

**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) January 5, 2015



U.S. AUTO PARTS NETWORK, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33264
(Commission
File Number)

68-0623433
(IRS Employer
Identification No.)

16941 Keegan Avenue, Carson, CA 90746
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (310) 735-0085

N/A
(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 January 5, 2015, U.S. Auto Parts Network, Inc. (the “Company”), certain of its domestic subsidiaries and JPMorgan Chase Bank, N.A. (“JPMorgan”) entered into a Sixth Amendment to Credit Agreement and Second Amendment to Pledge and Security Agreement (the “Amendment”), which amended the Credit Agreement previously entered into by the Company, certain of its domestic subsidiaries and JPMorgan on April 26, 2012 (as amended, the “Credit Agreement”) and the Pledge and Security Agreement previously entered into by the Company, certain of its domestic subsidiaries and JPMorgan on April 26, 2012. By its terms, the Amendment is retroactively effective to January 2, 2015 (the “Effective Date”).

Pursuant to the Amendment, the following amendments to the Credit Agreement were made, among others:

- The net orderly liquidation value inventory advance rate was increased from 85% to 90%.
- The Company’s required excess availability related to the “Covenant Testing Trigger Period” (as defined under the Credit Agreement) under the revolving commitment under the Credit Agreement was reduced to less than \$2,000,000 from less than \$4,000,000 for the period commencing on any day that excess availability is less than \$2,000,000 and continuing until excess availability has been greater than or equal to \$2,000,000 for 45 consecutive days.
- The period during which the Company is subject to a fixed charge coverage ratio begins after June 30, 2016 and the applicable period would begin for a 5 month period ending May 31, 2016 and continue through a 12 month applicable period ending December 31, 2016.
- Certain negative covenants applicable to the Company and AutoMD, Inc. (“AutoMD”), a subsidiary of the Company, related to certain contractual and financial tests to permit the Company and AutoMD to consummate certain obligations set forth in the agreements entered into by the Company and AutoMD on October 8, 2014 (the “Financing Documents”) in connection with the sale of AutoMD common stock to certain investors (the “AutoMD Financing”) have been revised where the availability requirements are no longer applicable until after June 30, 2016 and further revised reducing the availability requirement to \$2,000,000 before and after giving effect to the consummation of such obligations. A summary of the Financing Documents and the AutoMD Financing were disclosed by the Company in a Current Report on Form 8-K filed with the Securities and Exchange Commission on October 9, 2014.
- The trigger, requiring the Company to provide certain reports under the Credit Agreement, relating to excess availability under the revolving commitment under the Credit Agreement, has been reduced to less than \$4,000,000 from less than \$6,000,000 and continuing until excess availability has been greater than or equal to \$4,000,000 for 45 consecutive days.

In addition, the Amendment also provides that, until such time as the Company has delivered its consolidated financial statements for the fiscal quarter ending June 30, 2016 (the “Trigger Date”), loans drawn under the Credit Agreement will bear interest at a per annum rate equal to either (a) LIBOR plus an applicable margin of 2.25% or (b) a “base rate” plus an applicable margin of 0.25%. Following the Trigger Date, interest on loans drawn under the Credit Agreement will be subject to reduction by up to 0.50% per annum based on the Company’s fixed charge coverage ratio. Pursuant to the Amendment, the Company will also be required to pay a fee in an amount equal to 0.5% of the commitments under the Credit Agreement if the commitments are terminated prior to the first anniversary of the Effective Date. During the period when the Company is not subject to a fixed charge coverage ratio, or from the Effective Date through June 30, 2016, an “Availability Block” (as defined under the Credit Agreement) of \$2,000,000 will be in effect, and thereafter the “Availability Block” will be eliminated. Beginning July 1, 2016, in the event that “excess availability” (as defined under the Credit Agreement) is less than \$2,000,000, the Company shall be required to maintain a minimum fixed charge coverage ratio of 1.0 to 1.0.

The foregoing description of the Amendment is not intended to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 99.1 hereto and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No. Description

99.1	Sixth Amendment to Credit Agreement and Second Amendment to Pledge and Security Agreement, dated as of January 5, 2015, by and between U.S. Auto Parts Network, Inc., certain of its domestic subsidiaries and JPMorgan Chase Bank, N.A.
------	--

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.

