

SIMMONS FIRST NATIONAL CORP
Form 8-K
March 25, 2019

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): March 25, 2019

SIMMONS FIRST NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Arkansas 0-6253 71-0407808
(State or other jurisdiction of incorporation) (Commission File Number) (I.R.S. Employer Identification No.)

501 Main Street, Pine Bluff, Arkansas 71601
(Address of principal executive offices) (Zip Code)

(870) 541-1000

(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 (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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

ITEM 8.01. Other Events

On March 5, 2019, a purported shareholder of Reliance Bancshares, Inc. (“Reliance”) filed a putative derivative and class action lawsuit against Reliance, the members of the Reliance board of directors and Simmons First National Corporation (“Simmons”) in the St. Louis County Circuit Court, 21st Judicial Circuit of Missouri, on behalf of himself and similarly situated Reliance shareholders, and derivatively on behalf of Reliance, captioned *Parshall v. Brouster, et al.*, Case No. 19SL-CC00963 (the “Action”). The Action relates to the proposed merger of Reliance with and into Simmons as described in the definitive proxy statement/prospectus filed with the Securities and Exchange Commission (the “SEC”) on March 4, 2019 and first mailed to Reliance shareholders on or about March 6, 2019 (the “Proxy Statement/Prospectus”). The plaintiff alleges, among other things, that the individual defendants breached fiduciary duties by agreeing to an allegedly insufficient price for the sale of Reliance, and agreeing to allegedly inappropriate deal protection devices. The plaintiff further alleges that the Proxy Statement/Prospectus omitted material information that Reliance shareholders purportedly need in order to evaluate the proposed merger. The plaintiff alleges that Simmons aided and abetted the alleged fiduciary duty breaches by the individual defendants. The plaintiff seeks injunctive relief, unspecified damages, and an award of attorneys’ and experts’ fees and expenses.

Solely to avoid the costs, risks and uncertainties inherent in litigation, Simmons and Reliance have agreed to make additional disclosures to supplement the disclosure contained in the Proxy Statement/Prospectus (the “Additional Disclosures”). The Additional Disclosures are set forth below and should be read in conjunction with the Proxy Statement/Prospectus. In exchange for the agreement to make the Additional Disclosures, the plaintiff has agreed to dismiss the Action, with prejudice to his individual claims, and without prejudice to the claims of the putative members of the proposed class. The parties believe that the issuance of the Additional Disclosures will moot the claims set forth in the Action.

This decision to make the Additional Disclosures will not affect the merger consideration to be paid in the proposed merger or the timing of the special meeting of the Reliance shareholders.

Reliance and the other defendants have denied, and continue to deny, that they have committed or aided and abetted in the commission of any violation of law or engaged in any of the wrongful acts that were or could have been alleged in the Action, and maintain that they complied with their fiduciary and other legal duties and are making the Additional Disclosures solely to eliminate the burden and expense of further litigation, to put the claims that were or could have been asserted to rest, and to avoid any possible delay to the closing of the merger that might arise from further litigation. Nothing in this Current Report on Form 8-K shall be deemed an admission of the legal necessity or materiality under applicable laws of any of the disclosures set forth herein.

SUPPLEMENT TO DEFINITIVE PROXY STATEMENT/PROSPECTUS

The following information supplements the Proxy Statement/Prospectus and should be read in connection with the Proxy Statement/Prospectus, which should be read in its entirety. To the extent that information herein differs from or updates information contained in the Proxy Statement/Prospectus, the information contained herein supersedes the information contained in the Proxy Statement/Prospectus. All page references in the information below are to pages in the Proxy Statement/Prospectus, and terms used below have the meanings set forth in the Proxy Statement/Prospectus, unless otherwise defined below. Without admitting in any way that the disclosures below are material or otherwise required by law, Reliance and Simmons make the following supplemental disclosures:

Background of the Mergers

The disclosure under the heading “The Mergers—Background of the Mergers” is hereby supplemented by adding the following to the Proxy Statement/Prospectus at the end of the first paragraph on page 53.

Reliance did not enter into any non-disclosure agreements that contained standstill and/or “don’t ask, don’t waive” provisions that are or were preventing the counterparties from submitting superior offers to acquire Reliance.

