

SHARPS COMPLIANCE CORP  
Form 8-K  
January 30, 2014

---

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 30, 2014 (January 28, 2014)

Commission File Number: 001-34269

---

SHARPS COMPLIANCE CORP.  
(Exact name of registrant as specified in its charter)

|                                                                                   |                                                           |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------|
| <u>Delaware</u><br>(State or other jurisdiction of incorporation or organization) | <u>74-2657168</u><br>(I.R.S. Employer Identification No.) |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------|

|                                                                                                |                            |
|------------------------------------------------------------------------------------------------|----------------------------|
| <u>9220 Kirby Drive, Suite 500, Houston, Texas</u><br>(Address of principal executive offices) | <u>77054</u><br>(Zip Code) |
|------------------------------------------------------------------------------------------------|----------------------------|

(713) 432-0300  
(Registrant's telephone number, including area code)

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.

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

On January 28, 2014, the Company entered into a Credit Agreement with a commercial bank. The Credit Agreement, which replaces the Prior Credit Agreement executed effective April 30, 2013 with another commercial bank, provides for a two-year, \$3.0 million line of credit facility, the proceeds of which may be utilized for working capital, letters of credit (up to \$500,000) and general corporate purposes. Indebtedness under the Credit Agreement is secured by the Company's accounts receivable and inventory with advances outstanding at any time limited to a Borrowing Base (as defined in the Credit Agreement) equal to 80% of eligible accounts receivable plus 50% of eligible inventory. Borrowings bear interest at WSJ Prime. The Company will pay a fee of 0.25% per annum on the unused amount of the line of credit.

The Credit Agreement contains affirmative and negative covenants that, among other things, require the Company to maintain a minimum level of tangible net worth and a minimum liquidity. The Credit Agreement, which expires on January 28, 2016, also contains customary events of default which, if uncured, may terminate the Credit Agreement and require immediate repayment of all indebtedness to the lenders.

The description of the Credit Agreement contained herein is qualified in its entirety by reference to the Credit Agreement, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

---

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 Letter Loan Agreement dated January 28, 2014, by and between Sharps Compliance, Inc. and a commercial bank.

10.2 Revolving Line of Credit Promissory Note dated January 28, 2014, by and between Sharps Compliance, Inc. and a commercial bank.

10.3 Security Agreement dated January 28, 2014, by and between Sharps Compliance, Inc. and a commercial bank.

---

SIGNATURES

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

REGISTRANT:

Dated: January 28, 2014 Sharps Compliance Inc.

By: /s/ DIANA P. DIAZ

Vice President and Chief Financial Officer

---

Index to Exhibits

10.1 Letter Loan Agreement dated January 28, 2014, by and between Sharps Compliance, Inc. and a commercial bank.

10.2 Revolving Line of Credit Promissory Note dated January 28, 2014, by and between Sharps Compliance, Inc. and a commercial bank.

10.3 Security Agreement dated January 28, 2014, by and between Sharps Compliance, Inc. and a commercial bank.

---