

UNIFI INC
Form 10-K/A
March 28, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 24, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____

Commission file number: 1-10542

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of

11-2165495
(I.R.S. Employer

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incorporation or organization) Identification No.)

7201 West Friendly Avenue

Greensboro, North Carolina 27410

(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (336) 294-4410

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

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.10 per share	New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of December 22, 2017, the aggregate market value of the registrant's voting common stock held by non-affiliates of the registrant was approximately \$551,124,384. The registrant has no non-voting stock.

As of August 16, 2018, the number of shares of the registrant's common stock outstanding was 18,373,375.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with the registrant's 2018 Annual Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K to the extent described herein.

EXPLANATORY NOTE

Unifi, Inc. (“UNIFI”) is filing this Amendment No. 1 on Form 10-K/A (this “Amendment”) to amend Item 15 of its Annual Report on Form 10-K for the fiscal year ended June 24, 2018 (the “Original 10-K”), filed with the Securities and Exchange Commission (the “SEC”) on August 22, 2018, to include the audited consolidated financial statements and related notes of Parkdale America, LLC (“PAL”), an unconsolidated joint venture in which UNIFI holds a 34% equity ownership interest. UNIFI accounts for its interest in PAL using the equity method of accounting.

Rule 3-09(a) of Regulation S-X under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides that if a 50%-or-less-owned person accounted for by the equity method meets the first or third condition of the significant subsidiary tests set forth in Rule 1-02(w) of Regulation S-X, substituting 20% for 10%, separate financial statements for such 50%-or-less-owned person shall be filed. PAL met the significant subsidiary test described above for UNIFI’s fiscal years ended June 24, 2018, June 25, 2017 and June 26, 2016. UNIFI’s significance test is calculated as of the end of its fiscal year and for its fiscal year.

Item 15 of the Original 10-K is being amended by this Amendment to (i) include the required audited consolidated financial statements and related notes for PAL’s fiscal years ended December 29, 2018, December 30, 2017 and December 31, 2016, (ii) reference the PAL audited consolidated financial statements and related notes and the related report of PAL’s independent auditors, (iii) file the consent of the independent auditors related to its opinion contained in this report and (iv) include the required certifications under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. In accordance with Rule 12b-15 of the Exchange Act, the text of the amended Item 15 is set forth in its entirety in this Amendment.

This Amendment does not otherwise update or amend any other items or disclosures as originally filed and does not otherwise reflect events occurring after the filing date of the Original 10-K. Accordingly, this Amendment should be read in conjunction with the Original 10-K and UNIFI’s other filings with the SEC subsequent to the filing of the Original 10-K on August 22, 2018.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)1. Financial Statements

The financial statements and schedules listed in the accompanying Index to Consolidated Financial Statements on page F-i are filed as part of this report.

2. Financial Statement Schedules

Consolidated Financial Statements of PAL as of December 29, 2018 and December 30, 2017 and for PAL’s fiscal years ended December 29, 2018, December 30, 2017 and December 31, 2016.

PAL is an unconsolidated joint venture in which UNIFI holds a 34% equity ownership interest and which met the significant subsidiary test for UNIFI’s fiscal years ended June 24, 2018, June 25, 2017 and June 26, 2016. Accordingly, pursuant to Rule 3-09(b)(2) of Regulation S-X under the Exchange Act, UNIFI is filing the required audited consolidated financial statements and related notes of PAL via this Amendment.

PAL’s fiscal year end is the Saturday nearest to December 31, and is therefore consistently more than 90 days after UNIFI’s corresponding fiscal year end, which is the last Sunday in June. PAL’s most recent fiscal year, 2018, ended on December 29, 2018 and PAL’s prior fiscal year, 2017, ended on December 30, 2017.

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Pursuant to Rule 3-09(b)(2) of Regulation S-X under the Exchange Act, UNIFI filed the required fiscal year 2017 audited consolidated financial statements and related notes of PAL with the SEC on March 30, 2018 via an amendment to UNIFI's Annual Report on Form 10-K for the fiscal year ended June 25, 2017.

