
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): May 3, 2011

Carriage Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

1-11961
(Commission File Number)

76-0423828
*(I.R.S. Employer
Identification Number)*

3040 Post Oak Boulevard, Suite 300
Houston, Texas 77056
(Address of principal executive offices, including zip code)

(713) 332-8400
(Registrant's telephone number, including area code)

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 May 3, 2011, Carriage Services, Inc. (the "Company") entered into an Eighth Amendment (the "Eighth Amendment") to that certain Credit Agreement, dated April 27, 2005 (as previously modified and amended, the "Credit Agreement"), with its lenders, Bank of America, N.A. ("BofA") and Wells Fargo Bank, N.A. ("Wells Fargo"), with BofA as its administrative agent, swing line lender, and L/C issuer, and Wells Fargo as its syndication agent.

Among other things, the Eighth Amendment permits, subject to certain conditions, the payment of Dividends (as defined in the Credit Agreement) not to exceed \$2,500,000, cumulatively, from May 3, 2011 through November 4, 2012. No fees were incurred related to the Eighth Amendment. As of May 3, 2011, the Credit Agreement is undrawn except for \$100,000 in standby letters of credit.

The foregoing description is a summary of the material terms of the Eighth Amendment and is not complete and is qualified in its entirety by reference to the full text of the Eighth 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 3, 2011, the Company issued a press release announcing that its Board of Directors has approved the initiation of a quarterly cash dividend policy for its common stock. On May 3, 2011, the Board declared a dividend of \$0.025 per share payable on June 1, 2011 to common share record holders as of May 17, 2011. The Company is also preparing a dividend reinvestment program that will be available by the second quarterly dividend so that shareholders may elect to reinvest their dividends into additional shares of the Company's common stock. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Title of Document</u>
10.1	Eighth Amendment to Credit Agreement, dated as of May 3, 2011, by and among the Company, BofA, and Wells Fargo.
99.1	Press Release dated May 3, 2011.

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.

CARRIAGE SERVICES, INC.

May 5, 2011

By: /s/ Terry E. Sanford
Terry E. Sanford
Executive Vice President and
Chief Financial Officer

Exhibit Index

<u>Exhibit Number</u>	<u>Title of Document</u>
10.1	Eighth Amendment to Credit Agreement, dated as of May 3, 2011, by and among the Company, BofA, and Wells Fargo.
99.1	Press Release dated May 3, 2011.

EIGHTH AMENDMENT TO CREDIT AGREEMENT

THIS EIGHTH AMENDMENT TO CREDIT AGREEMENT (this "Eighth Amendment"), dated as of May 3, 2011, is by and among CARRIAGE SERVICES, INC., a Delaware corporation (the "Borrower"), the banks listed on the signature pages hereof (the "Lenders"), WELLS FARGO BANK, N.A., as Syndication Agent (in said capacity, the "Syndication Agent"), and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (in said capacity as Administrative Agent, the "Administrative Agent").

BACKGROUND

A. The Borrower, the Lenders, the Syndication Agent, and the Administrative Agent are parties to that certain Credit Agreement, dated as of April 27, 2005, as amended by that certain First Amendment to Credit Agreement, dated as of August 31, 2005, as modified by that certain Waiver and Consent, dated as of September 1, 2006, as amended by that certain Second Amendment to Credit Agreement, dated as of May 4, 2007, as amended by that certain Third Amendment to Credit Agreement, dated as of December 1, 2007, as amended by that certain Fourth Amendment to Credit Agreement, dated as of November 14, 2008, as amended by that certain Fifth Amendment to Credit Agreement, dated as of December 31, 2008, as modified by that certain Waiver to Credit Agreement, dated as of March 19, 2009, as amended by that certain Sixth Amendment to Credit Agreement, dated as of May 4, 2009, and as amended by that certain Seventh Amendment to Credit Agreement, dated as of November 4, 2009 (said Credit Agreement, as amended and modified, the "Credit Agreement"); the terms defined in the Credit Agreement and not otherwise defined herein shall be used herein as defined in the Credit Agreement).

B. The Borrower has requested that the Lenders amend the Credit Agreement, as more fully set forth herein.

C. The Lenders parties to this Eighth Amendment (which Lenders constitute each of the Lenders as required under the Credit Agreement) are willing to agree to such amendment, subject to the performance and observance in full of each of the covenants, terms and conditions, and in reliance upon all of the representations and warranties of the Borrower, set forth herein.

