

SEACOAST BANKING CORP OF FLORIDA

Form 425

November 09, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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): November 3, 2016

SEACOAST BANKING CORPORATION OF FLORIDA

(Exact Name of Registrant as Specified in Charter)

Florida

000-13660

59-2260678

**(State or Other Jurisdiction of (Commission File Number) (IRS Employer Identification No.)
Incorporation)**

815 Colorado Avenue, Stuart, Florida 34994

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (772) 287-4000

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:

- x 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 communication 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.

On November 3, 2016, Seacoast Banking Corporation of Florida, a Florida corporation (“Seacoast”), and Seacoast’s wholly-owned subsidiary, Seacoast National Bank, a national banking association (“SNB”), entered into an Agreement and Plan of Merger (the “Merger Agreement”) with GulfShore Bancshares, Inc., a Florida corporation (“GulfShore”), and GulfShore’s wholly-owned subsidiary, GulfShore Bank, a Florida state bank (“GB”). The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, GulfShore will merge with and into Seacoast, with Seacoast continuing as the surviving corporation (the “Merger”).

Immediately following the effective time of the Merger, GB is expected to merge with and into SNB, with SNB surviving and continuing its corporate existence under the name “Seacoast National Bank.”

Subject to the terms and conditions of the Merger Agreement, upon completion of the Merger, each outstanding share of GulfShore common stock will be converted into the right to receive a combination of \$1.47 in cash and 0.4807 shares of Seacoast common stock (the “Merger Consideration”). Each outstanding share of Seacoast common stock will remain outstanding and be unaffected by the Merger.

Each GulfShore stock option outstanding and unexercised immediately prior to the effective time of the Merger, whether or not vested or exercisable, will be cancelled and automatically converted into the right to receive a cash amount equal to the aggregate number of GulfShore shares subject to such option multiplied by the excess of the per share Merger Consideration value over the exercise price of such option.

The Merger Agreement contains customary representations and warranties from both Seacoast and GulfShore and each have agreed to customary covenants, including, among others, covenants on the part of GulfShore relating to: (1) the conduct of GulfShore’s business during the interim period between the execution of the Merger Agreement and the completion of the Merger; (2) GulfShore’s obligation to convene and hold a meeting of its shareholders to consider and vote upon the approval of the Merger Agreement; and (3) subject to certain exceptions, the recommendation by the Board of Directors of GulfShore that GulfShore shareholders approve the Merger Agreement. GulfShore has also agreed: (1) not to solicit proposals relating to any alternative acquisition transactions; (2) subject to certain exceptions, not to enter into any discussions, or enter into any agreement concerning, or provide confidential information in connection with, any alternative acquisition transactions; or (3) subject to certain exceptions, that GulfShore’s Board of Directors will not withhold, withdraw, change, qualify, amend or modify in a manner adverse to Seacoast its recommendation that GulfShore shareholders approve the Merger Agreement and will not submit the Merger Agreement to shareholders for approval without any recommendation.

Completion of the Merger is subject to certain customary conditions, including, among others: (1) approval of the Merger Agreement by the holders of a majority of GulfShore's outstanding common stock; (2) receipt of required regulatory approvals without the imposition of conditions or consequences that would have a material and adverse effect on Seacoast and its subsidiaries, taken as a whole (measured on a scale relative to GulfShore and its subsidiaries, taken as a whole); (3) the absence of any law or order prohibiting the completion of the Merger; (4) the effectiveness of the registration statement for the Seacoast common stock to be issued in connection with the Merger; and (5) the quotation and listing of the Seacoast common stock to be issued in the Merger on the Nasdaq Global Select Market. Each party's obligation to complete the Merger is also subject to certain additional customary conditions, including: (1) the accuracy of the representations and warranties of the other party; (2) performance in all material respects by the other party of its obligations under the Merger Agreement; (3) receipt by such party of an opinion from its counsel or tax advisor to the effect that the Merger will qualify as a "tax-free reorganization" within the meaning of the Internal Revenue Code of 1986, as amended; and (4) the absence of a material adverse effect on the other party. Seacoast's obligations are additionally conditioned upon, among other things: (1) GulfShore's consolidated tangible shareholder's equity and allowance for loan and lease losses as of the last day of the month immediately preceding the month in which the closing date occurs each being an amount not less than the amount thereof on September 30, 2016, adding back for this purpose transaction-related expenses; and (2) the holders of not more than 2% of the outstanding shares of GulfShore common stock having exercised appraisal rights under the applicable provisions of the Florida Business Corporation Act.