Dated: January 7, 2015

U.S. AUTO PARTS NETWORK, INC.

By: /s/ BRYAN P. STEVENSON

Name: Bryan P. Stevenson

Title: VP, General Counsel

**SIXTH AMENDMENT TO CREDIT AGREEMENT
AND
SECOND AMENDMENT TO PLEDGE AND SECURITY AGREEMENT**

THIS SIXTH AMENDMENT TO CREDIT AGREEMENT AND SECOND AMENDMENT TO PLEDGE AND SECURITY AGREEMENT (this "Amendment"), dated as of January 2, 2015, is entered into by and among U.S. AUTO PARTS NETWORK, INC., a Delaware corporation ("Company"), PARTSBIN, INC., a Delaware corporation ("PartsBin"), LOCAL BODY SHOPS, INC., a Delaware corporation ("Local Body Shops"), PRIVATE LABEL PARTS, INC., a Delaware corporation ("Private Label Parts"), WHITNEY AUTOMOTIVE GROUP, INC., a Delaware corporation ("Whitney Auto"), and together with the Company, PartsBin, Local Body Shops and Private Label Parts, collectively, "Borrowers" and each individually a "Borrower", the other Loan Parties party hereto, the Lenders (as defined below) party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (in such capacity, "Administrative Agent").

RECITALS

- A. Borrowers, the other parties signatory thereto as "Loan Parties" (each individually, a "Loan Party" and collectively, the "Loan Parties"), Administrative Agent, and the financial institutions party thereto as lenders (each individually, a "Lender" and collectively, the "Lenders") have previously entered into that certain Credit Agreement, dated as of April 26, 2012 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have made certain loans and financial accommodations available to Borrowers. Terms used herein without definition shall have the meanings ascribed to them in the Credit Agreement.
- B. Borrowers, the other Loan Parties and Administrative Agent have previously entered into that certain Pledge and Security Agreement, dated as of April 26, 2012 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement").
- C. Borrowers and the other Loan Parties have requested that Administrative Agent and the Lenders amend the Credit Agreement and the Security Agreement, and Administrative Agent and the Lenders are willing to amend the Credit Agreement and the Security Agreement pursuant to the terms and conditions set forth herein.
- D. Each Borrower and each other Loan Party is entering into this Amendment with the understanding and agreement that, except as specifically provided herein, none of Administrative Agent's or any Lender's rights or remedies as set forth in the Credit Agreement and the other Loan Documents are being waived or modified by the terms of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- 1. Amendments to Credit Agreement.
 - a. The following definitions are hereby added to Section 1.01 of the Credit Agreement in their proper alphabetical order:
 - “ 'Availability Block' means an amount equal to \$2,000,000; provided that on July 1, 2016, the Availability Block shall be reduced to \$0.”
-

“‘Prepayment Fee’ means a fee payable to the Administrative Agent, for the benefit of the Lenders, in an amount equal to (a) the aggregate Revolving Commitments *multiplied* by (b) (i) 0.5% if such termination of the Commitments occurs prior to the first anniversary of the Sixth Amendment Effective Date, or (ii) 0% if such termination of the Commitments occurs on or after the first anniversary of the Sixth Amendment Effective Date.”

“‘Sixth Amendment Effective Date’ means January 2, 2015.”

- b. Effective as of January 2, 2015, the following definition set forth in Section 1.01 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

“‘Applicable Rate’ means, for any day, with respect to any Loan, or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Revolver ABR Spread”, “Revolver Eurodollar Spread” or “Commitment Fee Rate”, as the case may be, based upon the Fixed Charge Coverage Ratio, computed on a trailing three (3) month basis, as of the most recent determination date, provided that until the delivery to the Administrative Agent, pursuant to Section 5.01, of the Company’s consolidated financial information for the Company’s fiscal quarter ending June 30, 2016, the “Applicable Rate” shall be the applicable rate per annum set forth below in Category 3:

<u>Fixed Charge Coverage Ratio</u>	<u>Revolver Eurodollar Spread</u>	<u>Revolver ABR Spread</u>	<u>Commitment Fee Rate</u>
<u>Category 1</u> 1.25 to 1.0	1.75%	-0.25%	0.25%
<u>Category 2</u> 1.10 to 1.0 but 1.25 to 1.0	2.00%	0.00%	0.25%
<u>Category 3</u> 1.10 to 1.0	2.25%	0.25%	0.25%