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are all hereby acknowledged, the parties hereto covenant and agree as follows:

1. AMENDMENTS.

(a) Section 1.01 of the Credit Agreement is hereby amended by adding the defined terms thereto in proper alphabetical order to read as follows:

"Eighth Amendment" means that Eighth Amendment to Credit Agreement dated as of May 3, 2011, among the Borrower, the Lenders party thereto, the Syndication Agent and the Administrative Agent.

“Eighth Amendment Effective Date” means the date that all conditions to effectiveness set forth in Section 3 of the Eighth Amendment are satisfied.

(b) Section 7.06(a)(iii) of the Credit Agreement is hereby amended to read as follows:

(iii) so long as there exists no Default both before and after giving effect to any such transaction (which shall include calculation of the financial covenants set forth in Section 7.11 on a pro forma basis as of the fiscal quarter-end immediately preceding any proposed Restricted Payment), (x) the Borrower may make (A) payments of Dividends on and redemptions of Existing Preferred Stock, (B) payments of Dividends on Qualified Preferred Stock, (C) distribution of the Trust Notes to the holders of the Trust Preferred Stock in connection with the dissolution of the Trust Subsidiary, (D) provided that the Total Outstandings (excluding L/C Obligations other than Unreimbursed Amounts and L/C Borrowings) are zero at the time of payment of any Dividend under this subclause (D) and immediately after giving effect thereto, other payments of Dividends not to exceed \$5,000,000 in aggregate amount during the period from and including November 14, 2008 up to but not including the Eighth Amendment Effective Date, and (E) other payments of Dividends not to exceed \$2,500,000 in aggregate amount from and including the Eighth Amendment Effective Date through the Maturity Date, (y) a Subsidiary may make Restricted Payments under the Carriage Business Development Program, and (z) the Borrower may pay interest on the Trust Notes to the Trust Subsidiary and may cause or permit the Trust Subsidiary to declare, make or pay Dividends in respect of the Trust Preferred Stock; and

2. REPRESENTATIONS AND WARRANTIES TRUE; NO EVENT OF DEFAULT. By its execution and delivery hereof, the Borrower represents and warrants that, as of the date hereof, and immediately after giving effect to this Eighth Amendment:

(a) the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct on and as of the date hereof as made on and as of such date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that the representations and warranties contained in subsection (a) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Credit Agreement, except that to the extent that such representations and warranties refer to statements furnished pursuant to clause (b) of Section 6.01 of the Credit Agreement, the representations and warranties in subclauses (i) and (ii) of clause (a) of Section 5.05 of the Credit Agreement shall be qualified by reference to the absence of footnotes and shall be subject to normal year-end audit adjustments;

(b) no event has occurred and is continuing which constitutes a Default or Event of Default;

(c) (i) the Borrower has full power and authority to execute and deliver this Eighth Amendment, (ii) this Eighth Amendment has been duly executed and delivered by the Borrower, and (iii) this Eighth Amendment constitutes the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance its terms, except as enforceability

may be limited by applicable Debtor Relief Laws and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and except as rights to indemnity may be limited by federal or state securities laws;

(d) neither the execution, delivery and performance of this Eighth Amendment nor the consummation of any transactions contemplated herein, will conflict with (i) the certificate or articles of incorporation or the applicable constituent documents or bylaws of the Borrower or its Subsidiaries, (ii) to Borrower's knowledge, any provision or law, statute, rule or regulation applicable to the Borrower or its Subsidiaries or (iii) any indenture, agreement or other instrument to which the Borrower, the Subsidiaries or any of their properties are subject; and

(e) no authorization, approval, consent, or other action by, notice to, or filing with, any Governmental Authority or other Person not previously obtained is required to be obtained or made by the Borrower pursuant to statutory law applicable to the Borrower as a condition to (i) the execution, delivery or performance by the Borrower of this Eighth Amendment, or (ii) the acknowledgement by each Guarantor of this Eighth Amendment.

