

PharMerica CORP
Form DEFM14A
October 03, 2017
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☒ Preliminary Proxy Statement
☒ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☐ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material under Rule 14a-12

PharMerica Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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PHARMERICA CORPORATION

1901 Campus Place

Louisville, Kentucky 40299

October 3, 2017

Dear Stockholder:

You are cordially invited to attend a special meeting of the stockholders of PharMerica Corporation, a Delaware corporation (the "Company"), which we will hold at the Louisville Marriott Downtown, 280 West Jefferson Street, Louisville, KY 40202, on November 9, 2017, at 9:00 a.m. local time.

At the special meeting, holders of our common stock, par value \$0.01 per share ("common stock"), will be asked to consider and vote on a proposal to adopt an Agreement and Plan of Merger (as it may be amended from time to time, the "merger agreement"), dated as of August 1, 2017, by and among the Company, Phoenix Parent Holdings Inc., a Delaware corporation ("Parent"), and Phoenix Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"). Under the merger agreement, Merger Sub will be merged with and into the Company (the "merger"), and each share of common stock outstanding immediately prior to the effective time of the merger (other than certain shares as set forth in the merger agreement) will be converted into the right to receive an amount in cash equal to \$29.25 per share (such amount, the "merger consideration") without interest and subject to any required tax withholding. If the merger is completed, the Company will become a subsidiary of Parent, an entity which is an affiliate of investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR") and, at the closing of the merger, Walgreens Boots Alliance, Inc. ("WBA") will acquire a minority ownership interest in Parent.

The board of directors of the Company (the "board") unanimously (i) determined that the merger agreement and the transactions contemplated thereby are fair to and in the best interests of the Company and its stockholders, (ii) approved, adopted and authorized the merger agreement and the transactions contemplated thereby, and (iii) resolved to recommend, subject to the provisions of the merger agreement, the adoption of the merger agreement, including the merger, by the stockholders of the Company and directed that such matter be submitted for consideration of the stockholders of the Company at the special meeting.

The board unanimously recommends that the stockholders of the Company vote FOR the proposal to adopt the merger agreement.

At the special meeting, stockholders will also be asked to vote on (i) an advisory (non-binding) proposal to approve specified compensation that may be paid or become payable to the named executive officers of the Company in connection with the merger and (ii) a proposal to approve the adjournment of the special meeting from time to time, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement. **The board unanimously recommends that the stockholders of the Company vote FOR each of these proposals.**

The enclosed proxy statement describes the merger agreement, the merger and related agreements and provides specific information concerning the special meeting. In addition, you may obtain information about us from documents filed with the Securities and Exchange Commission (the "SEC"). We urge you to, and you should, read the entire proxy statement carefully, including the annexes and the documents referred to or incorporated by reference in the proxy statement, as it sets forth the details of the merger agreement and other important information related to the merger.

Your vote is very important. The merger cannot be completed unless holders of a majority of the outstanding shares of common stock vote in favor of the adoption of the merger agreement. If you fail to vote on the adoption of the merger agreement, the effect will be the same as a vote against the adoption of the merger agreement.

While stockholders may exercise their right to vote their shares of common stock in person, we recognize that many stockholders may not be able to attend the special meeting. Accordingly, we have enclosed a proxy card that will enable your shares of common stock to be voted on the matters to be considered at the special meeting even if you are unable to attend. If you desire your shares of common stock to be voted in accordance with the board's recommendation, you need only sign, date and return the proxy card in the enclosed postage-paid envelope. Otherwise, please mark the proxy to indicate your voting instructions; date and sign the proxy card; and return it in the enclosed postage-paid envelope. You also may submit a proxy by using a toll-free telephone number or the Internet. We have provided instructions on the proxy card for using these convenient services. Submitting a proxy will not prevent you from voting your shares of common stock in person if you subsequently choose to attend the special meeting. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy card and thus ensure that your shares of common stock will be represented at the special meeting if you are unable to attend.

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If you hold your shares of common stock in street name through a broker, bank or other nominee you should follow the directions provided by your broker, bank or other nominee regarding how to instruct your broker, bank or other nominee to vote your shares of common stock. Without those instructions, your shares of common stock will not be voted, which will have the same effect as voting against the proposal to adopt the merger agreement.

If you have any questions or need assistance in voting your shares of common stock, please contact our proxy solicitor, Mackenzie Partners, Inc., toll free at 800-322-2885.

