

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): **June 11, 2015**

JAKKS PACIFIC, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-28104
(Commission
File Number)

95-4527222
(IRS Employer
Identification No.)

22619 Pacific Coast Highway, Malibu, California
(Address of principal executive offices)

90265
(Zip Code)

Registrant's telephone number, including area code: **(310) 456-7799**

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 June 11, 2015, we entered into a Fourth Amendment to Credit Agreement (the parties to which were us, certain of our subsidiaries and General Electric Capital Corporation and amends a Credit Agreement between such parties dated as of March 27, 2014) which had the effect of, among other things, (i) extending the maturity date of the Credit Agreement to March 27, 2019, (ii) reducing the applicable interest rates, (iii) reducing the unused commitment fee under certain circumstances, (iv) requiring us to refinance or extend the due date of our currently outstanding convertible notes due 2018 to at least September 27, 2019, and (v) permitting us to repurchase up to \$30 million of our common stock and/or convertible notes through open market repurchases or in privately negotiated transactions through March 31, 2016. The foregoing description of the Amendment is qualified in its entirety by reference to the Fourth Amendment to Credit Agreement, a copy of which is filed as an exhibit to this Form 8-K and is incorporated by reference in this Item 1.01.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

On June 11, 2015 we entered into a Third Amendment Extending Term of Employment Agreement with Mr. John a/k/a Jack McGrath, our Chief Operating Officer. This agreement extends through December 31, 2017 Mr. McGrath's current Employment Agreement dated March 4, 2010 (effective January 1, 2010), which was previously amended on August 22, 2011 and May 15, 2013.

On June 11, 2015 we entered into an Amendment Extending Employment Agreement with Mr. Joel M. Bennett, our Chief Financial Officer. This agreement extends through December 31, 2017 Mr. Bennett's current Employment Agreement dated October 21, 2011, which was previously modified on February 18, 2014 by a Continuation and Extension of Term of Employment Agreement.

A copy of each such amendment is annexed herein in its entirety as an exhibit.

Item 8.01. Other Events.**Derivative Lawsuit – Status of Settlement**

On Friday, June 12, 2015, the United States District Court for the Central District of California in the Derivative Action commenced by *Advanced Advisors, G.P.*, Case No. 2-14-cv-01420-JAK (SSx), granted in part the Plaintiffs' Motion for Preliminary Approval of the Notice of Settlement ("Notice") to be provided to the shareholders of the Company. The Notice concerning the substantive terms of the Settlement Agreement was determined adequate by the Court but the Court ruled an amendment to the Notice and Settlement Agreement was necessary to provide for sufficient time for objections to be made so that shareholders have 30 days from the service of the Notice to submit any objections. That portion of the Motion seeking preliminary approval of the Notice regarding attorneys' fees was denied, without prejudice to a renewed request for approval of attorney's fees based on a supplemental filing that includes evidence to address the issues raised regarding legal fees in the Court's Order of June 12, 2015. Upon the receipt of such filing, the Court will determine whether a further hearing is necessary.

The substantive terms of the Settlement set forth in the Stipulation of Settlement between the parties include that: (1) the Company will establish a Buyback Committee consisting of independent directors of the Board who will independently review any stock buyback plan and shall approve or reject any such plan prior to full consideration by the Board; (2) all the independent directors of the Board must approve any future shareholder's rights plan; (3) the Board will conduct an annual review of the methods of allocating and applying cash between domestic and international operations; (4) the Audit Committee will adopt and implement a series of enhanced Budgeting and Planning Practices for the Company and its CFO; (5) the Company will continue to tie CEO compensation to JAKKS's share price; (6) an independent Board Committee shall approve all related-party transactions; and (7) an independent Board Committee will determine whether to negotiate, accept or reject certain future takeover offers for the Company. These measures shall go into effect within thirty (30) days of entry of an Order approving the Settlement (the "Judgment") becoming final, and will continue for at least four (4) years.

