

TROVER SOLUTIONS INC

Form SC 13E3/A

May 27, 2004

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

SCHEDULE 13E-3

(Amendment No. 2)

(RULE 13e-100)

**TRANSACTION STATEMENT UNDER SECTION 13(e) OF THE SECURITIES
EXCHANGE ACT OF 1934 AND RULE 13e-3 THEREUNDER**

**RULE 13e-3 TRANSACTION STATEMENT UNDER SECTION 13(e)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Trover Solutions, Inc.
(Name of the Issuer)

**Thomas Weisel Capital Partners, L.P.
Tailwind Capital Partners LLC
TWP CEO Founders Circle (QP), L.P.
TWP CEO Founders Circle (AI), L.P.
Thomas Weisel Capital Management
LLC
Thomas Weisel Partners Group LLC
Thomas Weisel Capital Partners
Employee Fund, L.P.
TSI Holding Co., Inc.**

**TSI Acquisition Co., Inc.
Patrick B. McGinnis
Robert G. Bader, Jr.
Mark J. Bates
Robert L. Jefferson
Debra M. Murphy
Douglas R. Sharps
Trover Solutions, Inc.**

(Names of Person(s) Filing Statement)

Common Stock, par value \$.001 per share
(Title of Class of Securities)

42220K101
(CUSIP Number of Class of Securities)

**Douglas M. Karp
Managing Partner
Tailwind Capital Partners LLC
390 Park Avenue, 17th Floor
New York, New York 10022
Telephone: (212) 271-3700**

**Jill L. Force, Chair,
Special Committee of the Board
of Directors
Trover Solutions, Inc.
1600 Watterson Tower
Louisville, Kentucky 40218
Telephone: (502) 454-1340**

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(Name, Address, and Telephone Numbers of Person Authorized to Receive Notices and Communications on Behalf of the Person(s) Filing Statement)

With copies to:

John T. Capetta
Kelley Drye & Warren LLP
Two Stamford Plaza
281 Tresser Boulevard
Stamford, Connecticut
06901
Telephone (203) 324-1400

John A. Healy
Clifford Chance US LLP
200 Park Avenue
New York, New York 10166
Telephone: (212) 878-8000

This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- c. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

Calculation of Filing Fee

Transaction Valuation*
\$63,463,551

Amount of Filing Fee
\$8,041

- (X) For purposes of calculating the filing fee only, the transaction valuation was based upon the sum of (i) the product of 8,504,163 shares of common stock, par value \$0.001 per share, of Trover Solutions, Inc. and the merger consideration of \$7.00 per share and (ii) the proposed aggregate cash payment of \$3,934,410 to be paid to persons holding options to acquire shares of common stock of Trover Solutions, Inc. in consideration of cancellation of such options. The filing fee is equal to \$8,041.
- x Check the box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$8,041
Form or Registration No.: Schedule 14A, File
No. 000-22585

Filing Party: Trover Solutions, Inc.
Dates: March 11, 2004 and April 30,
2004
Filed:

Introduction

This Amendment No. 2 (this Amendment) to the Rule 13e-3 Transaction Statement on Schedule 13E-3 (as amended, the Schedule 13E-3), first filed March 11, 2004, as amended April 30, 2004, is being filed by Thomas Weisel Capital Partners, L.P. (TWCP); Tailwind Capital Partners LLC (Tailwind); TWP CEO Founders Circle (QP), L.P.; TWP CEO Founders Circle (AI), L.P.; Thomas Weisel Capital Management LLC; Thomas Weisel Partners Group LLC; Thomas Weisel Capital Partners Employee Fund, L.P.; TSI Holding Co., Inc. (Parent); TSI Acquisition Co., Inc. (Acquisition Corp.); Patrick B. McGinnis; Robert G. Bader, Jr.; Mark J. Bates; Robert L. Jefferson; Debra M. Murphy; Douglas R. Sharps and Trover Solutions, Inc. (Trover and together with the other filing persons, the Filing Persons).

The transaction which is the subject of this Schedule 13E-3 is a proposed merger (the Merger) of Acquisition Corp. with and into Trover, on the terms and subject to the conditions set forth in an Agreement and Plan of Merger, dated as of February 19, 2004, by and among Parent, Acquisition Corp. and Trover (the Merger Agreement). In the Merger each share of Trover's common stock, par value \$.001 per share, that remains outstanding immediately prior to the effective time of the Merger, other than shares held by Parent or Acquisition Corp. or held in treasury by Trover or any subsidiary of Trover, and except for shares as to which the holder thereof duly exercises statutory dissenter's rights, will be converted into the right to receive \$7.00 in cash, without interest.

Patrick B. McGinnis has entered into a definitive agreement with Parent providing for his continued employment with Trover following the merger on terms substantially similar to those contained in his current employment agreement with Trover.