Opinion of Sandler O’Neill & Partners, L.P. (“Sandler O’Neill”)

The disclosure under the heading “The Mergers—Opinion of Sandler O’Neill & Partners, L.P.—Comparable Company Analyses” is hereby supplemented by replacing the table (Reliance Comparable Company Analysis) on page 61 of the Proxy Statement/Prospectus with the following.

Publicly-Traded Midwest Region Banks With Total Assets \$1.25 Billion - \$1.75 Billion

Financials as of September 30, 2018
unless otherwise noted

Company Name	City, St	Ticker	Market Data (as of 11/9/2018)							YTD Pro
			Total Assets (\$mm)	Mkt Cap (\$mm)	Stock Price (\$)	Price/Tang. Value (%)	YTD Ann. EPS (x)	Div. Yield (%)	Eff. Ratio (%)	
Bank First National Corporation	Manitowoc, WI	BFC	1,736	333	50.00	219	12.9	1.6	51.0	3
Merchants Financial Group, Inc.²	Winona, MN	MFGI	1,694	197	74.00	140	11.0	1.9	69.1	4
First Farmers Financial Corporation²	Converse, IN	FFMR	1,682	299	41.73	199	11.2	2.6	53.6	4
LCNB Corp.	Lebanon, OH	LCNB	1,620	220	16.55	148	14.8	3.9	62.7	3
Marquette National Corporation²	Chicago, IL	MNAT	1,592	151	34.00	133	9.7	2.9	77.4	3
BankFinancial Corporation	Burr Ridge, IL	BFIN	1,532	245	14.41	129	15.9	2.8	66.1	3
County Bancorp, Inc.	Manitowoc, WI	ICBK	1,515	139	20.71	103	9.5	1.4	53.2	2
Hawthorn Bancshares, Inc.	Jefferson City, MO	HWBK	1,452	136	22.66	144	12.7	1.8	75.2	3
Ames National Corporation	Ames, IA	ATLO	1,448	251	27.01	161	14.7	3.4	52.6	3
Level One Bancorp, Inc.	Farmington Hills, MI	LEVL	1,446	206	26.64	152	14.2	0.5	68.4	3
Security National Corporation²	Dakota Dunes, SD	SNLC	1,421	230	127.10	146	10.1	0.9	53.9	3
Tri City Bankshares Corporation²	Oak Creek, WI	TRCY	1,411	204	22.88	142	13.5	2.1	70.5	3
Mackinac Financial Corporation	Manistique, MI	MFNC	1,254	170	15.89	137	19.9	3.0	74.5	4
		High	1,736	333	127.10	219	19.9	3.9	77.4	4
		Low	1,254	136	14.41	103	9.5	0.5	51.0	2
		Mean	1,523	214	37.97	150	13.1	2.2	63.7	3
		Median	1,515	206	26.64	144	12.9	2.1	66.1	3
Reliance Bancshares, Inc.	Frontenac, MO	RLBS	1,514	136	1.80	158	21.3	0.0	62.9	2

Note:

1: Bank-level financials used where holding company information not available

2: Financial data as of the period ended June 30, 2018

Financials not adjusted to reflect pending or recently completed acquisitions. Market cap reflects shares issued in transactions which have closed since September 30, 2018

Source: S&P Global Market Intelligence; excludes targets of announced mergers

The disclosure under the heading “The Mergers—Opinion of Sandler O’Neill & Partners, L.P.—Comparable Company Analyses” is hereby supplemented by replacing the table (Simmons Comparable Company Analysis) on page 62 of the Proxy Statement/Prospectus with the following.

Publicly-Traded (NASDAQ, NYSE, NYSEAM) Southeast and Midwest Region Banks With Total Assets \$10 Billion - \$25 Billion

