

FIRST MID ILLINOIS BANCSHARES INC

Form S-4

January 22, 2018

As filed with the Securities and Exchange Commission on January 22, 2018.

Registration No. -333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

First Mid-Illinois Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Delaware

6021

37-1103704

(State or other jurisdiction of incorporation (Primary Standard Industrial Classification(I.R.S. Employer Identification or organization) Code Number) Number)

1421 Charleston Avenue

Mattoon, Illinois 61938

Telephone: (217) 234-7454

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Joseph R. Dively

Chairman, President and Chief Executive Officer

1421 Charleston Avenue

Mattoon, Illinois 61938

Telephone: (217) 258-0415

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Chicago, Illinois 60606

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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. (Check one):

Large accelerated filer "

Accelerated filer

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Non-accelerated filer  (Do not check if a smaller reporting company)  Smaller reporting company   
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected 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.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered <sup>(1)</sup>	Proposed maximum offering price per unit	Proposed maximum aggregate offering price <sup>(2)</sup>	Amount of registration fee <sup>(3)</sup>
Common Stock, par value \$4.00 per share	1,662,840	N/A	\$62,356,470	\$7,763.39

(1) The estimated maximum number of shares of First Mid-Illinois Bancshares, Inc. ("First Mid") common stock to be issuable upon completion of the merger described herein and pursuant to the terms of the Agreement and Plan of Merger by and among First Mid, Project Hawks Merger Sub LLC (formerly known as Project Hawks Merger Sub Corp.), a wholly owned subsidiary of First Mid, and First BancTrust Corporation ("First Bank"), dated as of December 11, 2017, as amended by the First Amendment to Agreement and Plan of Merger, dated as of January 18, 2018, and attached to the proxy statement/prospectus as Appendix A. Pursuant to Rule 416, this Registration Statement also covers an indeterminate number of shares of common stock as may become issuable as a result of stock splits, stock dividends or similar transactions.

(2) The proposed maximum aggregate offering price of First Mid's common stock was calculated based upon the market value of shares of First Bank common stock (the securities to be cancelled in the merger) in accordance with Rules 457(c) and 457(f) under the Securities Act as follows: (i) the product of (a) \$35.00, the average of the high and low prices per share of First Bank common stock as reported on the OTCQX Market on January 17, 2018, and (b) 2,078,549 (the maximum possible number of shares of First Bank stock which may be canceled and exchanged in the merger, including shares reserved for issuance pursuant to outstanding equity awards), minus (ii) \$10,392,745 (the estimated amount of cash to be paid by the registrant to First Bank stockholders and holders of equity award shares in the merger).

(3) Determined in accordance with Section 6(b) of the Securities Act of 1933, as amended, at a rate equal to \$124.50 per \$1,000,000 of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. We may not offer or sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY COPY-SUBJECT TO COMPLETION, DATED JANUARY 22, 2018

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PROXY STATEMENT OF FIRST BANCTRUST CORPORATION

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PROSPECTUS OF FIRST MID-ILLINOIS BANCSHARES, INC.

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Merger Proposal-Your Vote Is Important

DEAR FIRST BANCTRUST CORPORATION STOCKHOLDERS:

You are cordially invited to attend a special meeting of stockholders of First BancTrust Corporation, which will be held on [ ], 2018 at [ ], local time at [ ].

At the meeting, you will be asked to approve the merger agreement, dated December 11, 2017, as amended by the First Amendment to Agreement and Plan of Merger, dated as of January 18, 2018, and as it may be further amended from time to time (which we refer to as the “merger agreement”), among First BancTrust Corporation (“First Bank”), First Mid-Illinois Bancshares, Inc. (“First Mid”) and Project Hawks Merger Sub LLC (formerly known as Project Hawks Merger Sub Corp.), a newly formed wholly-owned subsidiary of First Mid (“Merger Sub”), that provides for First Mid’s acquisition of First Bank through the merger of First Bank with and into Merger Sub, with Merger Sub as the surviving entity and a wholly-owned subsidiary of First Mid (the “merger”). In the proposed merger, each issued and outstanding share of First Bank common stock will be converted into, and become the right to receive, (a) \$5.00 per share in cash and (b) 0.80 shares of validly issued, fully paid and nonassessable shares of First Mid common stock, par value \$4.00 per share, together with cash in lieu of fractional shares, subject to certain adjustments as set forth in, and subject to the terms of, the merger agreement, and as described in detail in this proxy statement/prospectus.

Based on the number of shares of First Bank common stock outstanding as of December 11, 2017, the date of the merger agreement, and the closing price of First Mid’s common stock of \$39.09 on December 11, 2017, and assuming no adjustments to merger consideration, First Bank stockholders are expected to receive total aggregate merger consideration of approximately \$74,534,716, consisting of approximately \$10,274,415 in cash and \$64,260,301 in First Mid common stock, subject to receipt of cash in respect of fractional shares.

