

TransDigm Group INC
Form 8-K
December 15, 2010

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): December 14, 2010

TRANSDIGM GROUP INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-32833
(Commission

File Number)

41-210738
(IRS Employer

Identification No.)

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1301 East 9th Street, Suite 3710, Cleveland, Ohio
(Address of principal executive offices)

44114
(Zip Code)

Registrant's telephone number, including area code: (216) 706-2960

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:

- ☐ 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 December 14, 2010, TransDigm Inc. (TransDigm), a wholly-owned subsidiary of TransDigm Group Incorporated (TransDigm Group), announced that it has accepted for purchase approximately \$968 million aggregate principal amount of its 7^{3/4}% Senior Subordinated Notes due 2014 (the 2014 Notes) representing all such 2014 Notes that were validly tendered and not validly withdrawn at or prior to the consent expiration deadline pursuant to TransDigm's previously announced cash offers to purchase (Tender Offers) any and all of its outstanding 2014 Notes. TransDigm also received consents from holders of the required majority of the principal amount of the 2014 Notes to, among other modifications, eliminate substantially all of the restrictive covenants and certain events of default in the indenture, dated as of June 23, 2006 (as amended and supplemented, the 2006 Indenture), and to the indenture, dated as of October 6, 2009 (as amended and supplemented, the 2009 Indenture) and, together with the 2006 Indenture, the Indentures), governing the 2014 Notes. In connection with the offers to purchase and consent solicitations, on December 14, 2010, TransDigm, TransDigm Group, the subsidiaries of TransDigm named therein as guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee, entered into the Eleventh Supplemental Indenture (the Eleventh Supplemental Indenture) to the 2006 Indenture and into the Fourth Supplemental Indenture (the Fourth Supplemental Indenture) to the 2009 Indenture. A copy of the Eleventh Supplemental Indenture and the Fourth Supplemental Indenture are attached hereto as Exhibits 4.1 and 4.2, respectively, and is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant is hereby incorporated by reference into this 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.
Issuance of Senior Subordinated Notes; Indenture

On December 14, 2010, TransDigm issued \$1.55 billion in aggregate principal amount of its 7.75% Senior Subordinated Notes due 2018 (the 2018 Notes) at an issue price of 100% of the principal amount thereof in a private offering to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended, and to persons outside the United States under Regulation S under the Securities Act of 1933, as amended. The 2018 Notes were issued pursuant to an indenture dated as of December 14, 2010 (the 2010 Indenture) among TransDigm, as issuer, TransDigm Group and the subsidiaries of TransDigm named therein as guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee.

The 2018 Notes bear interest at the rate of 7.75% per annum, which accrues from December 14, 2010 and is payable semiannually in arrears on June 15 and December 15 of each year, commencing on June 15, 2011. The 2018 Notes mature on December 15, 2018, unless earlier redeemed or repurchased, and are subject to the terms and conditions set forth in the 2010 Indenture.

TransDigm may redeem some or all of the 2018 Notes at any time after December 14, 2010 at the redemption prices and on the terms specified in the 2010 Indenture. If TransDigm Group or TransDigm experiences specific kinds of changes in control or TransDigm Group or any of its restricted subsidiaries sells certain of its assets, then TransDigm must offer to repurchase the 2018 Notes on the terms set forth in the 2010 Indenture.

The 2018 Notes are subordinated to all of TransDigm's existing and future senior debt, rank equally with all of its existing and future senior subordinated debt and rank senior to all of its future debt that is expressly subordinated to the 2018 Notes. The 2018 Notes are guaranteed on a senior subordinated unsecured basis by TransDigm Group and its wholly-owned domestic subsidiaries named in the 2010 Indenture. The guarantees of the 2018 Notes are subordinated to all of the guarantors' existing and future senior debt, rank equally with all of their existing and future senior subordinated debt and rank senior to all of their future debt that is expressly subordinated to the guarantees of the 2018 Notes. The 2018 Notes are structurally subordinated to all of the liabilities of TransDigm Group's non-guarantor subsidiaries.

