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TOOTSIE ROLL INDUSTRIES INC

Form 8-K

October 24, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant
To Section 13 or 15(d) of the
Securities Exchange Act of 1934

October 22, 2014
Date of report (Date of earliest event reported)

TOOTSIE ROLL INDUSTRIES, INC.
(Exact Name of Registrant as Specified in Its charter)

Virginia
(State or Other Jurisdiction of Incorporation)

001-01361
(Commission File Number)

22-1318955
(I.R.S. Employer Identification No.)

7401 South Cicero Avenue, Chicago, Illinois 60629
(Address of Principal Executive Offices) (Zip Code)

773-838-3400
(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:

- 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))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On October 22, 2014, Tootsie Roll Industries, Inc. issued a press release (the "release") announcing its results of operations and financial condition for the third quarter ended September 27, 2014. A copy of the release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

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The information in the release and in this Item 2.02 is "furnished" and not "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liabilities of that section. Such information may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references such information.

Item 9.01. Financial Statements and Exhibits.

(c) The following exhibit is furnished with this report:

Exhibit 99.1 Press Release of Tootsie Roll Industries, Inc., dated
October 22, 2014.

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 under-signed thereunto duly authorized.

October 22, 2014

TOOTSIE ROLL INDUSTRIES, INC.

By: /S/G. HOWARD EMBER, JR.
G. Howard Ember, Jr.
Vice President Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of Tootsie Roll Industries, Inc., dated October 22, 2014.

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Total long-term liabilities

1,039

1,853

21,931

23,485

	25,807
	27,451
Total liabilities	
\$	8,061
\$	8,052
\$	31,483
\$	34,915
	45,582
	46,688
Total stockholders' equity	
\$	5,739
\$	7,821
\$	(11,146)
)	
\$	(12,329)
)	
	(13,247)
)	
	(13,124)
)	
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ARGYLE HISTORICAL FINANCIAL INFORMATION

	Three Months Ended March 31, 2007	Year Ended December 31, 2006	Period from June 22, 2005 (inception) to December 31, 2005	Period from June 22, 2005 (inception) to March 31, 2007		
Revenues	\$ -	\$ -	\$ -	\$ -		
Interest income on trust account	380,811	1,332,087	-	1,712,898		
Net income/(loss)	51,830	172,512	(7,743)	216,599		
Net income/(loss) allocable to holders of non-redeemable common stock	1,666	(3,235)	(7,743)	(9,312)		
Net income/(loss) per share - basic and diluted	0.01	0.04	\$ (0.01)	0.06		
Weighted average number of shares outstanding - basic and diluted	4,781,307	4,477,861	937,500	3,465,547		
Net income/(loss) per share exclusive of shares and related interest subject to possible redemption - basic and diluted	0.00	(0.00)	\$ (0.01)	(0.00)		
Weighted average number of shares outstanding exclusive of shares subject to possible redemption - basic and diluted	4,016,680	3,773,985	937,500	2,962,875		
		At March 31, 2007	At December 31, 2006	At December 31, 2005		
Total assets (including cash deposited in trust account in 2006)	\$	30,600,859	\$	30,681,313	\$	304,353
Total liabilities		1,772,883		1,905,167		287,096
Common stock and deferred interest subject to possible redemption		5,964,117		5,913,953		-
Stockholders' equity		22,863,859		22,862,193		17,257

SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following selected unaudited pro forma financial information combines Argyle's historical balance sheet and that of ISI as of March 31, 2007, giving effect to the transactions described in the merger agreement as if they had occurred on March 31, 2007. Additionally, the financial information combines (i) Argyle's historical statement of operations for the year ended December 31, 2006 with that of ISI, and (ii) Argyle's historical statement of operations for the three months ended March 31, 2007 with that of ISI, in each case giving effect to the acquisition as if it had occurred on January 1, 2006. The following selected unaudited pro forma condensed combined financial information is intended to provide you with a picture of what Argyle's business might have looked like had the acquisition been completed on or as of the dates specified above. The combined financial information may have been different had the acquisition actually been completed on or as of those dates. You should not rely on the selected unaudited pro forma condensed combined financial information as being indicative of the historical results that would have occurred had the acquisition occurred or the future results that may be achieved after the acquisition. The following selected unaudited pro forma condensed combined financial information has been derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Consolidated Financial Statements and related notes thereto starting on page 81.

