

TOLL BROTHERS INC
Form 8-K
November 21, 2013

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: November 21, 2013 (Date of earliest event reported)

TOLL BROTHERS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-09186
(Commission

File Number)
250 Gibraltar Road

23-2416878
(I.R.S. Employer

Identification No.)

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Horsham, PA 19044

(Address of principal executive offices and zip code)

(215) 938-8000

(Registrant's telephone number, including area code)

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(b) under the Exchange Act (17 CFR 240.14a-12(b))
- .. 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 November 21, 2013, Toll Brothers Finance Corp. (the Issuer), a wholly-owned subsidiary of Toll Brothers, Inc. (the Company), completed the public offering of \$350,000,000 aggregate principal amount of its 4.000% Senior Notes due 2018 (the 2018 Senior Notes) and \$250,000,000 aggregate principal amount of its 5.625% Senior Notes due 2024 (the 2024 Senior Notes and, together with the 2018 Senior Notes, the Senior Notes), guaranteed by the Company and certain of its subsidiaries. The Senior Notes have been registered under the Securities Act of 1933, as amended (the Securities Act), pursuant to the Company's universal shelf registration statement on Form S-3 (File No. 333-178130), as supplemented by the prospectus supplement dated November 12, 2013, previously filed with the Securities and Exchange Commission under the Securities Act.

The Senior Notes were issued (and the guarantees delivered) pursuant to an indenture (the Base Indenture), dated as of February 7, 2012, among the Issuer, the guarantors named therein, including the Company (collectively, the Guarantors), and The Bank of New York Mellon, as trustee (the Trustee), as amended and supplemented by the resolution authorizing the 2018 Senior Notes, dated as of November 21, 2013 (the 2018 Authorizing Resolution), the resolution authorizing the 2024 Senior Notes, dated as of November 21, 2013 (the 2024 Authorizing Resolution and, together with the 2018 Authorizing Resolution, the Authorizing Resolutions; and the Authorizing Resolutions, together with the Base Indenture, the Indenture). Copies of the Base Indenture, the 2018 Authorizing Resolution, the 2024 Authorizing Resolution, the form of 2018 Senior Note and the form of 2024 Senior Note are attached hereto as Exhibits 4.1, 4.2, 4.3, 4.4 and 4.5 respectively, and are incorporated herein by reference. The description of the Indenture and the Senior Notes in this report are summaries and are qualified in their entirety by the terms of the Indenture and the form of 2018 Senior Note and the form of 2024 Senior Note.

The Senior Notes are unsecured and unsubordinated obligations of the Issuer and rank equally and ratably with the other unsecured and unsubordinated indebtedness of the Issuer. The Senior Notes and the guarantee of the Company are structurally subordinated to the prior claims of creditors of non-guarantor subsidiaries of the Company.

The Issuer will pay interest on the 2018 Senior Notes semi-annually in arrears on June 30 and December 31, beginning June 30, 2014, to holders of record on the preceding June 15 or December 15, as the case may be. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The 2018 Senior Notes will mature on December 31, 2018.

The Issuer will pay interest on the 2024 Senior Notes semi-annually in arrears on January 15 and July 15, beginning July 15, 2014, to holders of record on the preceding January 1 or July 1, as the case may be. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The 2024 Senior Notes will mature on January 15, 2024.

The Issuer may redeem each series of Senior Notes in whole or in part at any time and from time to time prior to their stated maturity at the redemption prices set forth in the applicable Authorizing Resolution. In the event of a change of control repurchase event (as defined in the Indenture), the holders of the Senior Notes may require the Issuer to purchase for cash all or a portion of their Senior Notes at a purchase price equal to 101% of the principal amount of such Senior Notes, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase. The Senior Notes are subject to certain customary covenants, including limitations on the ability of the Company and its subsidiaries, with exceptions, to incur debt secured by liens and to engage in sale and lease-back transactions.

