

Orchids Paper Products CO /DE  
Form 8-K  
August 06, 2009

**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): July 31, 2009

**ORCHIDS PAPER PRODUCTS COMPANY**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**001-32563**

(Commission  
File Number)

**23-2956944**

(IRS Employer  
Identification Number)

**4826 Hunt Street**

**Pryor, Oklahoma 74361**

(Address of Principal Executive Offices)

**(918) 825-0616**

(Registrant's telephone number, including area code)

## Edgar Filing: Orchids Paper Products CO /DE - Form 8-K

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 Material Definitive Agreement.**

On July 31, 2009, Orchids Paper Products Company (the Registrant ) entered into Amendment Four to Second Amended and Restated Agented Credit Agreement (the Amendment ) with its existing bank group to establish an additional construction loan. The Registrant s bank group includes Bank of Oklahoma, N.A. and Commerce Bank, N.A. The new construction loan will be used to finance the purchase of land, and construction of a new 270,000 square foot warehouse and distribution center. The Amendment includes the following provisions:

establish a construction loan that provides for periodic loan advances up to a maximum principal amount of \$6.7 million to finance the warehouse project, which includes the purchase of land and the construction of a new 270,000 square foot distribution center. The construction loan will convert to a term loan in August 2010 and will mature in July 2016. The loan will be based on an eighty percent (80%) advance rate of the costs of construction of the project;

extend the availability and maturity of the existing revolving line of credit to April 9, 2011;

increase the annual unfunded capital expenditures limit to \$3.5 million;

change the LIBOR margin grid and include a 3.5% all-in interest rate floor; and

reduce the Funded-Debt-To-EBITDA covenant limit to 3.25 to 1.

The foregoing summary is not complete. A copy of the Amendment is attached as Exhibit 10.1 to this report and is incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under and Off-Balance Sheet Arrangement of a Registrant.**

The Information provided in Item 1.01 of this Form 8-K is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits. See the Exhibit Index which is hereby incorporated by reference.

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**SIGNATURE**

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.

**ORCHIDS PAPER PRODUCTS COMPANY**

Date: August 6, 2009

By: /s/ Keith Schroeder  
Keith Schroeder  
Chief Financial Officer

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**Exhibit Index**

**Exhibit**

**Description**

10.1

Amendment Four to Second Amended and Restated Agented Credit Agreement, dated July 31, 2009.