If the Settlement is approved, the Court will enter a Judgment releasing all claims that have been, or could have been brought by any JAKKS shareholder against the named parties and affiliates based upon or related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth or referred to in any of the complaints filed in the Derivative Actions, and the Federal Derivative Action will be dismissed (which will be followed by the voluntary dismissal of the State Derivative Action).

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
10.1	Fourth Amendment to Credit Agreement dated as of June 5, 2015 among Registrant and its US wholly-owned subsidiaries and General Electric Capital Corporation
10.2	Third Amendment Extending Term of Employment Agreement dated June 11, 2015 between the Registrant and Mr. John a/k/a Jack McGrath
10.3	Amendment Extending Employment Agreement dated June 11, 2015 between the Registrant and Mr. Joel M. Bennett

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.

JAKKS PACIFIC, INC.

Dated: June 16, 2015

By: /s/ JOEL M. BENNETT
Joel M. Bennett, CFO

EXHIBIT INDEX

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FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "Agreement") is entered into as of June 5, 2015, by and among JAKKS PACIFIC, INC., a Delaware corporation ("JAKKS"), CREATIVE DESIGNS INTERNATIONAL, LTD., a Delaware corporation ("CDI"), DISGUISE, INC., a Delaware corporation ("Disguise"), JAKKS SALES CORPORATION, a Delaware corporation ("JAKKS Sales"), MAUI, INC., an Ohio corporation ("Maui"), MOOSE MOUNTAIN MARKETING, INC., a New Jersey corporation ("Moose"), KIDS ONLY, INC., a Massachusetts corporation ("Kids"); and together with JAKKS, CDI, Disguise, JAKKS Sales, Maui and Moose, collectively referred to as "Borrowers" and individually as a "Borrower", GENERAL ELECTRIC CAPITAL CORPORATION, as Agent and as a Lender, and the other Lenders signatory hereto.

RECITALS

A. Borrowers, the other Credit Parties party thereto, Agent and the Lenders from time to time party thereto are parties to that certain Credit Agreement dated as of March 27, 2014, as amended by the First Amendment to Credit Agreement dated April 4, 2014, the Second Amendment to Credit Agreement dated June 5, 2014, and the Third Amendment to Credit Agreement and Amendment to Guaranty and Security Agreement dated December 31, 2014 (collectively, the "Credit Agreement"). Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

B. Borrowers have requested that Agent and Lenders amend certain provisions of the Credit Agreement, and, subject to the satisfaction of the conditions set forth herein, Agent and Lenders are willing to do so on the terms set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

1. Amendment to Credit Agreement. Upon satisfaction of the conditions set forth in Section 3 hereof, the Credit Agreement is hereby amended as follows:

(a) "Fee Letter" and "1.15(a)" are deleted from Section 12.01 of the Credit Agreement.

(b) The following new definitions of "Fourth Amendment Fee Letter" and "Initial Fee Letter" are added to Section 12.02 of the Credit Agreement:

"Fourth Amendment Fee Letter" means the letter agreement between JAKKS and Agent dated June 5, 2015.

"Initial Fee Letter" means the letter agreement between JAKKS and Agent dated February 21, 2014.

(c) The definitions of “Applicable Margin” and “Stated Maturity Date” are deleted from Section 12.02 of the Credit Agreement, and the following definitions of “Applicable Margin,” “Fee Letter” and “Stated Maturity Date” are added to Section 12.02 of the Credit Agreement:

“Applicable Margin” means (i) if a Base Rate Loan, 1.25% per annum and (ii) if a LIBOR Rate Loan, 2.25% per annum. Notwithstanding anything herein to the contrary, Swing Loans may not be LIBOR Rate Loans.

“Fee Letter” means, collectively, the Initial Fee Letter and the Fourth Amendment Fee Letter.

“Stated Maturity Date” means March 27, 2019.

(d) Section 1.15 of the Credit Agreement is deleted in its entirety and the following is substituted therefor:

Section 1.15. **Fees.**

(a) *Fees.* Borrowers shall pay to Agent, for Agent’s own account, fees in the amounts and at the times set forth in the Fee Letter.

