

FARMERS NATIONAL BANC CORP /OH/
Form 425
June 29, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): June 23, 2015

Farmers National Banc Corp.

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction

of incorporation)

001-35296
(Commission

File Number)

34-1371693
(IRS Employer

Identification No.)
44406-05555

20 South Broad Street, P.O. Box 555, Canfield, Ohio
(Address of principal executive offices)
(330) 533-3341

(Zip Code)

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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:

- 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 communications 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 June 23, 2015, Tri-State 1st Banc, Inc. (Tri-State), the parent company of National Community Bank (FNCB), Farmers National Banc Corp. (the Company), the parent company of The Farmers National Bank of Canfield (Farmers Bank), and FMNB Merger Subsidiary, LLC, a newly-formed wholly-owned subsidiary of the Company (Merger Sub), entered into an Agreement and Plan of Merger (the Merger Agreement) pursuant to which Tri-State will merge with and into Merger Sub (the Merger). Promptly following consummation of the Merger, it is expected that Merger Sub will be dissolved and liquidated, and FNCB will merge with and into Farmers Bank.

Pursuant to the terms of the Merger Agreement, common shareholders of Tri-State will be entitled to receive 1.747 common shares, without par value, of the Company (the Company Common Shares), or \$14.20 in cash, for each common share, without par value, of Tri-State (the Tri-State Common Shares), subject to proration provisions specified in the Merger Agreement that provide for a targeted aggregate split of total consideration consisting of 75% Company Common Shares and 25% cash. Preferred shareholders of Tri-State will be entitled to receive \$13.60 in cash for each share of Series A Preferred Stock, without par value, of Tri-State pursuant to the Merger Agreement.

The Merger Agreement contains (a) customary representations and warranties of Tri-State, the Company and Merger Sub, including, among others, with respect to corporate organization, capitalization, corporate authority, third party and governmental consents and approvals, financial statements and compliance with applicable laws, (b) covenants of Tri-State and the Company to conduct their respective businesses in the ordinary course until the Merger is completed and (c) covenants of Tri-State and the Company not to take certain actions during such period. Tri-State also has agreed that neither it nor its representatives will (i) solicit proposals relating to alternative business combination transactions or, (ii) subject to certain exceptions, enter into discussions concerning, or furnish information in connection with, any proposals for alternative business combination transactions, or approve, endorse or recommend, or take other actions relating to, an alternative business combination transaction.

Consummation of the Merger is subject to certain conditions, including, among others, approval of the Merger by the shareholders of Tri-State, effectiveness of the registration statement to be filed by the Company with the Securities and Exchange Commission (the SEC) to register the Company Common Shares to be offered to the common shareholders of Tri-State, the absence of any injunctions or other legal restraints, governmental filings and regulatory approvals and expiration of applicable waiting periods, accuracy of specified representations and warranties of each party and receipt of tax opinions.

The Merger Agreement contains certain termination rights for each of Tri-State and the Company, as the case may be, applicable upon the occurrence or non-occurrence of certain events, including (a) a final, non-appealable denial of required regulatory approvals, (b) the Merger has not been completed on or before June 23, 2016, (c) a breach by the other party that is not or cannot be cured within 30 days if such breach would result in a failure of the conditions to closing set forth in the Merger Agreement, (d) the failure of the shareholders of Tri-State to approve the Merger by the requisite vote, (e) the failure of the Board of Directors of Tri-State to

recommend the Merger to its shareholders or a change in the recommendation by the Board of Directors, (f) a breach of certain of the covenants of Tri-State or (g) the recommendation by the Board of Directors to the shareholders to tender (or the failure to recommend not to tender) Tri-State Common Shares in certain tender or exchange offers. If the Merger Agreement is terminated under certain conditions, Tri-State has agreed to pay the Company a termination fee of \$0.5 million.

