

AUTOWEB, INC.

FORM 8-K (Current report filing)

Filed 12/27/17 for the Period Ending 12/27/17

Address	18872 MACARTHUR BLVD SUITE 200 IRVINE, CA, 92612-1400
Telephone	9492254500
CIK	0001023364
Symbol	AUTO
SIC Code	7370 - Services-Computer Programming, Data Processing, Etc.
Industry	Advertising & Marketing
Sector	Consumer Cyclical
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) December 27, 2017



AutoWeb, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-34761
(Commission File Number)

33-0711569
(IRS Employer Identification No.)

18872 MacArthur Boulevard, Suite 200,
Irvine, California
(Address of principal executive offices)

92612-1400
(Zip Code)

Registrant's telephone number, including area code (949) 225-4500

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 **Entry into a Material Definitive Agreement**

On December 27, 2017, AutoWeb, Inc., a Delaware corporation (“ **AutoWeb** ” or “ **Company** ”), entered into a Sixth Amendment to Loan Agreement (“ **Credit Facility Sixth Amendment** ”) with MUFG Union Bank, N.A., formerly Union Bank, N.A. (“ **Union Bank** ”), amending the Company’s existing Loan Agreement with Union Bank initially entered into on February 26, 2013, as amended on September 10, 2013, January 13, 2014, May 20, 2015, June 1, 2016, and June 28, 2017 (the existing Loan Agreement, as amended to date, is referred to herein collectively as the “ **Credit Facility Agreement** ”). The Credit Facility Sixth Amendment was entered into in connection with the prepayment, in full, of the remaining \$8,250,000 principal plus all accrued and due and payable interest under Term Loan 2 (as defined in the Credit Facility Agreement). The Credit Facility Sixth Amendment: (i) deletes Section 1.1.3 of the Credit Facility Agreement to reflect the prepayment, in full, of Term Loan 2 and provides for the cancellation of the Commercial Promissory Note dated May 20, 2015 (in the original principal amount of \$15,000,000) that represents Term Loan 2; (ii) reflects the previously reported change in the Company’s corporate name to AutoWeb, Inc.; and (iii) amends the financial covenant in the Credit Facility Agreement related to minimum quarterly EBITDA requirements by deleting the minimum quarterly EBITDA requirement for fiscal quarters ending December 31st each year.

The foregoing description of the Credit Facility Agreement and Credit Facility Sixth Amendment is not complete and is qualified in its entirety by reference to (i) Loan Agreement dated as of February 26, 2013 by and between AutoWeb and Union Bank, as amended by First Amendment to Loan Agreement dated as of September 10, 2013, Second Amendment to Loan Agreement dated as of January 13, 2014, Security Agreement dated January 13, 2014, Commercial Promissory Note dated January 13, 2014 (\$9,000,000 Term Loan), and Commercial Promissory Note dated January 13, 2014 (\$8,000,000 Revolving Loan), which are incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K as filed with the SEC on January 17, 2014 (SEC File No. 001-34761); (ii) Third Amendment to the Credit Facility Agreement, the Commercial Promissory Note dated May 20, 2015 (\$15,000,000 Term Loan) and the Commercial Promissory Note dated May 20, 2015 (\$8,000,000 Revolving Loan) which is incorporated herein by reference to Exhibits 10.1, 10.2 and 10.3 to the Current Report on Form 8-K filed with the SEC on May 27, 2015 (SEC File No. 001-34761) ; (iii) Fourth Amendment to the Credit Facility Agreement dated June 1, 2016 (\$8,000,000 Revolving Loan), which is incorporated herein by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q filed with the SEC on August 4, 2016 (SEC File No. 001-34761) ; (iv) Fifth Amendment to Credit Facility Agreement and Commercial Promissory Note each dated June 28, 2017, which are incorporated herein by reference to Exhibits 10.2 and 10.3 to the Current Report on Form 8-K filed with the SEC on June 29, 2017 (SEC File No. 001-34761); and (v) Credit Facility Agreement Sixth Amendment, a copy of which is filed as an exhibit to this Current Report on Form 8-K.

Item 9.01 **Financial Statements and Exhibits.**

(d) **Exhibits**

[10.1](#) Sixth Amendment to Loan Agreement dated as of December 27, 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 hereunto duly authorized.

Date: December 27, 2017

AUTOWEB, INC.

By: /s/ Glenn E. Fuller
Glenn E. Fuller, Executive Vice President,
Chief Legal and Administrative Officer and
Secretary

**SIXTH AMENDMENT
TO LOAN AGREEMENT**

THIS SIXTH AMENDMENT TO LOAN AGREEMENT ("Sixth Amendment"), dated as of December 27, 2017, is made and entered into by and between **AUTOWEB, INC.** (formerly **AUTOBYTEL INC.**), a Delaware corporation ("Borrower"), and **MUFG UNION BANK, N.A.** , formerly Union Bank, N.A. ("Bank").

