

HD Supply Holdings, Inc.
 Form 10-K/A
 March 26, 2014

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**UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
 For the fiscal year ended February 2, 2014
 or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
 For the transaction period from _____ to _____

| Commission File Number | Exact name of Registrant as specified in its charter, Address of principal executive offices and Telephone number | State of incorporation | I.R.S. Employer Identification Number |
|---------------------------|---|---------------------------|---|
| 001-35979 | HD SUPPLY HOLDINGS, INC. 3100 Cumberland Boulevard, Suite 1480 Atlanta, Georgia 30339 (770) 852-9000 | Delaware | 26-0486780 |
| 333-159809 | HD SUPPLY, INC. 3100 Cumberland Boulevard, Suite 1480 Atlanta, Georgia 30339 (770) 852-9000 | Delaware | 75-2007383 |

Securities registered pursuant to Section 12 (b) of the Act:

HD Supply Holdings, Inc.: Common stock, par value \$0.01

per share HD Supply, Inc.: None
 (Title of Each Class)

The NASDAQ Stock Market LLC
 (Name of Each Exchange on which Registered)

Securities registered pursuant to Section 12 (g) of the Act:

None
 (Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

HD Supply Holdings, Inc. Yes No
 HD Supply, Inc. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

HD Supply Holdings, Inc. Yes No
 HD Supply, Inc. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

HD Supply Holdings, Inc. Yes No
 HD Supply, Inc. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was

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required to submit and post such files).

HD Supply Holdings, Inc. Yes No
 HD Supply, Inc. Yes No

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

HD Supply Holdings, Inc.
 HD Supply, Inc.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | | | |
|--|---|---|---|
| HD Supply Holdings, Inc. Large accelerated filer <input type="checkbox"/> | Accelerated filer <input type="checkbox"/> | Non-accelerated filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company <input type="checkbox"/> |
| HD Supply, Inc. Large accelerated filer <input type="checkbox"/> | Accelerated filer <input type="checkbox"/> | Non-accelerated filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company <input type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

HD Supply Holdings, Inc. Yes No
 HD Supply, Inc. Yes No

The number of shares of the registrant's common stock outstanding as of March 21, 2014:

| | |
|--------------------------|---|
| HD Supply Holdings, Inc. | 194,164,759 shares of common stock, par value \$0.01 per share |
| HD Supply, Inc. | 1,000 shares of common stock, par value \$0.01 per share, all of which were owned by HDS Holding Corporation, a wholly-owned subsidiary of HD Supply Holdings, Inc. |

HD Supply, Inc. meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this Form with the reduced disclosure format applicable to HD Supply, Inc.

Documents incorporated by reference:

Portions of HD Supply Holdings, Inc.'s proxy statement to be filed with the Securities and Exchange Commission in connection with HD Supply Holdings, Inc.'s 2014 annual meeting of stockholders (the "Proxy Statement") are incorporated by reference into Part III hereof. Such Proxy Statement will be filed within 120 days of HD Supply Holdings, Inc.'s fiscal year ended February 2, 2014.

EXPLANATORY NOTE

This Amendment No. 1 (the "Amendment") to the HD Supply Holdings, Inc. and HD Supply, Inc. combined Annual Report on Form 10-K for the fiscal year ended February 2, 2014 (the "Original Annual Report") filed with the Securities and Exchange Commission ("SEC") on March 25, 2014, is filed to disclose information required by Section 13(r) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as added by the Iran Threat Reduction and Syrian Human Rights Act of 2012, in "Item 9B. Other Information" and to file Exhibit 23.1 (Consent of PricewaterhouseCoopers LLP) which was inadvertently omitted from the Original Annual Report. In addition, as required by Rule 12b-15 under the Exchange Act, new certifications by our principal executive officer and principal financial officer are filed as exhibits hereto. All other information included in the Original Annual Report has not been amended.

Except as described above, this Amendment does not amend, update or change the financial statements or any other disclosures in the Original Annual Report and does not reflect events occurring after the filing of the Original Annual Report.

PART II

Item 9B. OTHER INFORMATION

On August 14, 2013, the Company entered into a retention agreement with Evan J. Levitt in connection with his prior role as Vice President-Controller. The agreement provided for total retention payments of \$180,000, payable in three equal annual installments in December 2013, 2014 and 2015, subject to his continued employment through December 2016 and his agreement to not solicit Company business or engage in competition with the Company for one year following employment termination.

