

GameStop Corp.
Form 8-K
September 24, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 19, 2014

GameStop Corp.
(Exact name of Registrant as specified in its charter)

Delaware	1-32637	20-2733559
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

625 Westport Parkway
Grapevine, TX 76051
(817) 424-2000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive
Offices)

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)

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- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17CFR 240.14a-12)
 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o 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 September 24, 2014, GameStop Corp. (the “Company”) closed its previously announced offering of \$350 million in aggregate principal amount of its 5.50% unsecured senior notes due 2019 (the “Notes”). The sale of the Notes resulted in net proceeds to the Company of approximately \$343.5 million, after deducting the initial purchasers’ discounts and commissions and other estimated offering expenses. The Company intends to use these net proceeds from the offering to pay down the remaining outstanding balance of its asset-based facility and for general corporate purposes, which may include acquisitions, dividends and stock buybacks.

The Notes were issued pursuant to an indenture dated as of September 24, 2014 (the “Indenture”), by and among the Company, certain subsidiary guarantors named therein (the “Guarantors”) and U.S. Bank National Association, as trustee (the “Trustee”). The Notes will bear interest at the rate of 5.50% and will pay interest semi-annually in cash in arrears on each April 1 and October 1 of each year, beginning on April 1, 2015. The Notes will mature on October 1, 2019. At any time prior to October 1, 2016, the Company may redeem some or all of the Notes for cash at a redemption price equal to 100% of their principal amount plus an applicable make-whole premium set forth in the Indenture and accrued and unpaid interest to, but not including, the redemption date. Prior to October 1, 2016, the Company may redeem up to 35% of the Notes at a redemption price of 105.50% of the principal amount, plus accrued and unpaid interest to, but not including, the redemption date, with the proceeds of certain equity offerings so long as the redemption occurs within 120 days of completing such equity offering and at least 65% of the aggregate principal amount of the Notes remains outstanding after such redemption. On and after October 1, 2016, the Company may redeem some or all of the Notes at redemption prices (expressed as percentages of principal amount) equal to 104.125% for the twelve-month period beginning on October 1, 2016, 102.750% for the twelve-month period beginning October 1, 2017 and 100.000% beginning on October 1, 2018, plus accrued and unpaid interest to, but not including, the redemption date. Upon the occurrence of a Change of Control (as defined in the Indenture), unless the Company has exercised its optional redemption right in respect of the Notes, the holders of the Notes will have the right to require the Company to repurchase all or a portion of the Notes at a price equal to 101% of the aggregate principal amount of the Notes, plus any accrued and unpaid interest to, but not including, the date of purchase. The Notes will be guaranteed on a senior unsecured basis by all existing and future domestic restricted subsidiaries that are borrowers under, or guarantee, the Company’s asset-based facility. The Notes and related guarantees will be the Company’s general unsecured senior obligations and will be subordinated to all of its and the guarantors’ existing and future secured debt to the extent of the assets securing that secured debt. In addition, the Notes will be structurally subordinated to all of the liabilities of the Company’s subsidiaries that are not guaranteeing the Notes, to the extent of the assets of those subsidiaries.

The Indenture restricts the Company’s ability and the ability of certain of its subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or make other distributions in respect of, or repurchase or redeem, its capital stock; (iii) prepay, redeem or repurchase debt that is junior in right of payment to the Notes; (iv) make loans and certain investments; (v) sell assets; (vi) incur liens; (vii) enter into transactions with affiliates; and (viii) consolidate, merge or sell all or substantially all of its assets. These covenants are subject to a number of important exceptions and qualifications. During any time when the Notes are rated investment grade by either of Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services and no Default (as defined in the Indenture) has occurred and is continuing, many of such covenants will be suspended and the Company and its subsidiaries will cease to be subject to such covenants during such period.

The Indenture contains customary events of including payment defaults, breaches of covenants, failure to pay certain judgments and certain events of bankruptcy, insolvency and reorganization. If an event of default occurs and is continuing, the principal amount of the Notes, plus accrued and unpaid interest, if any, may be declared immediately due and payable. These amounts automatically become due and payable if an event of default relating to certain events of bankruptcy, insolvency or reorganization occurs.

Copies of the Indenture and of the form of Notes are filed as Exhibit 4.1 and Exhibit 4.2, respectively, to this Form 8-K and are incorporated herein by reference. The description of the Indenture and the Notes in this Form 8-K is a summary and is qualified in its entirety by the terms of the Indenture and the Notes.

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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 under Item 1.01 of this Current Report is incorporated into this Item 2.03 by reference.

Item 8.01. Other Events.

On September 19, 2014, the Company entered into a purchase agreement (the "Purchase Agreement"), among the Company, the Guarantors and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the several initial

purchasers listed on Schedule A thereto (the “Initial Purchasers”), pursuant to which the Company agreed to issue and sell to the Initial Purchasers the Notes. The Purchase Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions under which 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, including liabilities under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

Exhibit
No.

Description

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| 4.1 | Indenture, dated as of September 24, 2014, by and among GameStop Corp., the several guarantors named therein and U.S. Bank National Association, as trustee. |
| 4.2 | Form of 5.50% Senior Notes due 2019. |
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SIGNATURE

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

Dated: September 24, 2014

GameStop Corp.

By: /s/ ROBERT A. LLOYD

Name: Robert A. Lloyd

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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4.1	Indenture, dated as of September 24, 2014, by and among GameStop Corp., the several guarantors named therein and U.S. Bank National Association, as trustee.
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