The Senior Notes are subject to a special mandatory redemption (a Special Mandatory Redemption) in the event that (i) the purchase and sale agreement entered into on November 6, 2013 between Shapell Investment Properties, Inc. and the Company, pursuant to which the Company has agreed to acquire all of the equity interests in Shapell Industries, Inc. (the Acquisition), is terminated on any date prior to May 31, 2014, (ii) the Company publicly announces on any date prior to May 31, 2014 that the Acquisition will not be pursued or (iii) the Acquisition is not consummated prior to May 31, 2014 (the earliest of any such date, a Trigger Date). In that event, the Issuer will cause

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a notice of Special Mandatory Redemption to be mailed to each holder of the Senior Notes at its registered address and to the Trustee promptly, but in any event not later than five business days after the Trigger Date, and will redeem the Senior Notes on the date specified in the notice of Special Mandatory Redemption (which shall be

no later than five business days following the date of such notice). The aggregate redemption price for any Special Mandatory Redemption will be equal to 100% of the aggregate principal amount of the Senior Notes, together with accrued interest on the Senior Notes from November 21, 2013 up to, but not including, the date of the Special Mandatory Redemption.

Holders of the Senior Notes may not enforce the Indenture or the Senior Notes except as provided therein. In case an event of default (other than a default resulting from bankruptcy, insolvency or reorganization) shall occur and be continuing with respect to any series of Senior Notes, the Trustee or the holders of not less than 25% in aggregate principal amount of such series of Senior Notes then outstanding may declare the principal amount of all of such series of Senior Notes and interest, if any, accrued thereon to be due and payable immediately. If an event of default results from bankruptcy, insolvency or reorganization, all amounts due and payable on the Senior Notes will automatically become and be immediately due and payable. Any event of default with respect to any series of Senior Notes (except defaults in payment of principal of (or premium, if any, on) or interest, if any, on such Senior Notes or a default in respect of a covenant or provision that cannot be modified without the consent of the holder of each outstanding Senior Note of such series) may be waived by the holders of at least a majority in aggregate principal amount of the applicable series of Senior Notes outstanding.

We intend to use the net proceeds from the offering of the Senior Notes, together with net proceeds of the Company's recent equity offering and additional indebtedness, to finance the Acquisition and to pay related fees and expenses.

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

The information provided in Item 1.01 of this report is incorporated by reference into this Item 2.03.

Item 8.01 Other Events.

In connection with the offering of the Senior Notes, the Company is filing the legal opinions relating to the offering as Exhibit 5.1 and 5.2 to this report.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

- 4.1* Indenture, dated as of February 7, 2012, among Toll Brothers Finance Corp., Toll Brothers, Inc., the other guarantors named therein and The Bank of New York Mellon, as trustee, is hereby incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on February 7, 2012.
- 4.2 Authorizing Resolution, dated as of November 21, 2013, relating to the \$350,000,000 aggregate principal amount of 4.000% Senior Notes due 2018 of Toll Brothers Finance Corp., guaranteed on a Senior Basis by Toll Brothers, Inc. and certain of its subsidiaries.
- 4.3 Authorizing Resolution, dated as of November 21, 2013, relating to the \$250,000,000 aggregate principal amount of 5.625% Senior Notes due 2024 of Toll Brothers Finance Corp., guaranteed on a Senior Basis by Toll Brothers, Inc. and certain of its subsidiaries.
- 4.4 Form of Global Note for the Issuer's 4.000% Senior Notes due 2018.
- 4.5 Form of Global Note for the Issuer's 5.625% Senior Notes due 2024.

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- 5.1 Opinion of Cravath, Swaine & Moore LLP.
- 5.2 Opinion of John McDonald, Senior Vice President, Chief Compliance Officer and General Counsel to Toll Brothers, Inc.

- 23.1 Consent of Cravath, Swaine & Moore LLP (included as part of Exhibit 5.1).
- 23.2 Consent of John McDonald, Senior Vice President, Chief Compliance Officer and General Counsel to Toll Brothers, Inc. (included as part of Exhibit 5.2).

* Previously filed.

Signature

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

TOLL BROTHERS, INC.

(Registrant)

By: /s/ Joseph R. Sicree
Joseph R. Sicree
Senior Vice President,
Chief Accounting Officer

Date: November 21, 2013

Exhibit Index

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