

RENASANT CORP
Form 425
January 19, 2017

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

January 17, 2017

Date of report (Date of earliest event reported)

RENASANT CORPORATION

(Exact name of registrant as specified in its charter)

Mississippi
(State or other jurisdiction
of incorporation)

001-13253
(Commission
File Number)
209 Troy Street, Tupelo, Mississippi 38804-4827

64-0676974
(I.R.S. Employer
Identification No.)

Edgar Filing: RENASANT CORP - Form 425

(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (662) 680-1001

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))

**Item 1.01. Entry into a Material Definitive Agreement.
Agreement and Plan of Merger**

On January 17, 2017, Renasant Corporation, a Mississippi corporation (Renasant), Renasant Bank, a Mississippi banking corporation (Renasant Bank), Metropolitan BancGroup, Inc., a Delaware corporation, and Metropolitan Bank, a Mississippi banking corporation (Metropolitan), entered into an Agreement and Plan of Merger (the Merger Agreement). On the terms and subject to the conditions set forth in the Merger Agreement, Metropolitan will merge with and into Renasant, with Renasant continuing as the surviving corporation (the Merger). Immediately following the Merger, Metropolitan Bank will merge with and into Renasant Bank, with Renasant Bank continuing as the surviving banking corporation. The Merger Agreement has been unanimously approved by the Boards of Directors of each of Renasant and Metropolitan.

At the effective time of the Merger, each outstanding share of Metropolitan s common stock, par value \$0.01 per share (other than (a) any shares of Metropolitan common stock owned by Metropolitan, Renasant or any of their respective subsidiaries, except for shares held in trust accounts, managed accounts, mutual funds and the like or otherwise in a fiduciary or agency capacity or as a result of debts previously contracted, and (b) any shares as to which appraisal rights have been exercised and maintained under the Delaware General Corporation Law), will be converted into the right to receive 0.6066 shares (the Exchange Ratio) of Renasant common stock, par value \$5.00 per share. Cash will be paid in lieu of any fractional shares of Metropolitan common stock based on the weighted average of the closing sale prices of Renasant common stock for the 15 consecutive trading days ending on the trading day prior to the date that the Merger is consummated.

At the effective time of the Merger, each in-the-money stock option granted under Metropolitan s equity incentive plan or otherwise will vest in full and be converted into the right to receive a cash payment equal to (a) the total number of shares subject to such stock option multiplied by (b) the difference between \$25.50 and the exercise price of the option, less applicable tax withholdings. Out-of-the-money Metropolitan stock options outstanding at the effective time of the Merger will be cancelled for no consideration. At the effective time of the Merger, each outstanding restricted share of Metropolitan common stock will fully vest and be converted into unrestricted shares of Renasant common stock, adjusted to reflect the Exchange Ratio. The Merger is intended to qualify as a tax-free reorganization within the meaning of the Internal Revenue Code of 1986, as amended.

Prior to the effective time of the Merger, Renasant and Renasant Bank will take all appropriate actions to (a) increase the number of directors constituting Renasant s and Renasant Bank s respective board of directors by one and (b) appoint a current director of Metropolitan and Metropolitan Bank, respectively, selected by Renasant after consultation with Metropolitan, to Renasant s and Renasant Bank s respective board of directors.

Renasant, Renasant Bank and Metropolitan and Metropolitan Bank each have made customary representations and warranties in the Merger Agreement, and the parties have agreed to customary covenants, including, among other things, Metropolitan s agreement to conduct its business in the ordinary course and consistent with past practice and prudent banking practice or as required under the Merger Agreement and to comply with certain other operating covenants through the consummation of the Merger. The parties have agreed to cooperate in order to enable Renasant to file with the Securities and Exchange Commission (the SEC) a registration statement on Form S-4, which will include a proxy statement/prospectus.

Subject to applicable fiduciary duties, Metropolitan has agreed to convene a special meeting of its stockholders to consider the approval of the Merger and the adoption of the Merger Agreement, and its board of directors has agreed to recommend that Metropolitan stockholders adopt the Merger Agreement and approve the Merger.