The following unaudited pro forma condensed financial information has been prepared using two different levels of approval of the acquisition by Argyle's stockholders, as follows:

- Assuming No Redemption of Shares: This presentation assumes that no stockholders exercised their redemption rights; and
- Assuming Redemption of 19.99% of Shares: This presentation assumes that holders of only 19.99% of Argyle's outstanding common stock exercise their redemption rights.

(in thousands, except per share data)

	At March 31, 2007	
	Assuming No Redemption of Shares	Assuming Redemption of 19.99% of Shares
Total assets	\$ 77,065	\$ 71,101
Line of credit	\$ 6,537	\$ 6,537
Long-term debt	\$ 5,885	\$ 5,885
Stockholders' equity	\$ 37,505	\$ 31,541

(in thousands, except per share data)

	For the Three Months Ended March 31, 2007		For the Year Ended December 31, 2006	
	Assuming No Redemption of Shares	Assuming Redemption of 19.99% of Shares	Assuming No Redemption of Shares	Assuming Redemption of 19.99% of Shares
Revenues	\$ 13,051	\$ 13,051	\$ 37,897	\$ 37,897
Revenues - related parties (1)	\$ 5,801	\$ 5,801	\$ 19,855	\$ 19,855
Operating income/(loss)	\$ 180	\$ 180	\$ (617)	\$ (617)
Net loss	\$ (29)	\$ (77)	\$ (931)	\$ (1,099)
Net loss per share:				
Basic	\$ (0.00)	\$ (0.01)	\$ (0.16)	\$ (0.21)
Diluted	\$ (0.00)	\$ (0.01)	\$ (0.16)	\$ (0.21)

(1) “Revenues - related party” are those revenues generated by work sub-contracted from ISI*MCS (an entity owned 67% by Sam Youngblood, CEO of ISI, and 33% by Don Carr, President of ISI). Messrs. Youngblood and Carr created ISI*MCS in 2004 to provide bonding on contracts that require bonding. The performance of those contracts is subcontracted to ISI as a subcontractor to ISI*MCS. The sub-contracted work is for third party customers of ISI*MCS that require bonded contracts. After the merger, ISI*MCS will no longer provide bonding and subcontract work to ISI and ISI will secure its own bonding capacity and use that bonding capacity to directly enter into bonded contracts with third party customers, thereby eliminating the need to contract for the work as a subcontractor to ISI*MCS. After the merger, the amount of “Revenues - related party” will decrease annually as the contracts with ISI*MCS, outstanding at the time of the merger, are completed. See note 3. “Related Party Transactions” on page F-26, Notes to Consolidated Financial Statements of ISI.

COMPARATIVE PER SHARE INFORMATION

The following table sets forth selected historical per share information and unaudited pro forma combined information as of March 31, 2007 and for the three months then ended for Argyle and ISI, giving effect to the acquisition as if it had occurred on March 31, 2007 for balance sheet purposes and on January 1, 2006 for income statement purposes. Argyle is providing this information to aid you in your analysis of the financial aspects of the merger. The unaudited pro forma combined per share information should be read in conjunction with the historical financial statements of Argyle and ISI and the related notes thereto included elsewhere in this Proxy Statement.

The unaudited pro forma combined per share information does not purport to represent what the actual results of operations of Argyle and ISI would have been had the merger taken place on the dates noted, or to project Argyle's or ISI's results of operations that may be achieved after the merger.

	In thousands, except per share data		
	ISI	Argyle	Pro Forma Combined Company
Weighted average shares of common stock outstanding:			
Assuming no redemptions			
Basic	.10491	4,781	5,961
Diluted	.18025	4,781	6,964
Assuming maximum redemptions			
Basic	-	4,017	5,197
Diluted	-	4,017	6,200
Book value—assuming no redemptions	\$ (13,124)	\$ 28,828	\$ 37,505
Book value—assuming maximum redemptions	-	22,864	31,541
Book value per share—assuming no redemptions			
Basic	\$ (125,098)	\$ 6.03	\$ 6.29
Diluted	(72,810)	6.03	5.39
Book value per share—assuming maximum redemptions			
Basic	-	\$ 5.69	\$ 6.07
Diluted	-	5.69	5.09
Earnings/(loss) per share—assuming no redemptions			
Basic	\$ 1,171	\$ 0.01	\$ (0.00)
Diluted	694	0.01	(0.00)
Earnings/(loss) per share—assuming maximum redemptions			
Basic	\$ -	\$ 0.00	\$ (0.01)
Diluted	-	0.00	(0.01)