Concurrently with the filing of this Schedule 13E-3, Trover is filing with the Securities and Exchange Commission pursuant to the requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), an amended preliminary proxy statement (the Proxy Statement) relating to a special meeting of Trover's stockholders at which the stockholders will be asked to vote on a proposal to adopt the Merger Agreement. The information set forth in the Proxy Statement, including all appendices thereto, is expressly incorporated by reference into this Schedule 13E-3 and the responses to each item in this Schedule 13E-3 are qualified in their entirety by the information contained in the Proxy Statement. The Proxy Statement is in preliminary form and is subject to completion or amendment.

In filing this Schedule 13E-3, the Filing Persons do not concede that Trover is controlled by or under common control with TWCP; Tailwind; TWP CEO Founders Circle (QP), L.P.; TWP CEO Founders Circle (AI), L.P.; Thomas Weisel Capital Management LLC; Thomas Weisel Partners Group LLC; Thomas Weisel Capital Partners Employee Fund, L.P.; Parent; Acquisition Corp.; Patrick B. McGinnis; Robert G. Bader, Jr.; Mark J. Bates; Robert L. Jefferson; Debra M. Murphy or Douglas R. Sharps or that any of their respective affiliates is an affiliate of Trover within the meaning of Rule 13e-3 under the Exchange Act. The information contained in this Schedule 13E-3 and the Proxy Statement concerning each Filing Person was supplied by that Filing Person and no Filing Person takes responsibility for the accuracy of information relating to any other Filing Person.

ITEM Summary Term Sheet.
1.

The information provided in the Proxy Statement under the captions Summary and Questions and Answers about Voting Procedures and Related Matters is incorporated herein by reference.

ITEM 2. Subject Company Information.

- (a) Name and Address The information provided in the Proxy Statement under the caption "The Participants" is incorporated herein by reference.
- (b) Securities The information provided in the Proxy Statement under the caption "The Special Meeting Record Date; Voting Information" is incorporated herein by reference.
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| (c) | Trading Market and Price | The information provided in the Proxy Statement under the caption Common Stock Market and Market Price is incorporated herein by reference. |
| (d) | Dividends | The information provided in the Proxy Statement under the caption Dividends is incorporated herein by reference. |
| (e) | Prior Public Offerings | Not applicable. |
| (f) | Prior Stock Purchases | The information provided in the Proxy Statement under the caption Common Stock Purchase Information Purchases by Trover is incorporated herein by reference. |
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| ITEM 3. | Identity and Background of Filing Person. | |
| (a) (c) | Identity and Background of the Filing Persons | The information provided in the Proxy Statement under the captions Summary The Participants , The Participants , Security Ownership of Certain Beneficial Owners and Management and in Appendix D is incorporated herein by reference. |
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| ITEM 4. | Terms of the Transaction. | |
| (a) | Material Terms | |
| (1) | Tender Offers | Not applicable. |
| (2)(I) | Transaction Description | The information provided in the Proxy Statement under the caption Summary is incorporated herein by reference. |
| (2)(ii) | Consideration | The information provided in the Proxy Statement under the captions Summary Purpose and Effects of the Merger and Questions and Answers about Voting Procedures and Related Matters is incorporated herein by reference. |
| (2)(iii) | Reasons for Transaction | The information provided in the Proxy Statement under the captions Special Factors Background of the Merger , Special Factors Recommendation of the Special Committee and of the Board of Directors; Fairness of the Merger and Special Factors Purpose and Structure of the Merger is incorporated herein by reference. |
| (2)(iv) | Vote Required for Approval | The information provided in the Proxy Statement under the captions Summary Stockholder Approval Required and The Special Meeting Record Date; Voting |

(2)(v)	Differences in the Rights of Security Holders	Information is incorporated herein by reference. Not applicable.
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(2)(vi)	Accounting Treatment	Not applicable.
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| (2)(vii) | Income Tax Consequences | The information provided in the Proxy Statement under the captions Summary U.S. Federal Income Tax Consequences and Material U.S. Federal Income Tax Consequences is incorporated herein by reference. |
| (c) | Different Terms | The information provided in the Proxy Statement under the caption Special Factors Interests of Trover s Directors and Executive Officers is incorporated herein by reference. |
| (d) | Appraisal Rights | The information provided in the Proxy Statement under the captions Summary Appraisal Rights , The Special Meeting Appraisal Rights and in Appendix C is incorporated herein by reference. |
| (e) | Provisions for Unaffiliated Security Holders | Not applicable. |
| (f) | Eligibility for Listing or Trading | Not applicable. |
| ITEM 5. | Past Contacts, Transactions, Negotiations And Agreements. | |
| (a) | Transactions. | The information provided in the Proxy Statement under the captions Special Factors Background of the Merger and Special Factors Interests of Trover s Directors and Executive Officers is incorporated herein by reference. |
| (b)-(c) | Significant Corporate Events; Negotiations or Contacts. | The information provided in the Proxy Statement under the captions Special Factors Background of the Merger and Special Factors Interests of Trover s Directors and Executive Officers is incorporated herein by reference. |
| (e) | Agreements Involving the Subject Company s Securities | The information provided in the Proxy Statement under the captions Special Factors Background of the Merger and Special Factors Interests of Trover s Directors and Executive Officers is incorporated herein by reference. |
| ITEM 6. | Purposes of the Transaction and Plans or Proposals. | |
| (b) | Use of Securities Acquired | The information provided in the Proxy Statement under the captions Special Factors Effects of the Merger and Special Factors Interests of Trover s Directors and Executive Officers is incorporated herein by reference. |
| (c)(1) (8) | Plans | The information provided in the Proxy Statement under the captions Special Factors Effects of the Merger and Special Factors Interests of Trover s Directors and |

