

TRINITY INDUSTRIES INC
Form 8-K
April 12, 2019

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): April 8, 2019

(Exact name of registrant as specified in its charter)

Delaware	1-6903	75-0225040
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)
2525 N. Stemmons Freeway, Dallas, Texas		75207-2401
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: 214-631-4420
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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ..

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ..

Item 1.01 Entry into a Material Definitive Agreement

On April 8, 2019, Trinity Industries, Inc. (the “Company”) revised its form of Indemnification Agreement to be entered into by the Company, its directors, and officers. The Indemnification Agreement provides that the Company agrees to indemnify the recipient, to the fullest extent permitted by law, if he or she becomes (or is threatened to be made) a party to or witness or other participant in a claim by reason of the recipient’s position as a director or officer of the Company (or any of its subsidiaries). The indemnification covers any and all expenses, fees, claims, damages, liabilities, losses, judgments, fines, excise taxes, penalties and amounts paid in settlement of a claim. The Indemnification Agreement also contains other provisions customary for agreements of this type.

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

On April 10, 2019, Trinity Rail Leasing 2019 LLC, a Delaware limited liability company (“TRL-2019”) and a limited purpose, indirect wholly-owned subsidiary of the Company, owned by the Company through the Company's direct wholly-owned subsidiary Trinity Industries Leasing Company (“TILC”), issued an aggregate principal amount of \$528,300,000 of TRL-2019’s Series 2019-1 Class A Secured Railcar Equipment Notes (the “Notes”). The Notes were issued pursuant to a Master Indenture, dated April 10, 2019 (the “Indenture”) between TRL-2019 and U.S. Bank National Association, as indenture trustee. The Notes bear interest at a fixed rate of 3.82%, are payable monthly, and have a stated final maturity date of April 17, 2049.

The Notes are obligations of TRL-2019 only, secured by a portfolio of railcars and operating leases thereon acquired and owned by TRL-2019 (the “Railcar Portfolio”), certain cash reserves, and other assets of TRL-2019. The Notes were offered and sold in a private placement solely to qualified institutional buyers in reliance on Rule 144A of the Securities Act of 1933, as amended (the “Securities Act”), and to persons who are not U.S. persons in offers and sales that occur outside the United States in reliance on Regulation S under the Securities Act, pursuant to a note purchase agreement as described in the Company's Form 8-K filed April 5, 2019.

While the stated final maturity of the Notes is April 17, 2049, cash flow from TRL-2019's assets will be applied, pursuant to the payment priorities of the Indenture, so as to amortize the Notes to achieve monthly targeted principal balances. If the cash flow assumptions used in determining the targeted balances are met, it is anticipated that the Notes will be repaid well in advance of their stated final maturity date. There can be no assurance, however, that such cash flow assumptions will be realized. In addition, the Notes may be subject to acceleration upon the occurrence of certain events of default under the Indenture, including a failure to pay interest on the Notes, and a failure of the Notes to amortize to the extent that, over time, the outstanding principal balance of the Notes were to eventually exceed the depreciated value of the Railcar Portfolio. The decision whether to accelerate or exercise other remedies against TRL-2019 and its assets will be under the control of holders representing a majority of the outstanding principal balance of the Notes.

TRL-2019 purchased the Railcar Portfolio directly from TILC and from TILC’s affiliate, Trinity Rail Leasing Warehouse Leasing Trust (“TRLWT”). Net proceeds received from the transaction will be used to repay approximately \$347 million of borrowings under TRLWT’s secured warehouse credit facility, to repay approximately \$125 million of borrowings under the Company’s revolving credit facility, and for general corporate purposes.

As noted above, the Notes are solely the obligations of TRL-2019. TILC has, however, entered into certain agreements relating to the transfer of the Railcar Portfolio to TRL-2019, and the management and servicing of TRL-2019's assets. These agreements contain certain representations, undertakings and indemnities customary for asset sellers and service providers in transactions of this type.

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.

Trinity Industries, Inc.

April 12, 2019 By: /s/ Melendy E. Lovett

Name: Melendy E. Lovett

Title: Senior Vice President and Chief Financial Officer