RECITALS :

- A. Borrower and Bank are parties to that certain Loan Agreement dated as of February 26, 2013, that certain Consent dated July 29, 2013, that certain First Amendment dated September 10, 2013, that certain Second Amendment dated January 13, 2014, that certain Third Amendment dated as of May 20, 2015, that certain Fourth Amendment dated June 1, 2016, and that certain Fifth Amendment dated as of June 28, 2017 (collectively the "Agreement"), pursuant to which Bank agreed to extend credit to Borrower in the form of a revolving line of credit and two term loans.
- B. Borrower has requested that Bank agree to amend the Agreement in certain respects related to the loan covenants, term loans, and the change in Borrower's legal name to AutoWeb, Inc. Bank is willing to amend the Agreement, subject, however, to the terms and conditions of this Sixth Amendment.

AGREEMENT :

In consideration of the above recitals and of the mutual covenants and conditions contained herein, Borrower and Bank hereby agree as follows:

1. **Defined Terms** . Initially capitalized terms used herein which are not otherwise defined shall have the meanings assigned thereto in the Agreement.
 2. **Amendments to the Agreement** .
 - (a) The definition of "Borrower" is hereby amended by substituting the name of "AutoWeb, Inc." for the existing name of "Autobytel Inc." appearing at the beginning of the Agreement.
 - (b) Section 1.1.3 of the Agreement, which relates to the **Term Loan 2** , is hereby deleted in its entirety.
 - (c) Section 4.8 of the Agreement, which relates to the **Quarterly EBITDA** , is hereby deleted in its entirety and replaced with the following:

" **4.8 Quarterly EBITDA** . Borrower will maintain a minimum quarterly EBITDA of at least the following amounts for each of the following fiscal quarters thereafter, with no minimum quarterly EBITDA requirement for the fiscal quarter ending December 31st each year:

Minimum Amount	Quarter
One Million Five Hundred Thousand Dollars (\$1,500,000)	ending March 31 st
One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000)	ending June 30 th
Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000)	ending Sept. 30 th
 3. **Effectiveness of this Sixth Amendment** . This Sixth Amendment shall become effective as of the date hereof when, and only when, Bank shall have received all of the following, in form and substance satisfactory to Bank:
 - (a) A counterpart of this Sixth Amendment, duly executed by Borrower;
 - (b) The repayment, in full, of all principal and interest related to Term Loan 2, as defined in the Agreement upon which repayment that certain Commercial Promissory Note (Base Rate) dated as of May 20, 2015 and representing Term Loan 2 is hereby cancelled and shall have no further force or effect; and
 - (c) Such other documents, instruments or agreements as Bank may reasonably deem necessary in order to effect fully the purposes of this Sixth Amendment.
 4. **Ratification** .
 - (a) Except as specifically amended hereinabove, the Agreement shall remain in full force and effect and is hereby ratified and confirmed; and
 - (b) Upon the effectiveness of this Sixth Amendment, each reference in the Agreement to "this Agreement", "hereunder", "herein", "hereof" or words of like import referring to the Agreement shall mean and be a reference to the Agreement as amended by this Sixth Amendment,
-

5. **Representations and Warranties** . Borrower represents and warrants as follows:
- (a) Each of the representations and warranties contained in Section 3 of the Agreement, as amended hereby, is hereby reaffirmed as of the date hereof, each as if set forth herein; provided, however, that the following representations and warranties are amended or supplemented and updated as follows:
- (i) **Section 3.2** . For the purposes of Section 3.2 of the Agreement, Exhibit A attached hereto constitutes the current schedule of Borrower's Affiliates delivered to Bank.
- (ii) **Section 3.8** . Section 3.8 of the Agreement is hereby amended in its entirety to read as follows:
- 3.8 Financial Statements** . Borrower's financial statements, including both a balance sheet at September 30, 2017, together with supporting schedule, and an income statement for the nine (9) months ended September 30, 2017, have heretofore been furnished to Bank, are true and complete, and fairly represent Borrower's financial condition for the period covered thereby.
- (b) The execution, delivery and performance of this Sixth Amendment are within Borrower's corporate powers, have been duly authorized by all necessary corporate action, have received all necessary approvals, if any, and do not contravene any law or any contractual restriction binding on Borrower; and
- (c) Except as previously disclosed to Bank, no event has occurred and is continuing or would result from this Sixth Amendment which constitutes an Event of Default under the Agreement, or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.
6. **Governing Law** . This Sixth Amendment shall be deemed a contract under and subject to, and shall be construed for all purposes and in accordance with, the laws of the State of California.
7. **Counterparts** . This Sixth Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
-

WITNESS the due execution hereof as of the date first above written.

“Borrower”

AUTOWEB, INC.

By: /s/ Jeffrey H. Coats
Jeffrey H. Coats
President and Chief Executive Officer

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Executive Vice President, Chief Legal and
Administrative Officer and Secretary

“Bank”

MUFG UNION BANK, N.A.

By: /s/ Gregory Dubnansky
Gregory Dubnansky
Vice President

Exhibit A
Borrower Affiliates

Autobytel Dealer Services, Inc.
Dealix Corporation
Car.com, Inc.
Autotegrity, Inc.
Autobytel, Inc.
AW GUA USA, Inc.
AW GUA, Sociedad de Responsabilidad Limitada