Executive Officers Management of the Surviving Corporation is incorporated herein by reference.

ITEM 7. Purposes, Alternatives, Reasons and Effects.

(a)-(d) Purposes; Alternatives, Reasons, Effects

The information provided in the Proxy Statement under the captions Special Factors Background of the Merger , Special Factors Position of the Tailwind Entities and the Management Investors

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as to the Fairness of the Merger , Special Factors Purpose and Structure of the Merger ; Special Factors Effects of the Merger and Material U.S. Federal Income Tax Consequences is incorporated herein by reference.

ITEM 8. Fairness of the Transaction.

- (a)-(b) Fairness; Factors Considered in Determining Fairness
- The information provided in the Proxy Statement under the captions Special Factors Background of the Merger , Special Factors Recommendation of the Special Committee and of the Board of Directors; Fairness of the Merger and Special Factors Position of the Tailwind Entities and the Management Investors as to the Fairness of the Merger is incorporated herein by reference.
- (c) Approval of Security Holders
- The information provided in the Proxy Statement under the caption The Special Meeting Record Date; Voting Information is incorporated herein by reference.
- (d) Unaffiliated Representative
- The information provided in the Proxy Statement under the captions Special Factors Background of the Merger , Special Factors Recommendation of the Special Committee and of the Board of Directors; Fairness of the Merger , Special Factors Position of the Tailwind Entities and the Management Investors as to the Fairness of the Merger and Special Factors Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. is incorporated herein by reference.
- (e) Approval of Directors
- The information provided in the Proxy Statement under the captions Special Factors Background of the Merger and Special Factors Recommendation of the Special Committee and of the Board of Directors; Fairness of the Merger is incorporated herein by reference.
- (f) Other Offers
- The information provided in the Proxy Statement under the caption Special Factors Background of the Merger is incorporated herein by reference.

ITEM 9. Reports, Opinions, Appraisals and Negotiations.

- (a)-(c) Report, Opinion, or Appraisal; Preparer and Summary of the Report; Availability of Documents
- The information provided in the Proxy Statement under the captions Summary Opinion of Financial Advisor , Special Factors Background of the Merger , Special Factors Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc. and in Appendix B is incorporated herein by reference.

ITEM 10. Source And Amounts Of Funds Or Other Consideration.

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|-------------|--|--|
| (a),(b),(d) | Source of Funds; Conditions;
Borrowed Funds | The information provided in the Proxy Statement under the captions Summary Merger Financing and Special Factors Financing of the Merger is incorporated herein by reference. |
| (c) | Expenses | The information provided in the Proxy Statement under the caption Estimated Fees and Expenses of the Merger is incorporated herein by reference. |

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- ITEM 11. Interest in Securities of the Subject Company.
- (a) Securities Ownership The information provided in the Proxy Statement under the caption Security Ownership of Certain Beneficial Owners and Management is incorporated herein by reference.
- (b) Securities Transactions The information provided in the Proxy Statement under the caption Common Stock Purchase Information Recent Transactions is incorporated herein by reference.
- ITEM 12. The Solicitation or Recommendation.
- (d) Intent to Tender or Vote in a Going-Private Transaction The information provided in the Proxy Statement under the captions The Special Meeting Record Date; Voting Information and Special Factors Position of the Tailwind Entities and the Management Investors as to the Fairness of the Merger is incorporated herein by reference.
- (e) Recommendations to Others The information provided in the Proxy Statement under the caption Special Factors Recommendation of the Special Committee and of the Board of Directors; Fairness of the Merger is incorporated herein by reference.
- ITEM 13. Financial Statements.
- (a) Financial Information The information provided in the Proxy Statement under the caption Trover Selected Historical Financial Data is incorporated herein by reference. The audited financial statements of Trover for the fiscal years ended December 31, 2003 and December 31, 2002 are incorporated herein by reference to Trover's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, which was filed with the Securities and Exchange Commission on March 19, 2004.
- (b) Pro Forma Information Not applicable.
- ITEM 14. Persons/Assets, Retained, Employed, Compensated or Used.
- (a), (b) Solicitations or Recommendations; Employees and Corporate Assets The information provided in the Proxy Statement under the captions The Special Meeting Proxies; Revocation

and The Special Meeting Expenses of Proxy Solicitation is incorporated herein by reference.