On December 11, 2013, the Company entered into an employment offer letter with Mr. Levitt in connection with the appointment to his current position as Senior Vice President, Chief Financial Officer. The offer letter provides more stringent nonsolicitation and noncompetition provisions and provides employment retention through the four-year vesting period of a \$1 million equity grant. On March 21, 2014, the Company, therefore, accelerated payments to Mr. Levitt of the December 2014 and December 2015 payments and terminated the Retention Agreement. The accelerated payments will be made to Mr. Levitt on March 28, 2014.

Disclosure under Section 13(r) of the Exchange Act

Under Section 13(r) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as added by the Iran Threat Reduction and Syrian Human Rights Act of 2012, we are required to include certain disclosures in our periodic reports if we or any of our "affiliates" (as defined in Rule 12b-2 thereunder) knowingly engage in certain activities specified in Section 13(r) during the period covered by the report. Because the SEC defines the term "affiliate" broadly, it includes any entity that controls us or is under common control with us ("control" is also construed broadly by the SEC).

Our affiliate, Clayton, Dubilier & Rice, LLC ("CD&R"), has informed us that an indirect subsidiary of SPIE S.A. ("SPIE"), an affiliate of CD&R based in France, maintained bank accounts during the period covered by this report at Bank Melli with the approval of the French financial regulator (applying European Union law) and, since May 21, 2013, with the approval of the Office of Foreign Assets Control in the U.S. Treasury Department ("OFAC"). Bank Melli is an Iranian bank designated under Executive Order No. 13382. We had no knowledge of or control over the activities of SPIE or its subsidiaries. CD&R has informed us that during the period covered by this report (specifically, in February of 2013), the SPIE subsidiary used the accounts to make two tax payments to the Government of Iran, withdrew cash to pay various administrative expenses, and received a transfer of funds from a vendor. The total volume of these transactions in the SPIE subsidiary's accounts at Bank Melli, excluding transfers between those accounts, during the period covered by this report was the equivalent of less than \$200,000 at the Iranian Central Bank's official exchange rate. CD&R has informed us that there has been no further activity in the accounts after February 2013, that SPIE and its subsidiaries obtained no revenue or profit from the maintenance of these accounts, that CD&R and SPIE have disclosed past transactions in the accounts to OFAC, that SPIE and its subsidiaries intended to comply with all applicable laws, and that SPIE and its subsidiaries intend to conduct only such transactions and dealings with Bank Melli in the future as are authorized by the applicable French governmental authority and OFAC.

Our affiliate, The Carlyle Group ("Carlyle"), has been advised by Applus Servicios Technologicos S.L.U. ("Applus"), a European company in which their private equity funds have invested and which may be considered our affiliate, that during the period covered by this report, a subsidiary of Applus provided certain services to customers that could be affiliated with the Industrial Development and Renovation Organization ("IDRO"), which has been designated as an agency of the Government of Iran. For this period, gross revenue attributable to such sales was less than €87,000, with estimated net profits to Applus of less than €16,000. At this time, Carlyle is unable to determine whether the IDRO, directly or indirectly, controls these customers. Although these activities were not prohibited by U.S. law at the time they were conducted, Applus has advised Carlyle that its subsidiary has discontinued its dealings with such customers, and that it does not otherwise intend to continue or enter into any Iran-related activity. All such dealings (including limited wind-down activities) were discontinued prior to March 8, 2013, in accordance with the requirements of Section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012, as amended.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(b) Exhibit Index

The following exhibits are filed or furnished with this annual report:

| Exhibit Number | Exhibit Description |
|-----------------------|--|
| 23.1 | Consent of PricewaterhouseCoopers LLP. |
| 31.1 | Certification of President and Chief Executive Officer of HD Supply, Inc. pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification of Senior Vice President and Chief Financial Officer of HD Supply, Inc. pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002. |
| 31.3 | Certification of President and Chief Executive Officer of HD Supply Holdings, Inc. pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002. |
| 31.4 | Certification of Senior Vice President and Chief Financial Officer of HD Supply Holdings, Inc. pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of President and Chief Executive Officer of HD Supply, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Senior Vice President and Chief Financial Officer of HD Supply, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.3 | Certification of President and Chief Executive Officer of HD Supply Holdings, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.4 | Certification of Senior Vice President and Chief Financial Officer of HD Supply Holdings, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

HD Supply Holdings, Inc.

By: /s/ JOSEPH J. DEANGELO

Name: Joseph J. DeAngelo
Title: *President and Chief Executive Officer*

Date: March 25, 2014

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

HD Supply, Inc.

By: /s/ JOSEPH J. DEANGELO

Name: Joseph J. DeAngelo

Title: *President and Chief Executive Officer*

Date: March 25, 2014

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EXPLANATORY NOTE

PART II

Item 9B. OTHER INFORMATION

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

SIGNATURES

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