

Chestnutt Roy H
Form 4
April 03, 2013

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Chestnutt Roy H

2. Issuer Name and Ticker or Trading Symbol
VERIZON COMMUNICATIONS INC [VZ]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
04/01/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP - Strat, Dev and Plng

VERIZON COMMUNICATIONS INC., 140 WEST STREET, 29TH FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

NEW YORK, NY 10007

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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reduced by \$43 million as long as a bridge loan facility entered into between Purchaser and Santander remains effective (the "**Bridge Loan Facility**"). Subject to various conditions precedent, the Revolving Credit Facility permits further increases in the total commitment thereunder up to a maximum total commitment of \$250 million. Subject to the consummation of the Offer and other customary conditions, the Revolving Credit Facility will be available to (i) refinance the Bridge Loan Facility, (ii) pay related fees and expenses incurred in connection with the Merger and (iii) provide ongoing working capital and other funding for TimePayment. However, in no event may MF2 Holdings LLC use any proceeds of borrowings under the Revolving Credit Facility prior to the consummation of the Offer.

The Existing Credit Agreement contains a "Change of Control" (as defined thereunder) default provision that would be triggered upon the consummation of the Offer. By either refinancing and replacing or amending and restating the Existing Credit Agreement with the Revolving Credit Facility, TimePayment will avoid triggering the change of control event of default under the Existing Credit Agreement. Availability of funds under the Revolving Credit Facility are neither required by Purchaser to complete the Offer nor a condition to the Offer or the Merger.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The description of the Revolving Credit Facility in Item 1.01 above is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 regarding the Top-Up Option is incorporated by reference into this item. The Top-Up Option was issued without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), in reliance upon the exemption from registration set forth in Section 4(a)(2) of the Securities Act, as a transaction by an issuer not involving a public offering.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Concurrently with the execution and delivery of the Merger Agreement, each of Richard F. Latour, our Chief Executive Officer, James R. Jackson, Jr., our Chief Financial Officer, and Steven J. LaCreta, our Vice President, Legal and Vendor/Lessee Relations, entered into amended and restated employment agreements with the Company in order to continue their employment with the Company following the Merger on substantially the same economic terms as provided for in their existing agreements with the Company. The amended and restated employment agreements will become effective upon the completion of the Merger for a term of one year, with automatic renewals upon each succeeding anniversary of the closing unless either party gives at least 90 days' notice prior to a scheduled expiration that the term will not be extended. Mr. Latour's initial base salary will be \$368,639, with annual increases determined by reference to regional consumer price index increases; Mr. Jackson's initial base salary will be \$250,327; and Mr. LaCreta's initial base salary will be \$166,419. Each executive will also be eligible to participate in an annual bonus program. Mr. Latour's agreement sets his target annual bonus at 80% of his annual salary for 2015 and 120% of his annual salary thereafter. Mr. Jackson's agreement sets his target annual bonus at 40% of his annual salary for 2015 and 60% of his annual salary thereafter. Mr. LaCreta's agreement sets his target annual bonus at 25% of his annual salary for 2015 and 37.5% of his annual salary thereafter. In lieu of the Company's current quarterly discretionary bonus plan, the executives will receive four quarterly payments totaling, in the aggregate, \$165,818 (Mr. Latour), \$71,076 (Mr. Jackson), and \$35,532 (Mr. LaCreta) during 2015, subject to continued employment on each payment date. Each executive will be entitled to certain payments in the event his employment is terminated without cause, or by the executive for good reason, including payments of 300% (for Mr. Latour) or 150% (for Mr. Jackson and Mr. LaCreta) of base salary, a prorated percentage of the bonus (for Mr. Latour only), and continuation of certain benefits for a period.

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In addition, Parent will also have available for grant to members of management so-called "profits interests" for up to 12% of the fully diluted outstanding equity of Parent. Parent has indicated to the Company that it expects to grant up to 58.3% of the reserved equity pool available for issuance upon the consummation of the Merger. Of the profits interests granted, 45% will vest over five years following the date of grant, and 55% will vest subject to the attainment of certain performance targets. Parent has indicated to the Company that it currently intends to make the following grants of profits interests: 3.5% to Mr. Latour, 2.0% to Mr. Jackson, and 1.5% to Mr. LaCreta.

The foregoing summary of the amended and restated employment agreements does not purport to be complete and is subject to and qualified in its entirety by reference to the full text of such agreements, copies of which have been filed as Exhibits 10.1 through 10.3 to this Report and are incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On December 11, 2014, the Company amended its Amended and Restated By-Laws (a) to opt out of Chapter 110D of the Massachusetts General Laws relating to control share acquisitions, and (b) to provide that the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of the Company to the Company or the Company's shareholders, (iii) any action asserting a claim against the Company or any director or officer or other employee of the Company arising pursuant to any provision of the Massachusetts Business Corporation Act or the Company's Articles of Organization or By-Laws (as either may be amended from time to time), or (iv) any action asserting a claim against the Company or any director or officer or other employee of the Company governed by the internal affairs doctrine shall, in all cases subject to such court's having personal jurisdiction over the indispensable parties named as defendants, be either the Business Litigation Session of the Superior Court of Suffolk County, Massachusetts or, if such venue is not permissible, another Massachusetts state court located in Suffolk or Norfolk County, or a federal court located in Massachusetts.

