

TYSON FOODS INC

FORM 8-K (Current report filing)

Filed 01/15/98 for the Period Ending 01/09/98

Address	2200 DON TYSON PARKWAY SPRINGDALE, AR 72762-6999
Telephone	479-290-4000
CIK	0000100493
Symbol	TSN
SIC Code	2015 - Poultry Slaughtering and Processing
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	09/30

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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) January 9, 1998

Tyson Foods, Inc.

(Exact Name of Registration as Specified in Charter)

Delaware 0-3400 71-0225165

(State or Other Jurisdiction (Commission File Number) (IRS Employer
of Incorporation) Identification No.)

2210 West Oaklawn Drive, Springdale, Arkansas 72762

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (501) 290-4000

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Item 2.Acquisition or Disposition of Assets

On January 9, 1998, Tyson Foods, Inc., a Delaware corporation ("Tyson"), consummated the transactions contemplated by the Agreement and Plan of Merger (the "Merger Agreement"), dated as of September 4, 1997, among Tyson, HFI Acquisition Sub Inc., a Delaware corporation and a wholly owned subsidiary of Tyson ("Merger Sub"), and Hudson Foods, Inc., a Delaware corporation ("Hudson"), pursuant to which, among other things, Hudson was merged with and into Merger Sub, with Merger Sub continuing as the surviving corporation and a wholly owned subsidiary of Tyson (the "Merger").

Upon the consummation of the Merger, each outstanding share of Class A Common Stock, par value \$.01 per share, of Hudson ("Hudson Class A Common Stock") and each outstanding share of Class B Common Stock, par value \$.01 per share, of Hudson ("Hudson Class B Common Stock" and, together with Hudson Class A Common Stock, "Hudson Common Stock"), other than shares held by Hudson or its subsidiaries, was converted into the right to receive (i) \$8.40 in cash, without interest thereon, and (ii) six-tenths (0.6) of a validly issued, fully paid and nonassessable share of Class A Common Stock, par value \$.10 per share, of Tyson ("Tyson Class A Common Stock"). Cash will be paid in lieu of any fractional share of Tyson Class A Common Stock. As a result of the Merger, the former stockholders of Hudson received from Tyson cash payments totaling an aggregate of approximately \$257,445,250 and an aggregate of approximately 18,388,946 shares of Tyson Class A Common Stock. The \$257,445,250 cash portion of the Merger consideration was borrowed under Tyson's existing commercial paper program.

In connection with the Merger, Tyson entered into a Registration Rights Agreement, dated as of January 9, 1998 (the "Registration Rights Agreement"), with James T. Hudson, the Chairman and principal stockholder of Hudson, pursuant to which, among other things, Tyson has registered under the Securities Act of 1933, as amended, the resale of shares of Tyson Class A Common Stock received by Mr. Hudson in the Merger. Pursuant to the Consulting Agreement (as defined below) between Tyson and James T. Hudson, Mr. Hudson is prohibited from selling the shares of Tyson Class A Common Stock received by him in the Merger unless he first provides to Tyson an opinion of nationally recognized tax counsel, in form and substance reasonably satisfactory to Tyson, that such sale will not adversely affect the treatment of the Merger as a reorganization within the meaning of Section 368 of the Internal Revenue Code. The foregoing discussion of the Registration Rights Agreement is qualified in its entirety by reference to the full text of the Registration Rights Agreement, the form of which has been filed previously with the Securities and Exchange Commission and is incorporated by reference herein.

In connection with the Merger Agreement, Tyson entered into Consulting Agreements, each dated as of September 4, 1997 (collectively, the "Consulting Agreements"), with each of James T. Hudson, Michael T. Hudson and Charles B. Jurgensmeyer (each a "Consultant"). Prior to the effective time of the Merger (the "Effective Time"), James T. Hudson was Chairman of the Board of Directors of Hudson, Michael T. Hudson was a director of Hudson and its President and Chief Executive Officer, and Charles B. Jurgensmeyer was a director of Hudson and its Chief Financial Officer and Executive Vice President. The term of each Consultant's engagement under his Consulting Agreement commenced at the Effective Time. Under the terms of the Consulting Agreements, Messrs. J. Hudson, M. Hudson and Jurgensmeyer have agreed to provide consulting services to Tyson and not to compete with Tyson in its business, and will, in consideration therefor, receive fees of \$1,200,000, \$350,000 and \$350,000 per annum, respectively, for terms of five, ten and ten years, respectively. Under the Consulting Agreements, Tyson will also (i) reimburse (x) James T. Hudson for business expenses in an aggregate amount up to \$800,000 per annum and (y) each other Consultant for reasonable and necessary business expenses and (ii) provide certain additional benefits to each Consultant. The foregoing discussions of the Consulting Agreements are qualified in their entirety by reference to the full text of the respective Consulting Agreements, copies of which have been filed previously with the Securities and Exchange Commission and are incorporated by reference herein.

