

PRESSTEK INC /DE/
Form DEF 14A
October 01, 2012

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 Q

Filed by a Party other than the Registrant o

Check the appropriate box:

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

PRESSTEK, INC.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- o No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies: Common Stock, par value \$0.01 per share, of Presstek, Inc. (the "Company")
- (2) Aggregate number of securities to which transaction applies: 37,525,228 shares of the Company's common stock (which includes 100,000 shares of restricted common units)
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): 37,525,228 shares of the Company's common stock multiplied by the merger consideration of \$0.50 per share
- (4) Proposed maximum aggregate value of transaction: \$18,762,614

(5)

Total Fee Paid: \$2,151

Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

PRESSTEK, INC.
10 Glenville Street
Greenwich, Connecticut 06831
Telephone: (203) 769-8056

October 1, 2012

Dear Fellow Stockholder:

We cordially invite you to attend a special meeting of the stockholders of Presstek, Inc., which we refer to as the Company, to be held on Wednesday, October 31, 2012, at 10:00 a.m., local time, at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, New York.

At the special meeting, you will be asked to approve the adoption of the Agreement and Plan of Merger, dated as of August 22, 2012, as it may be amended from time to time, which we refer to as the merger agreement, among MAI Holdings, Inc., a Delaware corporation, which we refer to as Parent, and MAI Merger Corp., a direct wholly owned subsidiary of Parent, which we refer to as Purchaser, and the Company, pursuant to which Purchaser will be merged with and into the Company and the Company will continue as the surviving corporation. We refer to this transaction as the merger. Following the merger, the Company will be a wholly owned subsidiary of Parent.

We are also asking you to approve, on an advisory basis, the merger-related compensation for the Company's named executive officers and grant us the authority to vote your shares to adjourn the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the adoption and approval of the merger agreement.

If the merger is completed, you will be entitled to receive \$0.50 in cash, without interest, less any applicable withholding taxes, for each share of the Company's common stock owned by you.

The board of directors of the Company has unanimously determined that the merger is fair to, and in the best interests of, the Company's stockholders, approved and declared advisable the merger agreement and resolved to recommend that the stockholders adopt the merger agreement. The board of directors made its recommendation after consultation with its independent legal and financial advisers and consideration of a number of factors. The board of directors unanimously recommends that you vote "FOR" approval of the proposal to adopt the merger agreement, "FOR" the approval, on an advisory basis, of the merger-related compensation for the Company's named executive officers, and "FOR" approval of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Approval of the proposal to adopt the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of the Company's common stock entitled to vote thereon.

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Your vote is very important. Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy card in the accompanying prepaid reply envelope, or submit your proxy by telephone or through the Internet. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted. The failure to vote will have the same effect as a vote against approval of the proposal to adopt the merger agreement.

If your shares of common stock of the Company are held in street name by your bank, brokerage firm or other nominee, your bank, brokerage firm or other nominee will be unable to vote your shares of common stock of the Company without instructions from you. You should instruct your bank, brokerage firm or other nominee as to how to vote your shares of the Company's common stock, following the procedures provided by your bank, brokerage firm or other nominee. The failure to instruct your bank, brokerage firm or other nominee to vote your shares of the Company's common stock "FOR" approval of the proposal to adopt the merger agreement will have the same effect as voting against the proposal to adopt the merger agreement.

The accompanying proxy statement provides you with detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to the proxy statement. We encourage you to read the entire proxy statement and its annexes, including the merger agreement, carefully. You may also obtain additional information about the Company from documents we have filed with the Securities and Exchange Commission.

Thank you in advance for your cooperation and continued support.

Sincerely,

/s/ Stanley E. Freimuth

Stanley E. Freimuth
Chairman, President and Chief Executive
Officer

This proxy statement is dated October 1, 2012, and is first being mailed to the Company's stockholders on or about October 1, 2012.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE MERGER, PASSED UPON THE MERITS OR FAIRNESS OF THE MERGER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE MERGER, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.



Presstek, Inc.
10 Glenville Street
Greenwich, Connecticut 06831
Telephone: (203) 769-8056

NOTICE OF SPECIAL MEETING

A special meeting of the stockholders of Presstek, Inc., which we refer to as the Company, will be held at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, New York, on Wednesday, October 31, 2012, at 10:00 a.m., local time, for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of August 22, 2012, as it may be amended from time to time, which we refer to as the merger agreement, among MAI Holdings, Inc., a Delaware corporation, which we refer to as Parent, MAI Merger Corp, a Delaware corporation and a direct wholly owned subsidiary of Parent, which we refer to as Purchaser, and the Company. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement.
2. To consider and vote upon a proposal to approve, on an advisory basis, the merger-related compensation for the Company's named executive officers.
3. To consider and vote on a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.
4. To transact any other business that may properly come before the special meeting, or any adjournment or postponement of the special meeting, by or at the direction of the board of directors of the Company.

