

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): February 5, 2019 (January 31, 2019)

GENESCO INC.
(Exact Name of Registrant as Specified in Charter)

<u>Tennessee</u> (State or Other Jurisdiction of Incorporation)	<u>1-3083</u> (Commission File Number)	<u>62-0211340</u> (I.R.S. Employer Identification No.)
<u>1415 Murfreesboro Road</u> <u>Nashville, Tennessee</u> (Address of Principal Executive Offices)		<u>37217-2895</u> (Zip Code)

(615) 367-7000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.*Credit Agreement Amendment*

On February 1, 2019, Genesco Inc., a Tennessee corporation (the “Company”), entered into a First Amendment to Fourth Amended and Restated Credit Agreement (the “First Amendment”) by and among the Company, certain subsidiaries of the Company party thereto (collectively with the Company, the “Borrowers”), the lenders party thereto (the “Lenders”), and Bank of America, N.A., as agent, amending the Fourth Amended and Restated Credit Agreement, dated as of January 31, 2018 (the “Credit Agreement”), by and among the Borrowers, the Lenders party thereto and Bank of America, N.A., as Agent. The First Amendment modifies the Credit Agreement to, among other things, decrease each of the Total Domestic Commitments and the Total Commitments from \$400,000,000 to \$275,000,000 and to permit the Transaction (as defined in Item 2.01 below). The foregoing description of the First Amendment does not purport to be complete and is qualified in its entirety by reference to the First Amendment which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

On February 2, 2019, the Company completed the previously announced sale of the outstanding shares of capital stock of Hat World, Inc., a Minnesota corporation (“Lids”), by Hat World Corporation, a Delaware corporation (“Parent”), as well as the right, title and interest in certain properties, assets and contracts related to the Lids Sports Group businesses of GCO Canada Inc., a Canadian corporation (“GCO Canada”), and Flag Bros. of Puerto Rico, Inc., a Delaware corporation (“Flag Bros.”, together with Parent and GCO Canada, the “Sellers”), to FanzzLids Holdings, LLC, a Delaware limited liability company (together with certain of its subsidiaries, “Buyer”), for an aggregate purchase price of \$101.0 million in cash (the “Transaction”). The terms of the Transaction, including certain adjustments to the purchase price to be made at and following closing, are set forth in the previously disclosed Purchase Agreement, dated December 14, 2018, by and among the Company, the Sellers, the Buyer and others party thereto (the “Purchase Agreement”). At the closing of the Transaction, the parties completed (i) the sale of the outstanding shares of capital stock of Lids by the Parent to Buyer and (ii) the sale of the Acquired Assets (as defined in the Purchase Agreement) by GCO Canada and Flag Bros to Buyer.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the Purchase Agreement, which was attached as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company on December 14, 2018.

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

The information under Item 1.01 is incorporated by reference hereunder.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 31, 2019, Jonathan D. Caplan, a Senior Vice President of the Company and Chief Executive Officer of the Johnston & Murphy Group and Licensed Brands, advised the Company of his intention to retire from the Company. Effective February 2, 2019, Mr. Caplan ceased to serve in the previously mentioned offices. He has agreed to remain employed by the Company in a consulting capacity and assist with the transition of his duties, through June 30, 2019. In connection with his retirement, Mr. Caplan has agreed that he be will bound by non-competition and non-solicitation covenants for a period of one year and will provide a general release of claims against the Company. In exchange for these restrictive covenants and the release of claims, Mr. Caplan will receive a lump sum payment of \$175,000.

Mr. Caplan will continue to be compensated at his current salary from February 2, 2019 through June 30, 2019. He will continue to have a target annual incentive award equal to 75% of his annualized salary under the Company's EVA Incentive Plan for fiscal year ending February 1, 2020 (“Fiscal 2020”), with any award for Fiscal 2020 to be

based 100% on the performance of the Johnston & Murphy Group in Fiscal 2020. Any incentive award earned for Fiscal 2020 will be prorated for the number of months Mr. Caplan is actually employed by the Company during Fiscal 2020, as provided in the EVA Incentive Plan.

Item 7.01 Regulation FD Disclosure.

On February 4, 2019, the Company issued a press release announcing the completion of the Transaction. A copy of this press release is furnished as Exhibit 99.2 to Current Report on Form 8-K.

The information in this Item 7.01 of this Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (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, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished herewith:

Exhibit Number	Description
10.1	First Amendment to Fourth Amended and Restated Credit Agreement, dated February 1, 2019
99.1	Press Release of Genesco Inc. issued February 4, 2019

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.

GENESCO INC.

