

EGL INC
Form DEFM14A
June 26, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

EGL, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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MERGER PROPOSED IMPORTANT

June 26, 2007

To the Shareholders of EGL, Inc.:

You are cordially invited to attend the 2007 annual meeting of shareholders of EGL, Inc. to be held on Tuesday, July 31, 2007 at 8:30 a.m., local time, at EGL's offices at 15350 Vickery Drive, Houston, Texas. The attached proxy statement provides information regarding the matters to be acted on at the annual meeting, including at any adjournment or postponement thereof.

At the annual meeting, you will be asked to consider and vote upon:

a proposal to approve the Agreement and Plan of Merger dated as of May 24, 2007, among CEVA Group Plc, EGL, Inc. and CEVA Texas Holdco Inc. Pursuant to the merger agreement, CEVA Texas Holdco Inc. (Acquisition Co.), will merge with and into EGL, with EGL continuing as the surviving corporation;

any motion to adjourn the annual meeting to a later date to solicit additional proxies if there are insufficient votes at the time of the annual meeting to approve the foregoing proposal;

the election of eight directors; and

such other business as may properly come before the annual meeting or any adjournment or postponement of the annual meeting.

If the merger agreement is approved and the merger is completed, each share of EGL common stock (other than shares held directly or indirectly by CEVA Group Plc (Parent), Acquisition Co., subsidiaries of EGL, shareholders who have perfected their dissenters' rights under Texas law, and, at Parent's election, shares acquired by certain affiliates of Parent from certain members of EGL's senior management) will be converted into the right to receive \$47.50 in cash without interest. Immediately prior to the merger, certain members of EGL's senior management (referred to as Rollover Investors) may exchange all or a portion of their equity interests in EGL, or cash consideration they receive in the merger for their EGL equity interests, for equity interests in an affiliate of Parent. As a result of the merger, EGL will be indirectly wholly owned by Parent. A copy of the merger agreement is included as Annex A to the accompanying proxy statement.

On December 26, 2006, EGL's board of directors established a special committee consisting of four independent directors, and empowered it to, among other things, study, review, evaluate, negotiate and, if appropriate, make a recommendation to EGL's board of directors with respect to a merger transaction. The special committee has unanimously determined that the merger agreement, the merger and the other transactions contemplated thereby are advisable, fair to and in the best interests of EGL and its shareholders other than the Rollover Investors, and has recommended to the full EGL board of directors that the board of directors approve the merger agreement, the merger and the other transactions contemplated thereby.

EGL's board of directors, after considering factors including the unanimous determination and recommendation of the special committee, unanimously determined (with directors James R. Crane and Frank J. Hevrdejs, who were involved in a previous proposal to acquire EGL, taking no part in the deliberations or the vote) that the merger agreement, the merger and the other transactions contemplated thereby are fair to and in the best interests of EGL and its shareholders

other than the Rollover Investors, and approved the merger agreement, the merger and the other transactions contemplated thereby. Accordingly, EGL's board of directors recommends (with Messrs. Crane and Hevrdejs taking no part in the deliberations or the vote) that you vote FOR the approval of the merger agreement. In arriving at their respective recommendations of the merger

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agreement, EGL's board of directors and its special committee carefully considered a number of factors which are described in the accompanying proxy statement.

The accompanying proxy statement provides you with detailed information about the merger agreement and the merger. You are urged to read the entire document carefully.

Regardless of the number of shares you own, your vote is very important. The affirmative vote of the holders of at least a majority of EGL's outstanding shares is required to approve the merger agreement. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of EGL common stock present in person or by proxy and entitled to vote. Directors are elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote.

Accordingly, the eight nominees who receive the highest number of properly executed FOR votes from the holders of EGL common stock will be elected as directors.

If you fail to vote, the effect will be the same as a vote against the approval of the merger agreement. Once you have read the accompanying materials, please take the time to vote on the proposals submitted to shareholders at the annual meeting, whether or not you plan to attend the meeting, by completing and mailing the enclosed proxy card or by voting your shares by telephone by following the instructions on your proxy card. If you receive more than one proxy card because you own shares that are registered differently, please vote all of your shares shown on all of your proxy cards.

Voting by proxy will not prevent you from voting your shares in person in the manner described in the accompanying proxy statement if you subsequently choose to attend the annual meeting.

If you have any questions or need assistance voting your shares, please call Georgeson Inc., which is assisting us, toll-free at (888) 605-7533.

