

Zayo Group Holdings, Inc.
Form 8-K
April 14, 2016

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 14, 2016**

Zayo Group Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-36690
(Commission File Number)

26-1398293
(I.R.S. Employer
Identification No.)

1805 29th Street, Suite 2050, Boulder, CO 80301

(Address of Principal Executive Offices)

(303) 381-4683

(Registrant's Telephone Number, Including Area Code)

Zayo Group, LLC

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

333-169979
(Commission File Number)

26-201259
(I.R.S. Employer
Identification No.)

1805 29th Street, Suite 2050, Boulder, CO 80301

(Address of Principal Executive Offices)

(303) 381-4683

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K 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))

Item 1.01

Entry into Material Definitive Agreement.

Indenture

On April 14, 2016, Zayo Group, LLC (the *Company*), a wholly owned subsidiary of Zayo Group Holdings, Inc., and Zayo Capital, Inc. (*Zayo Capital* and together with the Company, the *Issuers*), closed a private offering (the *Notes Offering*) exempt from registration under the Securities Act of 1933, as amended (the *Securities Act*), of \$550,000,000 aggregate principal amount of 6.375% senior notes due 2025 (the *Notes*) through an add-on to its existing issue. The Issuers intend to use the net proceeds from the Notes Offering and cash on hand to (i) redeem approximately \$326 million of their remaining 10.125% Senior Notes due 2020, including the required make-whole premium and accrued interest, and (ii) repay approximately \$197 million of borrowings under their secured term loan facility.

The Issuers issued the Notes under an indenture dated May 6, 2015 (the *Indenture*) among the Issuers, the guarantors party thereto, and The Bank of New York Mellon Trust Company N.A., as trustee (the *Trustee*). The terms of the Notes include those set forth in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*). The Notes will bear interest at the rate of 6.375% per year. Interest on the Notes is payable on May 15 and November 15 of each year, beginning on May 15, 2016. The interest payment on May 15, 2016 will include accrued interest from November 15, 2015. The Notes will mature on May 15, 2025. Before May 15, 2020, the Issuers may redeem the Notes, in whole or in part, at a redemption price equal to 100% of their principal amount, plus accrued interest and a make-whole premium. At any time on or after May 15, 2020, the Issuers may redeem the Notes, in whole or in part, at the applicable redemption prices set forth in the Indenture, plus accrued interest. In addition, before May 15, 2018, the Issuers may redeem up to 40% of the Notes at a redemption price equal to 106.375% of their principal amount, plus accrued interest, using the proceeds of certain equity offerings.

The Indenture contains covenants that, among other things, restrict the ability of the Issuers and their restricted subsidiaries to incur additional indebtedness and issue preferred stock, pay dividends or make other distributions with respect to any equity interests, make certain investments or other restricted payments, create liens, sell assets, incur restrictions on the ability of the Issuers' restricted subsidiaries to pay dividends or make other payments to the Issuers, consolidate or merge with or into other companies or transfer all or substantially all of their assets, engage in transactions with affiliates, and enter into sale and leaseback transactions. The terms of the Indenture include customary events of default.

The Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by all of the Company's current and future domestic restricted subsidiaries and any other restricted subsidiaries of the Company that guarantee any indebtedness of the Issuers or any guarantor (the *Guarantors*). The Notes and the guarantees thereof (the *Guarantees*) will be the general unsecured obligations of the Issuers and the Guarantors and will rank equally in right of payment with all existing and future senior unsecured indebtedness of the Issuers and the Guarantors, rank senior in right of payment to all future indebtedness of the Issuers and the Guarantors that is by its terms expressly subordinated in right of payment to the Notes or the applicable Guarantee (if any), be effectively subordinated to the Issuers' and the Guarantors' secured indebtedness to the extent of the value of the collateral securing such indebtedness, and be structurally subordinated in right of payment to all future indebtedness and other liabilities of future subsidiaries of the Issuers and the Guarantors that do not guarantee the Notes, which will consist only of unrestricted subsidiaries and foreign subsidiaries that do not guarantee any of the Company's other indebtedness.

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The foregoing description of the Notes and the Indenture is qualified in its entirety by reference to the Indenture, a copy of which is filed as Exhibit 4.1 to this Current Report on Form 8-K and incorporated herein by reference.

Registration Rights Agreement

On April 14, 2016, the Issuers, the Guarantors and Morgan Stanley & Co. LLC, as initial purchaser of the Notes, entered into a Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Issuers and the Guarantors agreed to file with the Securities and Exchange Commission a registration statement on the appropriate form under the Securities Act with respect to an offer to exchange the Notes (the "Exchange Offer Registration Statement"). Upon the effectiveness of the Exchange Offer Registration Statement, the Issuers and the Guarantors will offer to the beneficial owners of Notes who are able to make certain representations the opportunity to exchange their Notes for notes registered under the Securities Act (the "Exchange Notes") that are substantially identical to the terms of the Notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the Notes will not apply to the Exchange Notes (the "Exchange Offer"). The Issuers and the Guarantors may be required to file a shelf registration statement to cover resales of the Notes under certain circumstances. If the Issuers do not consummate the exchange offer by August 12, 2016 or certain other conditions occur, the Registration Rights Agreement provides that additional interest will be payable on the Notes.

The foregoing description of the Registration Rights Agreement is qualified in its entirety by reference to the Registration Rights Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

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

The information in Item 1.01 of this Current Report is incorporated by reference into this Item 2.03.

Item 8.01 Other Events

On April 14, 2016, the Company issued a press release announcing the completion of the Notes Offering. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference in this Item 8.01.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Item 9.01 Financial Statements and Exhibits.

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Exhibit No.	Description
4.1	Indenture, dated as of May 6, 2015, among Zayo Group, LLC, Zayo Capital, Inc., the guarantors party thereto and The Bank of New York Mellon Trust Company N.A., as trustee (incorporated by reference to Exhibit 4.1 to the registrants' Current Report on Form 8-K filed May 7, 2015, File No. 333-169979).
10.1	Registration Rights Agreement, dated April 14, 2016, among Zayo Group, LLC, Zayo Capital, Inc., the subsidiary guarantors party thereto and Morgan Stanley & Co. LLC, as initial purchaser.
99.1	Press Release dated April 14, 2016.

Portions of this report may constitute forward-looking statements as defined by federal law. Although the registrants believe any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Additional information about issues that could lead to material changes in the registrants' performance is contained in their respective filings with the Securities and Exchange Commission. The registrants undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances after the date hereof.

Investors should take into consideration those risks and uncertainties discussed in each registrant's Annual Report on Form 10-K for the year ended June 30, 2015 and each registrant's Quarterly Reports on Form 10-Q for the quarters ended September 30, 2015 and December 31, 2015, including but not limited to those under the heading "Risk Factors" to the extent each heading is included therein.

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.

Zayo Group Holdings, Inc.

By: /s/ Ken desGarenes
Name: Ken desGarenes
Title: Chief Financial Officer

DATED: April 14, 2016

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.

Zayo Group, LLC

By: /s/ Ken desGarenes
Name: Ken desGarenes
Title: Chief Financial Officer

DATED: April 14, 2016

EXHIBIT INDEX

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