

BJS WHOLESALE CLUB INC
Form 8-K
May 04, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): May 4, 2005 (April 28, 2005)

BJ s Wholesale Club, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of

Incorporation)

001-13143
(Commission

File Number)

04-3360747
(IRS Employer
Identification No.)

One Mercer Road, Natick, Massachusetts
(Address of Principal Executive Offices)

01760
(Zip Code)

Registrant s telephone number, including area code: (508) 651-7400

(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 (*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 April 28, 2005, BJ's Wholesale Club, Inc. (the Registrant or the Company) entered into a new \$225 million unsecured credit agreement with JP Morgan Chase Bank, N.A. as administrative agent and lender, and a group of other lenders which expires April 27, 2010. This agreement is guaranteed, on an unsecured basis, by certain of the Company's subsidiaries. This agreement replaces the prior bank credit agreement, which was scheduled to expire on June 13, 2005. The new agreement includes a \$50 million sub-facility for letters of credit. The Company is required to pay an annual facility fee which is currently 0.15% of the total commitment. Interest on borrowings is payable at the Company's option either at (a) the Eurodollar rate plus a margin which is currently 0.475% or (b) a rate equal to the higher of the sum of the Federal Funds Effective Rate plus 0.50% or the administrative agent bank's prime rate. The Company is also required to pay a usage fee whenever the amount of loans and undrawn or unreimbursed letters of credit outstanding exceeds 50% of the total commitment. The usage fee, if applicable would be at an annual rate of 0.125% of the amount borrowed. The facility fee and Eurodollar margin are subject to change based upon the Company's fixed charge coverage ratio. The agreement contains financial covenants which include a minimum fixed charge coverage requirement and a maximum adjusted debt to capital limitation. The Company is required to comply with these covenants on a quarterly basis. Under the agreement, the Company must also comply with certain negative covenants, which are similar to those existing under the prior bank agreement, but which allow the Company to pay dividends or repurchase its own stock in any amount so long as it remains in compliance with all requirements under the credit agreement. The full text of the new agreement is attached as Exhibit 10.29 to this Current Report on Form 8-K.

Item 1.02. Termination of a Material Definitive Agreement

The Registrant's previous \$200 million unsecured credit agreement, dated June 12, 2002, among the Registrant and certain banks (as filed as an exhibit to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended May 4, 2002), as subsequently amended on August 13, 2002 (as filed as an exhibit to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended August 3, 2002), which was scheduled to expire pursuant to its terms on June 13, 2005, was terminated concurrently with the execution of the new credit agreement discussed in Item 1.01. There were no fees triggered as a result of the early termination of the Registrant's previous credit agreement.

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

The information set forth in Item 1.01 above with respect to the Registrant's new credit agreement is incorporated herein in its entirety.

Item 3.03. Material Modification to Rights of Security Holders

The information set forth in Item 1.01 above with respect to certain restrictions on the payment of dividends under the Registrant's new credit agreement is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

10.29 Credit Agreement, dated April 28, 2005, among the Registrant and certain banks.

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.

BJ s WHOLESALE CLUB, INC.

Date: May 4, 2005

By: /s/ Frank D. Forward
Frank D. Forward
*Executive Vice President and
Chief Financial Officer*

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.29	Credit Agreement, dated April 28, 2005, among the Registrant and certain banks.