| 10.1 | Purchase Agreement, dated June 5, 2009, among the Company, the subsidiary guarantors named therein and UBS Securities LLC, as representative of the several initial purchasers named therein, relating to the sale of the Company's 9.875% Senior Notes due 2017. |

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 thereunto duly authorized.

HOLLY CORPORATION

By: /s/ Scott C. Surplus
Scott C. Surplus
Vice President and Controller

Date: June 11, 2009

EXHIBIT INDEX

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