Hudson is a producer of further-processed poultry and meat products and a fully integrated producer of commodity-type poultry products. As a fully integrated producer, Hudson controls the breeding, hatching, growing, processing, packaging, marketing and distribution of its poultry product lines. Hudson's products are produced at plants in several U.S. locations and sold domestically and internationally. According to industry statistics, in 1997, Hudson was the fifth largest poultry company, ranked by annual sales dollars, out of 57 companies surveyed. For additional information regarding Hudson see "Description of Business" included on pages 1 through 6 in Hudson's Annual Report on Form 10-K for the fiscal year ended September 27, 1997, which is included as an Exhibit hereto and is incorporated by reference herein.

A press release, dated January 9, 1998, announcing the consummation of the Merger was issued by Tyson (the "Press Release"). A copy of the Press Release is attached as an Exhibit to this Current Report on Form 8-K and is incorporated by reference herein.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Consolidated Financial Statements of Hudson Foods, Inc. included on pages 17 through 29 in the Annual Report on Form 10-K of Hudson Foods, Inc. for the fiscal year ended September 27, 1997 (previously filed with the Commission on December 10, 1997, Commission File No. 001-09050, and incorporated by reference herein).

(b) Pro Forma Combined Condensed Financial Statements of Tyson Foods, Inc. included on pages 43-47 in the Registration Statement on Form S-4 of Tyson Foods, Inc. (previously filed with the Commission on December 10, 1997, Commission File No. 333-41887, and incorporated by reference herein).

(c) Exhibits

2.1 Agreement and Plan of Merger, dated as of September 4, 1997, among Tyson Foods, Inc., HFI Acquisition Sub Inc. and Hudson Foods, Inc. (previously filed with the Commission on December 10, 1997 as Annex I to the Proxy Statement/Prospectus of Hudson Foods, Inc. and Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.1 Consulting Agreement, dated as of September 4, 1997, between Tyson Foods, Inc. and James T. Hudson (previously filed with the Commission on December 10, 1997 as Exhibit 10.1 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.2 Consulting Agreement, dated as of September 4, 1997, between Tyson Foods, Inc. and Michael T. Hudson (previously filed with the Commission on December 10, 1997 as Exhibit 10.2 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.3 Consulting Agreement, dated as of September 4, 1997, between Tyson Foods, Inc. and Charles B. Jurgensmeyer (previously filed with the Commission on December 10, 1997 as Exhibit 10.3 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.4 Registration Rights Agreement, dated as of January 9, 1998, between Tyson Foods, Inc. and James T. Hudson (previously filed with the Commission on December 10, 1997 as Exhibit 10.5 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

99.1 Press Release, dated January 9, 1998, of Tyson Foods, Inc.

99.2 Item 1. Description of Business included on pages 1 through 6 in the Annual Report on Form 10-K of Hudson Foods, Inc. for the fiscal year ended September 27, 1997 (previously filed with the Commission on December 10, 1997, Commission File No. 001-09050, and incorporated by reference herein).

SIGNATURE

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.

TYSON FOODS, INC.