Sincerely,

James R. Crane
Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, or passed upon the fairness or merits of the merger or the adequacy or accuracy of the information contained in the enclosed proxy statement. Any contrary representation is a criminal offense.

This proxy statement is dated June 26, 2007, and it and the proxy card are first being mailed to shareholders on or about June 27, 2007.

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NOTICE OF ANNUAL MEETING

June 26, 2007

Dear Shareholder:

On Tuesday, July 31, 2007, EGL, Inc. will hold its 2007 annual meeting of shareholders at EGL's offices at 15350 Vickery Drive, Houston, Texas. The meeting will begin at 8:30 a.m., local time.

Only holders of shares of common stock, par value \$0.001 per share, of record at the close of business on June 11, 2007 may vote at this meeting or at any adjournments or postponements that may take place. At the meeting you will be asked to consider and vote upon:

a proposal to approve the Agreement and Plan of Merger dated as of May 24, 2007 among CEVA Group Plc, EGL, Inc. and CEVA Texas Holdco Inc., as it may be amended from time to time;

any motion to adjourn the annual meeting to a later date to solicit additional proxies if there are insufficient votes at the time of the annual meeting to approve the foregoing proposal;

the election of eight members to the board of directors for the ensuing year; and

such other business as may properly come before the annual meeting or any adjournment or postponement of the annual meeting.

Your board of directors (with directors James R. Crane and Frank J. Hevrdejs, who were involved in a previous proposal to acquire EGL, taking no part in the deliberations or vote) has approved and recommends that you vote FOR the approval of the merger agreement and FOR the adjournment proposal, which are discussed in more detail in the accompanying proxy statement. The board of directors also recommends voting FOR each of the eight nominees to the board of directors.

If you are a holder of shares of our outstanding common stock as of the effective date of the proposed merger, and you follow the applicable procedures set forth in the Texas Business Corporation Act, you have the right to demand the purchase of your shares of our common stock for a purchase price equal to the fair value of your shares, as determined by a court. This right is explained more fully under "The Merger Dissenters' Rights of Shareholders" in the accompanying proxy statement. The dissenters' rights provisions of Texas law are attached to the accompanying proxy statement as Annex B.

Regardless of the number of shares you own, your vote is very important. The affirmative vote of the holders of at least a majority of EGL's outstanding shares is required to approve the merger agreement. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of EGL common stock present in person or by proxy and entitled to vote. Directors are elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote. Accordingly, the eight nominees who receive the highest number of properly executed FOR votes from the holders of EGL common stock will be elected as directors. The holders of a majority of shares entitled to vote on a matter, represented in person or by proxy, constitutes a quorum as to that matter at the annual meeting. If you fail to vote, the effect will be the same as a vote against the approval of the merger agreement.

We hope you will be able to attend the meeting, but whether or not you plan to attend, please vote your shares by:

signing and returning the enclosed proxy card as soon as possible, or
calling the toll-free number listed on the proxy card.

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Voting by proxy will not prevent you from voting your shares in person in the manner described in the accompanying proxy statement if you subsequently choose to attend the annual meeting. You should not send in your certificates representing shares of EGL, Inc. common stock until you receive instructions to do so.

We are sure you will understand that if you do attend the meeting, space limitations will make it necessary to limit attendance to shareholders, though each shareholder may be accompanied by one guest. Admission to the meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:00 a.m. Each shareholder may be asked to present valid picture identification, such as a driver's license or passport. Shareholders holding stock in brokerage accounts will need a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the meeting, and cell phones must be turned off.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY IN THE ACCOMPANYING REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE. SHAREHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON.

By Order of the Board of Directors,

Dana A. Carabin
Corporate Secretary

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SUMMARY TERM SHEET

The following summary, together with Questions and Answers About the Annual Meeting and the Merger, highlights selected information contained in this proxy statement. It may not contain all of the information that may be important in your consideration of the merger and the other proposals. We encourage you to read carefully this proxy statement before voting. Where appropriate, we have set forth a section and page reference directing you to a more complete description of the topics described in this summary.

The Parties to the Merger:

EGL, Inc., which we sometimes refer to in this proxy statement as we or EGL, is a leading global transportation, supply chain management and information services company dedicated to providing flexible logistics solutions on a price competitive basis. EGL's services include air and ocean freight forwarding, customs brokerage, local pick up and delivery service, materials management, warehousing, trade facilitation and procurement and integrated logistics and supply chain management services. EGL provides value-added services in addition to those customarily provided by traditional air freight forwarders, ocean freight forwarders and customs brokers. These services are designed to provide global logistics solutions for customers in order to streamline their supply chain, reduce their inventories, improve their logistics information and provide them with more efficient and effective domestic and international distribution strategies in order to enhance their profitability. EGL trades on the NASDAQ Global Select Market under the symbol EAGL and was incorporated in Texas in 1984.

