

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 30, 2020

BARRETT BUSINESS SERVICES, INC.

(Exact name of registrant as specified in charter)

Maryland
(State or other jurisdiction of
incorporation)

0-21886
(Commission File Number)

52-0812977
(IRS Employer Identification
No.)

8100 N.E. Parkway Drive, Suite 200
Vancouver, Washington
(Address of principal executive offices)

98662
(Zip Code)

Registrant's telephone number, including area code: (360) 828-0700

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:

- 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))

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, par value \$0.01 per share	BBSI	The Nasdaq Stock Market LLC

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

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 8.01. Other Events.

Barrett Business Services, Inc. (the "Company"), reported on October 6, 2020, that it had given notice to its principal bank, Wells Fargo Bank, National Association (the "Bank"), requesting that the maximum principal amount of the revolving line of credit provided by the Second Amended and Restated Credit Agreement dated August 6, 2019 (the "Credit Agreement"), between the Company and the Bank, be reduced from \$50,000,000 to \$33,000,000. The notice was given in accordance with Section 1.1(a) of the Credit Agreement as amended by the First Amendment to the Credit Agreement dated May 15, 2020 (the "First Amendment").

On September 30, 2020, the Company and the Bank executed a Second Amendment to the Credit Agreement (the "Second Amendment") to clarify that specified provisions set forth in the First Amendment would revert to those in effect immediately prior to May 15, 2020. As a result, the rate of fee payable on the daily unused amount of the revolving line of credit has reverted automatically to 0.375% per year from 0.50% per year. Also, the financial covenant relating to total funded debt provided in the First Amendment has reverted to a requirement regarding minimum EBITDA and the coverage ratio relating to workers' compensation liabilities is as follows, effective September 25, 2020:

- EBITDA [net income before taxes plus interest expense (net of capitalized interest expense), depreciation expense, and amortization expense] must be at least \$30 million at the end of each fiscal quarter as determined on a rolling four-quarter basis; and
- the ratio of restricted and unrestricted cash and investments to workers' compensation and safety incentive liabilities must be at least 1.0:1.0, measured quarterly.

Also under the Second Amendment, the covenant relating to payment of dividends and limitations on repurchases of the Company's stock provided in the First Amendment no longer applies. Rather, if an event of default would occur under the Credit Agreement, including on a pro forma basis, no dividends or distributions would be permitted to be paid and redemptions or repurchases of the Company's stock would be permitted only up to a total of \$15 million in any rolling 12-month period in the absence of the Bank's prior written consent.

All other material terms and conditions of the Credit Agreement are unchanged from those described in Note 4 to the Company's unaudited interim condensed consolidated financial statements included in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, filed by the Company with the Securities and Exchange Commission (the "SEC") on August 5, 2020.

A copy of the Second Amendment is filed as Exhibit 4.1 to this report and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

4.1 [Second Amendment, dated as of September 25, 2020, to Second Amended and Restated Credit Agreement between the Registrant and Wells Fargo Bank, National Association.](#)

104.1 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 thereunto duly authorized.

BARRETT BUSINESS SERVICES, INC.

Dated: October 6, 2020

By: /s/ Anthony J. Harris

Anthony J. Harris

Executive Vice President and Chief Financial Officer

SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") dated September 25, 2020, is entered into by and between BARRETT BUSINESS SERVICES, INC., a Maryland corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

WHEREAS, Borrower is currently indebted to Bank pursuant to the terms and conditions of that certain Second Amended and Restated Credit Agreement between Borrower and Bank dated August 5, 2019, as amended from time to time ("Credit Agreement").

WHEREAS, Bank and Borrower have agreed to clarify certain changes in the terms and conditions set forth in the Credit Agreement and have agreed to amend the Credit Agreement to reflect said clarification.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Credit Agreement shall be amended as set forth below:

1. In order to clarify the meaning of Section 1.1(a), that section is hereby amended to delete the phrase "as of May 15, 2020" in each instance where it appears and substituting in place of such phrase in each such instance "immediately prior to May 15, 2020."

2. Except as specifically provided herein, all terms and conditions of the Credit Agreement remain in full force and effect, without waiver or modification. All terms defined in the Credit Agreement shall have the same meaning when used in this Amendment. This Amendment and the Credit Agreement shall be read together, as one document.

3. Borrower hereby remakes all representations and warranties contained in the Credit Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment there exists no Event of Default as defined in the Credit Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

4. THIS AGREEMENT AMENDS THE CREDIT AGREEMENT. THE EXECUTION OF THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith DOES NOT EXTINGUISH THE INDEBTEDNESS OUTSTANDING IN CONNECTION THEREWITH NOR DOES IT CONSTITUTE A NOVATION WITH RESPECT TO THE INDEBTEDNESS OUTSTANDING IN CONNECTION WITH THE PRIOR CREDIT AGREEMENT. NOTHING CONTAINED HEREIN SHALL TERMINATE ANY SECURITY INTERESTS, GUARANTIES, SUBORDINATIONS OR OTHER DOCUMENTS IN FAVOR OF BANK EXECUTED IN CONNECTION WITH THE PRIOR CREDIT AGREEMENT OR THE INDEBTEDNESS DESCRIBED THEREIN, ALL OF WHICH SHALL REMAIN IN FULL FORCE AND EFFECT UNLESS EXPRESSLY AMENDED HEREBY.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY BANK CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY BANK TO BE ENFORCEABLE.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Amendment to be effective as of the effective date set forth above.

BORROWER

BARRETT BUSINESS SERVICES, INC.

By: /s/ Anthony Harris
Name: Anthony Harris
Title: Chief Financial Officer

BANK

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Julie R. Wilson
Name: Julie R. Wilson
Title: Senior Vice President

Signature Page to First Amendment to Second Amended and Restated Credit Agreement

THIRD PARTY PLEDGOR'S CONSENT AND REAFFIRMATION

The undersigned third party pledgor of assets to secure certain indebtedness of BARRETT BUSINESS SERVICES, INC. to WELLS FARGO BANK, NATIONAL ASSOCIATION hereby: (i) consents to the foregoing First Amendment to Second Amended and Restated Credit Agreement; (ii) reaffirms its grant of a security interest in certain of its assets as specified more particularly in that certain Third Party Security Agreement: Business Assets dated as of June 20, 2018, as amended; and (iii) reaffirms its obligations under such Third Party Security Agreement.

PLEDGOR:

ASSOCIATED INSURANCE COMPANY FOR EXCESS,
an Arizona corporation

By: /s/ Gary Kramer

Name: Gary Kramer

Title: President
