

ADVANCE AUTO PARTS INC
Form 8-K
December 10, 2007

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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 4, 2007

ADVANCE AUTO PARTS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of

001-16797
(Commission
File Number)

54-2049910
(I.R.S. Employer

incorporation or
organization)

Identification No.)

**5673 Airport Road, Roanoke,
Virginia**

24012

(Address of Principal Executive
Offices)

(Zip Code)

Registrant's telephone number, including area code (540) 362-4911

Not Applicable

(Former name, former address and former fiscal year, 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 (see General Instruction A.2. below):

- 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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INFORMATION TO BE INCLUDED IN THE REPORT

Item 1.01 Entry into a Material Definitive Agreement.

The disclosures contained in Item 2.03 are incorporated herein by reference.

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

On December 4, 2007, Advance Auto Parts, Inc. ("the Company"), as Guarantor, entered into a new \$200 million unsecured four-year term loan with Advance Stores Company, Incorporated ("Advance Stores"), the Company's wholly owned subsidiary serving as Borrower, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent. Proceeds from this term loan will be used to repurchase shares of the Company's common stock under its stock repurchase program. Advance Stores borrowed \$50 million on December 4, 2007 and has until May 5, 2008 to borrow the remaining capacity. Voluntary prepayments and voluntary reductions of the term loan balance are permitted in whole or in part, at the Company's option, in minimum principal amounts as specified in the new term loan.

The interest rate on the term loan will be based, at the Company's option, on an adjusted LIBOR rate, plus a margin, or an alternate base rate, plus a margin. The initial margin is 1.00% and 0.0% per annum for the adjusted LIBOR and alternate base rate borrowings, respectively. A commitment fee will be charged on the unused portion of the term loan, payable in arrears. The initial commitment fee rate is 0.200% per annum. Under the terms of the term loan, the interest rate spread and commitment fee will be based on the Company's credit rating. The term loan terminates on October 5, 2011.

The term loan is guaranteed by the Company. The term loan contains covenants restricting the ability of the Company and its subsidiaries to, among other things, (1) create, incur or assume additional debt (including hedging arrangements), (2) incur liens or engage in sale-leaseback transactions, (3) make loans and investments, (4) guarantee obligations, (5) engage in certain mergers, acquisitions and asset sales, (6) engage in transactions with affiliates, (7) change the nature of the Company's business and the business conducted by its subsidiaries and (8) change the holding company status of the Company. The Company is required to comply with financial covenants with respect to a maximum leverage ratio and a minimum coverage ratio. The term loan also provides for customary events of default, including non-payment defaults, covenant defaults and cross-defaults to the Company's other material indebtedness.

The above description of the term loan is not complete and is qualified in its entirety by the full text of the term loan credit agreement, which is filed as Exhibit 10.30 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number

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|-------|--|
| 10.30 | Term Loan Credit Agreement dated as of December 4, 2007 among Advance Auto Parts, Inc., Advance Stores Company, Incorporated, as borrower, the lenders party hereto and JPMorgan Chase Bank, N.A. as administrative agent. |
| 10.31 | Guarantee Agreement dated as of December 4, 2007 among Advance Auto Parts, Inc. and JPMorgan Chase Bank, N.A., as administrative agent for the lenders. |
| 99.1 | Press Release, dated December 4, 2007, issued by Advance Auto Parts, Inc. |

Note: The information contained in Exhibit 99.1 shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

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.

ADVANCE AUTO PARTS, INC.

(Registrant)

Date: December 10, 2007

/s/ Michael O. Moore

(Signature)*

Michael O. Moore

Executive Vice President, Chief Financial Officer

* Print name and title of the signing officer under his signature.

EXHIBIT INDEX

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