(b) *Unused Commitment Fee.* On the first Business Day of each calendar quarter and on and until the date upon which the Obligations are paid in full, Borrowers shall pay to Agent in arrears an unused commitment fee (the “Unused Commitment Fee”) for the account of each Lender in an amount equal to: (i) the excess of (A) the average daily balance of the Revolving Commitment of such Lender during the preceding calendar quarter over (B) the sum of (1) the average daily balance of all Revolving Loans held by such Lender, (2) the average daily amount of Letter of Credit Obligations held by such Lender, and (3) in the case of the Swingline Lender, the average daily balance of all outstanding Swing Loans held by such Swingline Lender, in each case, during the preceding calendar quarter; provided, that in no event shall the amount computed pursuant to **clauses (1) and (2)** above with respect to the Swingline Lender be less than zero, multiplied by (ii) (A) if the average daily balance of the aggregate of all outstanding Revolving Loans, Letter of Credit Obligations and Swing Loans is equal to or greater than 50% of the average daily Maximum Availability during the preceding calendar quarter, then 0.25% per annum or (B) if the average daily balance of the aggregate of all outstanding Revolving Loans, Letter of Credit Obligations and Swing Loans is less than 50% of the average daily Maximum Availability during the preceding calendar quarter, then 0.50% per annum. The total Unused Commitment Fees payable by Borrowers on each such date will be equal to the sum of all of the Unused Commitment Fees due to the Lenders on such date, subject to **Section 1.18(f)**.

(e) The following Section 5.15 is added to Article V of the Credit Agreement:

Section 5.15. **Refinancing of 2018 Convertible Notes.** On or before the date that is six months prior to the Stated Maturity Date, the Credit Parties shall refinance or extend the maturity date of the 2018 Convertible Notes, provided that any such refinancing or extension shall have a maturity date that is no sooner than that date that is six months after the Stated Maturity Date.

(f) Section 6.05(i) of the Credit Agreement is deleted in its entirety and the following is substituted therefor:

(i) Subordinated Indebtedness (including any refinancing of the 2018 Convertible Notes as contemplated by *Section 5.15*).

(g) Section 7.02 of the Credit Agreement is deleted in its entirety and the following is substituted therefor:

Section 7.02. **Fixed Charge Coverage Ratio.** On any date that Availability is less than 25% of the Maximum Availability, Credit Parties shall not permit the Fixed Charge Coverage Ratio of the Credit Parties for the four Fiscal Quarter period ending as of the last day of the most recent Fiscal Quarter for which monthly financial statements have been delivered to Agent in accordance with *Section 5.01*, and on the end of each Fiscal Quarter thereafter to be less than 1.20 to 1.00.

(h) Section 8.01(c) of the Credit Agreement is amended by inserting “, *5.15*” between “*5.14*” and “or”.

2. Consent under Credit Agreement. Reference is made to the Consent under Credit Agreement and Release of Lien delivered by Agent and Lenders to Borrower on May 6, 2015 (the “Consent Letter”). Notwithstanding the express terms of the Consent Letter, the parties hereto agree that notwithstanding Sections 6.10 and 6.19 or any other provision of the Credit Agreement, provided that: (a) the Proposed Repurchase (as defined in the Consent Letter) is consummated on or before March 31, 2016; (b) no Revolving Loans are outstanding at the time of, and after giving effect to, the Proposed Repurchase; (c) no Default or Event of Default shall have occurred and be continuing at the time of, and after giving effect to, the Proposed Repurchase; and (d) if the Proposed Repurchase is consummated after September 30, 2015, the Credit Parties shall have consolidated EBITDA of not less than \$45,000,000 as of the end of the most recently ended fiscal quarter on a trailing four fiscal quarter basis, then Agent and Lenders hereby consent to the consummation by JAKKS of the Proposed Repurchase and agree that the consummation of the Proposed Repurchase shall not constitute a breach of the provisions of Sections 6.10 or 6.19 of the Credit Agreement.