Only Stockholders of record at the close of business on September 20, 2012, the record date fixed by the board of directors for the special meeting, are entitled to notice of, and to vote at, such meeting.

The board of directors of the Company has unanimously determined that the merger is fair to, and in the best interests of, the Company and its stockholders and approved and declared advisable the merger agreement and the merger and the other transactions contemplated by the Agreement and Plan of Merger. The Company's board of directors made its determination after consultation with its independent legal and financial advisors and consideration of a number of factors. The board of directors of the Company recommends that you vote "FOR" the proposal to adopt the merger agreement, "FOR" the approval, on an advisory basis, of the merger-related compensation for the Company's named executive officers, and "FOR" the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Company stockholders who do not vote in favor of adoption of the merger agreement will have the right to seek appraisal and receive the fair value of their shares in lieu of receiving the per share merger consideration if the merger closes but only if they perfect their appraisal rights by complying with the required procedures under Delaware law,

which are summarized in the accompanying proxy statement.

STOCKHOLDERS, WHETHER OR NOT THEY EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED FORM OF PROXY IN THE ACCOMPANYING POSTAGE PAID AND PRE-ADDRESSED ENVELOPE OR TO VOTE BY TELEPHONE OR THROUGH THE INTERNET. THE PROXY IS REVOCABLE AT ANY TIME PRIOR TO THE EXERCISE THEREOF AT THE SPECIAL MEETING BY WRITTEN NOTICE TO THE COMPANY, AND STOCKHOLDERS WHO ARE PRESENT AT THE MEETING MAY WITHDRAW THEIR PROXIES AND VOTE IN PERSON IF THEY SO DESIRE.

By Order of the Board of Directors,
/s/ James R. Van Horn
James R. Van Horn
Senior Vice President, Chief Administrative
Officer,
General Counsel and Secretary

Dated: October 1, 2012

Greenwich, Connecticut

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Annex A Agreement and Plan of Merger, dated as of August 22, 2012, among, MAI Holdings, Inc., MAI Merger Corp.
and Presstek, Inc.

Annex B Opinion of GCA Savvian Advisors, LLC, dated August 22, 2012.

Annex C Voting Agreement, dated as of August 22, 2012, by and among MAI Holdings, Inc., IAT Reinsurance
Company Ltd. and related parties listed on Schedule I thereto.

Annex D Section 262 of the General Corporation Law of the State of Delaware.

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a stockholder of the Company. Please refer to the “Summary” and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to in this proxy statement, all of which you should read carefully. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under “Where You Can Find More Information” beginning on page 70.

Q. Why am I receiving this document?

A. Presstek, Inc., which we refer to as the Company, us, our or we, has agreed to be acquired by MAI Holdings, Inc., or Parent, pursuant to the terms of the merger agreement described in this proxy statement. A copy of the merger agreement is attached to this proxy statement as Annex A. The Company’s stockholders must vote to adopt the merger agreement before the transactions contemplated by the merger agreement can be completed, and the Company is holding a special meeting of its stockholders so that its stockholders may vote with respect to the adoption of the merger agreement.

You are receiving this proxy statement because you own shares of the Company’s common stock. This proxy statement contains important information about the proposed transaction and the special meeting, and you should read it carefully. The enclosed proxy statement allows you to vote your shares of the Company’s common stock without attending the special meeting in person.

Your vote is extremely important, and we encourage you to vote as soon as possible. For more information on how to vote your shares of the Company’s common stock, please see the section of this proxy statement entitled “The Special Meeting” beginning on page 16.

Q. What is the proposed transaction and what effects will it have on the Company?

A. The proposed transaction is the acquisition of the Company by Parent pursuant to the merger agreement. If the proposal to adopt the merger agreement is approved by our stockholders and the other closing conditions under the merger agreement have been satisfied or waived, MAI Holdings, Inc., or Purchaser, which is a direct wholly owned subsidiary of Parent, will merge with and into the Company, with the Company continuing as the surviving corporation. We refer to this transaction as the merger. As a result of the merger, the Company will become a wholly owned subsidiary of Parent and will no longer be a publicly-held corporation. In addition, as a result of the merger, our common stock will be delisted from the Nasdaq Global Market, or Nasdaq, and deregistered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, we will no longer file periodic reports with the Securities and Exchange Commission, or SEC, on account of our common stock and you will no longer have any interest in our future earnings or growth.

Q. What will I receive if the merger is completed?

A. Upon completion of the merger, you will be entitled to receive \$0.50 in cash, without interest, which amount we refer to as the merger consideration, less any applicable withholding taxes, for each share of the Company’s common stock that you own, unless you properly exercise, and do not withdraw, your appraisal rights under the Delaware General Corporation Law, or the DGCL, with respect to such shares. For example, if you own 100 shares of the Company’s common stock, you will receive \$50.00 in cash in exchange for your shares of the Company’s common stock, less any applicable withholding taxes. Upon consummation of the merger, you will not own any

shares of the capital stock of the surviving corporation.

