REALOGY GROUP LLC
Form 8-K
April 26, 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 (Date of earliest event reported): April 26, 2013 (April 26, 2013)

Realogy Holdings Corp.

(Exact name of registrant as specified in its charter)

Delaware	**001-35674**	**20-8050955**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

Realogy Group LLC

(Exact name of registrant as specified in its charter)

Delaware	**333-179896**	**20-4381990**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

175 Park Avenue

Madison, NJ 07940

(Address of Principal Executive Offices) (Zip Code)

(973) 407-2000

(Registrant s telephone number, including area code)

None

(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 (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))

Item 1.01 Entry into a Material Definitive Agreement.
1. Indenture and Senior Notes due 2016

On April 26, 2013, Realogy Group LLC, a Delaware limited liability company (the Company), together with The Sunshine Group (Florida) Ltd. Corp, a Florida corporation and the Company s wholly-owned subsidiary (the Co-Issuer and, together with the Company, the Issuers), issued $500 million aggregate principal amount of 3.375% senior notes due 2016 (the Notes), under an indenture, dated as of April 26, 2013 (the Indenture), among the Company, Realogy Holdings Corp., a Delaware corporation and indirect parent of the Company (Holdings), the Co-Issuer, the Note Guarantors (as defined below) and The Bank of New York Mellon Trust Company, N.A., as trustee for the Notes (the Trustee). The Notes were issued in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), to qualified institutional buyers in accordance with Rule 144A and to persons outside of the United States pursuant to Regulation S under the Securities Act.

The Company will use the net proceeds from the offering of the Notes of approximately $494.5 million, along with borrowings under its revolving credit facility, to redeem all of the $492 million aggregate outstanding principal amount of its 11.50% Senior Notes due 2017 (the 11.50% Senior Notes) at a redemption premium of 105.75%, plus accrued and unpaid interest to the redemption date.

The Notes are unsecured senior obligations of the Company and will mature on May 1, 2016. The Notes bear interest at a rate of 3.375% per annum. Interest on the Notes will be payable semiannually to holders of record at the close of business on April 15 or October 15 immediately preceding the interest payment date on May 1 and November 1 of each year, commencing November 1, 2013.

At any time prior to maturity, the Company may redeem all or a portion of the Notes at a price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, plus a make-whole premium. The Company may also redeem up to 40% of the aggregate principal amount of the Notes at any time and from time to time prior to maturity, with the net cash proceeds of certain equity offerings at a price equal to 103.375% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption. If the Company experiences certain kinds of changes in control, it must offer to purchase the Notes at a price equal to 101% of the principal amount, plus accrued and unpaid interest. If the Company sells certain assets, it must offer to repurchase the Notes at 100% of the principal amount, plus accrued and unpaid interest.

The following is a brief description of the terms of the Notes and the Indenture. As used herein, the term Existing Notes refers to the Company s 7.875% Senior Secured Notes due 2019, 7.625% Senior Secured First Lien Notes due 2020 and 9.000% Senior Secured Notes due 2020.

Ranking

The Notes and the guarantees are the Company s, the Co-Issuer s and the Note Guarantors senior unsecured obligations and:

- rank senior in right of payment to the Company s, the Co-Issuer s and the Note Guarantors existing and future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the Notes;
- rank equally in right of payment with all of the Company s, the Co-Issuer s and the Note Guarantors existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the Notes; and
- are effectively subordinated to all of the Company s, the Co-Issuer s and the Note Guarantors existing and future secured debt, including the Company s obligations under its senior secured credit facility and the Existing Notes, to the extent of the value of the assets securing such debt.

The guarantees by Holdings are Holdings unsecured senior subordinated obligations, are equal in right of payment to all existing and future subordinated indebtedness of Holdings and are junior in right of payment to all existing and future senior indebtedness of Holdings. In addition, the Notes are structurally subordinated to all of the existing and future liabilities and obligations (including trade payables, but excluding intercompany liabilities) of each of the Company s non-guarantor subsidiaries.

Guarantees

The Notes are jointly and severally guaranteed by each of the Company s existing and future U.S. subsidiaries that is a guarantor under its senior secured credit facility or that guarantees certain other indebtedness in the future, subject to certain exceptions (the Note Guarantors), and by

Holdings on an unsecured senior subordinated basis.

Optional Redemption

Prior to maturity, the Issuers may redeem the Notes at their option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of such Notes redeemed plus a make-whole premium as of, and accrued and unpaid interest to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time prior to maturity, the Issuers may redeem in the aggregate up to 40% of the original aggregate principal amount of the Notes (calculated after giving effect to any issuance of additional Notes) with the net cash proceeds of one or more equity offerings (1) by the Company or (2) by any direct or indirect parent of the Company, in each case to the extent the net cash proceeds thereof are contributed to the common equity capital of the Company or used to purchase capital stock (other than Disqualified Stock) of the Company from it, at a redemption price (expressed as a percentage of the principal amount thereof) of 103.375%, plus accrued and unpaid interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 50% of the original aggregate principal amount of the Notes (calculated after giving effect to any issuance of additional Notes) remains outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such equity offering is consummated upon not less than 30 nor more than 60 days notice mailed (or electronically transmitted) to each holder of Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture. Notice of any redemption upon any equity offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuers discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related equity offering.

Change of Control

Upon the occurrence of a change of control, as defined in the Indenture, the Company must offer to repurchase the Notes at 101% of the applicable principal amount, plus accrued and unpaid interest and additional interest, if any, to the repurchase date.

Covenants

The Indenture contains various covenants that limit the Company and its restricted subsidiaries ability to take certain actions, which covenants are subject to a number of important exceptions and qualification. In addition, for so long as either the Notes have an investment grade rating from both Standard & Poor s Ratings Services and Moody s Investors Service, Inc. and no default has occurred and is continuing under the Indenture, the Company will not be subject to certain of such covenants. These covenants include limitations on the Company s and its restricted subsidiaries ability to (a) incur or guarantee additional indebtedness, or issue disqualified stock or preferred stock, (b) pay dividends or make distributions to its stockholders, (c) repurchase or redeem capital stock, (d) make investments or acquisitions, (e) incur restrictions on the ability of certain of its subsidiaries to pay dividends or to make other payments to the Company, (f) enter into transactions with affiliates, (g) create liens, (h) merge or consolidate with other companies or transfer all or substantially all of its assets, (i) transfer or sell assets, including capital stock of subsidiaries and (j) prepay, redeem or repurchase debt that is subordinated in right of payment to the Notes.

Events of Default

The Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Notes to become or to be declared due and payable.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.
The information set forth in Item 1.01 is incorporated herein by reference into this Item 2.03.

Item 8.01 Other Events.
On April 26, 2013, the Company issued a notice of redemption with respect to all of its $492 million aggregate principal amount of outstanding 11.50% Senior Notes. The Company will redeem the 11.50% Senior Notes on May 28, 2013, at a redemption price of 105.75% plus accrued and unpaid interest to the redemption date.

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.

Realogy Group LLC

By: /s/ Anthony E. Hull
Name: Anthony E. Hull
Title: Executive Vice President, Chief Financial Officer and Treasurer

Realogy Holdings Corp.

By: /s/ Anthony E. Hull
Name: Anthony E. Hull
Title: Executive Vice President, Chief Financial Officer and Treasurer

Date: April 26, 2013