PricewaterhouseCoopers LLP issued audit reports for PAL's fiscal years 2018, 2017 and 2016.

3. Exhibits

Exhibit

Number Description

- | | |
|-----|--|
| 3.1 | <u>Restated Certificate of Incorporation of Unifi, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).</u> |
| 3.2 | <u>Amended and Restated By-laws of Unifi, Inc., as of October 26, 2016 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).</u> |
| 4.1 | <u>Registration Rights Agreement, dated as of January 1, 2007, by and between Unifi,</u> |

Inc. and Dillon
Yarn
Corporation
(incorporated
by reference to
Exhibit 7.1 to
the
Schedule 13D
filed
January 16,
2007 by Dillon
Yarn
Corporation
(File No.
005-30881)).

4.2 Amended and
Restated Credit
Agreement,
dated as of
March 26,
2015, by and
among Unifi,
Inc. and certain
of its domestic
subsidiaries, as
borrowers,
Wells Fargo
Bank, National
Association, as
administrative
agent, sole lead
arranger and
sole book
runner, and the
lenders party
thereto
(incorporated
by reference to
Exhibit 4.1 to
the Current
Report on Form
8-K filed March
31, 2015 (File
No.
001-10542)).

4.3 First
Amendment to
Amended and
Restated Credit

Agreement,
dated as of June
26, 2015, by
and among
Unifi, Inc. and
Unifi
Manufacturing,
Inc., as
borrowers,
Wells Fargo
Bank, National
Association, as
administrative
agent, and the
lenders party
thereto
(incorporated
by reference to
Exhibit 4.1 to
the Current
Report on Form
8-K filed June
30, 2015 (File
No.
001-10542)).

Exhibit

Number Description

- 4.4 Second Amendment to Amended and Restated Credit Agreement, dated as of November 19, 2015, by and among Unifi, Inc. and Unifi Manufacturing, Inc., as borrowers, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed November 23, 2015 (File No. 001-10542)).
- 4.5 Amended and Restated Guaranty and Security Agreement, dated as of March 26, 2015, by and

among the
grantors
from time to
time party
thereto and
Wells Fargo
Bank,
National
Association,
as
administrative
agent
(incorporated
by reference
to Exhibit
4.2 to the
Current
Report on
Form 8-K
filed March
31, 2015
(File No.
001-10542)).

4.6 First
Amendment
to Amended
and Restated
Guaranty and
Security
Agreement,
dated as of
June 26,
2015, by and
among the
grantors
from time to
time party
thereto and
Wells Fargo
Bank,
National
Association,
as
administrative
agent
(incorporated
by reference
to Exhibit
4.2 to the
Current

Report on
Form 8-K
filed June 30,
2015 (File
No.
001-10542)).

4.7 Trademark
Security
Agreement,
dated as of
May 24,
2012, by and
among the
grantors
party thereto
and Wells
Fargo Bank,
N.A., as
agent
(incorporated
by reference
to Exhibit
4.3 to the
Current
Report on
Form 8-K
filed May 25,
2012 (File
No.
001-10542)).

4.8 Patent
Security
Agreement,
dated as of
May 24,
2012, by and
among the
grantors
party thereto
and Wells
Fargo Bank,
N.A., as
agent
(incorporated
by reference
to Exhibit
4.4 to the
Current
Report on

Form 8-K
filed May 25,
2012 (File
No.
001-10542)).

10.1* 1999 Unifi,
Inc.
Long-Term
Incentive
Plan
(incorporated
by reference
to Exhibit
99.1 to the
Registration
Statement on
Form S-8
filed
August 7,
2000 (File
No.
333-43158)).