In connection with the execution of the Merger Agreement, each of the directors and executive officers of Tri-State has entered into substantially identical voting agreements with the Company pursuant to which such directors and executive officers have agreed, among other things, to vote their respective Tri-State Common Shares in favor of the approval of the Merger Agreement and the transactions contemplated thereby. The form of voting agreement is included in Exhibit 2.1 to this Current Report on Form 8-K as Exhibit B to the Merger Agreement and is incorporated herein by reference.

The foregoing description of the Merger Agreement is not complete and is qualified in its entirety by reference to the full text of the Merger Agreement, which is filed as Exhibit 2.1 hereto and is incorporated herein by reference. 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 the Company, Tri-State or their respective subsidiaries and affiliates. The covenants, representations and warranties contained in the Merger Agreement were made only for purposes of that agreement and, in the case of representations and warranties, as of specific dates, may be subject to a contractual standard of materiality different from what a shareholder might view as material, may have been used for purposes of allocating risk between the respective parties rather than establishing matters as facts, may have been qualified by or subject to certain disclosures and exceptions not reflected in the Merger Agreement and generally were for the benefit of the parties to that agreement. 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 the Company, Tri-State 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 the Company or Tri-State.

Important Additional Information About the Merger.

In connection with the proposed Merger, the Company will file with the SEC a Registration Statement on Form S-4 that will include a Tri-State proxy statement and a Company prospectus, as well as other relevant documents concerning the proposed transaction.

SHAREHOLDERS OF TRI-STATE AND OTHER INVESTORS ARE URGED TO CAREFULLY READ THE PROXY STATEMENT/PROSPECTUS TO BE INCLUDED IN THE REGISTRATION STATEMENT ON FORM S-4, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY, TRI-STATE, THE PROPOSED MERGER, THE PERSONS SOLICITING PROXIES WITH RESPECT TO THE PROPOSED MERGER AND THEIR INTERESTS IN THE PROPOSED MERGER AND RELATED MATTERS.

The respective directors and executive officers of the Company and Tri-State, and other persons may be deemed to be participants in the solicitation of proxies from the common shareholders of Tri-State with respect to the proposed Merger. Information regarding the directors and executive officers of the Company is available in its proxy statement filed with the SEC on March 13, 2015. Information regarding directors and executive officers of Tri-State is available on its website at <http://www.1stnbc.com/>. Other information regarding the participants in the solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus to be included in the Registration Statement on Form S-4 and other relevant materials to be filed with the SEC when they become available.

Investors and security holders will be able to obtain free copies of the registration statement (when available) and other documents filed with the SEC by the Company through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by the Company will be available free of charge on the Company's website at <https://www.farmersbankgroup.com>.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale is unlawful before registration or qualification of the securities under the securities laws of the jurisdiction. No offer of securities shall be made except by means of a prospectus satisfying the requirements of Section 10 of the Securities Act.

Forward Looking Statements.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not historical facts, but rather statements based on the Company's current expectations regarding its business strategies and its intended results and future performance. Forward-looking statements are preceded by terms such as expects, believes, anticipates, intends and similar expressions, as well as any statements related to future expectations of performance or conditional verbs, such as will, would, should, could or may.

Forward-looking statements are not guarantees of future performance. Numerous risks and uncertainties could cause or contribute to the Company's actual results, performance, and achievements to be materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, the Company's failure to integrate Tri-State and its subsidiary in accordance with expectations; deviations from performance expectations related to Tri-State and its subsidiary; general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government; legislative and regulatory changes; competitive conditions in the banking markets served by the Company's subsidiaries; the adequacy of the allowance for losses on loans and the level of future provisions for losses on loans; and other factors disclosed periodically in the Company's filings with the SEC.

Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this report or made elsewhere from time to time by the Company or on the Company's behalf. The Company assumes no obligation to update any forward-looking statements.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger by and among Tri-State 1 st Banc, Inc., Farmers National Banc Corp. and FMNB Merger Subsidiary, LLC, dated as of June 23, 2015 (Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule will be furnished supplementally to the SEC upon request.).

SIGNATURES

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.

Farmers National Banc Corp.

By: /s/ Kevin J. Helmick
Kevin J. Helmick
President and Chief Executive Officer

Date: June 29, 2015