The 2010 Indenture contains certain covenants that, among other things, limit TransDigm Group's ability, and the ability of certain of its subsidiaries, to incur additional indebtedness, pay dividends or make distributions or certain other restricted payments, purchase or redeem capital stock, make investments or extend credit, engage in certain transactions with affiliates, engage in sale-leaseback transactions, consummate certain assets sales, effect a consolidation or merger, or sell, transfer, lease or otherwise dispose of all or substantially all assets, or create certain liens and other encumbrances on assets. The 2010 Indenture contains events of default customary for agreements of its type (with customary grace periods, as applicable) and provides that, upon the occurrence of an event of default arising from certain events of bankruptcy or insolvency with respect to TransDigm Group or TransDigm, all outstanding 2018 Notes will become due and payable immediately without further action or notice. If any other type of event of default occurs and is continuing, then the trustee or the holders of at least 25% in principal amount of the then outstanding 2018 Notes may declare all the 2018 Notes to be due and payable immediately.

Registration Rights Agreement

In connection with the issuance of the 2018 Notes, TransDigm, TransDigm Group, TransDigm's subsidiary guarantors party thereto, and Credit Suisse Securities (USA) LLC as representative for the initial purchasers listed therein, entered into a registration rights agreement, dated December 14, 2010 (the Registration Rights Agreement). Under the Registration Rights Agreement, TransDigm and the guarantors agreed, for the benefit of the holders of the 2018 Notes, that they will file with the Securities and Exchange Commission (the SEC) within 180 days after the date the 2018 Notes are issued, and use their commercially reasonable efforts to cause to become effective, a registration statement relating to an offer to exchange the 2018 Notes for an issue of SEC-registered notes (the Exchange Notes) with terms identical to the 2018 Notes (except that the Exchange Notes will not be subject to restrictions on transfer or to any increase in annual interest rate as described below).

Under certain circumstances, including, if applicable, interpretations of the staff of the SEC, if TransDigm is not permitted to effect the exchange offer, TransDigm and the guarantors will use their reasonable best efforts to cause to become effective a shelf registration statement relating to resales of the 2018 Notes and to keep that shelf registration statement effective until the second anniversary of the date such shelf registration statement becomes effective, or such shorter period that will terminate when all 2018 Notes covered by the shelf registration statement have been sold.

If the exchange offer registration statement is not filed by June 13, 2011, the shelf registration statement is not filed within 60 days after the date on which the obligation to file the shelf registration statement arises, the exchange offer registration statement or, if required, the shelf registration statement is not declared effective by the SEC by September 12, 2011, the exchange offer is not completed within 40 days after the filing of the exchange offer registration statement (or, if required, the shelf registration statement is not declared effective within 60 days after the filing of the shelf registration statement), or after either the exchange offer registration statement or the shelf registration statement is declared or becomes effective, such registration statement ceases to be effective or usable, TransDigm will pay additional interest at the rate of \$0.05 per week per \$1,000 principal amount of 2018 Notes for the first 90-day period immediately following, and increasing by an additional \$0.05 per week per \$1,000 principal amount of 2018 Notes for each subsequent 90-day period, up to a maximum additional rate of 1.0% per annum thereafter until the exchange offer is completed, the shelf registration statement is declared effective or the obligation to complete the exchange offer and/or file the shelf registration statement terminates, at which time the interest rate will revert to the original interest rate on the date the 2018 Notes were originally issued.

The foregoing descriptions of the terms of the 2010 Indenture and the Registration Rights Agreement are qualified in their entirety by the full text of these agreements, copies of which are attached hereto as Exhibits 4.3 and 4.6, respectively.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
4.1	Eleventh Supplemental Indenture, dated as of December 14, 2010, among TransDigm Inc., as issuer, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to TransDigm Inc. s 7/4% Senior Subordinated Notes due 2014
4.2	Fourth Supplemental Indenture, dated as of December 14, 2010, among TransDigm Inc., as issuer, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to TransDigm Inc. s 7/4% Senior Subordinated Notes due 2014
4.3	Indenture, dated as of December 14, 2010, among TransDigm Inc., as issuer, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to TransDigm Inc. s 7.75% Senior Subordinated Notes due 2018
4.4	Form of 7.75% Senior Subordinated Notes due 2018 (included in Exhibit 4.3)
4.5	Form of Notation of Guarantee (included in Exhibit 4.3)
4.6	Registration Rights Agreement, dated as of December 14, 2010, among TransDigm Inc., as issuer, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto and Credit Suisse Securities (USA) LLC as representative for the initial purchasers listed therein.

TRANSDIGM GROUP INCORPORATED

Chief Financial Officer and Secretary

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