10.2* Form of
Incentive
Stock Option
Agreement
for
Employees
for use in
connection
with the
1999 Unifi,
Inc.
Long-Term
Incentive
Plan
(incorporated
by reference
to Exhibit
10.5 to the
Current
Report on
Form 8-K
filed July 31,
2006 (File
No.
001-10542)).

10.3*

2008 Unifi.
Inc.
Long-Term
Incentive
Plan
(incorporated
by reference
to Exhibit
99.1 to the
Registration
Statement on
Form S-8
filed
December
12, 2008
(File No.
333-156090)).

10.4* Form of
Incentive
Stock Option
Agreement
for
Employees
for use in
connection
with the
2008 Unifi.
Inc.
Long-Term
Incentive
Plan
(incorporated
by reference
to Exhibit
10.3 to the
Quarterly
Report on
Form 10-Q
for the
quarter
ended
December
28, 2008
(File No.
001-10542)).

10.5* Form of
Restricted
Stock Unit
Agreement

for
Non-Employee
Directors for
use in
connection
with the
2008 Unifi,
Inc.
Long-Term
Incentive
Plan
(incorporated
by reference
to Exhibit
10.1 to the
Quarterly
Report on
Form 10-Q
for the
quarter
ended
December
26, 2010
(File No.
001-10542)).

10.6* Form of
Restricted
Stock Unit
Agreement for
Employees for
use in
connection with
the 2008 Unifi,
Inc. Long-Term
Incentive Plan
(incorporated
by reference to
Exhibit 10.1 to
the Quarterly
Report on Form
10-Q for the
quarter ended
September 25,
2011 (File No.
001-10542)).

10.7* Unifi, Inc. 2013
Incentive
Compensation
Plan

(incorporated
by reference to
Exhibit 10.1 to
the Current
Report on Form
8-K filed
October 23,
2013 (File No.
001-10542)).

10.8* Form of
Restricted
Stock Unit
Agreement for
Non-Employee
Directors for
use in
connection with
the Unifi, Inc.
2013 Incentive
Compensation
Plan (used for
agreements
entered into
prior to October
25, 2017)
(incorporated
by reference to
Exhibit 10.2 to
the Current
Report on Form
8-K filed
October 23,
2013 (File No.
001-10542)).

10.9†* Form of
Restricted
Stock Unit
Agreement for
Non-Employee
Directors for
use in
connection with
the Unifi, Inc.
2013 Incentive
Compensation
Plan (used for
agreements
entered into on
or after October

25, 2017).

10.10* Form of Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into prior to February 21, 2017) (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended December 29, 2013 (File No. 001-10542)).

10.11†* Form of Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into on or after February 21, 2017).

10.12* Form of Incentive Stock Option Agreement for Employees for

use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into prior to March 26, 2017) (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q for the quarter ended December 29, 2013 (File No. 001-10542)).

10.13* Form of Incentive Stock Option Agreement for Employees for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into on or after March 26, 2017) (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 26, 2017 (File No. 001-10542)).

10.14* Unifi, Inc. Supplemental Key Employee Retirement Plan

(incorporated
by reference to
Exhibit 10.4 to
the Current
Report on Form
8-K filed July
31, 2006 (File
No.
001-10542)).

10.15* Amendment to
Unifi, Inc.
Supplemental
Key Employee
Retirement Plan
(incorporated
by reference to
Exhibit 10.1 to
the Current
Report on Form
8-K filed
January 6, 2009
(File No.
001-10542)).

Exhibit

Number Description

10.16* Amendment to the Unifi, Inc. Supplemental Key Employee Retirement Plan (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 25, 2018 (File No. 001-10542)).

10.17* Unifi, Inc. Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended December 26, 2010 (File No. 001-10542)).

10.18* Unifi, Inc. Director Compensation Policy (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed October 30, 2017 (File No. 001-10542)).

10.19* Change in Control Agreement by and between Unifi, Inc. and Thomas H. Caudle, Jr., effective as of August 14, 2009 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed August 18, 2009 (File No. 001-10542)).