The Merger Agreement contains certain termination rights for Seacoast and GulfShore, as the case may be, applicable upon: (1) mutual consent; (2) a breach by the other party that is not cured within 30 days' notice of such breach if such breach would result in a failure of the conditions to closing set forth in the Merger Agreement; (3) the failure of GulfShore's shareholders to approve the Merger Agreement by the required vote; or (4) failure to complete the Merger by August 4, 2017 (subject to a three month extension exercisable by either party if all conditions have been met other than receipt of required regulatory approvals).

Seacoast may also terminate the Merger Agreement: (1) upon denial of any required regulatory approval; (2) upon the GulfShore Board's withholding, withdrawal, change, qualification, amendment or modification of its recommendation that GulfShore shareholders approve the Merger Agreement; (3) if the GulfShore Board has adopted, approved, recommended, endorsed or otherwise declared advisable the adoption of any alternative acquisition proposal; or (4) if GulfShore materially breaches its "no-shop" obligations under the Merger Agreement or its obligation to call, give notice of, convene and hold its shareholders meeting.

GulfShore may also terminate the Merger Agreement if (A) (i) the volume-weighted average trading price of Seacoast's common stock for the 10 trading days ending on the trading day immediately preceding the later of (x) the date on which the last required regulatory approval is obtained or (y) the date on which GulfShore shareholder approval is obtained, is less than (ii) \$14.73 (or 85% of \$17.33), (B) Seacoast's common stock underperforms a peer-group index (the Nasdaq Bank Index) by more than 20% and (C) Seacoast does not elect to increase the stock consideration in the merger by a formula-based amount.

The Merger Agreement provides that, upon termination of the Merger Agreement in certain circumstances (such as the GulfShore Board withholding or modifying its recommendation to GulfShore shareholders to approve the Merger), GulfShore is required to pay Seacoast a termination fee of \$2,125,000.

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, which is filed as Exhibit 2.1 hereto, and is incorporated into this report by reference thereto. The Merger Agreement has been attached as an exhibit to this report in order to provide investors and security holders with information regarding its terms. It is not intended to provide any other information about Seacoast, GulfShore, or their respective subsidiaries and affiliates. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of that agreement and as of specific dates, are solely for the benefit of the parties to the Merger Agreement, may be subject to limitations agreed upon by the 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, and may be subject to standards of materiality applicable to the parties that differ from those applicable to investors. Investors should not rely on the representations, warranties, or covenants or any description thereof as characterizations of the actual state of facts or condition of Seacoast, GulfShore or any of their respective subsidiaries or affiliates. 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 public disclosures by Seacoast.

Item 8.01 Other Events.

On November 4, 2016, Seacoast discussed the Merger on a conference call. A transcript of this conference call is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Important Information for Investors and Shareholders

*This communication (including the documents referred to herein) does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Seacoast Banking Corporation of Florida ("Seacoast") will file with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 containing a proxy statement of GulfShore Bancshares, Inc. ("GulfShore") and a prospectus of Seacoast, and Seacoast will file other documents with respect to the proposed merger. A definitive proxy statement/prospectus will be mailed to shareholders of GulfShore. **Investors and security holders of GulfShore are urged to read the proxy statement/prospectus and other documents that will be filed with the SEC carefully and in their entirety when they become available because they will contain important information.** Investors and security holders will be able to obtain free copies of the registration statement and the proxy statement/prospectus (when available) and other documents filed with the SEC by Seacoast through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Seacoast will be available free of charge on Seacoast's internet website or by contacting Seacoast.*

Seacoast, GulfShore, their respective directors and executive officers and other members of management and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of Seacoast is set forth in its proxy statement for its 2016 annual meeting of shareholders, which was filed with the SEC on April 7, 2016 and its Current Reports on Form 8-K. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Item 9.01 Financial Statements and Exhibits.

(d)Exhibits.

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of November 3, 2016, by and among Seacoast Banking Corporation of Florida, Seacoast National Bank, GulfShore Bancshares, Inc. and GulfShore Bank.
99.1	Investor conference call transcript from investor call held on November 4, 2016.

SIGNATURE

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.

**SEACOAST BANKING
CORPORATION OF FLORIDA**

By: /s/ Stephen Fowle
Stephen Fowle
Executive Vice President and Chief
Financial Officer

Date: November 9, 2016