

RPM INTERNATIONAL INC/DE/

Form 8-K

April 13, 2009

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**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) April 7, 2009
RPM INTERNATIONAL INC.**

(Exact name of registrant as specified in its charter)

Delaware

1-14187

02-0642224

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

P.O. Box 777, 2628 Pearl Road, Medina, Ohio

44258

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (330) 273-5090

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))
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Item 1.01 Entry into a Definitive Material Agreement.

\$150.0 Million Accounts Receivable Securitization Facility

On April 7, 2009, RPM International Inc. (the Company) replaced its existing \$125.0 million accounts receivable securitization facility with a new, three-year, \$150.0 million accounts receivable securitization facility (the New Facility). The New Facility was entered into pursuant to (1) an amended and restated receivables sale agreement, dated as of April 7, 2009 (the Sale Agreement), among certain subsidiaries of the Company (the Originators), and RPM Funding Corporation, a special purpose entity (the SPE) whose voting interests are wholly owned by the Company, and (2) a receivables purchase agreement, dated as of April 7, 2009 (the Purchase Agreement) among the SPE, certain purchasers from time to time party thereto (the Purchasers), and Wachovia Bank, National Association as administrative agent.

Under the Sale Agreement, the Originators may, during the term thereof, sell specified accounts receivable to the SPE, which may in turn, pursuant to the Purchase Agreement, transfer an undivided interest in such accounts receivable to the Purchasers. The Company indirectly holds a 100% economic interest in the SPE and will, along with the Company's subsidiaries, receive the economic benefit of the New Facility. The transactions contemplated by the New Facility do not constitute a form of off-balance sheet financing, and will be fully reflected in the Company's financial statements.

The maximum availability under the New Facility is \$150.0 million. Availability is further subject to changes in the credit ratings of the Originator's customers, customer concentration levels or certain characteristics of the accounts receivable being transferred. The interest rate under the Purchase Agreement is based on the Alternate Base Rate, one-month LIBOR or LIBOR for a specified tranche period, as selected by the SPE, at its option, plus in each case, a margin of 1.75%. This margin may be increased to 2.25% if the Company does not maintain an investment grade public debt rating with at least two specified rating agencies. In addition, the SPE is obligated to pay a monthly commitment fee to the Purchasers based on the amount of each Purchaser's commitment.

The New Facility contains various customary affirmative and negative covenants and also contains customary default and termination provisions, which provide for acceleration of amounts owed under the New Facility upon the occurrence of certain specified events, including, but not limited to, failure by the SPE to pay interest and other amounts due, defaults on certain indebtedness, certain judgments, change in control, certain events negatively affecting the overall credit quality of transferred accounts receivable, bankruptcy and insolvency events, and failure by the Company to meet financial tests requiring maintenance of certain leverage and interest coverage ratios. Under the terms of the leverage ratio, the Company may not permit its consolidated indebtedness at any date to exceed 65% of the sum of such indebtedness and the Company's consolidated shareholders' equity on such date. The interest coverage ratio requires the Company not to permit the ratio, calculated at the end of each fiscal quarter for the four fiscal quarters then ended, of EBITDA, as defined in the New Facility, for such period to interest expense for such period to be less than 3.5:1. These financial tests are substantively identical to financial covenants already contained in the Company's revolving credit facility.

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The foregoing discussion of the terms and conditions of the New Facility does not purport to be complete and is subject to and qualified in its entirety by the full text of the Purchase Agreement and the Sale Agreement, which are attached as Exhibit 10.1 and Exhibit 10.2 hereto, respectively, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit Number | Description |
|----------------|--|
| 10.1 | Receivables Purchase Agreement, dated April 7, 2009. |
| 10.2 | Amended and Restated Receivables Sales Agreement, dated April 7, 2009. |

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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.

RPM INTERNATIONAL INC.

Date April 13, 2009

/s/ Edward W. Moore
Edward W. Moore
Vice President, General Counsel and
Secretary

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