

ARES CAPITAL CORP
Form 8-K
March 30, 2015

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) **March 26, 2015**

ARES CAPITAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

814-00663
(Commission
File Number)

33-1089684
(IRS Employer
Identification No.)

245 Park Avenue, 44th Floor, New York, NY
(Address of Principal Executive Offices)

10167
(Zip Code)

Registrant's telephone number, including area code **(212) 750-7300**

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N/A

(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 (*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))

Item 1.01 Entry into a Material Definitive Agreement.

On March 26, 2015, Ares Capital Corporation (the Registrant) entered into an agreement to amend and restate its senior secured revolving credit facility (as amended and restated, the A&R Revolving Credit Facility). The A&R Revolving Credit Facility, among other things, (a) increased the size of the facility from \$1.25 billion to \$1.29 billion, (b) decreased the size of the letter of credit sub-facility from \$200 million to \$150 million, (c) extended the expiration of the revolving period from May 4, 2018 to May 4, 2019, during which period the Registrant, subject to certain conditions, may make borrowings under the facility, (d) extended the stated maturity date from May 4, 2019 to May 4, 2020 and (e) modified the interest rate charged on the credit facility from the previous applicable spreads of 2.00% over LIBOR and 1.00% over an alternate base rate (as defined in the agreement governing the prior revolving credit facility) to applicable spreads of either 1.75% or 2.00% over LIBOR and either 0.75% or 1.00% over an alternate base rate (as defined in the A&R Revolving Credit Facility), in each case, determined monthly based on the total amount of the borrowing base relative to the total commitments available under the A&R Revolving Credit Facility and other debt, if any, secured by the same collateral as the A&R Revolving Credit Facility.

The A&R Revolving Credit Facility continues to be secured by a material portion of the Registrant's assets (excluding, among other things, investments held in and by certain subsidiaries of the Registrant or investments in certain portfolio companies of the Registrant) and guaranteed by certain subsidiaries of the Registrant.

The A&R Revolving Credit Facility includes an accordion feature that allows the Registrant, under certain circumstances, to increase the size of the facility to a maximum of approximately \$1.935 billion.

Under the A&R Revolving Credit Facility, the Registrant has made certain representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar revolving credit facilities, including, without limitation, covenants related to: (a) limitations on the incurrence of additional indebtedness and liens, (b) limitations on certain investments, (c) limitations on certain asset transfers and restricted payments, (d) maintaining a certain minimum stockholders' equity, (e) maintaining a ratio of total assets (less total liabilities) to total indebtedness, of the Registrant and its subsidiaries (subject to certain exceptions), of not less than 2.0:1.0, and (f) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Registrant and certain of its subsidiaries. The A&R Revolving Credit Facility also continues to include usual and customary events of default for senior secured revolving credit facilities of this nature.

In addition to the asset coverage ratio described above, borrowings under the A&R Revolving Credit Facility (and the incurrence of certain other permitted debt) will continue to be subject to compliance with a borrowing base that will apply different advance rates to different types of assets in the Registrant's portfolio.

Borrowings under the A&R Revolving Credit Facility will also continue to be subject to the leverage restrictions contained in the Investment Company Act of 1940, as amended.

The description above is only a summary of the material provisions of the A&R Revolving Credit Facility and is qualified in its entirety by reference to a copy of the A&R Revolving Credit Facility, which is filed as Exhibit 10.1 to this current report on Form 8-K and incorporated by reference herein.

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

The information contained in Item 1.01 to this current report on Form 8-K is by this reference incorporated in this Item 2.03.

Item 7.01 Regulation FD Disclosure.

On March 30, 2015, the Registrant issued a press release announcing that it entered into the A&R Revolving Credit Facility. A copy of the press release is filed herewith as Exhibit 99.1 and incorporated herein by reference.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

| Exhibit Number | Description |
|-----------------------|--|
| 10.1 | Fifth Amended and Restated Senior Secured Revolving Credit Agreement, dated as of March 26, 2015, among Ares Capital Corporation, the lenders party thereto, and JPMorgan Chase Bank as administrative agent |
| 99.1 | Press Release, dated as of March 30, 2015 |

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.

ARES CAPITAL CORPORATION

Date: March 30, 2015

| | |
|--------|-------------------------|
| By: | /s/ Penni F. Roll |
| Name: | Penni F. Roll |
| Title: | Chief Financial Officer |

Exhibit Index

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