

**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) November 15, 2016



**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))
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## **Item 1.01. Entry into a Material Definitive Agreement.**

### *Amendment to Credit Agreement and Security Agreement*

On November 15, 2016, U.S. Auto Parts Network, Inc. (the “*Company*”), certain of its domestic subsidiaries and JPMorgan Chase Bank, N.A. (“*JPMorgan*”) entered into a Tenth Amendment to Credit Agreement and Fourth 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 (as amended, the “*Security Agreement*”).

Pursuant to the Amendment, the maturity date of the Credit Agreement was extended from April 26, 2017 through April 26, 2020. The following amendments to the Credit Agreement and Security Agreement were also made:

- The aggregate principal amount of indebtedness that is permitted related to capital leases was increased from \$2,000,000 to \$3,500,000.
- The Company’s letters of credit exposure was increased from \$15,000,000 to \$20,000,000.
- Under the terms of the Security Agreement, cash receipts are deposited into a lock-box, which are at the Company’s discretion unless the “cash dominion period” is in effect, during which cash receipts will be used to reduce amounts owing under the Credit Agreement. The cash dominion period is triggered in an event of default or if excess availability is less than the \$3,600,000 for three consecutive business days, and will continue until, during the preceding 60 consecutive days, no event of default existed and excess availability has been greater than \$3,600,000 at all times (with the trigger subject to adjustment based on the Company’s revolving commitment).
- 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 is less than \$2,400,000 for the period commencing on any day that excess availability is less than \$2,400,000 for three consecutive business days, and continuing until excess availability has been greater than or equal to \$2,400,000 at all times for 45 consecutive days (with the trigger subject to adjustment based on the Company’s revolving commitment).
- 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 is less than \$3,600,000 for the period commencing on any day that excess availability is less than \$3,600,000 for three consecutive business days, and continuing until excess availability has been greater than or equal to \$3,600,000 at all times for 45 consecutive days (with the trigger subject to adjustment based on the Company’s revolving commitment).

The foregoing description of the terms of the Amendment is qualified in its entirety by reference to the Amendment, which is attached hereto as Exhibit 10.1.

## **Item 7.01. Regulation FD Disclosure.**

On November 15, 2016, the Company also issued a press release reporting that the Company entered into the Amendment to the Credit Agreement and that its Board of Directors approved a share repurchase program which authorizes the Company to purchase up to \$5,000,000 of its outstanding shares of common stock. Purchases under the Company’s repurchase program may be made from time to time in the open market, in negotiated transactions off the market, or in such other manner as determined by the Company, including through plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The share repurchase program will expire on March 4, 2017, unless extended or shortened by the Board of Directors.

A copy of the press release is attached hereto as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

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**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

- 10.1 Tenth Amendment to Credit Agreement and Fourth Amendment to Pledge and Security Agreement, dated November 15, 2016, by and among U.S. Auto Parts Network, Inc., certain of its domestic subsidiaries and JPMorgan Chase Bank, N.A.
  - 99.1 Press release, dated November 15, 2016, issued by U.S. Auto Parts Network, Inc.
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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.

Dated: November 15, 2016

U.S. AUTO PARTS NETWORK, INC.

By: /s/ SHANE EVANGELIST

Name: Shane Evangelist

Title: Chief Executive Officer

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## **EXHIBIT INDEX**

- 10.1 Tenth Amendment to Credit Agreement and Fourth Amendment to Pledge and Security Agreement, dated November 15, 2016, by and among U.S. Auto Parts Network, Inc., certain of its domestic subsidiaries and JPMorgan Chase Bank, N.A.
- 99.1 Press Release, dated November 15, 2016, issued by U.S. Auto Parts Network, Inc.

**TENTH AMENDMENT TO CREDIT AGREEMENT AND  
FOURTH AMENDMENT TO PLEDGE AND SECURITY AGREEMENT**

**THIS TENTH AMENDMENT TO CREDIT AGREEMENT AND FOURTH AMENDMENT TO PLEDGE AND SECURITY AGREEMENT** (this "Amendment"), dated as of November 15, 2016, 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 further 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:

“Banker’s Acceptance Exposure” means, at any time, the sum of (a) the aggregate amount of all outstanding banker’s acceptance Letters of Credit that have not yet been paid by the Issuing Bank, *plus* (b) the aggregate amount of all LC Disbursements relating to banker’s acceptance Letters of Credit that have not yet been reimbursed by or on behalf of the Borrowers. The Banker’s Acceptance LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate Banker’s Acceptance LC Exposure.

“Tenth Amendment” means that certain Tenth Amendment to Credit Agreement and Fourth Amendment to Pledge and Security Agreement, dated as of the Tenth Amendment Effective Date, by and among Borrowers, the other Loan Parties party thereto, Administrative Agent and the Lenders party thereto.

“Tenth Amendment Effective Date” means November 15, 2016.

