

FIRST MID ILLINOIS BANCSHARES INC

Form S-4/A

July 08, 2016

As filed with the Securities and Exchange Commission on July 8, 2016 .

Registration No. -333-212000

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Amendment No. 1
to
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 (Primary Standard Industrial (I.R.S. Employer
incorporation or organization) Classification Code Number) Identification 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)

Copies to:

Jason Zgliniec, Esq.

Victoria Pool, Esq.

Schiff Hardin LLP

233 S. Wacker Drive

Suite 6600

Chicago, Illinois 60606

Telephone: (312) 258-5500

Robert M. Fleetwood, Esq.

Barack Ferrazzano Kirschbaum & Nagelberg LLP

200 W. Madison Street

Suite 3900

Chicago, Illinois 60606

Telephone: (312) 984-3100

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

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) "

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 joint 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 joint 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 JULY 8, 2016

PROXY STATEMENT OF FIRST CLOVER LEAF FINANCIAL CORP.

PROXY STATEMENT AND PROSPECTUS OF FIRST MID-ILLINOIS BANCSHARES, INC.

Merger Proposal-Your Vote Is Important

DEAR FIRST CLOVER LEAF FINANCIAL CORP. AND FIRST MID-ILLINOIS BANCSHARES, INC.
STOCKHOLDERS:

On April 26, 2016, First Clover Leaf Financial Corp. (which we refer to as “First Clover Leaf”) and First Mid-Illinois Bancshares, Inc. (which we refer to as “First Mid”) entered into an Agreement and Plan of Merger (which, as amended by the First Amendment to Agreement and Plan of Merger entered into as of June 6, 2016, we refer to as the “merger agreement”) pursuant to which First Mid has agreed to acquire First Clover Leaf through the merger of First Clover Leaf with and into First Mid (which we refer to as the “merger”). First Mid will be the surviving company in the merger. In the proposed merger, each issued and outstanding share of First Clover Leaf common stock will be converted into and become the right to receive, at the election of each stockholder, either (a) \$12.87 or (b) 0.495 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. The merger consideration is subject to potential adjustment in three circumstances. First, if the closing consolidated balance sheet delivered by First Clover Leaf 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 \$80,700,000 (as computed and adjusted in accordance with the merger agreement), for every \$50,000 shortfall thereof, (i) the cash consideration will be reduced by \$0.0075 per share and (ii) the exchange ratio shall be reduced by 0.00025. As of March 31, 2016, First Clover Leaf’s consolidated stockholder’s equity as computed in accordance with generally accepted accounting principles (“GAAP”) was \$81,498,496. Second, if at any time during the ten business day period starting on the twelfth 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 \$21.30 and decreases by more than 20% in relation to the NASDAQ Bank Index, First Clover Leaf 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 this joint proxy statement/prospectus entitled “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 Clover Leaf common stock with the same economic effect as contemplated by the merger agreement prior to such event.

Elections are subject to proration so that no more than 25% of the number of shares of First Clover Leaf common stock outstanding immediately prior to effective time will be exchanged for cash and no more than 75% of the number of shares of First Clover Leaf common stock outstanding immediately prior to effective time will be exchanged for First Mid common stock.

Upon the effectiveness of the merger, each share of issued and outstanding First Clover Leaf 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 Clover Leaf common stock and each uncertificated share registered to a holder on the stock transfer books of First Clover Leaf shall thereafter represent only the right to receive the merger consideration described above and herein.

Based on the number of shares of First Clover Leaf common stock outstanding as of April 26, 2016 and First Mid's \$25.27 common stock closing price on April 26, 2016, the date of the merger agreement, and assuming no adjustments to the merger consideration, First Clover Leaf stockholders will receive a total aggregate merger consideration of approximately \$88,267,056, made up of approximately \$22,541,429 in cash and \$65,725,627 in First Mid common stock, subject to receipt of cash in respect of fractional shares.

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, the former stockholders of First Clover Leaf will own approximately []% of First Mid's issued and outstanding common stock.

First Mid's common stock currently trades on the NASDAQ Global Market under the symbol "FMBH." First Clover Leaf's common stock currently trades on the NASDAQ Capital Market under the symbol "FCLF." On [], 2016, the latest practicable date before the printing of this joint 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 Market.

We cannot complete the merger unless we obtain the necessary governmental approvals and unless the stockholders of both companies approve the merger agreement and the transactions contemplated therein. Each of us is asking our stockholders to consider and vote on this merger proposal at our respective company's special meeting of stockholders.

The places, dates and times of the stockholders' meetings are as follows:

For stockholders of First Clover Leaf: For stockholders of First Mid:

[] []

This joint proxy statement/prospectus contains a more complete description of the stockholders' meetings and the terms of the merger. We urge you to review this entire document carefully. You may also obtain information about First Clover Leaf and First Mid from documents that each has filed with the Securities and Exchange Commission (which we refer to as the "SEC").

The boards of directors of First Clover Leaf and First Mid recommend that the First Clover Leaf and First Mid stockholders, respectively, vote "FOR" approval of the merger agreement and the transactions contemplated therein and "FOR" the other matters to be considered at the special meeting.

