
Section 1: 8-K (8-K)

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): November 7, 2019 (October 30, 2019)

AAC HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

001-36643
(Commission
File Number)

35-2496142
(IRS Employer
Identification No.)

200 Powell Place
Brentwood, Tennessee
(Address of Principal Executive
Offices)

37027
(Zip Code)

(615) 732-1231

(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 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value per share	AAC	NYSE

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.

Amendment to the 2019 Senior Credit Facility

On October 30, 2019, AAC Holdings, Inc. (the “**Company**”) and affiliated loan parties entered into Amendment No. 2 to Credit Agreement and Amendment No. 1 to Guarantee and Collateral Agreement (the “**2019 Senior Credit Facility Amendments**”) with the consenting and new lenders party thereto, and Credit Suisse AG, as administrative agent and collateral agent. The 2019 Senior Credit Facility Amendments amend that certain Credit Agreement, dated as of March 8, 2019, as previously amended (the “**2019 Senior Credit Facility**”), by and among the Company, Credit Suisse AG, as administrative agent and collateral agent, and the lenders party thereto, to effectuate the agreement of the lenders party to the 2019 Senior Credit Facility Amendments to make an additional \$5 million of term loans under the 2019 Senior Credit Facility.

In accordance with the terms of the 2019 Senior Credit Facility Amendments, the Company and affiliated loan parties also entered into a Forbearance Agreement (the “**Forbearance Agreement**”) dated October 30, 2019 with the forbearing lenders and the agent party thereto, pursuant to which the forbearing lenders agreed to forbear from exercising remedies under the 2019 Senior Credit Facility that might be triggered by certain specified events of default until March 31, 2020.

Amendment to the 2017 Junior Credit Facility

On October 30, 2019, the Company and affiliated loan parties entered into Amendment No. 2 to Credit Agreement (“**Amendment No. 2 to the 2017 Junior Credit Facility**”) and Amendment No. 3 to Credit Agreement and Amendment No. 3 to Guarantee and Collateral Agreement (together with Amendment No. 2 to the 2017 Junior Credit Facility, the “**2017 Junior Credit Facility Amendments**”) with the consenting lenders party thereto, and Credit Suisse AG, as administrative agent and collateral agent, amending that certain Credit Agreement dated as of June 30, 2017, as previously amended (the “**2017 Junior Credit Facility**”), by and among the Company, Credit Suisse AG, as administrative agent and collateral agent, and the lenders party thereto.

Among other things, the 2017 Junior Credit Facility Amendments permit the additional \$5 million in term loans made under the 2019 Senior Credit Facility. In accordance with the terms of the 2017 Junior Credit Facility Amendments, the Company and affiliated loan parties also entered into a Forbearance Agreement (the “**Forbearance Agreement**”) dated October 30, 2019 with the forbearing lenders and the agents party thereto, pursuant to which the forbearing lenders agreed to forbear from exercising remedies under the 2017 Junior Credit Facility that might be triggered by certain specified events of default until March 31, 2020.

The 2019 Senior Credit Facility Amendments and the Amendments to the 2017 Junior Credit Facility contain customary conditions precedent, representations and warranties, and covenants.

The foregoing descriptions of the 2019 Senior Credit Facility Amendments and the 2017 Junior Credit Facility Amendments do not purport to be complete and are qualified in their entirety by reference to the complete 2019 Senior Credit Facility Amendments and the complete 2017 Junior Credit Facility Amendments, copies of which will be timely filed with the SEC.

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

The information disclosed under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 5, 2019, the Board of Directors (the “**Board**”) of the Company appointed Bob Nash, Scott D. Vogel and T. Michael Logan to serve as directors on the Board, effective immediately, until a successor is duly elected and qualified. Each of Messrs. Nash, Vogel and Logan will receive compensation in accordance with the Company’s standard compensatory arrangements for non-employee directors, which are described under the caption “Director Compensation” in the Company’s definitive proxy statement on Schedule 14A filed with the SEC on April 13, 2018. The Board may appoint Messrs. Nash, Vogel and Logan to one or more committees of the Board at a later date. The Company will file an amendment to this Current Report on Form 8-K to report any such appointment within four business days after the information is determined or becomes available.

There are no arrangements or understandings between any of Messrs. Nash, Vogel and Logan, and any other persons pursuant to which Messrs. Nash, Vogel and Logan were appointed as directors of the Company.

Item 7.01. Regulation FD Disclosure.

On November 5, 2019, the Company issued a press release announcing the amendments to the Company's credit facilities described above and the appointment of Messrs. Nash, Vogel and Logan to the Board. A copy of the release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Pursuant to the rules and regulations of the SEC, the information in this Item 7.01 disclosure, including Exhibit 99.1 and information set forth therein, is deemed to have been furnished and shall not be deemed to be "filed" under the Securities Exchange Act of 1934, as amended.

Item 9.01. Exhibits and Financial Statements.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Press Release, dated November 5, 2019.</u>

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.

AAC HOLDINGS, INC.