On behalf of the Board of Directors of
PharMerica Corporation,

GREGORY S. WEISHAR
Chief Executive Officer

Louisville, Kentucky
October 3, 2017

Neither the SEC nor any state securities commission has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This proxy statement is dated October 3, 2017 and is first being mailed to stockholders on or about October 3, 2017.

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PHARMERICA CORPORATION

1901 Campus Place

Louisville, Kentucky 40299

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of PharMerica Corporation:

NOTICE IS HEREBY GIVEN that a Special Meeting of the Stockholders of PharMerica Corporation, a Delaware corporation (PharMerica, the Company or we), will be held at the Louisville Marriott Downtown, 280 West Jefferson Street, Louisville, KY 40202, at 9:00 a.m. local time on November 9, 2017, for the following purposes:

- to consider and vote on a proposal to adopt the Agreement and Plan of Merger (as it may be amended from time to time, the merger agreement), dated as of August 1, 2017, by and among the Company, Phoenix Parent Holdings Inc., a Delaware corporation (Parent), and Phoenix Merger Sub Inc., a Delaware corporation and wholly owned subsidiary of Parent (Merger Sub);
- to approve, on an advisory (non-binding) basis, specified compensation that may be paid or become payable to the named executive officers of the Company in connection with the merger;
- to approve the adjournment of the special meeting from time to time, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement; and
- to act upon other business as may properly come before the special meeting or any adjournment or postponement thereof by or at the direction of the board.

The holders of record of our common stock, par value \$0.01 per share (common stock), at the close of business on September 28, 2017, are entitled to receive notice of, and to vote at, the special meeting or at any adjournment thereof. All stockholders are cordially invited to attend the special meeting in person.

The board of directors of the Company (the board) unanimously (i) determined that the merger agreement and the transactions contemplated thereby are fair to and in the best interests of the Company and its stockholders, (ii) approved, adopted and authorized the merger agreement and the transactions contemplated thereby, and (iii) resolved to recommend, subject to the provisions of the merger agreement, the adoption of the merger agreement, including the merger, by the stockholders of the Company and directed that such matter be submitted for consideration of the stockholders of the Company at the special meeting.

The board unanimously recommends that the stockholders of the Company vote FOR the proposal to adopt the merger agreement, FOR the advisory (non-binding) proposal to approve specified compensation that may be paid or become payable to the named executive officers of the Company in connection with the merger and FOR the proposal to adjourn the special meeting from time to time, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.

Your vote is important, regardless of the number of shares of common stock you own. The adoption of the merger agreement by the affirmative vote of holders of a majority of the outstanding shares of common stock as of the record date is a condition to the consummation of the merger. The advisory (non-binding) proposal to approve specified compensation that may be paid or become payable to the named executive officers of the Company in connection with the merger and the proposal to adjourn the special meeting from time to time, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement each requires the affirmative vote of holders of a majority of the shares of common stock present in person or represented by proxy at the meeting and entitled to vote thereon. **Even if you plan to attend the special**

meeting in person, we request that you complete, sign, date and return the enclosed proxy card and thus ensure that your shares of common stock will be represented at the special meeting if you are unable to attend. A failure to vote your shares of common stock or an abstention from voting will have the same effect as a vote against the proposal to adopt the merger agreement.

You also may submit your proxy by using a toll-free telephone number or the Internet. We have provided instructions on the proxy card for using these convenient services.

If you sign, date and return your proxy card without indicating how you wish to vote, your proxy will be voted in favor of the proposal to adopt the merger agreement, the advisory (non-binding) proposal to approve specified compensation that may be paid or become payable to the named executive officers of the Company in connection with the merger and the proposal to adjourn the special meeting from time to time, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement. If you fail to vote or submit your proxy, the effect will be that your shares of common stock will not be counted for purposes of determining whether a

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quorum is present at the special meeting and will have the same effect as a vote against the adoption of the merger agreement, but will not affect the advisory vote to approve specified compensation that may become payable to the named executive officers of the Company in connection with the merger and the vote regarding the adjournment of the special meeting to solicit additional proxies, if necessary or appropriate.

Your proxy may be revoked at any time before the vote at the special meeting by following the procedures outlined in the accompanying proxy statement.

On behalf of the Board of Directors of
PharMerica Corporation,

GREGORY S. WEISHAR
Chief Executive Officer
Louisville, Kentucky
October 3, 2017

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