10.20* Amendment No. 1 to Change in Control Agreement by and between Unifi, Inc. and Thomas H. Caudle, Jr., effective as of December 31, 2011 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed January 5, 2012 (File No. 001-10542)).

10.21* Amendment No. 2 to Change in Control Agreement by and between Unifi, Inc. and Thomas H.

Caudle, Jr.,
effective as of
December 31,
2014
(incorporated
by reference to
Exhibit 10.3 to
the Current
Report on Form
8-K filed
December 1,
2014 (File No.
001-10542)).

10.22* Employment
Agreement by
and between
Unifi, Inc. and
Kevin D. Hall,
effective as of
May 3, 2017
(incorporated
by reference to
Exhibit 10.1 to
the Current
Report on Form
8-K filed May
4, 2017 (File
No.
001-10542)).

10.23* Amendment
No. 1 to
Employment
Agreement by
and between
Unifi, Inc. and
Kevin D. Hall,
effective as of
May 19, 2017
(incorporated
by reference to
Exhibit 10.1 to
the Current
Report on Form
8-K/A filed
May 19, 2017
(File No.
001-10542)).

10.24*

Employment Agreement by and between Unifi, Inc. and John D. Vegas, effective as of July 17, 2017 (incorporated by reference to Exhibit 10.23 to the Annual Report on Form 10-K for the fiscal year ended June 25, 2017 (File No. 001-10542)).

10.25* Employment Agreement by and between Unifi, Inc. and Richard Gerstein, effective as of July 28, 2017 (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K for the fiscal year ended June 25, 2017 (File No. 001-10542)).

10.26* Employment Agreement by and between Unifi, Inc. and Jeffrey C. Ackerman, effective as of September 2, 2017 (incorporated by reference to Exhibit 10.1 to the Current Report on Form

8-K filed
September 6,
2017 (File No.
001-10542)).

10.27 Sales and
Services
Agreement,
dated as of
January 1,
2007, by and
between Unifi
Manufacturing,
Inc. and Dillon
Yarn
Corporation
(incorporated
by reference to
Exhibit 99.1 to
the Registration
Statement on
Form S-3 filed
February 9,
2007 (File No.
333-140580)).

10.28 First
Amendment to
Sales and
Services
Agreement,
effective as of
January 1,
2009, by and
between Unifi
Manufacturing,
Inc. and Dillon
Yarn
Corporation
(incorporated
by reference to
Exhibit 10.1 to
the Current
Report on Form
8-K filed
December 3,
2008 (File No.
001-10542)).

10.29 Second
Amendment to

Sales and Services Agreement, effective as of January 1, 2010, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 11, 2009 (File No. 001-10542)).

10.30 Third Amendment to Sales and Services Agreement, effective as of January 1, 2011, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 22, 2010 (File No. 001-10542)).

10.31 Fourth Amendment to Sales and Services Agreement, effective as of January 1,

2012, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 20, 2011 (File No. 001-10542)).

10.32** Yarn Purchase Agreement, effective as of September 1, 2014, by and between Unifi Manufacturing, Inc. and Hanesbrands Inc. (incorporated by reference to Exhibit 10.35 to the Annual Report on Form 10-K for the fiscal year ended June 29, 2014 (File No. 001-10542)).

10.33+** Addendum and Extension to Yarn Purchase Agreement, effective as of June 30, 2018, by and between Unifi Manufacturing, Inc. and Hanesbrands Inc.

10.34

Deposit
Account
Control
Agreement,
dated as of May
24, 2012, by
and among
Unifi
Manufacturing,
Inc., Wells
Fargo Bank,
N.A. and Bank
of America,
N.A.
(incorporated
by reference to
Exhibit 10.1 to
the Current
Report on Form
8-K filed May
25, 2012 (File
No.
001-10542)).

21.1† List of
Subsidiaries of
Unifi, Inc.

23.1†