

SL INDUSTRIES INC
Form SC TO-T
April 21, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(D)(1) OR 13(E)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

SL INDUSTRIES, INC.
(Name of Subject Company (Issuer))

HANDY & HARMAN LTD.
and
HANDY & HARMAN GROUP LTD.,
its wholly owned subsidiary
and
SLI ACQUISITION CO.,
its wholly owned subsidiary
(Names of Filing Persons (Offerors))

COMMON STOCK, PAR VALUE \$0.20 PER SHARE
(Title of Class of Securities)

784413106
(CUSIP Number of Class of Securities)

Jack L. Howard
Steel Partners Holdings L.P.
590 Madison Avenue, 32nd Floor
New York, New York 10022
(212) 520-2300
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of
Filing Persons)

With a copy to:
Steve Wolosky, Esq.
Olshan Frome Wolosky LLP
1325 Avenue of the Americas
New York, New York 10019
(212) 451-2300

CALCULATION OF FILING FEE

| | |
|------------------------|------------------------|
| Transaction Valuation* | Amount of Filing Fee** |
| \$163,244,295.00 | \$16,438.70 |

*Estimated solely for purposes of calculating the filing fee. This calculation is based on the offer to purchase all of the issued and outstanding shares of common stock, par value \$0.20 per share, of SL Industries Inc. (the "Company"), at a purchase price of \$40.00 per share in cash, without interest thereon and subject to any required tax withholding. The underlying value of the transaction was calculated based on the sum of: (i) 3,969,560 issued and outstanding shares of common stock of the Company, multiplied by \$40.00 per share; (ii) 125,890 shares of common stock of the Company underlying outstanding options with an exercise price that is less than \$40.00 per share, multiplied by \$16.77 per share (which is equal to the difference between \$40.00 and \$23.23, the weighted average exercise price of such options); (iii) 43,768 shares of common stock of the Company underlying outstanding restricted stock units, multiplied by \$40.00 per share; and (iv) 15,000 restricted shares of common stock of the Company, multiplied by \$40.00 per share. The foregoing numbers of shares of common stock, options, restricted stock units and restricted shares of common stock have been provided by the issuer to the offeror and are as of the close of business on April 20, 2016, the most recent practicable date. The filing fee was determined by multiplying 0.0001007 by the proposed maximum aggregate value of the transaction of \$163,244,295.

**The filing fee was calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory No. 1 for Fiscal Year 2016, issued August 27, 2015, by multiplying the transaction value by 0.0001007.

..Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not applicable.

Filing Party: Not applicable.

Form or Registration No.: Not applicable.

Date Filed: Not applicable.

..Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1
- issuer tender offer subject to Rule 13e-4
- going-private transaction subject to Rule 13e-3
- amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer. ..

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

..

Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

This Tender Offer Statement on Schedule TO (together with any amendments and supplements hereto, this “Schedule TO”) is filed by Handy & Harman Ltd., a Delaware corporation (“Parent”), Handy & Harman Group Ltd., a Delaware corporation and a wholly owned subsidiary of Parent (“Purchaser”), and SLI Acquisition Co., a Delaware corporation and a wholly owned subsidiary of Purchaser (“Acquisition Sub”). This Schedule TO relates to the offer by Parent, Purchaser and Acquisition Sub to purchase all of the issued and outstanding shares of common stock, par value, \$0.20 per share (the “Shares”), of SL Industries, Inc., a Delaware corporation (the “Company”), at a purchase price of \$40.00 per Share in cash (the “Offer Price”), without interest thereon and subject to any required tax withholding, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated April 21, 2016 (the “Offer to Purchase”), and in the related Letter of Transmittal (the “Letter of Transmittal”), copies of which are attached hereto as Exhibits (a)(1)(A) and (a)(1)(B), respectively (which, together with any amendments or supplements thereto, collectively constitute the “Offer”).

