

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2013-01-28** | Period of Report: **2013-01-22**  
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FILER

**AMERICAN GREETINGS CORP**

CIK: **5133** | IRS No.: **340065325** | State of Incorp.: **OH** | Fiscal Year End: **0228**  
Type: **8-K** | Act: **34** | File No.: **001-13859** | Film No.: **13551907**  
SIC: **2771** Greeting cards

Mailing Address  
*ONE AMERICAN ROAD  
CLEVELAND OH 44144*

Business Address  
*ONE AMERICAN ROAD  
CLEVELAND OH 44144  
2162527300*

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 22, 2013

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**American Greetings Corporation**

(Exact name of registrant as specified in its charter)

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**Ohio**  
(State or other jurisdiction  
of incorporation)

**1-13859**  
(Commission  
File Number)

**34-0065325**  
(IRS Employer  
Identification No.)

**One American Road**  
**Cleveland, Ohio**  
(Address of principal executive offices)

**44144**  
(Zip Code)

Registrant's telephone number, including area code: (216) 252-7300

(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 January 22, 2013, American Greetings Corporation (the “Corporation”) entered into the First Amendment (the “Amendment”) to Limited Guaranty (the “Guaranty”) with Wells Fargo Bank, National Association, as successor by merger to Wells Fargo Retail Finance, LLC. Pursuant to the Guaranty, the Corporation had previously guaranteed the repayment of up to \$12 million of borrowings by Schurman Fine Papers (“Schurman”) under Schurman’s senior revolving credit facility. The Amendment reduces the amount the Corporation guarantees from \$12 million to \$10 million of Schurman’s borrowings, and extends the term of the Guaranty from January 1, 2014 to July 18, 2016. The Corporation’s obligations under the Guaranty continue to be triggered generally only once Schurman’s lenders under its senior revolving credit facility have substantially completed the liquidation of the collateral thereunder, or 91 days after the liquidation is started, whichever is earlier, and will be limited to the deficiency, if any, between the amount owed and the amount collected in connection with the liquidation. The Guaranty continues to be backed by a letter of credit for the term of the Guaranty.

The description of the Amendment set forth in this Item 1.01 is not complete and is qualified in its entirety by reference to the full text of the Amendment which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 1.02 Termination of a Material Definitive Agreement.**

By letter agreement dated January 22, 2013 (the “Letter Agreement”), the Corporation and Schurman terminated that certain loan agreement by and between the Corporation and Schurman, dated as of April 17, 2009 (the “Loan Agreement”), and canceled the revolving credit note relating thereto. Pursuant to the Loan Agreement, Schurman was permitted to borrow up to \$10 million. The Loan Agreement was set to expire by its terms on June 25, 2013.

The description of the Letter Agreement set forth in this Item 1.02 is not complete and is qualified in its entirety by reference to the full text of the Letter Agreement which is filed as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	First Amendment to Limited Guaranty, issued by the Corporation to Wells Fargo Bank, National Association, as successor by merger to Wells Fargo Retail Finance, LLC, dated January 22, 2013.
10.2	Letter Agreement, dated January 22, 2013, terminating that certain Loan Agreement by and between Schurman Fine Papers, d/b/a Papyrus, as Borrower, and the Corporation, as Lender, dated as of April 17, 2009, and cancelling the Revolving Credit Note relating thereto.

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**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.

American Greetings Corporation

(Registrant)

Date January 28, 2013

/s/ Christopher W. Haffke

Christopher W. Haffke

Vice President, General Counsel and Secretary

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## Exhibit Index

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FIRST AMENDMENT TO LIMITED GUARANTY

January 22, 2013

Wells Fargo Bank, National Association  
One Boston Place, 18th Floor  
Boston, MA 02108  
Attention: Joseph Burt

Re: Limited Guaranty of American Greetings Corporation (the “Guarantor”) in favor of Wells Fargo Bank, National Association, as successor by merger to Wells Fargo Retail Finance, LLC (the “Agent”) for the benefit of Wells Fargo Bank, National Association and Wells Fargo Foothill Canada, ULC (each a “Lender” and collectively, the “Lenders”)

Ladies and Gentlemen:

Reference is made to that certain Limited Guaranty dated as of April 17, 2009 by the Guarantor in favor of the Agent for the benefit of the Lenders (the “Guaranty” and as supplemented by this First Amendment to Limited Guaranty and as it may be further supplemented, modified or amended, the “Guaranty”). Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Guaranty.

On the date hereof, the Agent, Lenders and Borrowers (as defined in the Guaranty) are entering into a Third Amendment to the First Amended and Restated Loan and Security Agreement. In connection therewith, the Guarantor, Agent and Lenders each desire to amend the terms of the Guaranty. Accordingly, in consideration of the mutual covenants and agreements set forth in the Guaranty and herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor, the Agent and the Lenders hereby agree to amend the Guaranty as set forth herein.

1. Amendments.

(a) Guarantor L/C End Date. The definition of “Guarantor L/C End Date” is amended by deleting the reference to “January 1, 2014” contained in clause (B) and replacing it with a reference to “July 18, 2016”.

