
**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): September 6, 2017

HOOKER FURNITURE CORPORATION
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

000-25349
(Commission
File No.)

54-0251350
(I.R.S. Employer
Identification No.)

440 East Commonwealth Boulevard,
Martinsville, Virginia
(Address of principal executive offices)

24112
(Zip Code)

(276) 632-2133
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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

On September 6, 2017, Hooker Furniture Corporation (the “Company”) entered into an Asset Purchase Agreement (the “Asset Purchase Agreement”) with Shenandoah Furniture, Inc. (“Shenandoah”) and its two shareholders, Gideon C. Huddle and Candace H. Payne (the “Shenandoah Shareholders”). The Asset Purchase Agreement provides for the Company to acquire substantially all of the assets of Shenandoah in exchange for \$32,000,000 in cash and \$8,000,000 in unregistered shares of the Company’s common stock (the “Stock Consideration”), with the cash consideration subject to adjustment for customary working capital estimates. The number of shares of common stock issuable at closing for the Stock Consideration will be determined by reference to the mean closing price of the Company’s common stock for the ten trading days immediately preceding the business day preceding the closing date. Under the Asset Purchase Agreement, the Company will also assume certain liabilities of Shenandoah, such as trade accounts payables.

As a closing condition, the Company will enter into (i) four leases with affiliated entities of the Shenandoah Shareholders for Shenandoah’s three operating facilities (in Mt. Airy, NC, Valdese, NC and Martinsville, VA) and one showroom (in High Point, NC), (ii) employment agreements for Candace H. Payne, Shenandoah’s current president, and John P. Payne, Shenandoah’s current executive vice president, and (iii) a 5-year non-competition agreement with Mr. Huddle. Further, the consummation of the transactions contemplated by the Asset Purchase Agreement is subject to certain specified closing conditions, including the receipt of certain third-party consents or approvals, the absence of a “material adverse effect” with respect to Shenandoah’s assets and operations, and other customary closing conditions, including the accuracy of each party’s representations and warranties and each party’s compliance with its obligations and covenants under the Asset Purchase Agreement. The Asset Purchase Agreement also provides Shenandoah and the Company with customary termination rights, including the right to terminate the Asset Purchase Agreement if (to no fault of the terminating party) the closing conditions are not fulfilled by November 5, 2017 (i.e., 60 days after the signing date). The transactions contemplated by the Asset Purchase Agreement have previously been approved by Shenandoah’s shareholders and do not require the approval of the Company’s shareholders.

The Asset Purchase Agreement further contains customary representations and warranties of each party and certain covenants made by each party. These covenants include, among other things, an obligation on the part of Shenandoah to operate its business in the ordinary course until closing and comply with a 5-year non-competition restriction after closing, and an obligation on the part of the Company to offer employment to substantially all of Shenandoah’s employees as of closing. The representations and warranties survive closing for 18 months, except that certain core representations survive for the applicable statute of limitations. Shenandoah’s indemnification obligations for breaches of non-core representation are capped at \$4.0 million, with \$2.0 million being held in escrow until the 18-month survival period expires.

The Company and Shenandoah currently anticipate that the transactions contemplated by the Asset Purchase Agreement will close during its third fiscal quarter of 2018, which ends on October 31, 2017.

Item 3.02 Unregistered Sales of Equity Securities

The issuance of the Stock Consideration has not been and will not be registered under the Securities Act of 1933, as amended, and will be conducted in reliance on the exemption for nonpublic offerings provided by Rule 506 of Regulation D promulgated thereunder and analogous state securities law provisions.

Item 8.01 Other Events

On September 7, 2017, the Company and Shenandoah issued a press release announcing their entry into the Asset Purchase Agreement, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Forward Looking Statements

This report includes certain forward-looking information that is subject to various risks and uncertainties. Words such as “expect,” “target,” “would,” “will,” “anticipate,” “believe,” “estimate,” “intend,” “may,” “plan,” “predict,” “project,” “should” and similar terms and phrases are used to identify forward-looking statements. There are a number of factors that could cause actual results to differ from those in the forward-looking statements. For example, the parties may not be able to obtain any necessary third-party consents or approvals or delays in obtaining any such consents or approvals may delay the closing of, or cause the parties to abandon, the transactions contemplated by the Asset Purchase Agreement, or conditions to the closing of the transactions contemplated by the Asset Purchase Agreement may not be satisfied. Accordingly, forward-looking statements are not guarantees or assurances of future outcomes and actual results could differ materially from those indicated by the forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and the company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made.

Item 9.01 Financial Statements and Exhibits

Exhibits

99.1* [Press Release dated September 7, 2017](#)

* Filed herewith.

SIGNATURE

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.

HOOKER FURNITURE CORPORATION

By: /s/ Paul A Huckfeldt
Paul A. Huckfeldt
Senior Vice President – Finance and Accounting
Chief Financial Officer

Date: September 11, 2017

EXHIBIT INDEX

99.1*

[Press Release dated September 7, 2017](#)

* Filed herewith.



FOR IMMEDIATE RELEASE: September 7, 2017 For more information, contact: Paul B. Toms, Chairman & Chief Executive Officer; Phone: 276-632-2133; ptoms@hookerfurniture.com or Paul Huckfeldt, Chief Financial Officer and Senior Vice President, phuckfeldt@hookerfurniture.com

Hooker Furniture to Acquire Domestic Upholstery Maker Shenandoah

MARTINSVILLE, Va. – Hooker Furniture Corporation (NASDAQ:HOFT) has reached a definitive agreement to acquire Valdese, N.C.-based Shenandoah Furniture, an upscale domestic upholstery manufacturer, for \$40 million dollars.