Your vote is important, regardless of the number of shares that you own. Whether or not you plan to attend your company's 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 your company'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 joint 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 27.

Thank you for your cooperation and continued support.

Sincerely,

P. David Kuhl
President and Chief Executive Officer
First Clover Leaf Financial Corp.

Joseph R. Dively
Chairman, President and Chief Executive
Officer
First Mid-Illinois Bancshares, Inc.

Neither the SEC nor any state securities regulatory body has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint 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 joint proxy statement/prospectus is dated [], 2016, and is first being mailed to First Clover Leaf’s and First Mid’s stockholders on or about [], 2016.

FIRST CLOVER LEAF FINANCIAL CORP.
6814 Goshen Road
Edwardsville, Illinois 62025
(618) 656-6122

Notice of Special Meeting of Stockholders

Date: [], 2016
Time: [], local time
Place: []

Dear First Clover Leaf Stockholders:

NOTICE IS HEREBY GIVEN that First Clover Leaf Financial Corp. ("First Clover Leaf") will hold a special meeting of stockholders on [], 2016 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 April 26, 2016, between First Clover Leaf and First Mid-Illinois Bancshares, Inc. ("First Mid"), as amended, pursuant to which First Clover Leaf will merge with and into First Mid, and the transactions contemplated therein;

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of First Clover Leaf may receive in connection with the merger proposal pursuant to existing agreements or arrangements with First Clover Leaf (which we refer to as the "First Clover Leaf compensation proposal"); and

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.

Holders of record of First Clover Leaf common stock at the close of business on [], 2016 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 Clover Leaf common stock entitled to vote. Approval of the First Clover Leaf compensation proposal and the adjournment of the special meeting also require the affirmative vote of the holders of a majority of the outstanding shares of First Clover Leaf common stock entitled to vote.

The board of directors of First Clover Leaf unanimously recommends that you vote "FOR" approval of the merger agreement and the transactions contemplated therein, "FOR" approval of the First Clover Leaf compensation proposal 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 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 joint 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.

Additionally, in order to make a timely election of merger consideration, please complete, sign and return the election form and letter of transmittal, included with this joint proxy statement/prospectus, in the enclosed prepaid envelope. To be considered timely, election forms must be received by 5:00 p.m., Chicago time, on the fifth business day before the effective time of the merger.

Under Maryland law, if the merger is completed, First Clover Leaf stockholders of record who do not vote to approve the merger agreement, and otherwise comply with the applicable provisions of Maryland law pertaining to objecting stockholders, will be entitled to exercise rights of appraisal and obtain payment in cash for the fair value of their shares of First Clover Leaf common stock by following the procedures set forth in detail in this joint proxy statement/prospectus. A copy of the section of the Maryland General Corporation Law pertaining to objecting stockholders' rights of appraisal is included as Appendix B to this joint proxy statement/prospectus.

By Order of the Board of Directors,

P. David Kuhl
President and Chief Executive Officer
Edwardsville, Illinois
[], 2016

First Mid-Illinois Bancshares, Inc.
1421 Charleston Avenue
Mattoon, Illinois 61938
Telephone: (217) 258-0415

Notice of Special Meeting of Stockholders

Date: [], 2016

Time: [], local time

Place: []

Dear Fellow Stockholders:

NOTICE IS HEREBY GIVEN that First Mid-Illinois Bancshares, Inc. (“First Mid”) will hold a special meeting of stockholders on [], 2016 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 April 26, 2016, between First Mid and First Clover Leaf Financial Corp. (“First Clover Leaf”), as amended, pursuant to which First Clover Leaf will merge with and into First Mid, and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger; and

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.

Holders of record of First Mid common stock at the close of business on [], 2016 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 Mid common stock entitled to vote. Approval of the adjournment of the special meeting requires the affirmative vote of a majority of the votes cast for the proposal.

The board of directors of First Mid recommends that you vote “FOR” approval of the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock in connection with the merger 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 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 joint 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.

By Order of the Board of Directors,

Joseph R. Dively
Chairman, President and Chief Executive Officer
Mattoon, Illinois
[], 2016

REFERENCES TO ADDITIONAL INFORMATION

This joint 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 joint proxy statement/prospectus. For a listing of the documents incorporated by reference into this joint proxy statement/prospectus, please see the section entitled “Incorporation of Certain First Mid Documents by Reference” beginning on page 154. First Clover Leaf has not incorporated any information into this joint proxy statement/prospectus by reference. You can obtain any of the documents filed with or furnished to the SEC by First Mid or First Clover Leaf, 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 joint proxy statement/prospectus by First Mid, free of charge, by contacting the appropriate company at the following address:

First Clover Leaf Financial Corp.	First Mid-Illinois Bancshares, Inc.
6814 Goshen Road	1421 Charleston Avenue
P.O. Box 540	Mattoon, Illinois 61938
Edwardsville, Illinois 62025	Telephone: (217) 258-0415
(618) 656-6122	

The section of this joint proxy statement/prospectus entitled “Where You Can Find More Information” beginning on page 153 has additional information about obtaining copies of documents that First Mid or First Clover Leaf have 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 your special meeting. This means that documents relating to First Mid must be requested by [], 2016, in order to receive them before the First Mid special meeting, and documents relating to First Clover Leaf must be requested by [], 2016, in order to receive them before the First Clover Leaf special meeting.