3. Conditions Precedent. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) the execution and delivery of this Agreement by each Borrower, Agent and Lenders; and

(b) the truth and accuracy of the representations and warranties contained in Section 4 hereof.

4. Representations and Warranties. Each Borrower hereby represents and warrants to Agent and each Lender as follows:

(a) the execution, delivery and performance by each Borrower of this Agreement have been duly authorized by all necessary action, and do not and will not:

(i) contravene the terms of any of that Person's Organization Documents;

(ii) conflict with or result in any material breach or contravention of, or result in the creation of any Lien under, any document evidencing any material Contractual Obligation to which such Person is a party or any order, injunction, writ or decree of any Governmental Authority to which such Person or its Property is subject; or

(iii) violate any material Requirement of Law in any material respect;

(b) such Borrower has the power and authority to execute, deliver and perform its obligations under this Agreement and the Credit Agreement, as amended hereby;

(c) this Agreement constitutes the legal, valid and binding obligations of each Borrower enforceable against such Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability;

(d) after giving effect to this Agreement and the transactions contemplated hereby, each of the representations and warranties contained in the Credit Agreement and the other Loan Documents is true and correct in all material respects on and as of the date hereof as if made on the date hereof (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date); and

(e) no Default or Event of Default exists or would result from the transactions contemplated by this Agreement.

5. No Modification. Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents or constitute a course of conduct or dealing among the parties. Except as expressly stated herein, Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as amended or consented to hereby, the Credit Agreement and other Loan Documents remain unmodified and in full force and effect. All references in the Loan Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement as modified hereby. This Agreement shall constitute a Loan Document.

6. Counterparts. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

7. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent.

8. Governing Law. The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance and enforcement (including, without limitation, any claims sounding in contract or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest).

9. Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

10. Captions. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

11. Reaffirmation. Each Borrower as debtor, grantor, pledgor, guarantor, assignor, or in other any other similar capacity in which such Borrower grants liens or security interests in its property or otherwise acts as accommodation party or guarantor, as the case may be, hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party (after giving effect hereto) and (ii) to the extent such Borrower granted liens on or security interests in any of its property pursuant to any such Loan Document as security for or otherwise guaranteed Borrower's Obligations under or with respect to the Loan Documents, ratifies and reaffirms such guarantee and grant of security interests and liens and confirms and agrees that such security interests and liens hereafter secure all of the Obligations as amended hereby. Each Borrower hereby consents to this Agreement and acknowledges that each of the Loan Documents remains in full force and effect and is hereby ratified and reaffirmed. The execution of this Agreement shall not operate as a waiver of any right, power or remedy of Agent or Lenders, constitute a waiver of any provision of any of the Loan Documents or serve to effect a novation of the Obligations.

12. Release of Claims. In consideration of Lenders' and Agent's agreements contained in this Agreement, each Borrower hereby irrevocably releases and forever discharges Lenders and Agent and their respective affiliates, subsidiaries, successors, assigns, directors, officers, employees, agents, consultants and attorneys (each, a "Released Person") of and from any and all claims, suits, actions, investigations, proceedings or demands, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law of any kind or character, known or unknown, which such Borrower ever had or now has against Agent, any Lender or any other Released Person which relates, directly or indirectly, to any acts or omissions of Agent, any Lender or any other Released Person relating to the Credit Agreement or any other Loan Document on or prior to the date hereof. Each Borrower expressly and completely waives and relinquishes any and all rights or benefits that has or may have pursuant to Section 1542 of the Civil Code of the State of California and any other similar provision of law or principle of equity in any other jurisdiction pertaining to the matters released herein. Section 1542 provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

[signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date set forth above.

“Borrowers”

JAKKS PACIFIC, INC.

By: _____
Name: _____
Title: _____

CREATIVE DESIGNS INTERNATIONAL, LTD.

By: _____
Name: _____
Title: _____

DISGUISE, INC.

