

BUILD A BEAR WORKSHOP INC
Form 8-K
October 29, 2009
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) October 29, 2009 (October 28, 2009)

Build-A-Bear Workshop, Inc.
(Exact Name of Registrant as
Specified in Its Charter)

Delaware 001-32320 43-1883836
(State or Other (Commission (IRS Employer
Jurisdiction of
Incorporation) File Number) Identification No.)

1954 Innerbelt Business Center Drive

St. Louis, Missouri 63114
(Address of Principal Executive Offices) (Zip
Code)

(314) 423-8000
(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 (*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 October 28, 2009, Build-A-Bear Workshop, Inc. (the “Company”) and all of its domestic subsidiaries (collectively with the Company, the “Borrower”) entered into a Seventh Amendment to Loan Documents (the “Loan Document Amendment”) with U.S. Bank National Association (“U.S. Bank”), which amends the Company’s Fourth Amended and Restated Loan Agreement (the “Credit Agreement”) and the Fourth Amended and Restated Revolving Credit Note (the “Revolving Credit Note”) with U.S. Bank.

The Loan Document Amendment extends the expiration date of the facility from December 31, 2009 to December 31, 2011. The available line of credit remains unchanged at \$40 million for the first half of each calendar year with a \$50 million seasonal overline on the line of credit to be in effect from July 1 to December 31 of each year. In addition, the minimum tangible net worth covenant was increased from \$93 million to \$110 million and the fixed charge coverage ratio covenant was reduced from 1.3:1 to 1.2:1. The interest rate was increased from LIBOR plus 1.3% to LIBOR plus 2.05% and the prime rate option, previously prime minus 1.0%, was eliminated. In addition, the commitment fee on the unused portion of the credit line was increased from 0.125% to 0.25%. The Credit Agreement will continue to be secured by the assets of the Borrower and a pledge of 65% of the Borrower’s ownership interest in certain of its foreign subsidiaries. The Company does not currently have any outstanding borrowings under the Credit Agreement and is in compliance with the Credit Agreement covenants.

As amended by the Loan Document Amendment, the Credit Agreement continues to contain typical representations, warranties and negative covenants, including, among other things, that the Borrower will not incur indebtedness or make any investments in excess of certain thresholds, acquire any subsidiaries, or merge or consolidate with any other entity or acquire all or substantially all of the assets of any other company outside the ordinary course of business.

Relationship to U.S. Bank

The Company has or may have had customary banking relationships with U.S. Bank based on the provision of a variety of financial services, including lending, commercial banking and other advisory services.

The foregoing description of the Loan Document Amendment is only a summary of certain terms and conditions of this document and is qualified in its entirety by reference to the Loan Document Amendment, which has been filed as Exhibits 10.1 hereto and which is incorporated by reference herein. In addition, the Company has previously filed the Credit Agreement and the Revolving Credit Note as Exhibits 10.1 and 10.2, respectively, to its Current Report on Form 8-K, filed on August 13, 2008, which documents have also been incorporated by reference in the Company’s Annual Report on Form 10-K for the year ended January 3, 2009 (File No. 001-32320), filed on March 19, 2009; the foregoing description of those documents is also only a summary of certain terms and conditions therein and is qualified in its entirety to such documents as previously filed.

Item 2.02. Results of Operations and Financial Condition.

On October 29, 2009, Build-A-Bear Workshop, Inc. (the “Company”) issued a press release announcing, among other things, total revenue, net retail sales, renewal of its bank line of credit, losses related to its investment in Ridemakerz, LLC, charges related to the closure of its Friends 2B Made concept and, net loss, and diluted loss per share for the third quarter (13 weeks ended October 3, 2009) and first nine months of fiscal 2009 (39 weeks ended October 3, 2009). The press release also included the Company’s outlook for fiscal 2009 cost reduction initiatives.

A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated by reference herein. The description of the press release contained herein is qualified in its entirety by the full text of such exhibit.

The information furnished in contained or incorporated by reference into this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing. In addition, this report (including Exhibit 99.1) shall not be deemed an admission as to the materiality of any information contained herein that is required to be disclosed solely as a requirement of this Item.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Seventh Amendment to Loan Documents between Build-A-Bear Workshop, Inc., Build-A-Bear Workshop Franchise Holdings, Inc., Build-A-Bear Entertainment, LLC, Build-A-Bear Retail Management, Inc., as Borrowers, and U.S. Bank National Association, as Lender, entered into as of October 28, 2009
99.1	Press Release dated October 29, 2009

4

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.

BUILD-A-BEAR WORKSHOP, INC.

Date: October 29, 2009 By: /s/ Tina Klocke
Name: Tina Klocke
Title: Chief Operations and Financial Bear,
Secretary and Treasurer

5

EXHIBIT INDEX

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