ABOUT THIS JOINT 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. 333-212000), 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 April 26, 2016, by and between First Mid and First Clover Leaf, as amended by the First Amendment to Agreement and Plan of Merger entered into as of June 6, 2016, which we refer to as the “merger agreement.” This document also constitutes a proxy statement of each of First Mid and First Clover Leaf 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 (i) the special meeting of stockholders at which First Mid stockholders will be asked to consider and vote upon (a) the proposal to approve the merger agreement and the transactions contemplated therein, including the issuance of First Mid common stock pursuant thereto and (b) the proposal to adjourn or postpone the First Mid special meeting, if necessary or appropriate, for among other reasons, the solicitation of additional proxies, and (ii) the special meeting of stockholders at which First Clover Leaf stockholders will be asked to consider and vote upon (a) the proposal to approve the merger agreement and the transactions contemplated therein, (b) the proposal to approve on an advisory basis certain compensation that may become available to its named executive officers in connection with the merger and (c) the proposal to adjourn or postpone the First Clover Leaf 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 joint proxy statement/prospectus relating to First Mid, and First Clover Leaf has supplied all information contained in this joint proxy statement/prospectus relating to First Clover Leaf. First Clover Leaf has not incorporated any information into

this joint 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 [], 2016, 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 Clover Leaf stockholders or First Mid 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.

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.

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	1
<u>SUMMARY</u>	9
Information about First Mid and First Clover Leaf	9
The merger and the merger agreement	10
What First Clover Leaf stockholders will receive as consideration in the merger	10
Election and Allocation of Cash Consideration or Stock Consideration	10
Potential Adjustment of Merger Consideration	11
Material U.S. federal income tax consequences of the merger	11
Opinion of First Clover Leaf’s Financial Advisor	11
Opinion of First Mid’s Financial Advisor	12
First Clover Leaf’s reasons for the merger; Board recommendation to First Clover Leaf’s stockholders	12
First Mid’s reasons for the merger; Board recommendation to First Mid’s stockholders	12
Interests of officers and directors of First Clover Leaf in the merger may be different from, or in addition to, yours	12
Interests of officers and directors of First Mid in the merger may be different from, or in addition to, yours	13
First Clover Leaf stockholders will have dissenters’ rights in connection with the merger	13
The merger and the performance of the combined company are subject to a number of risks	13
Stockholder approval will be required to complete the merger and approve the other proposals set forth in the notice	13
Completion of the merger is subject to regulatory approvals	14
Conditions to the merger	14
How the merger agreement may be terminated by First Mid and First Clover Leaf	15
A Termination fee may be payable by First Clover Leaf under some circumstances	16
Voting agreement	17
Accounting treatment of the merger	17
Certain differences in First Mid stockholder rights and First Clover Leaf stockholder rights	17
First Mid shares will be listed on NASDAQ	17
Risk Factors	17
Financing	17
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRST MID</u>	18
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF FIRST CLOVER LEAF</u>	20
<u>SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	22
<u>UNAUDITED COMPARATIVE PER COMMON SHARE DATA</u>	24

TABLE OF CONTENTS

(continued)

	Page
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	25
<u>RISK FACTORS</u>	27
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	33
<u>INFORMATION ABOUT THE SPECIAL MEETING OF FIRST CLOVER LEAF STOCKHOLDERS</u>	35
Purpose	35
Record date, shares entitled to vote, required vote, quorum	35
How to vote your shares	36
Shares held in “street name”	36
Revocation of proxies	37
Proxy solicitation	37
<u>THE FIRST CLOVER LEAF PROPOSALS</u>	37
Proposal 1-Approval of the Merger Agreement	37
Proposal 2-First Clover Leaf Compensation Proposal	37
Proposal 3-Adjournment of the Special Meeting	38
<u>INFORMATION ABOUT THE SPECIAL MEETING OF FIRST MID STOCKHOLDERS</u>	39
Purpose	39
Record date, shares entitled to vote, required vote, quorum	39
How to vote your shares	40
Shares held in “street name”	40
Revocation of proxies	41
Proxy solicitation	41
<u>THE FIRST MID PROPOSALS</u>	41
Proposal 1-Approval of the Merger Agreement and the Share Issuance	41
Proposal 2-Adjournment of the Special Meeting	41
<u>THE MERGER</u>	42
General	42
Background of the merger	42
First Clover Leaf’s reasons for the merger and recommendation of the board of directors	48
Opinion of Raymond James & Associates, Inc	50
First Mid’s reasons for the merger and recommendation of the board of directors	60
Opinion of FIG Partners, LLC	61
Accounting treatment of the merger	68
Regulatory approvals	68

TABLE OF CONTENTS

(continued)

	Page
Interests of certain persons in the merger	69
Merger-related compensation for First Clover Leaf's named executive officers	72
Restrictions on resale of First Mid common stock	73