

ReachLocal Inc
Form SC TO-T/A
July 22, 2016

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(D)(1) OR 13(E)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934**

(Amendment No. 2)

REACHLOCAL, INC.

(Name of Subject Company (Issuer))

RAPTOR MERGER SUB, INC.

a wholly owned subsidiary of

GANNETT CO., INC.

(Names of Filing Persons (Offerors))

COMMON STOCK, PAR VALUE \$0.00001 PER SHARE

(Title of Class of Securities)

75525F104

(CUSIP Number of Class of Securities)

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Barbara W. Wall

Senior Vice President, Chief Legal Officer

Gannett Co., Inc.

7950 Jones Branch Drive

McLean, Virginia

(703) 854-6000

(Name, address, and telephone number of person authorized to receive notices and communications on behalf of filing persons)

With a copy to:

Katherine D. Ashley

Skadden, Arps, Slate, Meagher & Flom LLP

1440 New York Avenue, N.W.

Washington, DC 20005

(202) 371-7000

CALCULATION OF FILING FEE

Transaction Valuation(1)
\$150,230,363.00

Amount Of Filing Fee(2)
\$15,128.20

(1) Estimated solely for purposes of calculating the filing fee. The transaction value was determined by adding (i) 30,096,787 outstanding shares of common stock, par value \$0.00001 per share (the "Shares") of ReachLocal, Inc. ("ReachLocal"), multiplied by the offer price of \$4.60 per Share, (ii) 2,211,183 Shares issuable upon exercise of outstanding in-the-money options multiplied by the offer price of \$4.60 per Share, (iii) 184,500 Shares estimated to be issuable upon settlement of outstanding restricted stock units multiplied by the offer price of \$4.60 per Share and (iv) 300,000 Shares underlying the Company Warrant (as defined in the Offer to Purchase) multiplied by \$2.55. The calculation of the filing fee is based on information provided by ReachLocal as of June 20, 2016, the most recent practicable date.

(2) The filing fee was calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, by multiplying the transaction value by .0001007.

x Check the box if any part of the fee is offset as provided by 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.

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Amount Previously Paid: \$15,128.20
Form or Registration No.: Schedule TO-T

Filing Party: Gannett Co., Inc. and Raptor Merger Sub, Inc.
Date Filed: July 11, 2016

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☒ third-party tender offer subject to Rule 14d-1.
- ☐ issuer tender offer subject to Rule 13e-4.
- ☐ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- ☐ Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - ☐ Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
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This Amendment No. 2 (Amendment No. 2) amends and supplements the Tender Offer Statement on Schedule TO filed by Gannett Co., Inc., a Delaware corporation (Gannett), and Raptor Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Gannett (the Purchaser), with the U.S. Securities and Exchange Commission on July 11, 2016 (together with any amendments or supplements thereto, the Schedule TO). The Schedule TO relates to the offer by the Purchaser to purchase all outstanding shares of common stock, \$0.00001 par value per share (Shares), of ReachLocal, Inc., a Delaware corporation (ReachLocal or the Company), at a price of \$4.60 per Share, net to the holder in cash (less any required withholding taxes and without interest), subject to the terms and the conditions described in the Offer to Purchase dated July 11, 2016 (together with any amendments or supplements thereto, the Offer to Purchase), and in the accompanying Letter of Transmittal (together with any amendments or supplements thereto and with the Offer to Purchase, the Offer), which are annexed to and filed with the Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively. This Amendment No. 2 is being filed by Gannett and the Purchaser.

Except as otherwise set forth below, the information set forth in the Schedule TO remains unchanged and is incorporated herein by reference to the extent relevant to items amended by this Amendment No. 2. Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Schedule TO.

The Offer to Purchase and Items 1 through 9 and Item 11 of the Schedule TO, to the extent such Items incorporate by reference the information contained in the Offer to Purchase, are hereby amended and supplemented as set forth below.

The **SUMMARY TERM SHEET** in the Offer to Purchase is hereby amended and supplemented by replacing the second complete sentence under the heading **Do you have the financial resources to pay for Shares?** with the sentence set forth below:

Gannett expects to obtain the necessary funds from cash on hand or immediately available funds under its existing revolving credit facility.

