

**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): July 2, 2020 (June 26, 2020)

OFS Capital Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

814-00813
(Commission
File Number)

46-1339639
(I.R.S. Employer
Identification No.)

10 S. Wacker Drive, Suite 2500
Chicago, Illinois
(Address of principal executive offices)

60606
(Zip Code)

Registrant's telephone number, including area code: (847) 734-2000

Not applicable
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	OFS	The Nasdaq Global Select Market
6.375% Notes due 2025	OFSSL	The Nasdaq Global Select Market
6.50% Notes due 2025	OFSSZ	The Nasdaq Global Select Market
5.95% Notes due 2026	OFSSI	The Nasdaq Global Select Market

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 Senior Secured Revolving Credit Facility

On June 26, 2020, OFS Capital Corporation, a Delaware corporation (the “Company”), executed an amendment (the “Secured Revolver Amendment”) to its Business Loan Agreement with Pacific Western Bank, as lender (“PacWest”), pursuant to which PacWest provides the Company with a senior secured revolving credit facility (“PWB Credit Facility”) for general corporate purposes, including investment funding.

The Secured Revolver Amendment, among other things: (i) reduces the Minimum Tangible Net Asset Value (as defined in the Secured Revolver Amendment) covenant from \$125.0 million to \$100.0 million; (ii) reduces the Minimum Quarterly Net Investment Income (as defined in the Secured Revolver Amendment) covenant from \$3.0 million to \$2.0 million; (iii) increases the Debt/Worth Ratio (as defined in the Secured Revolver Amendment) covenant from 300% to 350%; and (iv) adds a new covenant, commencing on June 30, 2020, restricting net losses (defined as income after adjustments to the investment portfolio for gains and losses, realized and unrealized, also shown as net increase (decrease) in net assets resulting from operations) in more than two quarters during the prior four quarters then ended.

The foregoing description of the Secured Revolver Amendment is not complete and is qualified in its entirety by the full text of such amendment, which is filed as an exhibit to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>10.1</u>	<u>Amendment One to the Business Loan Agreement between OFS Capital Corporation and Pacific Western Bank dated June 26, 2020</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OFS Capital Corporation

Date: July 2, 2020

By: /s/ Bilal Rashid
Chief Executive Officer

AMENDMENT NUMBER ONE TO BUSINESS LOAN AGREEMENT

THIS AMENDMENT NUMBER ONE TO BUSINESS LOAN AGREEMENT (this "Amendment"), dated as of June 26, 2020, is entered into among **PACIFIC WESTERN BANK**, a California state-chartered bank ("Lender"), and **OFS CAPITAL CORPORATION**, a Delaware corporation ("Borrower"), in light of the following facts:

RECITALS

WHEREAS, Borrower and Lender have previously entered into that certain Business Loan Agreement, dated April 10, 2019 (as amended to the date hereof, the "Loan Agreement"); and

WHEREAS, Lender and Borrower have agreed to amend the Loan Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. **DEFINITIONS.** All terms which are defined in the Loan Agreement shall have the same definition when used herein unless a different definition is ascribed to such term under this Amendment, in which case, the definition contained herein shall govern.

2. **AMENDMENT TO LOAN AGREEMENT.** The Loan Agreement is hereby amended as follows:

(a) Subsection (ii) titled "Financial Ratios/Covenants" on page 3 of the Loan Agreement, under the Financial Statements subsection of the Section titled "AFFIRMATIVE COVENANTS", is hereby amended and restated in its entirety to read as follows:

"(ii) Financial Ratios/Covenants:

Minimum Tangible Net Asset Value. Borrower shall maintain a minimum Net Asset Value in the amount of \$100,000,000.00. The term "Net Asset Value" is defined as the total assets less goodwill/other intangibles and less the total liabilities, on a consolidated basis. This required value must be maintained at all times and may be evaluated quarterly.

No Net Losses. On each quarterly testing period, commencing on 6/30/2020 and thereafter, Borrower shall not have incurred net losses (income after adjustments to the investment portfolio for gains and losses, realized and unrealized, also shown as net increase (decrease) in net assets resulting from operations), in more than two (2) quarters during the prior four (4) quarters then ended.

Minimum Quarterly Net Investment Income. Borrower shall maintain a minimum Quarterly Net Investment Income, after the management/incentive fees, in the amount of \$2,000,000.00. The term "Net Investment Income" is defined as the total investment income less total expenses, as presented in Borrower's consolidated financial statements. This required minimum income must be maintained at all times and may be evaluated quarterly.

Debt / Worth Ratio. Borrower shall maintain a maximum ratio of Debt/Worth of 350%. The ratio "Debt/Worth" means Borrower's total liabilities divided by Borrower's Net Asset Value (as defined above). This required ratio must be maintained at all times and may be evaluated quarterly."

3. TERMINATION OF GUARANTY. Lender hereby confirms that it has previously approved the dissolution of **OFS CAPITAL WM, LLC**, a Delaware limited liability company. As such, Lender hereby confirms that it has terminated the Commercial Guaranty dated April 10, 2019, previously executed by **OFS CAPITAL WM, LLC**, a Delaware limited liability company, in favor of Lender.

4. CONDITIONS PRECEDENT. Each of the following is a condition precedent to the effectiveness of this Amendment:

(a) Lender shall have received a fully executed original of this Amendment, together with the Guarantor Reaffirmation attached; and

(b) Lender shall have received all legal fees incurred by it in connection with this Amendment.

5. REPRESENTATIONS AND WARRANTIES. Borrower hereby affirms to Lender that all representations and warranties of Borrower set forth in the Loan Agreement are true, complete and accurate as of the date hereof.

6. LIMITED EFFECT. Except for the specific amendment contained in this Amendment, the Loan Agreement shall remain unchanged and in full force and effect.

7. COUNTERPARTS; EFFECTIVENESS. This Amendment 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 Amendment. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment shall become effective upon the execution of this Amendment by each of the parties hereto.

[REMAINDER OF PAGES INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOWS]

IN WITNESS WHEREOF, Borrower and Lender have executed this Amendment as of the date first written above.

OFS CAPITAL CORPORATION, a Delaware corporation, as Borrower

By: /s/ Jeffrey A. Cerny
Jeffrey A. Cerny, CFO

PACIFIC WESTERN BANK

By: /s/ Todd Savitz

Todd Savitz, Senior Vice President

GUARANTOR'S REAFFIRMATION

The undersigned has executed a Commercial Guaranty dated April 10, 2019 in favor of PACIFIC WESTERN BANK ("Lender") respecting the obligations of OFS CAPITAL CORPORATION ("Borrower"), owing to Lender (each a "Guaranty"). The undersigned acknowledges the terms of the above Amendment and reaffirms and agrees that: its Guaranty remains in full force and effect; nothing in such Guaranty obligates Lender to notify the undersigned of any changes in the financial accommodations made available to Borrower or to seek reaffirmations of such Guaranty; and no requirement to so notify the undersigned or to seek reaffirmations in the future shall be implied by the execution of this reaffirmation; references to the "Loan Agreement" in such Guaranty include amendments and restatements from time to time to and of such agreement, including the amendments being made concurrently herewith.

Dated as of June 26, 2020

OFSCC-MB, INC, a Delaware corporation, as
Guarantor

By: /s/ Jeffrey A. Cerny
Jeffrey A. Cerny, CFO