
Not filed with the U.S. Securities and Exchange Commission

FORM 8-K

CURRENT REPORT

PURSUANT TO REQUIREMENTS CONTAINED IN THE INDENTURE, DATED AS OF JANUARY 23, 2020 GOVERNING THE 6.625% SENIOR NOTES DUE 2028 ISSUED BY ASHTON WOODS USA L.L.C., IN THE INDENTURE, DATED AS OF MARCH 27, 2019 GOVERNING THE 9.875% SENIOR NOTES DUE 2027 ISSUED BY ASHTON WOODS USA L.L.C., AND IN THE INDENTURE, DATED AS OF AUGUST 8, 2017 GOVERNING THE 6.750% SENIOR NOTES DUE 2025 ISSUED BY ASHTON WOODS USA L.L.C.

Date of Report (Date of earliest event reported): March 31, 2020

ASHTON WOODS USA L.L.C.

(Exact name of Registrant as Specified in Charter)

Nevada

(State or Other Jurisdiction of Incorporation)

3820 Mansell Road, Suite 400, Alpharetta, GA

(Address of principal executive offices)

(770) 998-9663

(Registrant's telephone number, including area code)

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(b) under the Exchange Act (17 CFR 240.14a-12(b))
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d2(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 2.05 Costs Associated with Exit or Disposal Activities.

On March 31, 2020, Ashton Woods USA L.L.C. and its direct and indirect subsidiaries (individually and together the “Company”) commenced and executed on a restructuring plan, together with other temporary compensation and benefit adjustments, to reduce operating costs and better align its workforce with the needs of its business following the broad business and social disruptions across many industries and locations caused by a novel strain of coronavirus (“COVID-19”). To date, COVID-19 has caused significant negative impacts across our industry, from trade availability, suspension of services in local municipalities, delays in homes closings, increased cancellations, various and differing shelter in place orders by state, county and other local municipalities, and disruptions to normal operating procedures.

Under this plan, the Company reduced its workforce by 113 employees (approximately 12%). Affected employees are eligible to receive severance payments, including 60 days of paid health insurance with timely COBRA election by the employee. Employee severance benefits are contingent upon an affected employee’s execution (and non-revocation) of a separation agreement, which includes a general release of claims against the Company. The Company currently expects that the workforce reduction will reduce annual compensation costs by approximately \$6.0 to \$8.0 million.

In connection with the restructuring, the Company estimates that it will incur aggregate restructuring charges of approximately \$1.1 million, which will be recorded in the fourth quarter of fiscal year 2020, related to one-time termination severance payments and other employee-related costs. We expect that the majority of the cash payments related to the personnel-related restructuring charges will be paid during the fourth quarter of fiscal year 2020. The charges that the Company expects to incur in connection with the workforce reduction are subject to a number of assumptions, and actual results may differ materially. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the workforce reduction.

Cautionary Notice Regarding Forward-Looking Statements

This Item 2.05 contains forward-looking statements, including, but not limited to, statements related to the expected costs associated with termination benefits and the financial impact of the workforce reduction. These forward-looking statements are based on the Company’s current expectations and inherently involve significant risks and uncertainties. The Company’s actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks related to cost reduction efforts. In addition, the Company’s workforce reduction costs may be greater than anticipated. The Company undertakes no duty or obligation to update any forward-looking statements contained in this Item 2.05 as a result of new information, future events or changes in its expectations.

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, thereunto duly authorized.

Dated: March 31, 2020

ASHTON WOODS USA L.L.C.

By: /s/ Cory Boydston

Cory Boydston

Chief Financial Officer