

CLEAN HARBORS INC
Form 8-K
December 10, 2012

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): **December 7, 2012**

CLEAN HARBORS, INC.

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction
of incorporation)

001-34223
(Commission
File Number)

04-2997780
(IRS Employer
Identification No.)

**42 Longwater Drive, Norwell,
Massachusetts**
(Address of principal executive
offices)

02061-9149
(Zip Code)

Registrant's telephone number, including area code **(781) 792-5000**

Not Applicable

(Former name or former address, if changed since last report.)

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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.**Issuance and Sale of New Notes**

On December 7, 2012, the closing date (the **Closing Date**) under the purchase agreement dated November 28, 2012 which Clean Harbors announced on November 28, 2012 and a copy of which was filed as an exhibit to a current report on Form 8-K filed with the Securities and Exchange Commission (the **SEC**) on November 30, 2012, the Company issued and sold to Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) Limited, as the initial purchasers, \$600.0 million aggregate principal amount of the Company's 5.125% senior notes due 2021 (the **new notes**) pursuant to an indenture dated as of December 7, 2012 (the **indenture**), among the Company, as issuer, the Company's domestic subsidiaries, as guarantors, and U.S. Bank National Association, as trustee. The description of the indenture and the new notes contained in this report is qualified in its entirety by reference to the complete text of the indenture, a copy of which is filed as Exhibit 4.42 to this report.

The new notes will mature on June 1, 2021. The new notes will bear interest at a rate of 5.125% per annum, computed on the basis of a 360-day year composed of twelve 30-day months and payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2013.

The Company may redeem some or all of the new notes at any time on or after December 1, 2016 upon not less than 30 nor more than 60 days notice, at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the twelve-month period commencing on December 1 of the year set forth below, plus, in each case, accrued and unpaid interest, if any, to the date of redemption:

Year	Percentage
2016	102.563%
2017	101.281%
2018 and thereafter	100.000%

At any time prior to December 1, 2015, the Company may also redeem up to 35% of the aggregate principal amount of all new notes issued under the indenture (whether on the Closing Date or thereafter pursuant to an issuance of additional new notes under the indenture) at a redemption price of 105.125% of the principal amount, plus any accrued and unpaid interest, using proceeds from certain equity offerings, and may also redeem some or all of the new notes at a redemption price of 100% of the principal amount plus a make-whole premium and any accrued and unpaid interest. Holders may require the Company to repurchase the new notes at a purchase price equal to 101% of the principal amount, plus any accrued and unpaid interest, upon a change of control of the Company. As described in the Company's Form 8-K filed with the SEC on October 31, 2012, the Company has entered into an agreement (the **acquisition agreement**) to acquire Safety-Kleen, Inc. (the **Safety-Kleen acquisition**). The Company plans to use the net proceeds from the issuance and sale of the new notes to finance a portion of the purchase price payable in connection with the Safety-Kleen acquisition. If the acquisition agreement is terminated prior to consummation of the Safety-Kleen acquisition or the Safety-Kleen acquisition has not been consummated on or before April 26, 2013, the Company will become obligated to redeem all of the new notes at a redemption price of 101% of the aggregate principal amount, plus any accrued and unpaid interest.

The new notes are guaranteed by substantially all the Company's current and future domestic restricted subsidiaries. The new notes are the Company's and the guarantors' senior unsecured obligations ranking equally with the Company's and the guarantors' existing and future senior unsecured obligations and senior to any future indebtedness that is expressly subordinated to the new notes and the guarantees. The new notes and the guarantees will rank pari passu with the Company's outstanding \$800 million 5.25% senior notes due 2020 and effectively junior in right of payment to the Company's and the guarantors' secured indebtedness (including loans and reimbursement obligations in respect of outstanding letters of credit) under the Company's revolving credit facility and capital lease obligations to the extent of the value of the assets securing such

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secured indebtedness. The new notes are not guaranteed by the Company's Canadian or other foreign subsidiaries, and the new notes will be structurally subordinated to all indebtedness and other liabilities, including trade payables, of the Company's subsidiaries that are not guarantors of the new notes.

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The indenture contains covenants that, among other things, restrict the ability of the Company and its restricted subsidiaries to:

- incur or guarantee additional indebtedness (including, for this purpose, reimbursement obligations under letters of credit) or issue certain preferred stock;
- pay dividends or make other distributions to the Company's shareholders;
- purchase or redeem capital stock or subordinated indebtedness;
- make investments;
- create liens;
- incur restrictions on the ability of the Company's restricted subsidiaries to pay dividends or make other payments to the Company;
- sell assets, including capital stock of the Company's subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all the Company's or the restricted subsidiaries' assets; and
- enter into transactions with affiliates.

These covenants are subject to a number of important limitations and exceptions. Furthermore, if the new notes attain investment grade ratings from both Moody's and Standard & Poors, then the Company's and its restricted subsidiaries' obligations to comply with many of the covenants described above will be suspended while such investment grade ratings remain in effect.

The indenture provides for customary events of default including, but not limited to, cross defaults to other specified debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all of the outstanding new notes will become due and payable immediately without further action or notice. If any other event of default under the indenture occurs and is continuing, the trustee or holders of at least 25% in principal amount of the then outstanding new notes may declare all the notes to be due and payable immediately.

The new notes issued on the Closing Date and the related guarantees have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States without registration or an applicable exemption from registration requirements. This report does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the new notes or the related guarantees in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The net proceeds from the issuance and sale of the new notes, after deducting the initial purchaser's discount and estimated other transaction expenses, were approximately \$586 million. The Company plans to use the net proceeds from the issuance and sale of the new notes to finance a portion of the purchase price payable in connection with the Safety-Kleen acquisition.

Registration Rights Agreement

In connection with the issuance and sale of the new notes on the Closing Date, the Company and the guarantors entered into a registration rights agreement dated December 7, 2012, with the initial purchasers of the new notes. Under such agreement, the Company and the guarantors are required to file with the SEC an exchange offer registration statement and use reasonable best efforts to cause the exchange offer to be consummated within

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Clean Harbors, Inc.
(Registrant)

December 10, 2012

/s/ James M. Rutledge
Vice Chairman, President and
Chief Operating Officer