Section 13 of the Offer to Purchase **Source and Amount of Funds.** is hereby amended and supplemented by replacing the first paragraph of this Section in its entirety with the paragraph set forth below:

The Offer is not conditioned on any financing arrangement or Gannett's or the Purchaser's ability to finance the purchase of Shares pursuant to the Offer. We will need approximately \$160 million to purchase all outstanding Shares pursuant to the Offer and the Merger and to pay related fees and expenses. Gannett expects to obtain the necessary funds from cash on hand or immediately available funds under its existing revolving credit facility. The credit facility is dated June 29, 2015 and is among Gannett, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and PNC Bank, N.A. and US Bank, National Association, as co-syndication agents. The credit facility has a term of five years, is guaranteed by Gannett's wholly-owned material domestic subsidiaries and is collateralized with Gannett's equipment, inventory, accounts receivable, fixtures, general intangibles and other personal property, mortgages on certain material real property and pledges of the capital stock of each subsidiary guarantor. Amounts borrowed under the credit facility bear interest, at Gannett's option, at a variable rate based (a) on the highest of (x) the prime rate, (y) the federal funds effective rate plus 0.50%, and (z) the 1 month Eurodollar rate plus 1.00%, plus a margin of 1.00% to 1.50% or (b) LIBOR plus a margin of 2.00% to 2.50% depending on the nature of the loan and the leverage ratio at the time of the borrowing. A commitment fee will be charged ranging from 0.30% to 0.40% per annum of the unused portion of the revolving credit facility, depending on the leverage ratio of Gannett.

Section 14 of the Offer to Purchase **Conditions to the Offer.** is hereby amended and supplemented by inserting the new paragraph set forth below after the last paragraph in the Section:

Despite any other information in the Offer to Purchase, all conditions to the Offer must be satisfied or waived prior to the Expiration Time.

Item 12 of the Schedule TO is hereby amended and supplemented to add the following exhibits:

- (b)(1) Credit Agreement among Gannett, the several lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and PNC Bank, N.A. and US Bank, National Association, as Co-Syndication Agents, dated June 29, 2015 (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)
- (b)(2) Security Agreement, made by Gannett and certain of its Subsidiaries, in favor of JPMorgan Chase Bank, N.A., as Administrative Agent, dated June 29, 2015 (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)
- (b)(3) Trademark Security Agreement, dated June 29, 2015, by Gannett and certain of its Subsidiaries, in favor of JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)
- (b)(4) Guarantee Agreement made by the Subsidiary Guarantors listed on the signature page thereto in favor of JPMorgan Chase Bank, N.A., as Administrative Agent, dated as of June 29, 2015 (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)

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.

Dated: July 22, 2016

RAPTOR MERGER SUB, INC.

By:	/s/ Barbara W. Wall	
	Name:	Barbara W. Wall
	Title:	Vice President

GANNETT CO., INC.

By:	/s/ Barbara W. Wall	
	Name:	Barbara W. Wall
	Title:	Senior Vice President and Chief Legal Officer

EXHIBIT INDEX

Exhibit No.	Description
(a)(1)(A)	Offer to Purchase, dated July 11, 2016*
(a)(1)(B)	Form of Letter of Transmittal*
(a)(1)(C)	Form of Notice of Guaranteed Delivery*
(a)(1)(D)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees*
(a)(1)(E)	Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees*
(a)(1)(F)	Summary Advertisement, published July 11, 2016 in <i>USA Today</i> *
(a)(2)	Not applicable
(a)(3)	Not applicable
(a)(4)	Not applicable
(a)(5)(A)	News Release issued by Gannett on June 27, 2016 (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Gannett on June 27, 2016)
(a)(5)(B)	Email Announcement to Gannett Employees distributed by Gannett on June 27, 2016 (incorporated by reference to Exhibit 99.1 to the Schedule TO-C filed by Gannett on June 27, 2016)
(a)(5)(C)	Edited Transcript of Video Broadcast to ReachLocal Employees distributed by Gannett on June 27, 2016 (incorporated by reference to Exhibit 99.1 to the Schedule TO-C filed by Gannett on June 28, 2016)
(b)(1)	Credit Agreement among Gannett, the several lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and PNC Bank, N.A. and US Bank, National Association, as Co-Syndication Agents, dated June 29, 2015 (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)
(b)(2)	Security Agreement, made by Gannett and certain of its Subsidiaries, in favor of JPMorgan Chase Bank, N.A., as Administrative Agent, dated June 29, 2015 (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)
(b)(3)	Trademark Security Agreement, dated June 29, 2015, by Gannett and certain of its Subsidiaries, in favor of JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)
(b)(4)	Guarantee Agreement made by the Subsidiary Guarantors listed on the signature page thereto in favor of JPMorgan Chase Bank, N.A., as Administrative Agent, dated as of June 29, 2015 (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K filed by Gannett on June 30, 2015)
(d)(1)	Agreement and Plan of Merger, dated June 27, 2016, by and among Gannett, Purchaser and ReachLocal (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Gannett on June 27, 2016)
(d)(2)	Tender and Support Agreement, dated June 27, 2016, by and between Gannett, Purchaser and each of the stockholders named therein (incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K filed by Gannett on June 27, 2016)
(d)(3)	Confidentiality Agreement, dated February 19, 2016, by and between ReachLocal and Gannett*
(g)	Not applicable
(h)	Not applicable

* Previously filed with the Schedule TO.