

American Airlines Group Inc.  
Form 8-K  
May 02, 2016

**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): April 29, 2016**

**AMERICAN AIRLINES GROUP INC.**

**AMERICAN AIRLINES, INC.**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**Delaware**  
**(State or other Jurisdiction)**

**1-8400**  
**1-2691**  
**(Commission)**

**75-1825172**  
**13-1502798**  
**(IRS Employer)**

<b>of Incorporation)</b>	<b>File Number)</b>	<b>Identification No.)</b>
<b>4333 Amon Carter Blvd., Fort Worth, Texas</b>		<b>76155</b>
<b>4333 Amon Carter Blvd., Fort Worth, Texas</b>		<b>76155</b>
<b>(Address of principal executive offices)</b>		<b>(Zip Code)</b>
<b>Registrant's telephone number, including area code:</b>		
	<b>(817) 963-1234</b>	
	<b>(817) 963-1234</b>	
	<b>N/A</b>	

**(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))

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

On April 29, 2016 (the Closing Date), American Airlines, Inc. ( American ) and American Airlines Group Inc. ( AAG ), entered into a Credit and Guaranty Agreement (the Credit Agreement), among American, as the borrower, AAG, as parent and guarantor, the lenders party thereto, and Barclays Bank PLC, as administrative agent and collateral agent. The Credit Agreement provides for a \$1 billion term loan facility (the Term Loan Facility) and a revolving credit facility that may be established in the future (the Revolving Credit Facility).

On the Closing Date, American borrowed \$1 billion under the Term Loan Facility. The proceeds of the Term Loan Facility were used to repay approximately \$588 million in remaining principal plus accrued and unpaid interest of the Tranche B2 Term Loans under that certain Loan Agreement dated as of May 23, 2013, as amended, by and among American, AAG, certain other affiliates of American, the lenders party thereto and Citicorp North America, Inc., as administrative agent and the remainder will be used for general corporate purposes. Term loans under the Credit Agreement mature on April 28, 2023.

Voluntary prepayments may be made by American at any time, with a premium of 1% applicable to certain prepayments made prior to the date that is six months following the Closing Date. Mandatory prepayments at par of term loans and/or revolving loans (if any) under the Credit Agreement are required to the extent necessary to comply with American's covenants regarding the collateral coverage ratio and certain dispositions of the Collateral (as defined herein). In addition, if a change of control (as defined in the Credit Agreement) occurs with respect to AAG, American will be required to repay at par the loans outstanding under the Credit Agreement and terminate any Revolving Credit Facility.

Borrowings under the Term Loan Facility bear interest at an index rate plus an applicable index margin or, at American's option, LIBOR (subject to a floor of 0.75%) plus an applicable LIBOR margin for interest periods of one, three or six months (or, if available to all affected Lenders, 12 months or a shorter period). The LIBOR margin is 2.75% for borrowings under the Term Loan Facility.

The obligations of American under the Credit Agreement are secured by a lien on aircraft spare parts owned by American (the Collateral). American has the ability to add certain types of assets to the Collateral and, subject to certain conditions, release Collateral, in each case from time to time at its discretion.

The Credit Agreement requires American to periodically appraise the value of the Collateral and calculate the collateral coverage ratio. If the calculated collateral coverage ratio is below 1.6 to 1.0, American may be required either to provide additional Collateral (which may include cash collateral) to secure its obligations under the Credit Agreement or repay the loans under the Credit Agreement or certain other indebtedness, in such amounts that the recalculated collateral coverage ratio, after giving effect to any such additional collateral or repayment, is at least 1.6 to 1.0.

The Credit Agreement also includes affirmative, negative and financial covenants that, among other things, limit the ability of AAG and its restricted subsidiaries to pay dividends and make certain other payments, make certain investments, incur liens on the Collateral, dispose of the Collateral, enter into certain affiliate transactions and engage in certain business activities, in each case subject to certain exceptions. In addition, under the Credit Agreement, AAG must maintain a minimum aggregate liquidity of \$2.0 billion.

The Credit Agreement contains events of default customary for similar financings, including cross-default to other material indebtedness. Upon the occurrence of an event of default, the outstanding obligations under the Credit Agreement may be accelerated and become due and payable immediately.

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American and AAG have a number of other commercial relationships with the lenders and other parties to the Credit Agreement. From time to time, several of such lenders and parties or their affiliates perform investment banking and advisory services for, and furnish general financing and banking services to, American, AAG and their affiliates.

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

The information described under Item 1.01 above Entry into a Material Definitive Agreement is incorporated herein by reference.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, American Airlines Group Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AMERICAN AIRLINES GROUP INC.**

Date: April 29, 2016

By: /s/ Derek J. Kerr  
Derek J. Kerr

Executive Vice President and Chief Financial Officer

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

**AMERICAN AIRLINES, INC.**

Date: April 29, 2016

By: /s/ Derek J. Kerr  
Derek J. Kerr

Executive Vice President and Chief Financial Officer