The Merger Agreement restricts the ability of Metropolitan to solicit proposals relating to alternative business combination transactions, and, subject to certain exceptions, to enter into discussions or negotiations or provide

confidential information in connection with any proposals for alternative business combination transactions. However, prior to the special meeting of Metropolitan stockholders, Metropolitan may engage in negotiations or discussions with a party that has made an unsolicited *bona fide* written acquisition proposal, and may provide confidential or nonpublic information to such party, if and only to the extent that (a) Metropolitan's board of directors concludes in good faith, after consultation with its outside legal counsel and financial advisor (as to financial matters), that (1) based on the information then available, such acquisition proposal is more favorable to Metropolitan's stockholders from a financial point of view than the transactions contemplated by the Merger Agreement and is reasonably likely to be consummated and (2) failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law and (b) prior to providing any confidential or nonpublic information, Metropolitan receives a confidentiality agreement from such person on customary terms and conditions.

Prior to obtaining the approval of the stockholders of Metropolitan regarding the Merger Agreement and the Merger, Metropolitan's board of directors may make a change of recommendation or terminate the Merger Agreement to accept a superior proposal if the Board determines in good faith, after consultation with its legal counsel and financial advisors (as to financial matters), that failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law. Prior to taking such actions, Metropolitan must give Renasant an opportunity to match such offer.

Consummation of the Merger is subject to the adoption of the Merger Agreement and the approval of the Merger by Metropolitan stockholders as well as other customary conditions, such as (a) receipt of all regulatory approvals from, among others, various banking regulators, (b) effectiveness of the registration statement on Form S-4 for the Renasant common stock to be issued in the Merger, and (c) the absence of any law or order prohibiting the consummation of the Merger or making it illegal. It is also a condition to the parties' respective obligation to consummate the Merger that Curtis J. Gabardi, Metropolitan's President and Chief Executive Officer, enter into an employment agreement with Renasant. Renasant is not required to consummate the Merger if Metropolitan stockholders holding more than 5.0% of its outstanding common stock exercise appraisal rights (and do not withdraw or otherwise forfeit such rights). Finally, each party's obligation to consummate the Merger is subject to certain other conditions, including (a) the accuracy of the representations and warranties of the other party, except (subject to limited exceptions) where the inaccuracy would not have a material adverse effect, (b) compliance by the other party with its covenants in all material respects, (c) the delivery of opinions from counsel to each of Renasant and Metropolitan relating to the U.S. federal income tax treatment of the Merger and (d) the approval for listing on the NASDAQ Global Select Market, subject to notice of issuance, of the shares of Renasant common stock to be issued in the Merger. Subject to the receipt of all required approvals and the satisfaction of all other conditions, the Merger is expected to be completed early in the third quarter of 2017.

The Merger Agreement also provides for termination rights of both Renasant and Metropolitan, under specified circumstances. Further, upon termination of the Merger Agreement under particular circumstances set forth in the Merger Agreement and depending on the circumstances, including the acceptance of a superior proposal, Metropolitan may be required to pay Renasant a termination fee in the amount of \$6,800,000 and reimburse Renasant for its costs and expenses in the amount of up to \$650,000.

The foregoing description of the Merger and the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, a copy of which is filed herewith as Exhibit 2.1 and incorporated herein by reference.

Voting Agreements

In connection with the execution of the Merger Agreement, each of the directors of Metropolitan as well as two stockholders of Metropolitan entered into, or will enter into, voting agreements with Renasant. Under these agreements, each director and each such stockholder has agreed (or will agree) to vote his, her or its shares of Metropolitan common stock in favor of the Merger and to refrain from transferring his, her or its shares of Metropolitan common stock prior to the vote on the Merger by Metropolitan stockholders. Under the voting agreements, non-employee directors of Metropolitan have also agreed (or will agree) to certain non-competition covenants covering the two-year period following the consummation of the Merger. A copy of the forms of such voting agreements are included as part of the Merger Agreement filed as Exhibit 2.1 to this Current Report on Form 8-K.