By: /s/ Wayne Britt

Wayne Britt
Chief Financial Officer

January 15, 1998

EXHIBIT INDEX

2.1 Agreement and Plan of Merger, dated as of September 4, 1997, among Tyson Foods, Inc., HFI Acquisition Sub Inc. and Hudson Foods, Inc. (previously filed with the Commission on December 10, 1997 as Annex I to the Proxy Statement/Prospectus of Hudson Foods, Inc. and Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.1 Consulting Agreement, dated as of September 4, 1997, between Tyson Foods, Inc. and James T. Hudson (previously filed with the Commission on December 10, 1997 as Exhibit 10.1 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.2 Consulting Agreement, dated as of September 4, 1997, between Tyson Foods, Inc. and Michael T. Hudson (previously filed with the Commission on December 10, 1997 as Exhibit 10.2 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.3 Consulting Agreement, dated as of September 4, 1997, between Tyson Foods, Inc. and Charles B. Jurgensmeyer (previously filed with the Commission on December 10, 1997 as Exhibit 10.3 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

10.4 Registration Rights Agreement, dated as of January 9, 1998, between Tyson Foods, Inc. and James T. Hudson (previously filed with the Commission on December 10, 1997 as Exhibit 10.5 to the Registration Statement on Form S-4 of Tyson Foods, Inc., Commission File No. 333-41887, and incorporated by reference herein).

99.1 Press Release, dated January 9, 1998, of Tyson Foods, Inc.

99.2 Item 1. Description of Business included on pages 1 through 6 in the Annual Report on Form 10-K of Hudson Foods, Inc. for the fiscal year ended September 27, 1997 (previously filed with the Commission on December 10, 1997, Commission File No. 001-09050, and incorporated by reference herein).

NEWS RELEASE

TYSON FOODS, INC. HOLDS ANNUAL MEETING OF SHAREHOLDERS Completion of Hudson Merger Announced

Springdale, AR (January 9, 1998) - Tyson Foods, Inc. (NYSE:TSN), the world's leading producer, processor and marketer of chicken and other poultry based food products, as well as other convenience food items, held its annual Shareholder's Meeting on Friday, January 9, 1998 at the Walton Arts Center in Fayetteville, Arkansas.

At the 10:00 a.m. meeting, Tyson Chairman and CEO Leland Tollett announced to the assembled shareholders that, earlier in the morning, Hudson Foods, Inc. shareholders, in a special meeting, had, pursuant to the merger agreement announced on September 4, 1997, approved the Tyson-Hudson merger. With the signing of documents following the Hudson shareholder meeting, the transaction was completed prior to the opening of the Tyson meeting.

"We are truly pleased to have completed the Tyson-Hudson merger earlier this morning," said Tollett. "This transaction brings another 12,000 team members and 1,200 more contract growers to the Tyson Foods' family, significantly increases our share of domestic chicken production, and will take our sales this year to approximately \$8 billion. As with all our previous acquisitions, we must now get about the business of insuring that the transition goes smoothly, and that the Hudson operations and people are brought into the Tyson fold as soon and as efficiently as possible."

Tyson plans to continue operating all 14 of the Hudson processing facilities. While some change is inevitable after such a merger, no major layoffs are anticipated, and loss of jobs will be minimized to the greatest extent possible.

Consistent with Tyson's master branding strategy, some changes in the Hudson brand names are expected, including the phasing out of the "Hudson" brand over the coming weeks.

"Tyson Foods finished a difficult year in pretty good shape compared to our visible competition," Tollett said. "The first quarter of fiscal year 1998 will be in line with expectations. We are encouraged by the continued improvements in the cost side of our business, particularly with the decline in feed prices. There will continue to be challenges in the marketplace due to more than adequate supplies of all the meat proteins, but we remain optimistic about the balance of FY1998."

The Company also announced that the nominees for election to the Board of Directors, as set forth in the company's Proxy Statement, were elected. Elected to the Board for the upcoming year were Don Tyson, Leland Tollett, Joe F. Starr, John H. Tyson, Shelby D. Massey, Neely Cassady, Fred S. Vorsanger, Barbara A. Tyson, Lloyd V. Hackley, Donald Wray and Gerald Johnston.

The Tyson Board of Directors met prior to the Shareholders Meeting and approved a quarterly cash dividend of \$0.025 per share for Class A Common Stock, and \$0.0225 per share for Class B Common Stock, payable June 15, 1998 to shareholders of record on June 1, 1998. Fifteen plant managers were given the Chairman's Safety Circle Award and other safety awards were announced as detailed in the attached supplemental news release.

For further information contact Archie Schaffer III, Tyson's Director of Media, Public and Governmental Affairs at 501/290-7232, or Mary Rush, Corporate Secretary and Director of Investor Relations at 501/290-4351.

End of Filing

Powered By **EDGAR**
Online

© 2005 | **EDGAR Online, Inc.**