For purposes of the foregoing, (a) the Applicable Rate shall be determined as of the end of each fiscal quarter of the Company based upon the Company’s annual or quarterly consolidated financial statements delivered pursuant to Section 5.01 and (b) each change in the Applicable Rate resulting from a change in the Fixed Charge Coverage Ratio shall be effective during the period commencing on and including the first day of the month immediately following the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change, provided that the Fixed Charge Coverage Ratio shall be deemed to be in Category 3 at the option of the Administrative Agent or at the request of the Required Lenders if the Borrowers fail to deliver the annual or quarterly consolidated financial statements required to be delivered by it pursuant to Section 5.01, during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.”

- c. The following definitions set forth in Section 1.01 of the Credit Agreement are hereby amended and restated to read in their entirety as follows:

“‘Availability’ means, at any time, an amount equal to (a) the lesser of (i) the aggregate Revolving Commitments minus the Availability Block, and (ii) the Borrowing Base *minus* (b) the Aggregate Revolving Exposure (calculated, with respect to any Defaulting Lender, as if such Defaulting Lender had funded its Applicable Percentage of all outstanding Borrowings).”

“ ‘Covenant Testing Trigger Period’ means the period (a) commencing on any day that Excess Availability is less than \$2,000,000, and (b) continuing until Excess Availability has been greater than or equal to \$2,000,000 at all times for 45 consecutive calendar days.”

“ ‘NOLV Inventory Advance Rate’ means 90%.”

“ ‘Reporting Trigger Period’ means the period (a) commencing on any day that Excess Availability is less than \$4,000,000 (without giving effect to the Availability Block), and (b) continuing until Excess Availability has been greater than or equal to \$4,000,000 (without giving effect to the Availability Block) at all times for 45 consecutive calendar days.”

- d. Clause (f) of the definition of “Borrowing Base” set forth in Section 1.01 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:
“(f) Reserves and the Availability Block.”
- e. Section 2.01(ii)(x) is hereby amended and restated to read in its entirety as follows:
“(x) the sum of the aggregate Revolving Commitments less the Availability Block and”
- f. The last sentence of Section 2.06(b) is hereby amended and restated to read in its entirety as follows:
“A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$6,000,000 and (ii) the Aggregate Revolving Exposures shall not exceed the lesser of (x) the aggregate Revolving Commitments minus the Availability Block, and (y) the Borrowing Base.”
- g. Section 2.09(b)(iii) is hereby amended and restated to read in its entirety as follows:
“(iii) the payment in full of the accrued and unpaid fees, including the applicable Prepayment Fee (if any), and”
- h. Section 2.11(b)(A) is hereby amended and restated to read in its entirety as follows:
“(A) the aggregate Revolving Commitments minus the Availability Block and”
- i. Sections 6.04(p), (q) and (r) of the Credit Agreement are hereby amended and restated to read in their entirety as follows:
“(p) the funding obligations of the Company pursuant to Section 4.8(e) of the AutoMD Investor Rights Agreement and the payment by the Company of such obligations; provided, that no payment may be made with respect to such obligations unless (A) no Default has occurred and is continuing or would result from any such payment, and (B) solely with respect to any such payment made after June 30, 2016, both before and after giving effect to any such payment, the Borrowers shall have Excess Availability of at least \$2,000,000;

(q) the reimbursement obligations of the Company with respect to certain obligations of AutoMD pursuant to Section 5.1 of the AutoMD Investor Rights Agreement and the payment by the Company of such obligations; provided, that (i) no payment may be made with respect to such reimbursement obligations unless (A) no Default has occurred and is continuing or would result from any such payment, and (B) solely with respect to any such payment made after June 30, 2016, both before and after giving effect to any such payment, the Borrowers shall have Excess Availability of at least \$2,000,000, and (ii) the aggregate amount of all such payments made by the Company may not exceed \$2,500,000; and

(r) the purchase of up to 2,000,000 shares of the common stock of AutoMD for an aggregate purchase price not to exceed \$2,000,000 in accordance with the terms of the AutoMD Transaction Documents, so long as (A) no Default has occurred and is continuing or would result from any such
-

purchase, and (B) solely with respect to any such purchase made after June 30, 2016, both before and after giving effect to any such purchase, the Borrowers shall have Excess Availability of at least \$2,000,000.”

