

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): **May 23, 2022**

LINCOLN EDUCATIONAL SERVICES CORPORATION

(Exact Name of Registrant as Specified in Charter)

New Jersey

000-51371

57-1150621

(State or Other Jurisdiction of Incorporation)

(Commission File Number)

(IRS Employer Identification No.)

14 Sylvan Way, Suite A, Parsippany, NJ 07054

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (973) 736-9340

Not applicable

(Former name or former address, if changed since last report)

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))

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.

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 No Par Value	LINC	NASDAQ

Item 1.01 Entry into a Material Definitive Agreement.

On May 23, 2022, Lincoln Educational Services Corporation (the “Company”) and certain of its subsidiaries entered into a Second Amendment (the “Amendment”) to the Company’s existing Credit Agreement, dated as of November 14, 2019, as amended on November 10, 2020, with its lender, Webster Bank, National Bank, formerly known as Sterling National Bank (the “Credit Agreement”). The Amendment to the Credit Agreement permits the Company to repurchase shares under its share repurchase program for up to \$30 million of the Company’s outstanding common stock approved by its Board of Directors on the same date, subject to the conditions contained therein.

The foregoing description of the Amendment is not complete and is qualified in its entirety by reference to the Amendment, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01 Other Events.

On May 24, 2022, the Company announced that its Board of Directors has authorized a share repurchase program of up to \$30 million of the Company’s outstanding common stock. The repurchase program has been authorized for twelve months. Purchases may be made, from time to time, in open-market transactions at prevailing market prices, in privately negotiated transactions or by other means as determined by the Company’s management and in accordance with applicable federal securities laws. The timing of purchases and the number of shares repurchased under the program will depend on a variety of factors including price, trading volume, corporate and regulatory requirements and market conditions. The Company retains the right to limit, terminate or extend the share repurchase program at any time without prior notice.

A copy of the press release issued by the Company announcing the share repurchase program is attached to this Current Report on Form 8-K as Exhibit 99.1.

The information contained under this Item 8.01, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Exhibit Title</u>
10.1	Second Amendment to the Credit Agreement dated May 23, 2022 among Lincoln Educational Services Corporation and its subsidiaries named therein and Webster Bank, National Bank.
99.1	Lincoln Educational Services Corporation Press Release dated May 24, 2022.

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.

LINCOLN EDUCATIONAL SERVICES CORPORATION

Date: May 24, 2022

By: /s/ Alexandra M. Luster
Name: Alexandra M. Luster
Title: SVP, General Counsel & Secretary

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made as of this 23rd day of May, 2022, by and among **LINCOLN EDUCATIONAL SERVICES CORPORATION**, a New Jersey corporation (the "Parent"), **LINCOLN TECHNICAL INSTITUTE, INC.**, a New Jersey corporation, **NASHVILLE ACQUISITION, L.L.C.**, a Delaware limited liability company, **NEW ENGLAND ACQUISITION, LLC**, a Delaware limited liability company, **EUPHORIA ACQUISITION, LLC**, a Delaware limited liability company; **LCT ACQUISITION, LLC**, a Delaware limited liability company, **NN ACQUISITION, LLC**, a Delaware limited liability company, and **LTI HOLDINGS, LLC**, a Colorado limited liability company (individually and collectively, the "Borrower"), and **WEBSTER BANK, NATIONAL BANK**, as successor-by-merger to Sterling National Bank (the "Bank").

RECITALS:

A. Pursuant to that certain Credit Agreement dated as of November 14, 2019, executed by and among the Borrower, as borrower, and the Bank, as bank (the "Original Credit Agreement"), which Original Credit Agreement was amended and modified by that certain First Amendment to Credit Agreement dated November 10, 2020, executed by and among the Borrower, as borrower, and the Bank, as bank (the "First Amendment"), and hereinafter the Original Credit Agreement, as amended and modified by the First Amendment, shall be referred to as the "Credit Agreement", the Bank agreed to make available to Borrower (a) that certain revolving line of credit facility in the maximum principal amount of up to \$15,000,000.00 (the "Revolving Loan"), which Revolving Loan is inclusive of a sublimit in the maximum principal amount of up to \$10,000,000.00 for the issuance of standby (and not commercial) Letters of Credit, (b) that certain term loan facility in the original principal amount of \$20,000,000.00 (the "Term Loan"), (c) that certain delayed draw term loan facility in the maximum principal amount of up to \$10,000,000.00 (the "Delayed Draw Term Loan"), and that certain non-revolving line of credit loan facility in the maximum principal amount of up to \$15,000,000.00 (the "Line of Credit").

B. In connection with certain amendments and modifications to the Credit Agreement and other Loan Documents, the Term Loan and the Delayed Draw Term Loan were paid off in full.

C. On January 21, 2021, the Line of Credit expired by the terms, conditions and provisions of the Credit Agreement.

D. The Borrower has requested, and the Bank has agreed to, make certain amendments and modification to the terms, conditions and provisions of the Credit Agreement and other Loan Documents as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the terms and conditions set forth in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Bank and the Borrower hereby agree as follows:

AGREEMENT:

1. Recitals. The Recitals are hereby incorporated into this Amendment as if fully set forth herein.
2. Capitalized Terms. Capitalized terms used herein but not expressly defined herein shall have the same meanings when used herein as set forth in the Credit Agreement.