All information contained in the Offer to Purchase (including Schedule I to the Offer to Purchase) and the accompanying Letter of Transmittal is hereby expressly incorporated herein by reference in response to Items 1 through 9 and Item 11 of this Schedule TO.

The Agreement and Plan of Merger, dated as of April 6, 2016 (as it may be amended from time to time, the “Merger Agreement”), by and among the Company, Parent, Purchaser and Acquisition Sub, a copy of which is attached as Exhibit (d)(1) hereto, and the Tender Agreement, dated as of April 6, 2016 (as it may be amended from time to time, the “Tender Agreement”), by and among the Company, Parent, Purchaser, Acquisition Sub and DGT Holdings Corp., a stockholder of the Company, a copy of which is attached as Exhibit (d)(2) hereto, are incorporated herein by reference with respect to Items 4, 5, 6 and 11 of this Schedule TO.

Item 1. Summary Term Sheet.

The information set forth in the “Summary Term Sheet” of the Offer to Purchase is incorporated herein by reference.

Item 2. Subject Company Information.

(a) The name of the subject company and the issuer of the securities to which this Schedule TO relates is the Company. The Company’s principal executive offices are located at 520 Fellowship Road, Suite A114, Mt. Laurel, New Jersey 08054. The Company’s telephone number is (856) 727-1500.

(b) This Schedule TO relates to the issued and outstanding shares of common stock, par value \$0.20 per share, of the Company. The Company has advised Parent, Purchaser and Acquisition Sub that, as of the close of business on April 6, 2016 (the most recent practicable date) there were: (i) 3,969,560 shares of common stock of the Company that were issued and outstanding; (ii) outstanding options to purchase 125,890 shares of common stock of the Company; (iii) outstanding restricted stock units to receive 43,768 shares of common stock of the Company; and (iv) outstanding restricted shares to receive 30,000 shares of common stock of the Company.

(c) The information set forth in The Tender Offer — Section 6—Price Range of Shares; Dividends in the Offer to Purchase is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) — (c) This Schedule TO is filed by Parent, Purchaser and Acquisition Sub. The information set forth in The Tender Offer — Section 8—Certain Information Concerning Parent, Purchaser and Acquisition Sub in the Offer to Purchase and Schedule I to the Offer to Purchase is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a)(1)(i) — (viii), (xii), (a)(2)(i) — (iii), (vii) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- the “Introduction”
- Special Factors — Section 2 — Purpose of the Offer; Plans for the Company
- Special Factors — Section 5 — Certain Effects of the Offer
- Special Factors — Section 6 — The Merger Agreement and the Tender Agreement
 - Special Factors — Section 7 — Appraisal Rights
 - The Tender Offer — Section 1 — Terms of the Offer
- The Tender Offer — Section 2 — Acceptance for Payment and Payment for Shares
- The Tender Offer — Section 3 — Procedures for Accepting the Offer and Tendering Shares
 - The Tender Offer — Section 4 — Withdrawal Rights
- The Tender Offer — Section 5 — Certain U.S. Federal Income Tax Consequences of the Offer
 - The Tender Offer — Section 9 — Source and Amount of Funds
 - The Tender Offer — Section 11 — Conditions of the Offer
- The Tender Offer — Section 12 — Certain Legal Matters; Regulatory Approvals
 - The Tender Offer — Section 14 — Miscellaneous

(a)(1)(ix) — (xi), (a)(2)(iv) — (vi) Not applicable.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(a), (b) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- the “Introduction”

- Special Factors — Section 1 — Background of the Offer; Past Contacts or Negotiations with the Company
 - Special Factors — Section 2 — Purpose of the Offer; Plans for the Company
 - Special Factors — Section 6 — The Merger Agreement and the Tender Agreement
- The Tender Offer — Section 8 — Certain Information Concerning Parent, Purchaser and Acquisition Sub
 - Schedule I

Item 6. Purposes of the Transaction and Plans or Proposals.