- j. Section 6.08(a)(v) of the Credit Agreement is hereby amended and restated in its entirety as follows:

“(v) any Loan Party or any Subsidiary may make, and agree to make, any other Restricted Payments, so long as (A) no Default has occurred and is continuing or would result from any such Restricted Payment, and (B) solely with respect to Restricted Payments made after June 30, 2016, both before and after giving effect to any such Restricted Payment, the Borrowers shall have Excess Availability of at least \$2,000,000.”

- k. Section 6.13 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“SECTION 6.13 Fixed Charge Coverage Ratio. Upon the occurrence and during the continuance of a Covenant Testing Trigger Period at any time after June 30, 2016, the Borrowers will not permit the Fixed Charge Coverage Ratio to be less than the required amount set forth in the following table for the applicable period set forth opposite thereto, when measured on a month-end basis as of (a) the last fiscal month immediately preceding the occurrence of such Covenant Testing Trigger Period for which financial statements have most recently been delivered pursuant to Section 5.01(b), and (b) each fiscal month for which financial statements are delivered pursuant to Section 5.01(b) during such Covenant Testing Trigger Period:

Applicable Amount	Applicable Period
1.0 to 1.0	For the 5 month period ending May 31, 2016
1.0 to 1.0	For the 6 month period ending June 30, 2016
1.0 to 1.0	For the 7 month period ending July 31, 2016
1.0 to 1.0	For the 8 month period ending August 31, 2016
1.0 to 1.0	For the 9 month period ending September 30, 2016
1.0 to 1.0	For the 10 month period ending October 31, 2016
1.0 to 1.0	For the 11 month period ending November 30, 2016
1.0 to 1.0	For the 12 month period ending December 31, 2016, and for the 12 month period ending at the end of each month thereafter”

2. Amendments to Security Agreement.

- a. In the definition of “Dominion Trigger Period” in Article I of the Security Agreement, the text “\$5,000,000” is hereby deleted and replaced with the text “\$4,000,000 (without giving effect to the Availability Block)”, and the text “6,000,000” is hereby deleted and replaced with the text “5,000,000 (without giving effect to the Availability Block)”.

3. Conditions Precedent to Effectiveness of this Amendment. The following shall have occurred before this Amendment is effective:
-

- a. Amendment. Administrative Agent shall have received this Amendment fully executed in a sufficient number of counterparts for distribution to all parties.
- b. Representations and Warranties. The representations and warranties set forth herein, and in the Credit Agreement and the Security Agreement (other than any such representations or warranties that, by their terms, are specifically made as of a date other than the date hereof), must be true and correct in all material respects without duplication of any materiality qualifier contained therein.

4. Representations and Warranties. Each Borrower and each other Loan Party represents and warrants as follows:

- a. Authority. Each Borrower and each other Loan Party has the requisite corporate power and authority to execute and deliver this Amendment, and to perform its obligations hereunder and under the Loan Documents (as amended or modified hereby) to which it is a party. The execution, delivery, and performance by each Borrower and each other Loan Party of this Amendment have been duly approved by all necessary corporate action, have received all necessary governmental approval, if any, and do not contravene any law or any contractual restriction binding on such Borrower or such Loan Party.
- b. Enforceability. This Amendment has been duly executed and delivered by each Borrower and each other Loan Party. This Amendment and each Loan Document (as amended or modified hereby) is the legal, valid, and binding obligation of each Borrower and each other Loan Party, enforceable against each Borrower and each other Loan Party in accordance with its terms, and is in full force and effect.
- c. Representations and Warranties. The representations and warranties contained in the Credit Agreement and the Security Agreement (other than any such representations or warranties that, by their terms, are specifically made as of a date other than the date hereof) are correct on and as of the date hereof in all material respects without duplication of any materiality qualifier contained therein as though made on and as of the date hereof.
- d. No Default. No event has occurred and is continuing that constitutes a Default or Event of Default.

5. Choice of Law. The validity of this Amendment, its construction, interpretation and enforcement, the rights of the parties hereunder, shall be determined under, governed by, and construed in accordance with the laws of the State of New York, but without giving effect to any federal laws applicable to national banks.