PRICE RANGE OF SECURITIES AND DIVIDENDS

Argyle

Argyle's common stock, warrants and units are quoted on the OTC Bulletin Board under the symbols ARGL, ARGLW and ARGLU, respectively. The closing price for these securities on December 13, 2006, the last trading day before announcement of the merger, was \$7.41, \$1.36 and \$8.75, respectively. The closing price for the securities on May 29, 2007, the most recent trading day practicable before the date of this Proxy Statement, was \$7.78, \$1.70 and \$9.50,

respectively

Argyle units commenced public trading on January 30, 2006, and common stock and warrants commenced public trading on March 2, 2006. The table below sets forth, for the calendar quarters indicated, the high and low bid prices for the securities as reported on the OTC Bulletin Board in U.S. dollars. These quotations reflect inter-dealer prices, without markup, markdown or commissions, and may not represent actual transactions.

	Common Stock		Warrants (US\$)		Units	
	High	Low	High	Low	High	Low
2006						
First Quarter	7.55	7.25	1.35	0.93	8.85	7.90
Second Quarter	7.45	7.22	1.56	1.02	8.86	8.00
Third Quarter	7.30	7.14	1.08	0.88	8.30	8.00
Fourth Quarter	7.45	7.15	1.55	0.75	8.80	7.94
2007						
First Quarter	7.50	7.35	1.10	0.80	8.50	8.14

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Holders of Argyle common stock, warrants and units should obtain current market quotations for their securities. The market price of these securities could vary at any time before the merger is completed.

Argyle anticipates that its securities will continue to be quoted on the OTC Bulletin Board post merger. There can be no assurance that a trading market will develop for these securities.

Holders of Argyle. As of March 31, 2007, there were of record five holders of common stock, four of warrants, and one of units. Argyle believes the number of beneficial holders of each of these securities is significantly greater than the number of record holders.

Dividends. Argyle has not paid any dividends on its common stock to date and does not intend to pay dividends prior to the completion of a business combination.

ISI

ISI securities are not publicly traded.

Holders. As of March 22, 2007, there were of record four holders of ISI common stock, and one holder of warrants. Immediately prior to the consummation of the merger between ISI and the Merger Subsidiary (assuming the merger is approved by Argyle's stockholders), \$10,000,000 of ISI's debt will be converted into ISI preferred stock, the holder of which will then receive a portion of the cash consideration to be paid to the ISI stockholders in the merger.

Dividends. As part of a recapitalization transaction in October 2004, ISI distributed \$16,935,340 to its stockholders. ISI does not intend to pay any other dividends in the foreseeable future.

Post Acquisition

The payment of dividends by the combined company in the future will be contingent upon revenues and earnings, if any, capital requirements and the general financial condition subsequent to completion of the merger. The payment of any dividends subsequent to that time will be within the discretion of the Board of Directors serving at that time. It is the present intention of the Board to retain all earnings, if any, for use in business operations and, accordingly, it does not anticipate declaring any dividends in the foreseeable future. Loans or credit facilities may also limit the combined company's ability to pay dividends.

THE ARGYLE SPECIAL MEETING

Argyle is furnishing this Proxy Statement to its stockholders as part of the solicitation of proxies by the Board of Directors for use at the special meeting in connection with the proposed merger with ISI. This document provides you with the information you need to know to be able to vote or instruct your vote to be cast at the special meeting.

Date, Time and Place. Argyle will hold the special meeting at 10:00 a.m., San Antonio, Texas, time, on July __, 2007, La Mansion del Rio, 112 College Street, San Antonio, TX 78205 to vote on the proposals.

Purpose. At the special meeting, holders of Argyle common stock will be asked to approve:

- The proposed merger of a wholly-owned subsidiary of Argyle into ISI, resulting in ISI becoming a wholly-owned subsidiary of Argyle;
 - The adoption of Argyle's 2007 Omnibus Securities and Incentive Plan, which provides for the grant of up to 1,000,000 shares of Argyle's common stock or cash equivalents to directors, officers, employees and/or consultants of Argyle and its subsidiaries;
- Amending Argyle's Second Amended and Restated Certificate of Incorporation to change Argyle's corporate name to Argyle Security, Inc.; and
- Amending Argyle's Second Amended and Restated Certificate of Incorporation to remove certain provisions containing procedural and approval requirements applicable to Argyle prior to the combination of a business combination that will no longer be operative upon consummation of the merger.
- The approval of any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies.

Pursuant to Argyle's Second Amended and Restated Certificate of Incorporation, Argyle is required to obtain stockholder approval of the merger with ISI. Pursuant to the merger agreement entered into by Argyle, Argyle's wholly-owned subsi