ITEM 15. Additional Information.

(b) Other Material Information

The information contained in the Proxy Statement as a whole is incorporated herein by reference.

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- ITEM 16. Exhibits.
- (a) Preliminary proxy statement on Schedule 14A filed with the Securities and Exchange Commission on April 30, 2004 (incorporated herein by reference).
 - (c)(1) Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc., dated February 19, 2004 (incorporated herein by reference to Appendix B to the Proxy Statement).
 - (c)(2) Materials presented by Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to the Special Committee of the Board of Directors on February 19, 2004 (incorporated herein by reference to Exhibit (c)(2) to Schedule 13E-3 dated March 11, 2004).
 - (c)(3) Valuemetrics: Going Private & ESOP Feasibility Study Analysis Preliminary Draft dated June 16, 2003.
 - (d)(1) Agreement and Plan of Merger among TSI Holding Co., Inc., TSI Acquisition Corp. Co., Inc. and Trover Solutions, Inc. dated February 19, 2004 (incorporated herein by reference to Appendix A to the Proxy Statement).
 - (d)(2) Letter Agreement between Thomas Weisel Capital Partners LLC and Patrick McGinnis dated February 19, 2004.
 - (d)(3) Letter Agreement between TSI Holding Co., Inc. and Patrick McGinnis dated February 19, 2004.
 - (f) Section 262 of the Delaware General Corporation Law (incorporated herein by reference to Appendix C to the Proxy Statement).
 - (g) Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Thomas Weisel Capital Partners, L.P.

By: Tailwind Capital Partners LLC
Its: General Partner

By: /s/ Douglas M. Karp
Name: Douglas M. Karp
Title: Managing Partner

Tailwind Capital Partners LLC

By: /s/ Douglas M. Karp
Name: Douglas M. Karp
Title: Managing Partner

TWP CEO Founders Circle (QP), L.P.

By: Tailwind Capital Partners LLC
Its: General Partner

By: /s/ Douglas M. Karp
Name: Douglas M. Karp
Title: Managing Partner

TWP CEO Founders Circle (AI), L.P.

By: Tailwind Capital Partners LLC
Its: General Partner

By: /s/ Douglas M. Karp
Name: Douglas M. Karp
Title: Managing Partner

Thomas Weisel Capital Management LLC

By: /s/ David Baylor
Name: David Baylor
Title: Chief Administrative Officer

Thomas Weisel Partners Group LLC

By: /s/ David Baylor
Name: David Baylor
Title: Chief Administrative Officer

Thomas Weisel Capital Partners Employee Fund,
L.P.

By: Tailwind Capital Partners LLC
Its: General Partner

By: /s/ Douglas M. Karp
Name: Douglas M. Karp
Title: Managing Partner

TSI Holding Co., Inc.

By: /s/ Douglas M. Karp
Name: Douglas M. Karp
Title: President

TSI Acquisition Co., Inc.

By: /s/ Douglas M. Karp
Name: Douglas M. Karp
Title: President

/s/ Patrick B. McGinnis

Patrick B. McGinnis

/s/ Robert G. Bader, Jr.

Robert G. Bader, Jr.

/s/ Mark J. Bates

Mark J. Bates

/s/ Robert L. Jefferson

Robert L. Jefferson

/s/ Debra M. Murphy

Debra M. Murphy

/s/ Douglas R. Sharps

Douglas R. Sharps

Trover Solutions, Inc.

By: /s/ Douglas R. Sharps

Name: Douglas R. Sharps

Title: Executive Vice President

Exhibit Index

Exhibit Number	Description
(a)	Preliminary proxy statement on Schedule 14A filed with the Securities and Exchange Commission on April 30, 2004 (incorporated herein by reference).
(c)(1)	Opinion of Houlihan Lokey Howard & Zukin Financial Advisors, Inc., dated February 19, 2004 (incorporated herein by reference to Appendix B to the Proxy Statement).
(c)(2)	Materials presented by Houlihan Lokey Howard & Zukin Financial Advisors, Inc. to the Special Committee of the Board of Directors on February 19, 2004 (incorporated herein by reference to Exhibit (c)(2) to Schedule 13E-3 dated March 11, 2004).
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(d)(3)	Letter Agreement between TSI Holding Co., Inc. and Patrick McGinnis dated February 19, 2004.
(f)	Section 262 of the Delaware General Corporation Law (incorporated herein by reference to Appendix C to the Proxy Statement).
(g)	Not applicable.