Cautionary Statement

The foregoing summary of the Merger Agreement and other agreements referred to above, and the copy of the Merger Agreement and such other agreements filed as Exhibit 2.1 to this Current Report on Form 8-K and incorporated by

reference herein, are included solely to provide investors with information regarding the terms of the Merger Agreement and such other agreements. They are not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates or otherwise to serve as a source of financial, business or operational information about Renasant or Metropolitan. The foregoing discussion is qualified in its entirety by reference to the Merger Agreement and the other agreements included as a part thereof.

The Merger Agreement contains representations and warranties by Renasant and Renasant Bank and Metropolitan and Metropolitan Bank that were made only for purposes of the Merger Agreement and as of specific dates. The representations, warranties and covenants in the Merger Agreement were made solely for the benefit of the parties to the Merger Agreement; may be subject to qualifications and limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts; may be limited to the knowledge of specified officers of Renasant and Metropolitan; and may be subject to standards of materiality applicable to the contracting parties that differ from those generally applicable to investors. Investors are not third-party beneficiaries under the Merger Agreement and in reviewing the representations, warranties and covenants contained in the Merger Agreement or any descriptions thereof in this summary, it is important to bear in mind that such representations, warranties and covenants or any descriptions were not intended by the parties to the Merger Agreement to be characterizations of the actual state of facts or condition of Renasant, Metropolitan or any of their respective subsidiaries or affiliates. Such representations and warranties are not intended to amend, supplement or supersede any statement contained in any reports or documents filed by Renasant with the SEC. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in Renasant's public disclosures. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone and should instead be read in conjunction with the other information contained in the reports, statements and filings that Renasant publicly files with the SEC.

Item 8.01 Other Events.

On January 18, 2017, Renasant and Metropolitan held a conference call with interested investors and financial analysts to discuss the Merger, which conference call was part of Renasant's regular quarterly earnings call. A transcript of the entire conference call is filed as Exhibit 99.1 to this Current Report on Form 8-K.

On January 19, 2017, Metropolitan distributed to its employees a list of frequently asked questions regarding the Merger. This document is filed as Exhibit 99.2 to this Current Report on Form 8-K.

Additional Information About the Renasant/Metropolitan Transaction

This report is being made in respect of the proposed Merger involving Renasant and Metropolitan. In connection with the proposed Merger, Renasant intends to file a registration statement on Form S-4 that will include a proxy statement of Metropolitan and a prospectus of Renasant, and Renasant will file other relevant documents concerning the proposed Merger, with the SEC. This report does not constitute an offer to sell or the solicitation of an offer to buy any securities. BEFORE MAKING ANY INVESTMENT DECISION, METROPOLITAN INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT/PROSPECTUS BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT RENASANT, METROPOLITAN AND THE PROPOSED MERGER. When available, the proxy statement/prospectus will be mailed to stockholders of Metropolitan. Investors will also be able to obtain copies of the proxy statement/prospectus and other relevant documents filed by Renasant (when they become available) free of charge at the SEC's website (www.sec.gov). In addition, documents filed with the SEC by Renasant will be available free of charge from Kevin Chapman, Executive Vice President and Chief Financial Officer, Renasant Corporation, 209 Troy Street, Tupelo, Mississippi 38804-4827, telephone: (662) 680-1450.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Congress passed the Private Securities Litigation Act of 1995 in an effort to encourage companies to provide information about their anticipated future financial performance. This act provides a safe harbor for such disclosure, which protects a company from unwarranted litigation if actual results are different from management expectations. This report reflects the current views and estimates of future economic circumstances, industry conditions, company performance and financial results of the management of Renasant and Metropolitan. These forward-looking statements are subject to a number of factors and uncertainties which could cause Renasant's, Metropolitan's or the combined company's actual results and experience to differ from the anticipated results and expectations expressed in such forward-looking statements, and such differences may be material. Forward-looking statements speak only as of the date they are made, and neither Renasant nor Metropolitan assumes