3. Amount Outstanding Under the Revolving Loan. As of May 23, 2022, the outstanding principal balance under the Revolving Loan together with unpaid accrued interest was zero.

4. Amendments to the Credit Agreement. The Credit Agreement is hereby amended and modified as follows:

(a) Any and all references in the Credit Agreement to “Sterling National Bank” are hereby deleted in their entirety and new references to “Webster Bank, National Association” are hereby inserted in their place and stead.

(b) Section 7.9 of the Credit Agreement, captioned Restricted Payments; Permitted Dividends, is hereby deleted in its entirety and the following Section 7.9 is hereby inserted in its place and stead:

“Section 7.9 Restricted Payments: Permitted Dividends.

Borrower shall not make any Restricted Payments. Notwithstanding the foregoing, the Borrower may adopt and implement a share repurchase program providing for the repurchase, from time to time, for the account of Borrower, shares of its Capital Stock using cash on hand not to exceed \$30,000,000 (the “Repurchase Program Cap”); provided, however, that the Borrower shall cease making any additional purchases if a Default or Event of Default shall have occurred and is continuing, and provided, further, that, from and after the date on which the outstanding principal balance of the Revolving Loan is greater than zero (\$0.00), the Repurchase Program Cap shall be reduced to \$10,000,000. For the avoidance of doubt, any repurchases made under the repurchase program prior to any draw under the Revolving Loan shall be permitted notwithstanding that such repurchases exceed \$10,000,000 and such restriction shall only apply from the date that there is an outstanding balance under the Revolving Loan. Nothing herein shall restrict or affect the availability of additional Letters of Credit under the Revolving Loan.”

5. Amendments to other Loan Documents.

(a) Any and all references in the Loan Documents to “Sterling National Bank” are hereby deleted in their entirety and new references to “Webster Bank, National Association” are hereby inserted in their place and stead.

(b) Any and all references in the Loan Documents to the “Credit Agreement” and/or any of the other Loan Documents shall be deemed to refer to the Credit Agreement and/or such other Loan Documents, as amended and modified up through and including this Amendment and any other documents executed in connection herewith.

6. Reaffirmation of Credit Agreement. The Borrower acknowledges and reaffirms its obligations under the Credit Agreement, and Borrower acknowledges and agrees that it has no claims against the Bank, or any offsets or defenses with respect to the payment of any sums due under the Revolving Loan or any Loan Document, or with respect to the enforcement of the Loan Documents.

7. Confirmation of Representations and Warranties. The Borrower hereby (a) confirms that all of the representations and warranties set forth in the Credit Agreement are true and correct in all material respects (provided, that, if any representation or warranty is by its terms qualified by concepts of materiality, such representation or warranty is true and correct in all respects), except to the extent any representation or warranty relates to a specific date in which case such representation or warranty shall be true and correct as of such earlier date, and (b) covenants to perform its obligations under the Credit Agreement and all other Loan Documents.

8. Conditions to Effectiveness. This Amendment shall become effective as of the date on which each of the following conditions has been satisfied (the "Amendment Effective Date"):

(a) the Borrower shall have executed and delivered to the Bank this Amendment duly executed by an authorized officer of the Borrower; and

(b) all representations and warranties of the Borrower contained herein shall be true and correct as of the Amendment Effective Date, except to the extent that such representation or warranty relates to a specific date, in which case such representation and warranty was true as of such earlier date, and such parties delivery of their respective signatures hereto shall be deemed to be its certification thereof.

9. Fees and Expenses. In consideration of the Bank entering into this Amendment, Borrower shall be responsible for the payment of Bank's legal counsel's fees incurred in connection with the preparation of this Amendment, and certain other loan administrative matters related to the Loan Documents.

10. Reference to the Effect on the Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of similar import shall mean and be a reference to the Credit Agreement as modified by this Amendment.

11. Affirmation. Except as specifically modified pursuant to the terms hereof, the Credit Agreement, and all other Loan Documents (and all covenants, terms, conditions and agreements therein), shall remain in full force and effect, and are hereby ratified and confirmed in all respects by the Borrower. The Borrower covenants and agrees to comply with all of the terms, covenants and conditions of the Loan Documents, as amended and modified hereby, notwithstanding any prior course of conduct, waivers, releases or other actions or inactions on the Bank's part which might otherwise constitute or be construed as a waiver of or amendment to such terms, covenants and conditions.

12. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW JERSEY, WITHOUT REFERENCE TO THE CONFLICTS OR CHOICE OF LAW PRINCIPLES THEREOF.**

13. Headings. Section headings in this Amendment are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

14. Counterparts. This Amendment may be executed in counterparts, and all executed counterparts taken together shall be deemed to constitute one and the same instrument, and any signature page may be detached and assembled to form a single original document. Facsimile or e-mail/PDF copies of counterpart signature pages shall be considered equivalent to counterpart signature pages with ink signatures for all purposes.