6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties and separate counterparts, each of which when so executed and delivered, shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by telefacsimile shall be effective as delivery of a manually executed counterpart of the Amendment.

7. Reference to and Effect on the Loan Documents.

- a. Upon and after the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to “the Credit Agreement”, “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as modified and amended hereby.
 - b. Upon and after the effectiveness of this Amendment, each reference in the Security Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Security Agreement, and each reference in the other Loan Documents to “the Security Agreement”, “thereof” or words of like
-

import referring to the Security Agreement, shall mean and be a reference to the Security Agreement as modified and amended hereby.

- c. Except as specifically set forth in this Amendment, the Credit Agreement, the Security Agreement and all other Loan Documents, are and shall continue to be in full force and effect and are hereby in all respects ratified, and confirmed and shall constitute the legal, valid, binding, and enforceable obligations of each Borrower and the other Loan Parties to Administrative Agent and the Lenders without defense, offset, claim, or contribution.
- d. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power, or remedy of Administrative Agent or any Lender under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

8. Ratification. Each Borrower and each other Loan Party hereby restates, ratifies and reaffirms each and every term and condition set forth in the Credit Agreement and Security Agreement, as amended hereby, and the Loan Documents effective as of the date hereof.

9. Estoppel. To induce Administrative Agent and Lenders to enter into this Amendment and to induce Administrative Agent and the Lenders to continue to make advances to Borrowers under the Credit Agreement, each Borrower and each other Loan Party hereby acknowledges and agrees that, after giving effect to this Amendment, as of the date hereof, there exists no Default or Event of Default and no right of offset, defense, counterclaim, or objection in favor of any Borrower or any other Loan Party as against Administrative Agent or any Lender with respect to the Obligations.

10. Integration. This Amendment, together with the other Loan Documents, incorporates all negotiations of the parties hereto with respect to the subject matter hereof and is the final expression and agreement of the parties hereto with respect to the subject matter hereof.

11. Severability. In case any provision in this Amendment shall be invalid, illegal, or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

12. Submission of Amendment. The submission of this Amendment to the parties or their agents or attorneys for review or signature does not constitute a commitment by Administrative Agent or any Lender to waive any of their respective rights and remedies under the Loan Documents, and this Amendment shall have no binding force or effect until all of the conditions to the effectiveness of this Amendment have been satisfied as set forth herein.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWERS:

U.S. AUTO PARTS NETWORK, INC.,
a Delaware corporation

By /s/ Shane Evangelist
Name: Shane Evangelist
Title: CEO

PARTSBIN, INC.,
a Delaware corporation

By /s/ Shane Evangelist
Name: Shane Evangelist
Title: President

LOCAL BODY SHOPS, INC.,
a Delaware corporation

By /s/ Robert Hamman
Name: Robert Hamman
Title: Secretary

PRIVATE LABEL PARTS, INC.,
a Delaware corporation

By /s/ Shannon Logan
Name: Shannon Logan
Title: Secretary

WHITNEY AUTOMOTIVE GROUP, INC.,
a Delaware corporation

By /s/ Mary Jo Trujillo
Name: Mary Jo Trujillo
Title: Secretary

OTHER LOAN PARTIES:

LOBO MARKETING, INC.,
a Texas corporation

By /s/ Brian Hafer
Name: Brian Hafer
Title: President

AUTOMD, INC.,
a Delaware corporation

By /s/ Tracey Virtue
Name: Tracey Virtue
Title: President

PACIFIC 3PL, INC.,
a Delaware corporation

By /s/ Aaron E. Coleman
Name: Aaron E. Coleman
Title: President

GO FIDO, INC.,
a Delaware corporation

By /s/ Aaron E. Coleman
Name: Aaron E. Coleman
Title: President

AUTOMOTIVE SPECIALTY ACCESSORIES AND PARTS, INC.,
a Delaware corporation

By /s/ David Spangler
Name: David Spangler
Title: President

ADMINISTRATIVE AGENT AND LENDER

JPMORGAN CHASE BANK, N.A.,
individually as a Lender and as Administrative Agent

By /s/ Jolinda N. Walton
Name: Jolinda N. Walden
Title: Authorized Officer