Date: February 5, 2019

By: /s/ Mimi E. Vaughn
Name: Mimi E. Vaughn
Title: Senior Vice President-Finance and Chief
Financial Officer

EXHIBIT INDEX

<u>No.</u>	<u>Exhibit</u>
10.1	<u>First Amendment to Fourth Amended and Restated Credit Agreement, dated February 1, 2019</u>
99.1	<u>Press Release of Genesco Inc. issued February 4, 2019</u>

Execution Version

FIRST AMENDMENT TO FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

FIRST AMENDMENT TO FOURTH AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") dated as of February 1, 2019 between

GENESCO INC., a Tennessee corporation (the "Lead Borrower"),

GCO CANADA INC., a Canadian corporation, as the Canadian Borrower (the "Canadian Borrower"),

GENESCO (UK) LIMITED, a company incorporated in England and Wales with company number 07667223, as the UK Borrower (the "UK Borrower")

the Other Domestic Borrowers party hereto (together with the Lead Borrower, the Canadian Borrower and the UK Borrower, the "Borrowers"),

the Lenders party hereto, and

BANK OF AMERICA, N.A., as Agent;

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

W I T N E S S E T H:

WHEREAS, the Borrowers, the Lenders and the Agent have entered into a certain Fourth Amended and Restated Credit Agreement dated as of January 31, 2018 (the "Credit Agreement"); and

WHEREAS, certain of the Borrowers have entered into that certain Purchase Agreement dated as of December 14, 2018 (the "Lids Disposition Agreement") by, among others, FanzzLids Holdings, LLC, as Buyer, Hat World, Inc., and each of the Canadian Borrower, Flagg Bros. of Puerto Rico, Inc. and Hat World Corporation, as Sellers, pursuant to which the Borrowers intend to dispose (the "Lids Disposition") of the Equity Interests of Hat World, Inc. and its subsidiaries, together with substantially all of the assets of the Sellers relating to the Business (as defined in the Lids Disposition Agreement); and

WHEREAS, the Borrowers have requested that the Lenders consent to the Lids Disposition, release the Collateral to be sold in connection with the Lids Disposition, and release Hat World, Inc. from its obligations as a Borrower and as a Guarantor under the Credit Agreement and the other Loan Documents; and

WHEREAS, in connection with the Lids Disposition, the Borrowers have requested certain modifications to the Credit Agreement, including, without limitation, a pro rata reduction to the Domestic Total Commitments of the Domestic Lenders and the Total Commitments of the Lenders; and

WHEREAS, the Borrowers, the Lenders and the Agent have agreed to amend the Credit Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises and agreements herein contained, the parties hereto hereby agree as follows:

1. **Incorporation of Terms and Conditions of Credit Agreement.** All of the terms and conditions of the Credit Agreement (including, without limitation, all definitions set forth therein) are specifically incorporated herein by reference (except as amended hereby). All capitalized terms not otherwise defined herein shall have the same meaning as in the Credit Agreement.
2. **Representations and Warranties.** Each Credit Party hereby represents and warrants that after giving effect to this Amendment, (i) no Default or Event of Default exists under the Credit Agreement or under any other Loan Document, and (ii) all representations and warranties contained in Section 3 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality, which is true and correct in all respects) as of the date hereof, except (a) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality, which is true and correct in all respects) as of such earlier date and (b) representations and warranties that have become untrue or incorrect solely because of changes reflected by the terms of this Amendment.
3. **Ratification of Loan Documents.** The Credit Agreement, as hereby amended, and all other Loan Documents, are hereby ratified and re-affirmed in all respects and shall continue in full force and effect.
4. **Amendments to Credit Agreement.** The provisions of the Credit Agreement are hereby amended as follows:
 - a. **Section 1.** Section 1.1 of the Credit Agreement is hereby amended as follows:
 - i. By deleting “30,000,000” where it appears in the definition of “**Cash Dominion Event**”, and by substituting “\$20,000,000” in its stead.
 - ii. By deleting “25,000,000” where it appears in the definition of “**Covenant Compliance Event**”, and by substituting “\$17,500,000” in its stead.
 - iii. By deleting the last sentence of the definition of “**Domestic Total Commitments**” and by substituting the following in its stead:

“On the First Amendment Effective Date, the Domestic Total Commitments are \$275,000,000.”
 - iv. By deleting the definition of “**Eligible Hat World Inventory**” in its entirety.
 - v. By deleting “(a) Eligible Hat World Inventory” in the introductory paragraph of the definition of “**Eligible Inventory**” and relettering existing clauses (b) through (e) thereof, respectively, as clauses (a) through (d).