CEVA Group Plc, which we sometimes refer to in this proxy statement as Parent, is a public company limited by shares incorporated in England and Wales owned by affiliates of Apollo Management VI, L.P., which we sometimes refer to in this proxy statement as Apollo.

CEVA Texas Holdco Inc., which we sometimes refer to in this proxy statement as Acquisition Co., is a Texas corporation and an indirect wholly owned subsidiary of Parent.

See The Parties to the Merger, beginning on page 16.

The Merger:

Pursuant to the merger agreement, Acquisition Co. will be merged with and into EGL, with EGL continuing as the surviving company in the merger, which we refer to as the Surviving Corporation. Immediately following the merger, EGL, as the Surviving Corporation in the merger, will be an indirect wholly owned subsidiary of Parent. Parent is owned by CEVA Investments Limited, which is in turn owned by affiliates of Apollo and certain minority shareholders, including TNT N.V. and certain employees of Parent or Parent's subsidiaries. In connection with the merger, certain members of senior management of EGL, whom we refer to as the Rollover Investors, may make commitments, which we refer to as Rollover Commitments, to purchase shares of an affiliate of Parent either

with cash or by contributing their equity interests in EGL to an affiliate of Parent. The following members of EGL's management have been identified by Parent as Rollover Investors: E. Joseph Bento, Vittorio Favati, Bruno Sidler, Sam Slater and Gregory Weigel. Parent expects that additional management members will make Rollover Commitments. See The Merger

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Effects of the Merger beginning on page 41, and The Merger Interests of Certain Persons in the Merger beginning on page 44.

We are working to complete the merger as quickly as possible, and we currently anticipate that it will be completed in the third quarter of 2007. However, we cannot predict the exact timing of the completion of the merger and whether the merger will be completed. In order to complete the merger, we must obtain shareholder approval and the other closing conditions under the merger agreement must be satisfied or waived.

Whenever we refer to the merger agreement in this proxy statement, we are referring to the Agreement and Plan of Merger attached as Annex A to this proxy statement, as it may be amended from time to time. You should read the merger agreement because it, and not this proxy statement, is the legal document that governs the merger.

Merger Consideration; Effects of the Merger:

If the merger is completed, you will receive \$47.50 per share in cash, without interest, for each share of EGL common stock you own at that time, unless you are a dissenting shareholder and you perfect your dissenters' rights under Texas law. As a result of the merger, EGL's shareholders, other than Parent and the Rollover Investors, will no longer have a direct or indirect equity interest in EGL; EGL common stock will no longer be listed on the NASDAQ Global Select Market, which we refer to as NASDAQ; and the registration of EGL common stock under Section 12 of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, will be terminated. See The Merger Effects of the Merger beginning on page 41.

Treatment of Outstanding Options and Restricted Stock:

If the merger is completed, unless otherwise agreed between a holder, EGL and Parent, each outstanding option to purchase shares of EGL common stock granted under an EGL plan and not exercised prior to the merger will vest and be cancelled and converted into the right to receive a cash payment equal to the number of shares of EGL common stock underlying the option multiplied by the amount (if any) by which \$47.50 exceeds the option exercise price, without interest and less any applicable withholding taxes. Unless otherwise agreed between a holder and Parent, each share of restricted stock will vest and be cancelled and converted into the right to receive a cash payment equal to \$47.50, without interest and less any applicable withholding taxes. See The Merger Effects of the Merger beginning on page 41.

Interests of Certain Persons in the Merger:

In considering the proposed transactions, you should be aware that some EGL shareholders, directors, officers and employees have interests in the merger that may be different from, or in addition to, your interests as an EGL shareholder generally, including:

the opportunity to invest in an affiliate of Parent;

ongoing employment arrangements and other arrangements with respect to Parent;

accelerated vesting and cash-out of in-the-money stock options and of restricted stock held by directors, officers and employees

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of EGL, unless otherwise agreed between a holder, EGL and Parent;

management retention agreements with EGL that provide for benefits upon the occurrence of a qualifying termination following a change in control of EGL such as the merger;

continued indemnification and directors and officers liability insurance to be provided by Parent and the Surviving Corporation to current and former directors, officers and employees of EGL and its subsidiaries;

a retention bonus program providing for cash payments after the closing of the merger; and