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The merger consideration is subject to potential adjustment in four circumstances. First, if the consolidated balance sheet delivered by First Bank to First Mid as of the last day of the month preceding the closing date of the merger, or as of three business days prior to the closing date of the merger if such date is more than three business days following the last day of the preceding month, reflects consolidated stockholders' equity less than \$47,100,000 (as computed and adjusted in accordance with the merger agreement), for every \$50,000 shortfall thereof, the cash consideration will be reduced by \$.00339 per share. As of September 30, 2017, First Bank's consolidated stockholders' equity as computed in accordance with generally accepted accounting principles ("GAAP") was \$46,558,343. As of the date of this proxy statement/prospectus, the parties are not aware of any existing facts or circumstances that would cause the consolidated stockholders' equity included in the closing consolidated balance sheet to be less than \$47,100,000. Second, if at any time during the five business day period commencing on the tenth business day immediately preceding the effective time of the merger, the average closing price of a share of First Mid common stock is less than \$30.43 and decreases by more than 17.5% in relation to the Nasdaq Bank Index, First Bank will have the right to terminate the merger agreement unless First Mid elects to increase the exchange ratio pursuant to the formula described in the section of the proxy statement/prospectus entitled "Description of the Merger Agreement-Merger Consideration". Third, if, prior to the effective time, the number of shares of First Mid common stock are changed into a different number of shares or a different class of shares pursuant to any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, or if a stock dividend thereof shall be declared with a record date within such period, an appropriate and proportionate adjustment shall be made to the exchange ratio so as to provide the holders of First Bank common stock with the same economic effect as contemplated by the merger agreement prior to such event. Fourth, if any of the foregoing adjustments to the exchange ratio would require First Mid to issue more than 19.9% of the issued and outstanding shares of First Mid common stock at the effective time of the merger, First Mid shall have the right to adjust the ratio so that First Mid would not be required to issue more than 19.9% of its outstanding common stock and to increase the cash consideration to reflect, on a per share basis, the aggregate value of the total number of shares of First Mid common stock that otherwise would have been issuable pursuant to the terms of the merger agreement.

Upon the effectiveness of the merger, each share of issued and outstanding First Bank common stock shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist. Each certificate formerly representing any share of First Bank common stock and each uncertificated share registered to a holder on the stock transfer books of First Bank shall thereafter represent only the right to receive the merger consideration described above and herein.

Upon closing of the merger, assuming no adjustment in the number of shares of First Mid common stock to be issued in the merger pursuant to the terms of the merger agreement, we expect that the former stockholders of First Bank will own approximately 11.6% of First Mid's issued and outstanding common stock.

First Mid's common stock currently trades on the Nasdaq Global Select Market under the symbol "FMBH." First Bank's common stock currently trades on the OTCQX Market under the symbol "FIRT." On [ ], 2018, the latest practicable date before the printing of this proxy statement/prospectus, the closing price of First Mid common stock was \$[ ] per share. The shares of First Mid common stock issued pursuant to the merger will be registered under the Securities Act of 1933, as amended (which we refer to as the "Securities Act"), and will trade on the Nasdaq Global Select Market. We cannot complete the merger unless we obtain the necessary governmental approvals and unless the stockholders of First Bank approve the merger agreement and the transactions contemplated therein. The board of directors of First Bank has unanimously approved the merger and recommends that First Bank's stockholders vote "FOR" approval of the merger agreement and the transactions contemplated therein to be considered at the special meeting.

The place, date and time of the First Bank stockholders' meeting are as follows:

[ ]

This proxy statement/prospectus contains a more complete description of the First Bank stockholders' meeting and the terms of the merger. You may also obtain information about First Mid from documents that it has filed with the Securities and Exchange Commission (which we refer to as the "SEC"). We urge you to review this entire document carefully. This document also serves as the prospectus for up to 1,662,840 shares of First Mid common stock that may be issued by First Mid in connection with the merger.

Your vote is important, regardless of the number of shares that you own. Whether or not you plan to attend First Bank's stockholders' meeting, please take the time to vote by following the voting instructions included in the enclosed proxy card. Submitting a proxy now will not prevent you from being able to vote in person at First Bank's special meeting. If you do not vote your shares as instructed in the enclosed proxy card, or if you do not instruct your broker how to vote any shares held for you in "street name," the effect will be a vote against the merger and the transactions contemplated therein.

You should read this entire proxy statement/prospectus carefully because it contains important information about the merger. In particular, you should read carefully the information under the section entitled "Risk Factors" beginning on page 17.

Thank you for your cooperation and continued support.

Sincerely,

Jack R. Franklin  
Chairman and Chief Executive Officer  
First BancTrust Corporation

Neither the SEC nor any state securities regulatory body has approved or disapproved of the securities to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation (the "FDIC") or any other governmental agency.

This proxy statement/prospectus is dated [ ], 2018, and is first being mailed to First Bank's stockholders on or about [ ], 2018.