By: /s/ Andrew W. McWilliams
Andrew W. McWilliams
Chief Financial Officer

Date: November 7, 2019

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1



200 Powell Place
Brentwood, TN 37027
AmericanAddictionCenters.org

AAC Holdings, Inc. Finalizes Agreement with Senior Secured Lenders and Appoints Three New Independent Board Members

Media Contact: **Joy Sutton**
(615) 587-7728
Mediarequest@contactAAC.com

BRENTWOOD, Tenn., November 5, 2019 -- AAC Holdings, Inc. announced today several new developments for the company, including an agreement with its senior secured lenders that provided the Company with an additional \$5 million of liquidity and a forbearance agreement through March 31, 2020, regarding certain events of default.

AAC Holdings also appointed three new independent members to its board of directors this week. The new members are LOC Distribution CEO Bob Nash, Vogel Partners Managing Member Scott D. Vogel and TML Corporate Strategies President T. Michael Logan.

Bob Nash is a Nashville entrepreneur who is currently the CEO of LOC Distribution. Mr. Nash has established more than 20 businesses during his career, most notably Foundations Associates, which he co-founded with Michael Cartwright in 1995. For 10 years, Mr. Nash served on the treatment center's executive leadership team, overseeing multiple financial aspects of the organization. Mr. Nash's business acumen also comes from his diverse experience in establishing businesses in a variety of industries, from construction and entertainment to an auto dealership and restaurant venture. Mr. Nash is a graduate of Lipscomb University and served on the Tennessee National Guard for six years.

Scott D. Vogel is the managing member at Vogel Partners LLC, a private investment and advisory firm. He previously served as the managing director at Davidson Kempner Capital Management where he devoted 14 years of his career to investing in a diverse set of industries. Previously, Mr. Vogel worked for the private investment firm of Michael F. Price, and at Chase Securities in its healthcare investment banking group. Mr. Vogel has also served on numerous boards during his career and is currently a member of the board of Avaya, Bonanza Creek Energy, Seadrill Ltd., and several private companies. He received his M.B.A. from The Wharton School at the University of Pennsylvania and his B.S.B.A. from Washington University.

T. Michael Logan is the president of TML Corporate Strategies, LLC. In addition to running his own consulting firm, he has also been a managing director for both SunTrust Robinson Humphrey and SunTrust Bank. Mr. Logan has more than 36 years of intensive business experience as a consultant, from working with companies in both the public and private sectors across numerous industries. Logan, who holds a degree in economics, attended Vanderbilt University on a football scholarship.

The new members join AAC CEO Michael Cartwright, Vaco Holdings CEO Jerry Bostelman, and Burch Investment Group CEO Lucius Burch on the board.

“We are pleased to reach a mutual agreement with our senior secured lenders that provides AAC with additional liquidity to right-size our balance sheet and reduce our cost of capital,” said Michael Cartwright, Chairman and CEO. “I am also pleased with the extensive expertise the three new independent board members bring to the company. With these new developments and our expected sequential positive operating results for the third consecutive quarter, we are confident about the trajectory of AAC.”

About American Addiction Centers

American Addiction Centers (OTC: AACH) is a leading provider of inpatient and outpatient substance abuse treatment services. We treat clients who are struggling with drug addiction, alcohol addiction, and co-occurring mental/behavioral health issues. We currently operate substance abuse treatment facilities located throughout the United States. These facilities are focused on delivering effective clinical care and treatment solutions. For more information, please find us at AmericanAddictionCenters.org or follow us on Twitter [@AAC_Tweet](https://twitter.com/AAC_Tweet).

Forward Looking Statements

This release contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are made only as of the date of this release. In some cases, you can identify forward-looking statements by terms such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “may,” “potential,” “predicts,” “projects,” “should,” “will,” “would,” and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these words. Forward-looking statements in this release include statements regarding AAC Holdings, Inc.’s (collectively with its subsidiaries: “AAC Holdings” or the “Company”) possible or assumed future operating results and outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual result or timing to be materially different from the information contained in any forward-looking statements. These risks, uncertainties and other factors include, without limitation: (i) the Company’s inability to meet the covenants in the Company’s loan documents or lack of borrowing capacity; (ii) the Company’s inability to successfully raise capital to meet the Company’s liquidity needs and to allow it to continue to operate as a going concern; (iii) the Company’s inability to effectively operate its facilities; (iv) the Company’s reliance on its sales and marketing program to continuously attract and enroll clients; (v) a reduction in reimbursement rates by certain third-party payors for inpatient and outpatient services and point-of-care and definitive lab testing; (vi) the Company’s failure to successfully achieve growth through acquisitions and de novo projects; (vii) risks associated with estimates of the value of accounts receivable or deterioration in collectability of accounts receivable; (viii) the possibility that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of an acquisition; (ix) the Company’s failure to achieve anticipated financial results from contemplated and prior acquisitions; (x) a disruption in the Company’s ability to perform diagnostic laboratory services; (xi) maintaining compliance with applicable regulatory authorities, licensure and permits to operate the Company’s facilities and laboratories; (xii) a disruption in the Company’s business and reputational and economic risks associated with the civil securities claims brought by shareholders or claims by various parties; and (xiii) general economic and market conditions, including conditions in the debt and equity capital markets in particular, as well as other risks discussed in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and other filings with the Securities and Exchange Commission. As a result of these factors, we cannot assure you that the forward-looking statements in this release will prove to be accurate. Investors should not place undue reliance upon forward-looking statements.

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