- vi. By deleting “(or, with respect to Macy’s Retail Holdings, Inc. and its affiliates, 30%)” in clause (g) of the definition of “**Eligible Wholesale Receivables**”.
- vii. By deleting “other than with respect to Accounts under the Macy’s License Agreement,” where it appears in clauses (k) and (n) of the definition of “**Eligible Wholesale Receivables**”.
- viii. By deleting “, and for the avoidance of doubt, Accounts under the Macy’s License Agreement net of offsets and allowances as set forth therein shall not be deemed violative of this clause” in clause (m) of the definition of “**Eligible Wholesale Receivables**”.
- ix. By deleting the definition of “**Macy’s License Agreement**” in its entirety.
- x. By deleting “Hat World, Inc., a Minnesota corporation;” in the definition of “**Other Domestic Borrowers**”.
- xi. By deleting the last sentence of the definition of “**Total Commitments**” and by substituting the following in its stead:

“As of the First Amendment Effective Date, the Total Commitments aggregate \$275,000,000.”

By adding the following new definitions thereto in appropriate alphabetical order:

“**First Amendment Effective Date**” means February 1, 2019.

“**Lids Disposition**” means the sale of the Company Shares and the Acquired Assets each as defined in, and pursuant to the terms of, the Lids Disposition Agreement.

“**Lids Disposition Agreement**” means that certain Purchase Agreement dated as of December 14, 2018, by, among others, FanzzLids Holdings, LLC, as Buyer, Hat World, Inc., and each of the Canadian Borrower, Flagg Bros. of Puerto Rico, Inc. and Hat World Corporation, as Sellers, as such agreement is in effect as of the First Amendment Effective Date or as may be modified, amended, supplemented or restated with the consent of the Agent, such consent not to be unreasonably withheld.

- b. Section 5.
 - i. Section 5.1(m) of the Credit Agreement is hereby deleted in its entirety, and “[reserved]; and” is substituted in its stead.
- c. Section 6.
 - i. Section 6.5 of the Credit Agreement is hereby amended by deleting “and” at the end of clause (g), renumbering clause (h) as clause (i), and adding the following new clause (h) thereto:

“(h) the Lids Disposition; and”

- d. Section 9.3. Section 9.3(b) of the Credit Agreement is hereby amended by deleting clause (vi) in its entirety and by substituting the following in its stead:
- “(vi) except in connection with any transaction permitted hereunder or under any other Loan Document, release, or limit the liability of, any Borrower or any Guarantor without the written consent of each Lender;”
- e. Exhibit D. Exhibit D (Form of Borrowing Base Certificate) is hereby deleted in its entirety and the Exhibit D attached hereto is substituted in its stead.
- f. Schedule 1.1. Schedule 1.1 (Lenders and Commitments) is hereby deleted in its entirety and the Schedule 1.1 attached hereto is substituted in its stead.
5. Consent and Waiver of Notice. Each Lender hereby consents to the Lids Disposition, and the Agent hereby waives any notices required or that will be required as a result of the Lids Disposition, including, without limitation, notices pursuant to Section 5.3 of the Credit Agreement.
6. Security Agreements. Notwithstanding Section 3 of each of the Security Agreement and the Canadian Security Agreement, statements identified as “warranties” that become untrue or incorrect solely as a result of the Lids Disposition shall not result in an Event of Default.
7. Conditions to Effectiveness.
- a. This Amendment (other than the amendments set forth in subclauses i. through xi. of Section 4a., and Sections 4b., 4e. and 4f. above) shall be effective upon the fulfillment of each of the following conditions precedent to the satisfaction of the Agent:
- i. This Amendment shall have been duly executed and delivered by the Credit Parties and each Lender. The Agent shall have received a fully executed original hereof.
 - ii. All action on the part of the Credit Parties necessary for the valid execution, delivery and performance by the Credit Parties of this Amendment shall have been duly and effectively taken.
 - iii. After giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.
 - iv. The Agent shall have received an updated Borrowing Base Certificate relating to the Fiscal Month ended December, prepared after giving effect to the Lids Disposition.
- b. The amendments set forth in subclauses i. through v. of Section 4a., and Sections 4b., 4e. and 4f. above shall each become effective only upon (x) satisfaction of the conditions set forth in 7a. above and (y) and the occurrence of the Lids Disposition in accordance with the provisions hereof.

