

CENTERPOINT ENERGY INC
Form 8-K
August 23, 2018

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): August 22, 2018

CENTERPOINT ENERGY, INC.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction

of incorporation)

1-31447
(Commission

File Number)

74-0694415
(IRS Employer

Identification No.)

**1111 Louisiana
Houston, Texas**
(Address of principal executive offices)

77002
(Zip Code)

Registrant's telephone number, including area code: (713) 207-1111

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) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2).

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 3.03 Material Modification to Rights of Security Holders.

On August 21, 2018, CenterPoint Energy, Inc. (CenterPoint Energy) filed a statement of resolution (the Statement of Resolution) with the Secretary of State of the State of Texas to establish the designation, powers, preferences, rights, qualifications, limitations and restrictions of its Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share (the Series A Preferred Stock), with a liquidation preference of \$1,000 per share (the stated amount). The Statement of Resolution became effective on August 22, 2018.

Holders of Series A Preferred Stock will be entitled to receive out of any funds legally available, when, if and as declared by CenterPoint Energy 's board of directors (or a duly authorized committee of the board), cumulative cash dividends (1) for each dividend period during the period commencing on the original issue date and continuing to, but excluding, September 1, 2023, at an annual rate of 6.125% of the stated amount per share payable semi-annually in arrears on the 1st day of each March and September, respectively, in each year, beginning on March 1, 2019; and (2) for each dividend period during the period commencing on September 1, 2023 and continuing to, but excluding, the first date, if any, as of which all shares of Series A Preferred Stock have been redeemed, at an annual rate equal to three month LIBOR (as defined in the Statement of Resolution) for such dividend period plus a spread of 3.270% applied to the stated amount per share payable quarterly in arrears on the 1st day of each March, June, September and December, respectively, in each year, beginning on December 1, 2023.

The shares of Series A Preferred Stock are perpetual and have no maturity date. The Series A Preferred Stock may be redeemed by CenterPoint Energy at its option (i) on or after September 1, 2023, from time to time and in whole or in part, at a redemption price in cash per share equal to \$1,000, or (ii) following the occurrence of a ratings event (as defined in the Statement of Resolution), in whole, but not in part, at a redemption price in cash per share equal to \$1,020, in each case out of funds legally available for such redemption and plus an amount equal to all accumulated and unpaid dividends thereon to, but excluding, the redemption date, whether or not declared.

The Series A Preferred Stock will, with respect to anticipated dividends and distributions upon the liquidation, dissolution or winding up of CenterPoint Energy 's affairs, rank: senior to its common stock and to each other class or series of its capital stock established after the original issue date of the Series A Preferred Stock that is expressly made subordinated to the Series A Preferred Stock as to the payment of dividends or amounts payable on a liquidation, dissolution or winding up of CenterPoint Energy 's affairs; on a parity with any class or series of its capital stock established after the original issue date of the Series A Preferred Stock that is not expressly made senior or subordinated to the Series A Preferred Stock as to the payment of dividends and amounts payable on a liquidation, dissolution or winding up of CenterPoint Energy 's affairs; and junior to any class or series of its capital stock established after the original issue date of the Series A Preferred Stock that is expressly made senior to the Series A Preferred Stock as to the payment of dividends or amounts payable on a liquidation, dissolution or winding up of CenterPoint Energy 's affairs.

Except as required by the Texas Business Organizations Code or as described in the Statement of Resolution, the Series A Preferred Stock will not have voting rights.

Subject to certain exceptions, unless full cumulative dividends have been or contemporaneously are being paid on all outstanding shares of Series A Preferred Stock and any parity stock through the most recently completed respective dividend periods, CenterPoint Energy (1) will not declare, or pay, or set aside for payment, dividends on any junior stock (which includes its common stock) and (2) may not redeem, repurchase or otherwise acquire shares of CenterPoint Energy common stock or any other junior stock. To the extent a dividend period applicable to a class of junior stock or parity stock is shorter than the dividend period applicable to the Series A Preferred Stock (e.g., quarterly rather than semi-annual), CenterPoint Energy may declare and pay regular dividends with respect to such junior stock or parity stock so long as, at the time of declaration of such dividend, it expects to have sufficient funds to pay the full dividend in respect of the Series A Preferred Stock on the next successive dividend payment date.

Whenever dividends on shares of Series A Preferred Stock have not been declared and paid for the equivalent of three or more semi-annual or six or more quarterly dividend periods, whether or not consecutive, the holders of such shares of Series A Preferred Stock, voting together as a single class with holders of any and all other series of voting preferred stock then outstanding, will be entitled to elect a total of two additional members of CenterPoint Energy's board of directors, subject to certain limitations. This right shall terminate when all accumulated dividends have been paid in full and the authorized number of directors shall automatically decrease by two, subject to the re-vesting of that right in the event of each subsequent nonpayment.

In the event of any liquidation, dissolution or winding up of CenterPoint Energy's affairs, whether voluntary or involuntary, the holders of the Series A Preferred Stock will be entitled to receive out of CenterPoint Energy's assets available for distribution to shareholders, after satisfaction of liabilities to creditors, if any, and subject to the rights of holders of senior stock and parity stock in respect of distributions upon liquidation, dissolution or winding up of CenterPoint Energy, and before any distribution of assets is made to holders of junior stock, a liquidation preference of \$1,000 per share, plus accumulated and unpaid dividends. If, upon any liquidation, dissolution or winding up of CenterPoint Energy's affairs, whether voluntary or involuntary, the amounts payable with respect to the liquidation preference or an amount equal to accumulated and unpaid dividends of the Series A Preferred Stock and all parity stock, as the case may be, are not paid in full, the holders of the Series A Preferred Stock and any parity stock will share equally and ratably in any distribution of CenterPoint Energy's assets in proportion to the respective liquidation preferences or amounts equal to accumulated and unpaid dividends, as applicable, to which they are entitled.

The foregoing description of the terms of the Series A Preferred Stock is not complete and is qualified in its entirety by reference to the Statement of Resolution, a copy of which is filed as Exhibit 3.1 hereto, and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

To the extent required by Item 5.03 of Form 8-K, the information regarding the Statement of Resolution contained in Item 3.03 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

The exhibits listed below are filed herewith.

(d) Exhibits.

EXHIBIT

| NUMBER | EXHIBIT DESCRIPTION |
|---------------|---|
| 3.1 | <u>Statement of Resolution Establishing Series of Shares designated Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Stock of CenterPoint Energy, Inc., filed with the Secretary of State of the State of Texas effective August 22, 2018.</u> |
| 4.1 | <u>Form of Certificate representing the Series A Preferred Stock.</u> |

SIGNATURE

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.

CENTERPOINT ENERGY, INC.

Date: August 23, 2018

By: /s/ Dana C. O Brien
Dana C. O Brien
Senior Vice President, General Counsel and Assistant
Corporate Secretary