(a), (c)(1)-(7) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- the “Introduction”
- Special Factors — Section 1 — Background of the Offer; Past Contacts or Negotiations with the Company
 - Special Factors — Section 2 — Purpose of the Offer; Plans for the Company
 - Special Factors — Section 5 — Certain Effects of the Offer
 - Special Factors — Section 6 — The Merger Agreement and the Tender Agreement
 - Schedule I

Item 7. Source and Amount of Funds or Other Consideration.

(a), (b), (d) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- The Tender Offer — Section 9 — Source and Amount of Funds

Item 8. Interest in Securities of the Subject Company.

(a) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- Special Factors — Section 2 — Purpose of the Offer; Plans for the Company
- Special Factors — Section 6 — The Merger Agreement and the Tender Agreement

- The Tender Offer — Section 8 — Certain Information Concerning Parent, Purchaser and Acquisition Sub
• Schedule I

(b) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- The Tender Offer — Section 8 — Certain Information Concerning Parent, Purchaser and Acquisition Sub
• Schedule I

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- Special Factors — Section 1 — Background of the Offer; Past Contacts or Negotiations with the Company
 - The Tender Offer — Section 3 — Procedures for Accepting the Offer and Tendering Shares
 - The Tender Offer — Section 13 — Fees and Expenses

Item 10. Financial Statements.

Not applicable.

Item 11. Additional Information.

(a)(1) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Special Factors — Section 1 — Background of the Offer; Past Contacts or Negotiations with the Company
 - Special Factors — Section 2 — Purpose of the Offer; Plans for the Company
 - Special Factors — Section 6 — The Merger Agreement and the Tender Agreement
- The Tender Offer — Section 8 — Certain Information Concerning Parent, Purchaser and Acquisition Sub

(a)(2) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Special Factors — Section 2 — Purpose of the Offer; Plans for the Company

- The Tender Offer — Section 11 — Conditions of the Offer

- The Tender Offer — Section 12 — Certain Legal Matters; Regulatory Approvals

(a)(3) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- The Tender Offer — Section 11 — Conditions of the Offer

- The Tender Offer — Section 12 — Certain Legal Matters; Regulatory Approvals

(a)(4) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Special Factors — Section 5 — Certain Effects of the Offer

(a)(5) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- The Tender Offer — Section 12 — Certain Legal Matters; Regulatory Approvals

(c) The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1)(A) and (a)(1)(B), respectively, to the extent not otherwise incorporated herein by reference, is incorporated herein by reference.

Item 12. Exhibits.

| Exhibit No. | Description |
|-------------|--|
| (a)(1)(A) | Offer to Purchase dated April 21, 2016.* |
| (a)(1)(B) | Letter of Transmittal (including IRS Form W-9).* |
| (a)(1)(C) | Notice of Guaranteed Delivery.* |
| (a)(1)(D) | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.* |
| (a)(1)(E) | Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.* |
| (a)(1)(F) | Summary Advertisement as published in the New York Times on April 21, 2016.* |
| (a)(5)(A) | Press release issued by Handy & Harman Ltd. on April 21, 2016.* |
| (b) | Not applicable. |
| (d)(1) | Agreement and Plan of Merger, dated as of April 6, 2016, by and among Handy & Harman Ltd., Handy & Harman Group Ltd., SLI Acquisition Co. and SL Industries, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Handy & Harman Ltd. with the Securities and Exchange Commission on April 7, 2016). |
| (d)(2) | Tender Agreement, dated as of April 6, 2016, by and among Handy & Harman Ltd., Handy & Harman Group Ltd., SLI Acquisition Co., SL Industries, Inc. and DGT Holdings Corp. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Handy & Harman Ltd. with the Securities and Exchange Commission on April 7, 2016). |
| (g) | Not applicable. |
| (h) | Not applicable. |

* Filed herewith

SIGNATURES

After due inquiry and to the best knowledge and belief of the undersigned, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: April 21, 2016

HANDY & HARMAN LTD.

By: /s/ James F. McCabe, Jr.
Name: James F. McCabe, Jr.
Title: Chief Financial Officer