Financials as of September 30, 2018
unless otherwise noted

			Market Data (as of 11/9/2018)					YTD Profitability		
Company Name	City, St	Ticker	Total Assets (\$mm)	Mkt Cap (\$mm)	Stock Price (\$)	Price/	Ann. EPS (x)	Div. Yield (%)	Eff. Ratio (%)	NIM (%)
						Tang. Value (%)				
Pinnacle Financial Partners, Inc.	Nashville, TN	PNFP	24,558	4,148	53.25	203	11.7	1.2	46.1	3.62
TCF Financial Corporation	Wayzata, MN	TCF	22,905	3,737	22.40	173	13.7	2.7	67.1	4.63
Bank OZK	Little Rock, AR	OZK	22,087	3,401	26.45	115	8.4	3.2	35.6	4.59
UMB Financial Corporation	Kansas City, MO	UMBF	21,462	3,263	65.43	163	14.4	1.8	70.1	3.09
Chemical Financial Corporation	Detroit, MI	CHFC	20,905	3,371	47.19	206	12.1	2.9	51.5	3.54
United Bankshares, Inc.	Charleston, WV	UBSI	19,188	3,576	34.45	206	14.1	3.9	49.3	3.58
Flagstar Bancorp, Inc.	Troy, MI	FBC	18,697	1,845	32.02	127	10.5	0.0	76.1	2.87
Old National Bancorp	Evansville, IN	ONB	17,568	2,828	18.56	209	14.8	2.8	60.9	3.51
BancorpSouth Bank	Tupelo, MS	BXS	17,249	2,882	28.91	191	12.3	2.4	65.0	3.67
First Midwest Bancorp, Inc.	Chicago, IL	FMBI	14,961	2,466	23.18	205	15.4	1.9	57.7	3.87
Home BancShares, Inc.	Conway, AR	HOMB	14,913	3,434	19.72	257	11.2	2.4	37.4	4.45
South State Corporation	Columbia, SC	SSB	14,522	2,539	69.35	196	14.8	2.1	56.5	4.13
First Financial Bancorp.	Cincinnati, OH	FFBC	13,843	2,610	26.66	237	14.7	3.0	51.8	4.05
Trustmark Corporation	Jackson, MS	TRMK	13,440	2,095	31.22	175	14.0	2.9	65.7	3.53
Union Bankshares Corporation	Richmond, VA	UBSH	13,372	2,268	34.37	205	16.6	2.7	55.9	3.75
Renasant Corporation	Tupelo, MS	RNST	12,747	2,109	35.92	204	13.3	2.3	59.2	4.13
WesBanco, Inc.	Wheeling, WV	WSBC	12,599	2,282	41.80	225	14.9	2.8	53.8	3.44
United Community Banks, Inc.	Blairsville, GA	UCBI	12,405	2,047	25.84	191	12.8	2.3	55.0	3.87
CenterState Bank Corporation	Winter Haven, FL	CSFL	12,274	2,362	24.69	227	15.1	1.6	50.6	4.38
Great Western Bancorp, Inc.	Sioux Falls, SD	GWB	12,117	2,136	36.26	195	10.2	2.8	47.1	3.89
Ameris Bancorp	Moultrie, GA	ABCB	11,429	2,109	44.39	250	18.0	0.9	55.5	3.92
Heartland Financial USA, Inc.	Dubuque, IA	HTLF	11,335	1,889	54.81	225	15.9	1.0	65.4	4.28
TowneBank	Portsmouth, VA	TOWN	11,121	2,004	28.00	202	15.2	2.3	62.4	3.63
		High	24,558	4,148	69.35	257	18.0	3.9	76.1	4.63
		Low	11,121	1,845	18.56	115	8.4	0.0	35.6	2.87
		Mean	15,900	2,670	35.86	199	13.7	2.3	56.3	3.84
		Median	14,522	2,466	32.02	204	14.1	2.4	55.9	3.87
Simmons First National Corporation	Pine Bluff, AR	SFNC	16,281	2,542	27.54	204	12.0	2.2	54.9	4.03

Note:

1: Bank-level financials used where holding company information not available

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Financials not adjusted to reflect pending or recently completed acquisitions. Market cap reflects shares issued in transactions which have closed since September 30, 2018

Source: S&P Global Market Intelligence; excludes targets of announced mergers

The disclosure under the heading “The Mergers—Opinion of Sandler O’Neill & Partners, L.P.—Analysis of Precedent Transactions” is hereby supplemented by replacing the table on page 63 of the Proxy Statement/Prospectus with the following.