(b) Maximum Guaranty Amount. The definition of “Maximum Guaranty Amount” is amended and restated in its entirety as follows:

“Maximum Guaranty Amount” means \$10,000,000.

(c) Amendments to Loan Documents. Section 25 of the Guaranty is amended by (i) deleting the reference to “January 1, 2014” contained therein and replacing it with a reference to “July 18, 2016” and (ii) deleting the reference to “Section 6.21” contained therein and replacing it with a reference to “Section 6.22”.

(d) Notices. Section 11 of the Guaranty is amended by (i) deleting the reference to “Catherine M. Kilbane, SVP” contained therein and replacing it with a reference to “Office of the

First Amendment to Liquidity Guaranty

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General Counsel” and (ii) deleting the reference to “Wells Fargo Retail Finance, LLC” contained therein and replacing it with a reference to “Wells Fargo Bank, N.A.”.

2. Acknowledgement and Consent. Pursuant to Section 25 of the Guaranty, no amendment of certain provisions of the Loan Agreement may be made without the Guarantor’s prior written consent if a condition of such amendment requires the Guarantor L/C to be maintained beyond January 1, 2014. The Guarantor hereby consents to the extension of the Revolving Credit Maturity Date to January 18, 2016 and the extension of the Guarantor L/C End Date to July 18, 2016.

3. All Other Guaranty Provisions Remain In Effect; No Defaults. Unless expressly modified hereby, all other terms and provisions of the Guaranty shall remain in full force and effect and are hereby ratified in all respects. Each of the Guarantor and Lender hereby represent that, to the best of its knowledge, there are no uncured defaults under the Guaranty as of the date hereof.

First Amendment to Liquidity Guaranty

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IN WITNESS WHEREOF, Guarantor has executed and delivered this First Amendment to the Guaranty as of the day and year first above written.

ATTEST:

AMERICAN GREETINGS CORPORATION

By: /s/ Guilherme N. De Mello

By: /s/ Gregory M. Steinberg

Name: Guilherme N. De Mello

Name: Gregory M. Steinberg

Title: Treasurer and Executive Director of Investor Relations

First Amendment to Liquidity Guaranty

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ACKNOWLEDGED:

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Agent and as a Lender

By: /s/ Joseph Burt  
Name: Joseph Burt  
Title: Director

WELLS FARGO FOOTHILL CANADA, ULC,  
as Lender

By: /s/ Domenic Cosentino  
Name: Domenic Cosentino  
Title: Vice President  
Wells Fargo Foothill Canada ULC

First Amendment to Liquidity Guaranty  
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**Schurman Fine Papers**

500 Chadbourne Road

Fairfield, CA 94533

January 22, 2013

American Greetings Corporation

One American Road

Cleveland, Ohio 44144

Attn: Gregory Steinberg, Treasurer

Re: Letter Agreement re: Termination of Loan Agreement with Schurman Fine Papers

Dear Mr. Steinberg:

We refer to that certain Loan Agreement dated as of April 17, 2009 (the "Loan Agreement") and that certain Revolving Credit Note dated as of April 17, 2009 (the "Revolving Credit Note"), each between Schurman Fine Papers d/b/a Papyrus (the "Company") and American Greetings Corporation (the "Lender").

The Company and the Lender each confirm that no principal, interest, fees and other sums are due under the Loan Agreement and/or Revolving Credit Note as of the date of this letter agreement, with the exception of the Unused Line Fee (as defined in the Loan Agreement) due under Section 2.8 of the Loan Agreement for the portion of the month January 2013 that the Loan Agreement was in effect, which the Company agrees it will pay within 30 days of the date hereof. The Company and the Lender agree that effective immediately the Loan Agreement is hereby fully terminated and the Revolving Credit Note is cancelled. Any and all liabilities, obligations and rights of each party under the Loan Agreement and the Revolving Credit Note are fully terminated, released and cancelled in their entirety, except with respect to the payment of the Unused Line Fee described above and those other rights and obligations that expressly survive termination of the Loan Agreement, including those as set forth in Section 10 of the Loan Agreement.

This letter agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed and delivered shall be deemed to be an original. All such counterparts, taken together, shall constitute but one and the same letter agreement. This letter agreement shall become effective as of the date set forth above upon the execution of a counterpart of this letter agreement by each of the parties hereto.

The validity of this letter agreement, the construction, interpretation and enforcement hereof, and the rights of the parties hereto with respect to all matters arising hereunder or related hereto shall be determined under, governed by, and construed in accordance with the laws of the State of New York.

[Remainder of Page Intentionally Left Blank]

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Very truly yours,

/s/ Roxanne Prahser

By: Roxanne Prahser

Title: Chief Financial Officer

Agreed to by:

American Greeting Corporation

/s/ Gregory M. Steinberg

Name: Gregory M. Steinberg

Title: Treasurer

[Signature Page to Letter Agreement re: Termination of Loan Agreement with Schurman Fine Papers]