8. Agreement of the Agent. Immediately upon the consummation of the Lids Disposition, the Agent's Liens on the assets which have been sold pursuant to the Lids Disposition shall be automatically and unconditionally released and discharged without any further action of the Agent or the Lenders, and Hat World, Inc. shall be released from its obligations as a Borrower and as a Guarantor under the Credit Agreement and the other Loan Documents. The Agent hereby agrees to execute and to deliver to the Lead Borrower promptly upon the Lead Borrower's reasonable request, such agreements, documents and instruments as may be reasonably requested by the Lead Borrower, and prepared at the Borrowers' sole expense, including, without limitation, UCC statements of amendment and PPSA financing change statements, to evidence the release of the Agent's Liens as set forth above, and Lead Borrower or such other person as the Lead Borrower may designate shall be authorized to file such UCC statements, PPSA financing change statements, agreements, documents and instruments, delivered to the Lead Borrower by the Agent. Notwithstanding the foregoing, under no circumstances shall the Agent or any Lender be obligated to perform or discharge, nor do the Agent and the Lenders agree to perform, discharge or assume, any obligation, duty or liability of the Borrowers pursuant to the Lids Disposition.
9. Binding Effect. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, representatives, successors and assigns.
10. Expenses. The Credit Parties shall reimburse the Agent for all expenses incurred in connection herewith, including, without limitation, reasonable attorneys' fees to the extent provided in the Credit Agreement.
11. Multiple Counterparts. This Amendment may be executed in multiple counterparts, each of which shall constitute an original and together which shall constitute but one and the same instrument.
12. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by each of the parties hereto as a sealed instrument as of the date first above written.

DOMESTIC BORROWERS:

GENESCO INC.
as Lead Borrower

By _____
Name:
Title:

GENESCO BRANDS, LLC
as a Domestic Borrower

By _____
Name:
Title:

HAT WORLD CORPORATION
as a Domestic Borrower

By _____
Name:
Title:

HAT WORLD, INC.
as a Domestic Borrower

By _____
Name:
Title:

FLAGG BROS. OF PUERTO RICO, INC.
as a Domestic Borrower

By _____
Name:
Title:

CANADIAN BORROWER:

GCO CANADA INC.
as Canadian Borrower

By _____

Name:

Title:

UK BORROWER:

GENESCO (UK) LIMITED, as UK Borrower

By _____

Name:

Title:

BANK OF AMERICA, N.A., as Agent and as a Lender

By: _____

Name:

Title:

[SIGNATURE BLOCKS OF OTHER LENDERS]

Financial Contact: Mimi E. Vaughn (615) 367-7386

Media Contact: Claire S. McCall (615) 367-8283

GENESCO COMPLETES THE SALE OF LIDS SPORTS GROUP TO FANZZLIDS HOLDINGS

NASHVILLE, Tenn., Feb. 4, 2019 -- Genesco Inc. (NYSE: GCO) announced today that the Company has completed the sale of its Lids Sports Group to FanzzLids Holdings for \$101 million, which is still subject to working capital and other adjustments and does not include a tax benefit estimated at \$30 million. FanzzLids Holdings is a holding company controlled and operated by affiliates of Ames Watson, LLC. The announcement follows the December 14, 2018 news release in which Genesco announced it had entered into a definitive agreement for the sale of this business.

Cautionary Note Concerning Forward-Looking Statements

This release contains forward-looking statements, including the Company's estimated tax benefit resulting from the sale of the Company's Lids Sports Group, and all other statements not addressing solely historical facts or present conditions. Actual results could vary materially from the expectations reflected in these statements. A number of factors could cause differences, including the effects of the implementation of federal tax reform on the estimated tax rate reflected in certain forward-looking statements. Additional factors are cited in the "Risk Factors," "Legal Proceedings" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of, and elsewhere in, our SEC filings, copies of which may be obtained from the SEC website, www.sec.gov, or by contacting the investor relations department of Genesco via our website, www.genesco.com. Many of the factors that will determine the outcome of the subject matter of this release are beyond Genesco's ability to control or predict. Genesco undertakes no obligation to release publicly the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Forward-looking statements reflect the expectations of the Company at the time they are made. The Company disclaims any obligation to update such statements.

About Genesco Inc.

Genesco Inc., a Nashville-based specialty retailer, sells footwear and accessories in more than 1,500 retail stores throughout the U.S., Canada, the United Kingdom, the Republic of Ireland and Germany, principally under the names Journeys, Journeys Kidz, Shi by Journeys, Schuh, Schuh Kids, Little Burgundy, Johnston & Murphy, and on internet websites www.journeys.com, www.journeyskidz.com, www.journeys.ca, www.shibyjourneys.com, www.schuh.co.uk, www.littleburgundyshoes.com, www.johnstonmurphy.com, www.trask.com, and www.dockersshoes.com. In addition, Genesco sells wholesale footwear under its Johnston & Murphy brand, the Trask brand, the licensed Dockers brand, and other brands. For more information on Genesco and its operating divisions, please visit www.genesco.com.