Q. How does the merger consideration compare to the market price of the Company's common stock prior to the announcement of the merger?

A. The merger consideration represents a premium of 16.3% to the closing price of the Company's common stock on August 22, 2012, the last trading day prior to the public announcement of the merger agreement, and a premium of 13.6% to closing price of the Company's common stock 30 days prior to the announcement of the transaction on July 24, 2012. However, the merger consideration represents an 82% discount to the highest closing price in the last two years of \$2.73 on March 10, 2011.

Q. When do you expect the merger to be completed?

A. We are working towards completing the merger as soon as possible. Assuming timely satisfaction of necessary closing conditions, we anticipate that the merger will be completed in the fourth quarter of 2012. If our stockholders vote to approve the proposal to adopt the merger agreement, the merger will become effective as promptly as practicable following the satisfaction or waiver of the other conditions to the merger.

Q. What happens if the merger is not completed?

A. If the merger agreement is not adopted by the stockholders of the Company or if the merger is not completed for any other reason, the stockholders of the Company will not receive any payment for their shares of the Company's common stock in connection with the merger. Instead, the Company will remain an independent public company and the common stock will continue to be listed and traded on Nasdaq. Under specified circumstances, the Company may be required to reimburse Parent for its expenses or pay Parent a fee with respect to the termination of the merger agreement, as described under "The Merger Agreement—Termination Fee" beginning on page 58.

Q. Is the merger expected to be taxable to me?

A. The exchange of shares of common stock for cash pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes. If you are a "U.S. holder," as defined under "The Merger—Material U.S. Federal Income Tax Consequences of the Merger," you will generally recognize gain or loss in an amount equal to the difference, if any, between the cash payments made pursuant to the merger and your adjusted tax basis in your shares of the Company's common stock. If you are a "non-U.S. holder," as defined under "The Merger—Material U.S. Federal Income Tax Consequences of the Merger," any gain that you realize generally will not be subject to U.S. federal income tax, subject to certain exceptions discussed in that section. You should read "The Merger—Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 43, which provides a discussion of the U.S. federal income tax consequences of the merger for "U.S. holders" and "non-U.S. holders." You should also consult your tax adviser for a complete analysis of the effect of the merger on your U.S. federal, state, local and foreign taxes.

Q. Do any of the Company's directors or officers have interests in the merger that may differ from or be in addition to my interests as a stockholder?

A. Yes. In considering the recommendation of the board of directors to vote in favor of the adoption of the merger agreement, you should be aware that the Company's directors and officers have interests in the merger that are different from, or in addition to, the interests of our stockholders generally. The board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending that the merger agreement be adopted by the stockholders of the Company. See "The Merger—Interests of Certain Persons in the Merger" beginning on page 38.

Q. When and where is the special meeting?

A. The special meeting of stockholders of the Company will be held on Wednesday, October 31, 2012, at 10:00 a.m., local time, at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, New York.

Q. What am I being asked to vote on at the special meeting?

A. You are being asked to consider and vote on proposals to adopt the merger agreement, to approve, on an advisory basis, the merger-related compensation for the Company's named executive officers, and to adjourn the special

meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement.

Q. What vote is required for the Company's stockholders to approve the proposal to adopt the merger agreement?

A. The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote thereon.

Because the affirmative vote required to approve the proposal to adopt the merger agreement is based upon the total number of outstanding shares of our common stock, failing to submit a proxy or vote in person at the special meeting, abstaining from the vote or failing to provide your bank, broker or other nominee with instructions as to how to vote your shares will each have the same effect as a vote against the proposal to adopt the merger agreement.

Q. What vote of our stockholders is required to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies?

A. Approval of the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote on the matter at the special meeting, whether or not a quorum is present.

Abstaining will have the same effect as a vote against the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies. If your shares of common stock are held through a bank, brokerage firm or other nominee and you do not instruct your bank, brokerage firm or other nominee as to how to vote your shares of common stock, your shares of common stock will not be voted, and this will not have any effect on the proposal to adjourn the special meeting.

Q: What vote of our stockholders is required to approve the merger-related compensation for the Company's named executive officers?

A: Approval, on an advisory basis, of the merger-related compensation for the Company's named executive officers requires the affirmative vote of a majority of the holders of a majority of the shares of our common stock present, in person or represented by proxy, and entitled to vote on the matter at the special meeting, provided a quorum is present. You may vote "for," "against" or "abstain." Abstentions will not count as votes cast on the proposal relating to the merger-related compensation for the Company's named executive officers, but will count for the purpose of determining whether a quorum is present. As a result, if you abstain, it will have the same effect as if you vote against the proposal relating to the merger-related compensation.

Q. How does the board of director