any duty to update forward-looking statements. In addition to factors previously disclosed in Renasant's reports filed with the SEC and those identified elsewhere in this report, these forward-looking statements include, but are not limited to, statements about (i) the expected benefits of the transaction between Renasant and Metropolitan, including future financial and operating results, cost savings, enhanced revenues and the expected market position of the combined company that may be realized from the transaction, and (ii) Renasant's and Metropolitan's plans, objectives, expectations and intentions and other statements contained in this report that are not historical facts. Other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, targets, similar meaning generally are intended to identify forward-looking statements. These statements are based upon the current beliefs and expectations of Renasant's and Metropolitan's management and are inherently subject to significant business, economic and competitive risks and uncertainties, many of which are beyond their respective control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ from those indicated or implied in the forward-looking statements, and such differences may be material.

The following risks, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the businesses of Renasant and Metropolitan may not be integrated successfully or the integration may be more difficult, time-consuming or costly than expected; (2) the expected growth opportunities or costs savings from the transaction may not be fully realized or may take longer to realize than expected; (3) revenues following the transaction may be lower than expected as a result of losses of customers or other reasons; (4) deposit attrition, operating costs, customer loss and business disruption following the transaction, including difficulties in maintaining relationships with employees, may be greater than expected; (5) governmental approvals of the transaction may not be obtained on the proposed terms or expected timeframe; (6) Metropolitan's stockholders may fail to approve the transaction; (7) the terms of the proposed transaction may need to be modified to satisfy such approvals or conditions; (8) reputational risks and the reaction of the companies' customers to the transaction; (9) diversion of management time on Merger-related issues; (10) changes in asset quality and credit risk; (11) inflation; (12) the cost and availability of capital; (13) customer acceptance of the combined company's products and services; (14) customer borrowing, repayment, investment and deposit practices; (15) the introduction, withdrawal, success and timing of business initiatives; (16) the impact, extent, and timing of technological changes; (17) severe catastrophic events in the companies' respective geographic area; (18) a weakening of the economies in which the combined company will conduct operations may adversely affect its operating results; (19) the U.S. legal and regulatory framework, including those associated with the Dodd-Frank Wall Street Reform and Consumer Protection Act, could adversely affect the operating results of the combined company; (20) the interest rate environment may compress margins and adversely affect net interest income; and (21) competition from other financial services companies in the companies' markets could adversely affect operations. Additional factors that could cause Renasant's results to differ materially from those described in the forward-looking statements can be found in Renasant's reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the SEC and available at the SEC's website (www.sec.gov). All subsequent written and oral forward-looking statements concerning Renasant, Metropolitan or the Merger or other matters and attributable to Renasant, Metropolitan or any person acting on either of their behalf are expressly qualified in their entirety by the cautionary statements above. Renasant and Metropolitan do not undertake any obligation to update any forward-looking statement, whether written or oral, to reflect circumstances or events that occur after the date the forward-looking statements are made.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Edgar Filing: RENASANT CORP - Form 425

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger by and among Renasant Corporation, Renasant Bank, Metropolitan BancGroup, Inc. and Metropolitan Bank dated as of January 17, 2017*
99.1	Transcript of conference call held on January 18, 2017
99.2	Frequently asked questions distributed to employees of Metropolitan BancGroup, Inc.

* The schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the SEC upon request.

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.

RENASANT CORPORATION

Date: January 19, 2017

By: /s/ E. Robinson McGraw
E. Robinson McGraw
Chairman and Chief Executive Officer

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger by and among Renasant Corporation, Renasant Bank, Metropolitan BancGroup, Inc. and Metropolitan Bank dated as of January 17, 2017*
99.1	Transcript of conference call held on January 18, 2017
99.2	Frequently asked questions distributed to employees of Metropolitan BancGroup, Inc.

* The schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the SEC upon request.