The acquisition agreement includes substantially all of the assets and certain liabilities of Shenandoah, which has plants in Valdese and Mt. Airy, N.C. and Martinsville, Va. Shenandoah is well-positioned as a supplier to what is known in the furniture industry as the lifestyle specialty retail distribution channel, which offers furnishings and décor in the upper-medium price points, both in brick and mortar stores and online.

“Shenandoah is a successful, growing, profitable company focused in a channel of distribution that is winning at retail, in which we are currently under-represented,” said Paul B. Toms Jr, chairman and chief executive officer of Hooker. “Lifestyle specialty furniture stores are gaining market share and doing well with multiple demographic groups. For that channel, domestically-produced, customizable upholstery is extremely viable and preferred by the end consumer who shops there,” he said.

The \$40 million purchase price consists of \$32 million in cash, of which approximately \$12 million is expected to be in the form of additional bank debt, and \$8 million in newly issued HOFT common shares, the company said. The cash portion of the purchase price is subject to customary working capital adjustments. “We are continuing to leverage the financial strength of the company to boost revenues and earnings both organically and by acquisition, as we target growth in channels of distribution that are winning at retail,” Toms said. As an S Corp, Shenandoah earned \$8 million in pretax income in its fiscal year end December 31, 2016.

“We expect the acquisition to be accretive to earnings in the first full fiscal year, which will start January 29, 2018,” Toms said. “Short-term, we expect a nominal reduction per share to earnings for the balance of fiscal year 2018 due to the timing of the acquisition in our fiscal year, and some short-term additional expenses related to the acquisition.”

Shenandoah is expected to operate as an autonomous, stand-alone business, led by veteran executives Candace Payne, Shenandoah’s current president, Phil Payne, Shenandoah’s current executive vice president and their current management team. “No changes to Shenandoah’s operations are anticipated,” Toms said. “Our goal is that the acquisition be seamless to customers, employees and suppliers,” he said.

“We have known the Hooker family and management team for years, since both of our businesses were founded by our families in Martinsville, Virginia,” said Candace Payne, president of Shenandoah. “We’re excited about partnering with a company with the integrity level of Hooker Furniture. We will continue to operate as a family-run business, just as we are today, knowing we have the full support of the Hooker Furniture team.”

“Shenandoah started in Martinsville, and we have known and admired GC Huddle, Candace and the team they built for years,” said Toms. “We have extremely high regard for them personally and professionally.” Hooker expects the acquisition to close in its third fiscal quarter which ends October 31, 2017, subject to among other things, third party consents and other customary closing conditions. The transaction does not require approval by Hooker’s shareholders.

Incorporated in 1924, Hooker Furniture is one of the most respected furniture brands in the world. The company's 2016 acquisition of Home Meridian International (HMI) ranks Hooker as one of the top five sources for the U.S. furniture market. An importer of residential wood and metal furniture and a manufacturer and importer of upholstered furniture, Hooker Furniture is based in Martinsville, Va. Major wood furniture categories include bedroom, dining, accent, home entertainment and home office furniture in the upper-medium price points sold under the Hooker Furniture brand. Hooker's residential upholstered seating companies include Hickory, N.C.-based Bradington-Young, a specialist in upscale motion and stationary leather furniture, and Bedford, Va.-based Sam Moore Furniture, specializing in fashion upholstery with an emphasis on cover-to-frame customization. The Hooker Upholstery brand offers imported leather upholstery in the upper medium price range. The Home Meridian division addresses more moderate price points and channels of distribution. HMI brands include Pulaski Furniture, Samuel Lawrence Furniture, Prime Resources, Sourcing Solutions Group, Right 2 Home and Samuel Lawrence Hospitality. Hooker Furniture Corporation's corporate offices and upholstery manufacturing facilities are located in Virginia and North Carolina, with showrooms in High Point, N.C. and Ho Chi Minh City, Vietnam.

Shenandoah Furniture is an upscale upholstered furniture company specializing in private label sectionals, modulars, sofas, chairs, ottomans, benches, beds and dining chairs in the upper-medium price points for lifestyle specialty retailers. In its 36 years in business, Shenandoah has proudly nurtured and maintained many successful, long-term customer and vendor partnerships. Shenandoah has 3 upholstery plants, located in Martinsville, Va. and Valdese and Mount Airy, N.C.

Forward Looking Statements

This release includes certain forward-looking information that is subject to various risks and uncertainties. Words such as “expect,” “target,” “would,” “will,” “anticipate,” “believe,” “estimate,” “intend,” “may,” “plan,” “predict,” “project,” “should” and similar terms and phrases are used to identify forward-looking statements. There are a number of factors that could cause actual results to differ from those in the forward-looking statements. For example, the parties may not be able to obtain any necessary third-party consents or approvals or delays in obtaining any such consents or approvals may delay the closing of, or cause the parties to abandon, the transactions contemplated by the asset purchase agreement, or conditions to the closing of the transactions contemplated by the asset purchase agreement may not be satisfied. Accordingly, forward-looking statements are not guarantees or assurances of future outcomes and actual results could differ materially from those indicated by the forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made.