Midwest Bank Deals Announced Between January 1, 2016 and November 9, 2018 with Target Assets Between \$1.00 Billion and \$5.00 Billion

Acquiror	Target	Annnc. Date	Transaction Information		TBVP	Core Deposits	Premium
			Deal Value (\$mm)	Price/LTM EPS (x)			
First Merchants Corp. (IN)	MBT Financial Corp. (MI)	10/10/2018	290.5	23.3	240	NA	
MidWestOne Financial Grp Inc. (IA)	ATBancorp (IA)	8/22/2018	171.7	18.8	² 156	6.8	
First Busey Corp. (IL)	Banc Ed Corp. (IL)	8/22/2018	304.9	23.3	164	7.7	
Old National Bancorp (IN)	Klein Financial Inc. (MN)	6/21/2018	433.8	19.6	236	14.9	
WesBanco Inc. (WV)	Farmers Capital Bank Corp. (KY)	4/19/2018	378.3	26.9	195	13.9	
Meta Financial Group Inc. (SD)	Crestmark Bancorp Inc. (MI)	1/9/2018	321.2	17.0	404	27.1	
Byline Bancorp Inc. (IL)	First Evanston Bancorp Inc. (IL)	11/27/2017	169.0	23.2	173	7.9	
Midland States Bancorp Inc. (IL)	Alpine Bancorp. Inc. (IL)	10/16/2017	182.7	18.2	173	6.9	
Old National Bancorp (IN)	Anchor Bancorp Inc. (MN)	8/8/2017	303.3	17.1	191	8.6	
Associated Banc-Corp (WI)	Bank Mutual Corp. (WI)	7/20/2017	482.3	28.8	165	NA	
First Merchants Corp. (IN)	Independent Alliance Banks Inc (IN)	2/17/2017	249.7	27.8	265	22.6	
First Busey Corp. (IL)	First Community Finl Partners (IL)	2/6/2017	242.0	20.4	200	15.0	
First Midwest Bancorp Inc. (IL)	Standard Bancshares Inc. (IL)	6/28/2016	360.5	18.2	144	5.8	
WesBanco Inc. (WV)	Your Community Bankshares Inc. (IN)	5/3/2016	214.2	14.5	173	8.8	
Old National Bancorp (IN)	Anchor BanCorp Wisconsin Inc. (WI)	1/12/2016	445.1	8.6	³ 121	4.4	
	(15 Transactions)	High	482.3	28.8	404	27.1	
		Low	169.0	8.6	121	4.4	
		Mean	303.3	20.4	200	11.6	
		Median	303.3	19.6	173	8.6	
Simmons First National Corporation	Reliance Bancshares, Inc. ⁴		172.9	NM / 23.3 ⁵	168	8.8%	

Note:

1: Bank-level financials used where holding company information not available

2: Excludes one-time pre-tax gain on asset sale of approximately \$25.3 million in 2Q18; tax-affected at assumed effective tax rate of 28.2%

3: Based on LTM core net income of approximately \$50.7 million as reported by Anchor BanCorp Wisconsin Inc.; Excludes reversal of valuation allowance and one-time gain on branch sale

4: RLBS tangible book value multiple and core deposit premiums shown on a fully-converted basis; Based on 75,716,428 shares of RLBS common stock outstanding, 11,000,000 shares of RLBS common stock issued immediately prior to close upon the conversion of RLBS’ \$5,500,000 outstanding convertible note, and 73,606 shares

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of RLBS common stock issued upon conversion of RLBS' \$140,000 outstanding Series C Preferred Stock

5: Excludes a one-time tax charge of approximately \$10.6 million, per RLBS management, in 4Q2017 attributable to new tax reform legislation

6: Core deposits defined as total deposits less time deposits greater than \$100,000

7: Core deposits defined as total deposits less time deposits greater than \$250,000

Excludes transactions where deal value was not reported

Source: S&P Global Market Intelligence; Data as of November 9, 2018

The disclosure under the heading “The Mergers—Opinion of Sandler O’Neill & Partners, L.P.—Analysis of Precedent Transactions” is hereby supplemented by replacing the first table on page 65 of the Proxy Statement/Prospectus with the following:

Nationwide Bank Deals Announced Between January 1, 2016 and November 9, 2018 with Target Assets Between \$1.25 Billion and \$1.75 Billion

Acquiror	Target	Annc. Date	Transaction Information				Seller Financial Information ¹	
			Deal Value (\$mm)	Price/LTM EPS (x)	TBVP (\$mm)	Prem. Assets (\$mm)	Total Assets (\$mm)	Core Deposits (\$mm)
Enterprise Financial Services (MO)	Trinity Capital Corp. (NM)	11/1/2018	212.5	NM	205	10.8		