[signatures appear on successive pages]

BORROWER:

LINCOLN EDUCATIONAL SERVICES CORPORATION

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

LINCOLN TECHNICAL INSTITUTE, INC.

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

NASHVILLE ACQUISITION, L.L.C.

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

NEW ENGLAND ACQUISITION, LLC

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

EUPHORIA ACQUISITION, LLC

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

[signatures continue on successive page]

Signature Page to Second Amendment to Credit Agreement (1 of 3)

LCT ACQUISITION, LLC

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

NN ACQUISITION, LLC

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

LTI HOLDINGS, LLC

By: /s/ Brian Meyers

Brian Meyers
Chief Financial Officer

[signatures continue on successive page]

Signature Page to Second Amendment to Credit Agreement (2 of 3)

BANK:

WEBSTER BANK, NATIONAL BANK (as successor-by-merger to Sterling National Bank)

By: /s/ Leslie O'Connor

Leslie O'Connor

Vice President

Signature Page to Second Amendment to Credit Agreement (3 of 3)



For Immediate Release

**LINCOLN EDUCATIONAL SERVICES CORPORATION ANNOUNCES
\$30 MILLION SHARE REPURCHASE PROGRAM**

PARSIPPANY, NEW JERSEY - May 24, 2022 – Lincoln Educational Services Corporation (Nasdaq: LINC) today announced that its Board of Directors has authorized a share repurchase program of up to \$30 million of the Company’s outstanding common stock. The repurchase program has been authorized for twelve months.

Purchases may be made, from time to time, in open-market transactions at prevailing market prices, in privately negotiated transactions or by other means as determined by the Company’s management and in accordance with applicable federal securities laws. The timing of purchases and the number of shares repurchased under the program will depend on a variety of factors including price, trading volume, corporate and regulatory requirements and market conditions. The Company expects to fund repurchases with its cash on hand and funds generated from its operations. Shares acquired through the repurchase program will be cancelled and returned to the status of authorized but unissued shares and may be used for general corporate purposes. The Company retains the right to limit, terminate or extend the share repurchase program at any time without prior notice.

“Our Board of Directors’ decision to authorize this share repurchase program reflects our continued confidence in our strategy to grow Lincoln while maximizing shareholder returns,” said Scott M. Shaw, President and Chief Executive Officer. “Our financial performance, near and long-term outlook, and returns from recent real estate transactions have combined to enable the creation of this opportunity to build shareholder value without compromising our ability to invest in key higher-growth opportunities to achieve further success, such as new programs and campuses.”

About Lincoln Educational Services Corporation

Lincoln Educational Services Corporation is a leading provider of diversified career-oriented post-secondary education. Marking 75 years of continuous operations, Lincoln offers recent high school graduates and working adults career-oriented programs in five principal areas of study: automotive technology, health sciences, skilled trades, business and information technology, and hospitality services. Lincoln has provided the workforce with skilled technicians since its inception in 1946.

Lincoln currently operates 22 campuses in 14 states under four brands: Lincoln Technical Institute, Lincoln College of Technology and Euphoria Institute of Beauty Arts and Sciences. Lincoln also operates Lincoln Culinary Institutes in both Maryland and Connecticut.

For more information, go to lincolntech.edu.

Forward-Looking Statements

Statements in this press release and in oral statements made from time to time by representatives of Lincoln Educational Services Corporation regarding Lincoln's business that are not historical facts, including those made in a conference call, may be "forward-looking statements" as that term is defined in the federal securities law. The words "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Generally, these statements relate to business plans or strategies and projections involving anticipated revenues, earnings or other aspects of the Company's operating results. Such forward-looking statements include the Company's current belief that it is taking appropriate steps regarding the pandemic and that student growth will continue. The Company cautions you that these statements concern current expectations about the Company's future performance or events and are subject to a number of uncertainties, risks and other influences many of which are beyond the Company's control, that may influence the accuracy of the statements and the projects upon which the statements are based including, without limitation, impacts related to the COVID-19 pandemic, our inability to close on the sale of our Nashville campus; our failure to comply with the extensive regulatory framework applicable to our industry or our failure to obtain timely regulatory approvals in connection with acquisitions or a change of control of our Company; our success in updating and expanding the content of existing programs and developing new programs for our students in a cost-effective manner or on a timely basis; risks associated with changes in applicable federal laws and regulations; uncertainties regarding our ability to comply with federal laws and regulations, such as the 90/10 rule and prescribed cohort default rates; risks associated with the opening of new campuses; risks associated with integration of acquired schools; industry competition; our ability to execute our growth strategies; conditions and trends in our industry; the COVID-19 pandemic and its impact on our business and the U.S. and global economics; general economic conditions; and other factors discussed in the "Risk Factors" section of our Annual Reports and Quarterly Reports filed with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement, and Lincoln undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise after the date hereof.

Contact Information:

Scott Shaw, CEO
Brian Meyers, CFO
973-736-9340

EVC GROUP LLC

Investor Relations: Michael Polyviou, mpolyviou@evcgroup.com, 732-933-2755
Media Relations: Tom Gibson, 201-476-0322
