

GLOBAL POWER EQUIPMENT GROUP INC.

FORM 8-K (Current report filing)

Filed 01/17/17 for the Period Ending 01/13/17

Address	400 E. LAS COLINAS BLVD. SUITE 400 IRVING, TX 75039
Telephone	214-574-2700
CIK	0001136294
Symbol	GLPW
SIC Code	3443 - Fabricated Plate Work (Boiler Shops)
Industry	Heavy Electrical Equipment
Sector	Industrials
Fiscal Year	12/31

**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): January 13, 2017

Global Power Equipment Group Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-16501
(Commission
File Number)

73-1541378
(IRS Employer
Identification Number)

400 E. Las Colinas Boulevard, Suite 400
Irving, Texas 75039
(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: 214-574-2700

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 January 13, 2017, Global Power Equipment Group Inc., a Delaware corporation (the “*Company*”), completed the sale of all of the issued and outstanding shares of capital stock (the “*Shares*”) of Hetsco Holdings, Inc., a Delaware corporation (“*Hetsco Holdings*”), which, in turn, is the sole stockholder of Hetsco, Inc., to Chart Lifecycle, Inc., a Delaware corporation (the “*Buyer*”), pursuant to the terms of the Stock Purchase Agreement (the “*Purchase Agreement*”) entered into on January 13, 2017, by and between the Company and the Buyer.

Subject to the terms and conditions of the Purchase Agreement, the Company agreed to sell the Shares for approximately \$22 million in cash (the “*Purchase Price*”), subject to certain adjustments as provided for in the Purchase Agreement. Pursuant to the terms of the Purchase Agreement, \$1.5 million of the Purchase Price was placed in escrow in order to satisfy certain indemnification obligations of the Company, any post-closing adjustments to the Purchase Price, and certain insurance premium security arrangements, with \$650,000 eligible for release after 18 months, \$300,000 eligible for release after 36 months, \$300,000 eligible for release after 48 months, and the remaining amount eligible for release after 60 months (in each case, less any pending indemnification claims or amounts previously paid).

The Purchase Agreement also contains customary representations, warranties and covenants, including non-competition and non-solicitation provisions and indemnification provisions.

Hetsco Holdings is the parent company of Hetsco, Inc., a global provider of mission critical brazed aluminum heat exchanger repair, maintenance, and safety services to the industrial gas, liquefied natural gas, and energy industries. The Company previously operated Hetsco Holdings as part of its Services Division.

The Company will include the Purchase Agreement as an exhibit to its 2016 Annual Report on Form 10-K, to be filed with the U.S. Securities and Exchange Commission. The foregoing description does not constitute a complete summary of the terms of the Purchase Agreement and is qualified in its entirety by reference to the full text of the agreement.

On January 17, 2017, the Company issued a press release announcing, among other things, the matters set forth above. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 1.01.

Item 8.01 Other Events.

On January 17, 2017, the Company issued a press release announcing, among other things, the matters set forth in Item 1.01 above and provided an update on the Company’s expectations for its financial reporting. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 8.01.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

99.1 Press release, dated January 17, 2017.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release, dated January 17, 2017.

**NEWS
RELEASE**

Global Power ♦ 400 E Las Colinas Blvd., Suite 400 ♦ Irving, TX 75039

FOR IMMEDIATE RELEASE

**Global Power Announces Sale of Hetsco, Inc. and
Expectations for Financial Reporting**

IRVING, Texas, January 17, 2017 – Global Power Equipment Group Inc. (OTC: GLPW) (“Global Power” or the “Company”) today announced that it has sold the stock of Hetsco, Inc., a wholly-owned subsidiary, to Chart Industries, Inc. (NASDAQ: GTLS) for approximately \$22 million in cash. Reported as part of the Services segment, Hetsco provided mission-critical brazed aluminum heat exchanger repair, maintenance and safety services. The acquisition closed on Friday, January 13, 2017. The cash received will be used to reduce debt.

Expectations on Financial Reporting

Global Power also announced that it expects to report its 2015 financial results and audited restated 2013 and 2014 financials in February 2017. The Company plans to provide a notice prior to its filing regarding the scheduling of a teleconference for investors and analysts.

At present, Global Power’s goal is to report 2016 financials by the end of March 2017 in order to become current with its financial reporting obligations. The Company plans to provide an update as to the timing of completion and filing of the 2016 financials by March 1, 2017.

About Global Power

Global Power Equipment Group Inc. is a design, engineering and manufacturing firm providing a broad array of equipment and services to the global power infrastructure, energy and process industries. The Products segment includes two primary product categories: Mechanical Solutions (formerly Auxiliary Products) designs, engineers and manufactures a comprehensive portfolio of equipment for utility-scale natural gas turbines while Electrical Solutions provides custom-configured electrical houses and generator enclosures for a variety of industries. The Services segment provides lifecycle maintenance, repair, on-site specialty support, outage management, construction and fabrication services for the power generation, industrial, chemical/petrochemical processing, and oil and gas industries. The Company provides information at its website: www.globalpower.com.

Forward-looking Statement Disclaimer

This press release contains “forward-looking statements” within the meaning of the term set forth in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements or expectations regarding the timing and the Company’s ability to file its restated historical financial information, 2015 financials and 2016 quarterly reports, regain SEC reporting compliance, identify new sources of debt financing, and related matters. These statements reflect our current views of future events and financial performance and are subject to a number of risks and uncertainties. Our actual results, performance or achievements may differ materially from those expressed or implied in the forward-looking statements. Risks and uncertainties that could cause or contribute to such material differences include, but are not limited to, decreased demand for new gas turbine power plants, reduced demand for, or increased regulation of, nuclear power, loss of any of our major customers, whether pursuant to the loss of pending or future bids for either new business or an extension of existing business, termination of customer or vendor relationships, cost increases and project cost overruns, unforeseen schedule delays, poor performance by our subcontractors, cancellation of projects, competition for the sale of our products and services, including competitors being awarded business by our customers that had previously been provided by Global Power, shortages in, or increases in prices for, energy and

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Global Power Announces Sale of Hetsco, Inc. and Expectations for Financial Reporting

January 17, 2017

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materials such as steel that we use to manufacture our products, damage to our reputation, warranty or product liability claims, increased exposure to environmental or other liabilities, failure to comply with various laws and regulations, failure to attract and retain highly-qualified personnel, loss of customer relationships with critical personnel, effective integration of acquisitions, volatility of our stock price, deterioration or uncertainty of credit markets, and changes in the economic, social and political conditions in the United States and other countries in which we operate, including fluctuations in foreign currency exchange rates, the banking environment or monetary policy.

In addition, more information may arise during the course of the Company's previously-announced ongoing accounting review of its previously issued financial statements that would require the Company to make additional adjustments or revisions or to restate further such financial statements. The time required to complete the financial statements and accounting review may cause our results to differ materially from those described in the forward-looking statements. Other important factors that may cause actual results to differ materially from those expressed in the forward-looking statements are discussed in our filings with the SEC, including the section of our Annual Report on Form 10-K filed with the SEC on March 9, 2015 titled "Risk Factors." Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution you not to rely upon them unduly.

Investor Relations Contact:

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