Item 8.01 Other Information

Contribution Agreement

Concurrently with the execution of the Merger Agreement, and as a condition and inducement of Parent's and Purchaser's willingness to enter into the Merger Agreement, Richard F. Latour, our Chief Executive Officer, James R. Jackson, Jr., our Chief Financial Officer, and Steven J. LaCreta, our Vice President, Legal and Vendor/Lessee Relations, entered into a Contribution, Non-Tender and Support Agreement with Parent (the "**Contribution Agreement**"), pursuant to which each of them has agreed, among other things, not to tender any Shares owned by them in the Offer, to support the Offer and the Merger as provided in the Contribution Agreement, and to contribute 206,669 Shares (in the case of Mr. Latour), 38,720 Shares (in the case of Mr. Jackson) and 13,286 Shares (in the case of Mr. LaCreta) beneficially owned by them (the "**Contributed Shares**") to Parent following Offer's acceptance time and prior to the effective time of the Merger, upon which each of Mr. Latour, Mr. Jackson and Mr. LaCreta will be admitted as a limited partner of Parent. Shares beneficially owned by them and not contributed to Parent will be cashed out in the Merger as described under Item 1.01 of this Report. The Contribution Agreement will terminate if the Merger Agreement is terminated.

Tender and Support Agreement

On December 13, 2014, in connection with the execution of the Merger Agreement, each of the non-executive directors of MFI (the "Supporting Stockholders"), who hold 5,014,674 Shares in the aggregate, entered into a Tender and Support Agreement with Parent and Merger Sub (the "**Support Agreement**"). Pursuant to the Support Agreement, the Supporting Stockholders have agreed, among other things, to tender their Shares in the Offer and to vote (or cause to be voted) their Shares against

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certain other transactions. The Support Agreement will terminate upon termination of the Merger Agreement and certain other specified events.

Press Release

On December 15, 2014, the Company issued a press release regarding the execution of the Merger Agreement. A copy of the press release is filed as Exhibit 99.1 to this Report, and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d)

Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger by and among MF Parent LP, MF Merger Sub Corp. and MicroFinancial Incorporated, dated as of December 13, 2014*
3.1	Amendment to Amended and Restated By-Laws of MicroFinancial Incorporated, dated December 11, 2014
10.1	Amended and Restated Employment Agreement between MicroFinancial Incorporated and Richard F. Latour, dated December 13, 2014
10.2	Amended and Restated Employment Agreement between MicroFinancial Incorporated and James R. Jackson, Jr., dated December 13, 2014
10.3	Amended and Restated Employment Agreement between MicroFinancial Incorporated and Steven J. LaCreta, dated December 13, 2014
99.1	Press Release dated December 15, 2014

*

All schedules to the Merger Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of any omitted schedule to the SEC.

Additional Information and Where to Find It

The Tender Offer for the outstanding Shares described herein has not yet commenced. This communication is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any securities of MFI pursuant to the Offer or otherwise. Any offers to purchase or solicitations of offers to sell will be made only pursuant to the Tender Offer Statement on Schedule TO (including the offer to purchase, the letter of transmittal and other documents relating to the tender offer) which will be filed with the SEC by Purchaser. In addition, MFI will file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the Offer. MFI shareholders are advised to read these documents, any amendments to these documents and any other documents relating to the Offer that are filed with the SEC carefully and in their entirety prior to making any decision with respect to the Offer because they contain important information, including the terms and conditions of the offer. Investors may obtain a free copy of the Solicitation/Recommendation Statement and other documents (when available) that MFI files with the SEC at the SEC's website at www.sec.gov, or free of charge from MFI at www.microfinancial.com or directing a request to MicroFinancial Incorporated, 16 New England Executive Park, Suite 200, Burlington, Massachusetts 01803, Attention: Investor Relations, (781) 994-4800.

Forward-Looking Statements

Some of the statements in this Current Report on Form 8-K contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, regarding future events and the future results of the Company that are based on current expectations, estimates, forecasts and

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projections about the Company and the beliefs and assumptions of the management of the Company. Words such as "anticipates", "believes", "estimates", "expects", "intends", "plans", "projects", "may", "will", "should" and other similar expressions are intended to identify such forward-looking statements. These forward-looking statements are predictions of future events or trends and are not statements of historical matters. These statements are based on current expectations and beliefs of the Company and involve a number of risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. No assurance can be given as to the timing or amount of any future dividend payment. Among others, the following risks and uncertainties could cause actual results to differ from those set forth in the forward-looking statements: (i) that the Offer or the Merger may not be consummated in a timely manner, if at all; (ii) uncertainty as to the number of shareholders who will tender their Shares in the Offer; (iii) failure to obtain applicable regulatory approvals, or that a governmental entity may prohibit, delay or enjoin the Merger; (iv) that the Merger Agreement may be terminated in circumstances that would cause the Company to pay Parent the Termination Fee, (v) that the business of the Company may suffer as a result of the proposed Merger and the Merger Agreement is terminated; (vi) failure to satisfy conditions to the acceptance of Shares for payment in the Offer or the consummation of the Merger; and (vii) general economic and business conditions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document or in the case of the statements incorporated by reference. Additional risk factors that may affect future results are contained in the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2014 and in the Company's other filings with the SEC. Except to the extent required by applicable law or regulation, the Company undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

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QuickLinks

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