
Section 1: 8-K (8-K FBLB CLOSING 05-18-2018)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 of 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

May 18, 2018

Heartland Financial USA, Inc.

(Exact name of Registrant as specified in its charter)

Commission File Number: 001-15393

Delaware

(State or other jurisdiction of incorporation)

42-1405748

(I.R.S. Employer Identification Number)

1398 Central Avenue

Dubuque, Iowa 52001

(Address of principal executive offices)

(563) 589-2100

(Registrant's telephone number, including area code)

Not Applicable

(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 (*see* General Instruction A.2 below):

- 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))
-

Introductory Note

As previously disclosed, on December 12, 2017, Heartland Financial USA, Inc. ("Heartland") entered into an Agreement and Plan of Merger (the "Merger Agreement") with First Bank Lubbock Bancshares, Inc. ("FBLB") providing for the merger of FBLB with and into Heartland (the "Merger").

On May 18, 2018 (the "Closing Date") at 5:00 p.m. (Central Daylight Time) (the "Effective Time"), upon the terms and subject to the conditions set forth in the Merger Agreement, the Merger was completed. At the Effective Time, the separate corporate existence of FBLB ceased, and FBLB's wholly owned Texas bank subsidiary, FirstBank & Trust Company ("FB&T"), became a wholly owned subsidiary of Heartland.

Item 2.01 Completion of Acquisition or Disposition of Assets

As described above, at the Effective Time on the Closing Date, Heartland completed its previously announced acquisition of FBLB. Prior to the Merger, FBLB was a bank holding company headquartered in Lubbock, Texas. Its former subsidiary, FB&T, provides a broad range of financial products and services tailored to meet the needs of small to medium-sized businesses, professionals and retail customers who live or do business in its markets. FB&T operates from eight locations in West Texas, with four banking offices in Lubbock, Texas and one banking office in each of Tahoka, Wilson, Colorado City and Snyder, Texas. Through its wholly owned subsidiary, PrimeWest Mortgage Corporation, FB&T also engages in mortgage lending in Lubbock, the Permian Basin and across parts of North Texas. As of March 31, 2018, FB&T had assets of approximately \$972 million, gross loans outstanding of \$705 million and deposits of \$869 million.

At the Effective Time, each issued and outstanding share of FBLB's Common Stock, par value \$1.00 per share ("FBLB Common Stock"), was automatically converted into the right to receive (a) 3.0934 shares of Common Stock, par value \$1.00 per share, of Heartland ("Heartland Common Stock"), subject to certain "holdback" provisions of the Merger Agreement relating to approximately 390,000 shares of Heartland Common Stock (the "Holdback Shares"), and (b) \$5.015 in cash. Subject to certain conditions set forth in the Merger Agreement, the Holdback Shares will be released to holders of FBLB Common Stock at later dates.

At the Effective Time, 1,083,275 shares of FBLB Common Stock were issued and outstanding. As a result, Heartland will issue an aggregate of approximately 3,351,000 shares (including the Holdback Shares) of Heartland Common Stock (cash will be paid in lieu of fractional shares). In addition, Heartland will pay an aggregate of approximately \$5.5 million to holders of FBLB Common Stock.

FBLB maintained a Stock Appreciation Rights Plan and the holders of the stock appreciation rights granted thereunder will receive payments from Heartland in the aggregate amount of \$13.3 million. Also, on the Closing Date, FBLB had loans ("The Bankers Bank Loans") from The Bankers Bank in the aggregate principal amount of \$3.9 million, with accrued interest of \$12,000. On the Closing Date, Heartland provided FBLB with funds necessary to repay the principal amount of The Bankers Bank Loans. As of the Effective Time, FBLB repaid all principal and paid all interest due with respect to The Bankers Bank Loans. In addition, at the Effective Time, Heartland assumed FBLB's obligations and acquired its rights relating to the Outsource Capital Group, Inc. Statutory Trust III and the Outsource Capital Group, Inc. Capital Trust IV. Specifically, Heartland assumed FBLB's obligations with respect to the debentures (the "Debentures") issued pursuant to (a) the Indenture effective June 27, 2002, between FBLB (formerly known as the Outsource Capital Group, Inc.), as Issuer, and the Trustee named therein, and (b) the Indenture, dated September 23, 2004, between FBLB (formerly known as the Outsource Capital Group, Inc.), as Issuer, and the Trustee named therein. As of March 31, 2018, the aggregate principal amount of the Debentures was \$9.3 million.

At the Effective Time, FB&T became a wholly owned subsidiary of Heartland. The banking operations of FB&T will continue to be conducted under the FB&T name.

The foregoing description of the Merger Agreement and the transactions contemplated thereby is not complete and is subject to and qualified in its entirety by reference to the Merger Agreement, which was filed as Exhibit 10.41 to the Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed by Heartland with the Securities and Exchange Commission. The terms of the Merger Agreement are incorporated by reference herein.

Item 7.01 Regulation FD Disclosure

On May 21, 2018, Heartland issued a press release announcing completion of the Merger. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[99.1](#) [Press Release dated May 21, 2018.](#)

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.

Date: May 21, 2018

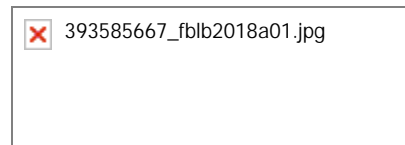
HEARTLAND FINANCIAL USA, INC.