- b. In the definition of “Covenant Testing Trigger Period” in Section 1.01 of the Credit Agreement, the text “five (5) Business Days (on a cumulative basis rather than a consecutive basis)” is hereby deleted and replaced with the text “three (3) consecutive Business Days”.
- c. The definition of “LC Exposure” in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:  
“LC Exposure” means, at any time, the sum of the Commercial LC Exposure, the Standby LC Exposure and the Banker’s Acceptance Exposure. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate LC Exposure.
- d. The definition of “Letter of Credit” in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:  
“Letter of Credit” means any letter of credit or banker’s acceptance issued pursuant to this Agreement.
- e. In the definition of “Maturity Date” in Section 1.01 of the Credit Agreement, the text “April 26, 2017” is hereby deleted and replaced with the text “April 26, 2020”.
- f. In the definition of “Reporting Testing Trigger Period” in Section 1.01 of the Credit Agreement, the text “five (5) Business Days (on a cumulative basis rather than a consecutive basis)” is hereby deleted and replaced with the text “three (3) consecutive Business Days”.
- g. In Section 2.06(b) of the Credit Agreement, the text “\$15,000,000” is hereby deleted and replaced with the text “\$20,000,000”.
- h. In Section 6.01(e) of the Credit Agreement, the text “\$2,000,000” is hereby deleted and replaced with the text “\$3,500,000”.

2. Amendment to Security Agreement

- a. In the definition of “Dominion Trigger Period” in Article I of the Security Agreement, the text “five (5) Business Days (on a cumulative basis rather than a consecutive basis)” is hereby deleted and replaced with the text “three (3) consecutive Business Days”.

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 or other electronic transmission 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.

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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: Chief Executive Officer

PARTSBIN, INC.,  
a Delaware corporation

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

LOCAL BODY SHOPS, INC.,  
a Delaware corporation

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

PRIVATE LABEL PARTS, INC.,  
a Delaware corporation

By /s/ Arthur Simitian  
Name: Arthur Simitian  
Title: President

WHITNEY AUTOMOTIVE GROUP, INC.,  
a Delaware corporation

By /s/ Jim Nelson  
Name: Jim Nelson  
Title: President

[Signature Page to Tenth Amendment to Credit Agreement]

**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 Coleman  
Name: Aaron Coleman  
Title: President

GO FIDO, INC.,  
a Delaware corporation

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

[Signature Page to Tenth Amendment to Credit Agreement]



## **U.S. Auto Parts Announces Stock Repurchase Program and Extends its Credit Agreement with JPMorgan Chase**

**CARSON, Calif. - November 15, 2016** - U.S. Auto Parts Network, Inc. (NASDAQ: PRTS), one of the largest online providers of aftermarket automotive parts and accessories, announced that its board of directors has approved the repurchase of up to an aggregate of \$5,000,000 of the company's common stock. The repurchases will be made from time to time on the open market at prevailing market prices, in negotiated transactions off the market, or in such other manner as determined by U.S. Auto Parts Network, including through plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934.

"We believe that the repurchase program is a great investment, a wise utilization of our strong cash flow, and underscores our constant commitment to enhancing stockholder value," said Shane Evangelist, Chief Executive Officer of U.S. Auto Parts.

The repurchase program is expected to continue through March 4, 2017 unless extended or shortened by the board of directors.

In addition, U.S. Auto Parts has amended its credit agreement with JPMorgan Chase to, among other things, extend the term of the agreement for an additional three years through April 26, 2020.

U.S. Auto Parts CFO Neil Watanabe commented: "This extension speaks to the confidence our commercial banking partner has in our organization. We look forward to continuing our partnership with JPMorgan Chase as they provide us with the flexibility to support our growing business."

Additional details regarding U.S. Auto Parts' amended credit agreement can be found on the Form 8-K filed today with the Securities and Exchange Commission.

### **About U.S. Auto Parts Network, Inc.**

Established in 1995, U.S. Auto Parts Network, Inc. (the "Company") is a leading online provider of automotive aftermarket parts, including collision, engine, and performance parts and accessories. Through the Company's network of websites, U.S. Auto Parts provides consumers with a broad selection of competitively priced products, all mapped by a proprietary database with applications based on vehicle makes, models and years. U.S. Auto Parts' flagship websites include [www.autopartswarehouse.com](http://www.autopartswarehouse.com), [www.carparts.com](http://www.carparts.com), [www.jcwhitney.com](http://www.jcwhitney.com), and [www.AutoMD.com](http://www.AutoMD.com), as well as the Company's corporate website at [www.usautoparts.net](http://www.usautoparts.net).

U.S. Auto Parts is headquartered in Carson, California

### **Safe Harbor Statement**

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's share repurchase program, the Company's timing and ability to repurchase shares of the Company's common stock under a share repurchase program, and the improved terms of the credit agreement. These forward-looking statements are subject to known and unknown risks, uncertainties, and assumptions including, but not limited to, (a) fluctuations in the trading volume and market price of shares of the Company's common stock, general business and market conditions and management's determination of alternative needs and uses of the Company's cash resources which may affect the Company's share repurchase program; and (b) competitive pressures, our dependence on search engines to attract customers, demand for U.S. Auto Parts' products, the online market for aftermarket auto parts, the

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operating restrictions in our credit agreement, and the weather, as well as such other risks as may be detailed from time to time in the Company's filings with the Securities and Exchange Commission ("SEC"). Any forward-looking statements speak only as of the date of this press release, and except to the extent required by applicable securities laws, the Company expressly disclaims any obligation to update or revise any of them to reflect actual results, any changes in expectations or any change in events. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. For additional information concerning risks, uncertainties and other factors that may cause actual results to differ from those anticipated in the forward-looking statements, and risks to the Company's business in general, please refer to the Risk Factors contained in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at [www.usautoparts.net](http://www.usautoparts.net) and the SEC's website at [www.sec.gov](http://www.sec.gov). You are urged to consider these factors carefully in evaluating the forward-looking statements in this release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement.

**Company Contacts:**

Neil T. Watanabe, Chief Financial Officer  
U.S. Auto Parts Network, Inc.  
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