By: _____
Name: _____
Title: _____

JAKKS SALES CORPORATION

By: _____
Name: _____
Title: _____

MAUI, INC.

By: _____
Name: _____
Title: _____

MOOSE MOUNTAIN MARKETING, INC.

By: _____
Name: _____
Title: _____

KIDS ONLY, INC.

By: _____
Name: _____
Title: _____

“Agent” and “Lender”

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____

Eric J. Watson

Duly Authorized Signatory

THIRD AMENDMENT EXTENDING TERM OF EMPLOYMENT AGREEMENT

THIS AGREEMENT dated June 11, 2015 between John a/k/a Jack McGrath, an individual (“Executive”) and JAKKS Pacific, Inc., a Delaware corporation (the “Company”), amends the Employment Agreement (as such term is defined below) between the Executive and the Company.

WITNESSETH

WHEREAS, Executive and the Company entered into an Employment Agreement on March 4, 2010 which was effective January 1, 2010, which was amended by a First Amendment to Employment Agreement dated August 23, 2011 and further amended by a Second Amendment to Employment Agreement dated May 15, 2013 (as amended and extended, collectively referred to as the “Employment Agreement”); and

WHEREAS, Executive and the Company desire to extend the Term of the Employment Agreement without modifying, changing, or otherwise amending any other provisions of the Employment Agreement.

NOW, THEREFORE, in consideration of the mutual promises, representations and warranties set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intended to be legally bound hereby, agree as follows:

- 1. Capitalized terms used and not defined herein have the respective meanings ascribed to them in the Employment Agreement.
- 2. Section 2 of the Employment Agreement is modified in its entirety to read as follows:

“Term. The employment of Executive hereunder shall commence on the Effective Date and continue until December 31, 2018, subject to earlier termination on the terms and conditions provided elsewhere in this Agreement (the “Term”). As used herein, “Termination Date” means the last day of the Term.”

- 3. Except as expressly set forth herein, all other terms and provisions of the Employment Agreement as amended shall remain in full force and effect and unmodified hereby, and Executive shall be entitled to continue to receive all other benefits provided thereunder.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above, intending to be legally bound hereby.

Executive:

JAKKS PACIFIC, INC.

John a/k/a Jack McGrath

By:

Stephen Berman
President & CEO

AMENDMENT EXTENDING TERM OF EMPLOYMENT AGREEMENT

THIS AGREEMENT dated June 11, 2015 between Joel M. Bennett, an individual (“Executive”) and JAKKS Pacific, Inc., a Delaware corporation (the “Company”), amends the Employment Agreement (as such term is defined below) between Executive and the Company.

WITNESSETH

WHEREAS, Executive and the Company entered into an Employment Agreement dated October 21, 2011, which was modified and extended by an Agreement entitled Continuation and Extension of Term of Employment Agreement dated February 18, 2014 (as modified and extended, collectively referred to as the “Employment Agreement”); and

WHEREAS, Executive and the Company desire to extend the Term of the Employment Agreement without modifying, changing, or otherwise amending any other provisions of the Employment Agreement.

NOW, THEREFORE, in consideration of the mutual promises, representations and warranties set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intended to be legally bound hereby, agree as follows:

- 1. Capitalized terms used and not defined herein have the respective meanings ascribed to them in the Employment Agreement.
- 2. Section 2 of the Employment Agreement is modified in its entirety to read as follows:

“Term. The term of this Agreement shall commence on the Effective Date and continue until December 31, 2017, subject to earlier termination on the terms and conditions provided elsewhere in this Agreement (the “Term”). As used herein, “Termination Date” means the last day of the Term.”

- 3. Except as expressly set forth herein, all other terms and provisions of the Employment Agreement as amended shall remain in full force and effect and unmodified hereby, and Executive shall be entitled to continue to receive all other benefits provided thereunder.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above, intending to be legally bound hereby.

EXECUTIVE:

JAKKS PACIFIC, INC.

Joel M. Bennett

By: _____
Stephen Berman
President & Chief Executive Officer