By: /s/ Bryan R. McKeag
Executive Vice President
Chief Financial Officer

[\(Back To Top\)](#)

Section 2: EX-99.1 (EXHIBIT 99.1 FBLB CLOSING 05-18-2018)

Exhibit 99.1



HEARTLAND CONTACT:

Laura J. Hughes
Executive Vice President
Chief Marketing Officer
(563) 589-2148
lhughes@htlf.com

FIRSTBANK CONTACT:

Barry Orr
Chairman and CEO
First Bank Lubbock Bancshares, Inc.
806.788.0800
borr@firstbanklubbock.com

FOR IMMEDIATE RELEASE

May 21, 2018

news

HEARTLAND FINANCIAL USA, INC. COMPLETES PURCHASE OF FIRST BANK LUBBOCK BANCSHARES, INC. IN TEXAS

*Merger Results in Heartland's 11th Community Bank Charter; Significantly Expands
Heartland's Presence in Texas*

Dubuque, Iowa, May 21, 2018 - Heartland Financial USA, Inc. (NASDAQ: HTLF) (“Heartland”) announced today the completion of its purchase of Lubbock, Texas-based First Bank Lubbock Bancshares, Inc. (“FBLB”) and its wholly owned subsidiary, FirstBank & Trust Company (“FirstBank”), at the close of business on May 18, 2018.

Based on Heartland’s closing stock price of \$55.05 per share as of May 18, 2018, the aggregate transaction value at closing was approximately \$203.2 million in shares of Heartland common stock and cash (including the cash consideration to be paid to holders of FBLB’s stock appreciation rights but excluding Heartland’s repayment and assumption of FBLB’s indebtedness). FBLB common shareholders received 3.0934 shares of Heartland common stock and \$5.015 in cash for each share of FBLB common stock, subject to certain “tax hold-back” provisions of the merger agreement between Heartland and FBLB relating to the stock portion of the merger consideration. In addition, holders of FBLB’s stock appreciation rights will receive cash payments from Heartland in the aggregate amount of approximately \$13.3 million.

Heartland expects the transaction to be immediately accretive to earnings per share. Systems integration is planned for the third quarter of 2018.

- more -

As of March 31, 2018, FirstBank had assets of approximately \$972 million, gross loans outstanding of \$705 million and deposits of \$869 million. FirstBank serves Lubbock and its surrounding communities from eight full-service banking centers throughout West Texas. Additionally, FirstBank offers mortgage lending services from eight offices throughout Texas through its wholly-owned subsidiary, PrimeWest Mortgage Corporation (“PrimeWest”).

At the time of Heartland’s acquisition of FBLB, FirstBank became a wholly-owned subsidiary of Heartland. FirstBank will continue to operate under its present brand and management team as Heartland’s 11th state-chartered bank. Barry Orr will continue to serve as the Chairman and CEO of FirstBank, and Greg Garland will continue to serve as its President. With this purchase, Heartland will now have assets of approximately \$11.2 billion and operate 125 full-service banking locations across 12 states.

“We are excited to welcome Barry Orr and the entire FirstBank and PrimeWest teams to Heartland to operate our flagship bank in Texas. We are highly impressed with the people and performance of FirstBank and the solid community banking franchise FirstBank has built,” said Lynn B. Fuller, Chairman and CEO of Heartland. “FirstBank shares our dedication to customer service and the well-being of its communities. With new and expanded products and services, FirstBank will continue to admirably serve the Lubbock and the West Texas markets as Heartland’s newest billion-dollar charter.”

Advisors:

In connection with the transaction, Panoramic Capital Advisors, Inc. served as financial advisor to Heartland and Dorsey & Whitney LLP served as Heartland’s legal counsel. Stephens Inc. served as financial advisor to FBLB and Fenimore, Kay, Harrison, & Ford, LLP served as FBLB’s legal counsel.

- more -

About Heartland Financial USA, Inc.

Heartland is a diversified financial services company with assets of approximately \$11.2 billion. The Company provides banking, mortgage, private client, investment, treasury management, card services, insurance, and consumer finance services to individuals and businesses. Heartland currently has 125 banking locations serving 93 communities in Iowa, Illinois, Wisconsin, New Mexico, Arizona, Montana, Colorado, Minnesota, Kansas, Missouri, Texas and California. Additional information about Heartland is available at www.htlf.com.

Safe Harbor Statement

This release, and future oral and written statements of Heartland and its management, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about Heartland's financial condition, results of operations, plans, objectives, future performance and business. Although these forward-looking statements are based upon the beliefs, expectations and assumptions of Heartland's management, there are a number of factors, many of which are beyond the ability of management to control or predict, that could cause actual results to differ materially from those in its forward-looking statements. These factors, which are detailed in the risk factors included in Heartland's Annual Report on Form 10-K filed with the Securities and Exchange Commission, include, among others: (i) the strength of the local and national economy; (ii) the economic impact of past and any future terrorist threats and attacks and any acts of war, (iii) changes in state and federal laws, regulations and governmental policies concerning the Company's general business; (iv) changes in interest rates and prepayment rates of the Company's assets; (v) increased competition in the financial services sector and the inability to attract new customers; (vi) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (vii) the loss of key executives or employees; (viii) changes in consumer spending; (ix) unexpected results of acquisitions; (x) unexpected outcomes of existing or new litigation involving the Company; and (xi) changes in accounting policies and practices. All statements in this release, including forward-looking statements, speak only as of the date they are made, and Heartland undertakes no obligation to update any statement in light of new information or future events.

#

[\(Back To Top\)](#)