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FIRST BANCTRUST CORPORATION

114 West Church Street  
Champaign, Illinois 61824  
(217) 398-0067

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Notice of Special Meeting of Stockholders

Date: [ ], 2018

Time: [ ], local time

Place: [ ]

Dear First Bank Stockholders:

NOTICE IS HEREBY GIVEN that First BancTrust Corporation (“First Bank”) will hold a special meeting of stockholders on [ ], 2018 at [ ], local time, at [ ]. The purpose of the meeting is to consider and vote on the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of December 11, 2017, as amended on January 18, 2018, among First Bank, First Mid-Illinois Bancshares, Inc. (“First Mid”) and Project Hawks Merger Sub LLC, a wholly owned subsidiary of First Mid (“Merger Sub”), pursuant to which First Bank will merge with and into Merger Sub with Merger Sub as the surviving entity and a wholly-owned subsidiary of First Mid, and the transactions contemplated therein;

the approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein; and

to transact any other business that properly comes before the special meeting, or any adjournments or postponements thereof.

Holders of record of First Bank common stock at the close of business on [ ], 2018 are entitled to receive this notice and to vote at the special meeting and any adjournments or postponements thereof. Approval of the merger agreement and the transactions contemplated therein requires the affirmative vote of the holders of a majority of the outstanding shares of First Bank common stock entitled to vote. Approval of the First Bank adjournment of the special meeting also requires the affirmative vote of the holders of a majority of the outstanding shares of First Bank common stock entitled to vote.

The board of directors of First Bank unanimously recommends that you vote “FOR” approval of the merger agreement and the transactions contemplated therein, and “FOR” approval to adjourn the special meeting to permit further solicitation in the event that an insufficient number of votes are cast to approve the merger agreement and the transactions contemplated therein.

Your vote is important. I encourage you to attend the meeting in person. Whether or not you plan to attend the meeting, please act promptly to vote your shares. You may vote your shares by telephone or over the Internet or by completing, signing and dating a proxy card and returning it in the accompanying postage paid envelope provided. You may also vote your shares by telephone or by following the instructions set forth on the proxy card. Please review the instructions for each of your voting options described in this proxy statement/prospectus. If you attend the meeting, you may vote your shares in person, even if you have previously submitted a proxy in writing, by telephone or through the Internet. Submitting a proxy will ensure that your shares are represented at the meeting. We look forward with pleasure to seeing and visiting with you at the meeting.

You will be sent a letter of transmittal separately on a later date. Please do not send in your stock certificates at this time.

Under Delaware law, if the merger is completed, First Bank stockholders of record who do not vote to approve the merger agreement, and otherwise comply with the applicable provisions of Delaware law pertaining to dissenting stockholders, will be entitled to exercise rights of appraisal and obtain payment in cash for the fair value of their shares of First Bank common stock. A copy of the section of the Delaware General Corporation Law pertaining to objecting stockholders' rights of appraisal (also known as dissenters' rights) is included as Appendix B to this proxy statement/prospectus.

By Order of the Board of Directors,

Jack R. Franklin  
Chairman and Chief Executive Officer  
First BancTrust Corporation  
[ ], 2018

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#### REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about First Mid from documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. For a listing of the documents incorporated by reference into this proxy statement/prospectus, please see the section entitled “Incorporation of Certain First Mid Documents by Reference” beginning on page 82. First Bank has not incorporated any information into this proxy statement/prospectus by reference. You can obtain any of the documents filed with or furnished to the SEC by First Mid, free of charge, from the SEC’s website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus by First Mid, free of charge, by contacting First Mid at the following address:

First Mid-Illinois Bancshares, Inc.

1421 Charleston Avenue

Mattoon, Illinois 61938

Attention: Investor Relations

Telephone: (217) 258-0463

The section of this proxy statement/prospectus entitled “Where You Can Find More Information” beginning on page 81 has additional information about obtaining copies of documents that First Mid has filed or furnished to the SEC.

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the First Bank special meeting. This means that documents must be requested by [ ] in order to receive them before the First Bank special meeting.

#### ABOUT THIS PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by First Mid (File No. 333-[ ]), constitutes a prospectus of First Mid under Section 5 of the Securities Act, with respect to the shares of common stock, par value \$4.00 per share, of First Mid, which we refer to as “First Mid common stock,” to be issued pursuant to the Agreement and Plan of Merger, dated as of December 11, 2017, by and among First Mid, Merger Sub and First Bank, as amended by the First Amendment to Agreement and Plan of Merger, dated as of January 18, 2018, and as may be further amended from time to time, which we refer to as the “merger agreement.” This document also constitutes a proxy statement of First Bank under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the “Exchange Act.” It also constitutes a notice of meeting with respect to the special meeting of stockholders at which First Bank stockholders will be asked to consider and vote upon (a) the proposal to approve the merger agreement and the transactions contemplated therein, and (b) the proposal to adjourn or postpone the First Bank special meeting, if necessary or appropriate, for among other reasons, the solicitation of additional proxies. First Mid has supplied all information contained or incorporated by reference into this proxy statement/prospectus relating to First Mid, and First Bank has supplied all information contained in this proxy statement/prospectus relating to First Bank. First Bank has not incorporated any information into this proxy statement/prospectus by reference. You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [ ], 2018, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such incorporated document. Neither the mailing of this document to First Bank stockholders nor the issuance by First Mid of shares of First Mid common stock in connection with the merger will create any implication to the contrary.

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This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

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