3. CONDITIONS OF EFFECTIVENESS. This Eighth Amendment shall be effective on and as of the date hereof, subject to the following:

(a) the representations and warranties set forth in Section 2 of this Eighth Amendment shall be true and correct;

(b) the Administrative Agent shall have received counterparts of this Eighth Amendment executed by each of the Lenders; and

(c) the Administrative Agent shall have received counterparts of this Eighth Amendment executed by the Borrower and acknowledged by each Guarantor.

4. GUARANTOR'S ACKNOWLEDGMENT. By signing below, each Guarantor (a) acknowledges, consents and agrees to the execution, delivery and performance by the Borrower of this Eighth Amendment, (b) acknowledges and agrees that its obligations in respect of its Guaranty are not released, diminished, waived, modified, impaired or affected in any manner by this Eighth Amendment, or any of the provisions contemplated herein, (c) ratifies and confirms its obligations under its Guaranty and (d) acknowledges and agrees that it has no claim or offsets against, or defenses or counterclaims to, its Guaranty.

5. REFERENCE TO THE CREDIT AGREEMENT.

(a) Upon and during the effectiveness of this Eighth Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", or words of like import shall mean and be a reference to the Credit Agreement, as affected and amended by this Eighth Amendment.

(b) Except as expressly set forth herein, this Eighth Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights or remedies of the Administrative Agent or the Lenders under the Credit Agreement or any of the other Loan Documents, and shall not alter, modify, amend, or in any way affect the terms, conditions, obligations, covenants, or agreements contained in the Credit Agreement or the other

Loan Documents, all of which are hereby ratified and affirmed in all respects and shall continue in full force and effect.

6. **COSTS AND EXPENSES.** The Borrower shall be obligated to pay the reasonable costs and expenses of the Administrative Agent in connection with the preparation, reproduction, execution and delivery of this Eighth Amendment and the other instruments and documents to be delivered hereunder.

7. **EXECUTION IN COUNTERPARTS.** This Eighth Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. For purposes of this Eighth Amendment, a counterpart hereof (or signature page thereto) signed and transmitted by any Person party hereto to the Administrative Agent (or its counsel) by facsimile machine, telecopier or electronic mail is to be treated as an original. The signature of such Person thereon, for purposes hereof, is to be considered as an original signature, and the counterpart (or signature page thereto) so transmitted is to be considered to have the same binding effect as an original signature on an original document.

8. **GOVERNING LAW; BINDING EFFECT.** This Eighth Amendment shall be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and to be performed entirely within such state; provided that the Administrative Agent and each Lender shall retain all rights arising under federal law. This Eighth Amendment shall be binding upon the Borrower and each Lender and their respective successors and permitted assigns.

9. **HEADINGS.** Section headings in this Eighth Amendment are included herein for convenience of reference only and shall not constitute a part of this Eighth Amendment for any other purpose.

10. **ENTIRE AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THIS EIGHTH AMENDMENT, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AS TO THE SUBJECT MATTER THEREIN AND HEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES.**

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IN WITNESS WHEREOF, the parties hereto have executed this Eighth Amendment as of the date above written.

CARRIAGE SERVICES, INC.

By: /s/ Terry E. Sanford

Terry E. Sanford
Chief Financial Officer

BANK OF AMERICA, N.A., as
Administrative Agent

By: /s/ Anthony W. Kell

Name: Anthony W. Kell

Title: Assistant Vice President

BANK OF AMERICA, N.A., as a Lender, L/C Issuer
and Swing Line Lender

By: /s/ Gary L. Mingle

Gary L. Mingle
Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Syndication Agent and as a Lender

By: /s/ Warren R. Ross

Name: Warren R. Ross

Title: Vice President

GUARANTORS:

CARRIAGE FUNERAL HOLDINGS, INC.
CFS FUNERAL SERVICES, INC.
CARRIAGE HOLDING COMPANY, INC.
CARRIAGE FUNERAL SERVICES OF MICHIGAN, INC.
CARRIAGE FUNERAL SERVICES OF KENTUCKY,
INC.
CARRIAGE FUNERAL SERVICES OF CALIFORNIA,
INC.
CARRIAGE CEMETERY SERVICES OF IDAHO, INC.
WILSON & KRATZER MORTUARIES
ROLLING HILLS MEMORIAL PARK
CARRIAGE SERVICES OF CONNECTICUT, INC.
CSI FUNERAL SERVICES OF MASSACHUSETTS, INC.
CHC INSURANCE AGENCY OF OHIO, INC.
BARNETT, DEMROW & ERNST, INC.
CARRIAGE SERVICES OF NEW MEXICO, INC.
FORASTIERE FAMILY FUNERAL SERVICES, INC.
CARRIAGE CEMETERY SERVICES, INC.
CARRIAGE SERVICES OF OKLAHOMA, L.L.C.
CARRIAGE SERVICES OF NEVADA, INC.
HUBBARD FUNERAL HOME, INC.
CARRIAGE TEAM CALIFORNIA (CEMETERY), LLC
CARRIAGE TEAM CALIFORNIA (FUNERAL), LLC
CARRIAGE TEAM FLORIDA (CEMETERY), LLC
CARRIAGE TEAM FLORIDA (FUNERAL), LLC
CARRIAGE SERVICES OF OHIO, LLC
CARRIAGE TEAM KANSAS, LLC
CARRIAGE MUNICIPAL CEMETERY SERVICES OF
NEVADA, INC.
CARRIAGE CEMETERY SERVICES OF CALIFORNIA,
INC.
CARRIAGE INSURANCE AGENCY OF
MASSACHUSETTS, INC.
CARRIAGE INTERNET STRATEGIES, INC.
CARRIAGE INVESTMENTS, INC. (for itself and as
General Partner of Carriage Management, L.P.)
CARRIAGE MANAGEMENT, L.P.
COCHRANE'S CHAPEL OF THE ROSES, INC.
HORIZON CREMATION SOCIETY, INC.
CARRIAGE LIFE EVENTS, INC.
CARRIAGE MERGER I, INC.
CARRIAGE MERGER II, INC.
CARRIAGE FLORIDA HOLDINGS, INC.
ARIA CREMATION SERVICES, LLC
CLOVERDALE PARK, INC.
CATAUDELLA FUNERAL HOME, INC.

By: /s/ Terry E. Sanford

Terry E. Sanford
Chief Financial Officer

PRESS RELEASE



FOR IMMEDIATE RELEASE

Contacts: Terry Sanford, EVP & CFO
 Carriage Services, Inc.
 713-332-8400

Investors: Alexandra Tramont/Matt Steinberg
 FD
 (212) 850-5600

CARRIAGE SERVICES INITIATES QUARTERLY CASH DIVIDEND

HOUSTON May 3, 2011 — Carriage Services, Inc. (NYSE: CSV) today announced that its Board of Directors has approved the initiation of a quarterly cash dividend policy for its Common Stock. The Board declared the first quarterly dividend of 2.5¢ per share payable on June 1, 2011 to common share record holders as of May 17, 2011. The Company is also preparing a dividend reinvestment program that will be available by the second quarterly dividend so that shareholders may elect to reinvest their dividends into additional shares of the Company's common stock.

Melvin C. Payne, Chief Executive Officer, stated "I am extremely pleased to announce that our Board of Directors has elected to initiate a common share dividend for the first time since Carriage went public in August 1996."

"In 2010, we achieved Net Income of \$8.1 million and generated Free Cash Flow of \$18.6 million reflecting our strengthening financial position. Accordingly, we have the financial capacity to return value to our shareholders with a cash dividend policy that will initially pay out about \$1.8 million in annual dividends. Our future capital allocation strategy will continue to focus on growth by selective acquisitions and internal high return projects, while also improving the credit profile of the company by increasing the revenue and earnings from existing operations."

Carriage Services is a leading provider of deathcare services and merchandise in the United States. Carriage operates 151 funeral homes in 25 states and 33 cemeteries in 12 states.

Certain statements made herein or elsewhere by, or on behalf of, the Company that are not historical facts are intended to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on assumptions that the Company believes are reasonable; however, many important factors, as discussed under "Forward-Looking Statements and Cautionary Statements" in the Company's Annual Report and Form 10-K for the year ended December 31, 2010, could cause the Company's results in the future to differ materially from the forward-looking statements made herein and in any other documents or oral presentations made by, or on behalf of, the Company. The Company assumes no obligation to update or publicly release any revisions to forward-looking statements made herein or any other forward-looking statements made by, or on behalf of, the Company. A copy of the Company's Form 10-K, and other Carriage Services information and news releases, are available at www.carriageservices.com.