

GEN PROBE INC
Form 8-K
September 17, 2002

Table of Contents

**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**

Date of Report (Date of earliest event reported): **September 16, 2002**

Gen-Probe Incorporated

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

0-49834
(Commission
File Number)
10210 Genetic Center Drive
San Diego, CA 92121
(Address of Principal Executive Offices)

33-0044608
(I.R.S. Employer
Identification No.)

(858) 410-8000
(Registrant's telephone number, including area code)

TABLE OF CONTENTS

Item 5. Other Events.

Item 7. Exhibits.

SIGNATURE

EXHIBIT INDEX

EXHIBIT 4.2

EXHIBIT 99.1

Table of Contents

This Current Report on Form 8-K is filed by Gen-Probe Incorporated, a Delaware corporation (Gen-Probe or the Company), in connection with the matters described herein.

Item 5. Other Events.

On September 16, 2002, the Board of Directors of the Company adopted a stockholder rights plan.

In connection with the stockholder rights plan, the Board of Directors of the Company declared a dividend of one preferred share purchase right (the Rights) for each outstanding share of common stock, par value \$0.0001 per share (the Common Shares), of the Company outstanding at the close of business on September 26, 2002 (the Record Date). Each Right will entitle the registered holder thereof, after the Rights become exercisable and until September 26, 2012 (or the earlier redemption, exchange or termination of the Rights), to purchase from the Company one one-hundredth (1/100th) of a share of Series A Junior Participating Preferred Stock, par value \$0.0001 per share (the Preferred Shares), at a price of \$100.00 per one one-hundredth (1/100th) of a Preferred Share, subject to certain anti-dilution adjustments (the Purchase Price). The Rights are designed to assure that all of the Company s stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against partial tender offers, open market accumulations and other abusive tactics to gain control of the Company without paying all stockholders a control premium. The Rights will cause substantial dilution to a person or group that acquires 15% or more of the Company s stock on terms not approved by the Company s Board of Directors. Although the stockholder rights plan could discourage, delay or prevent an acquisition of the Company under certain circumstances, the Rights should not interfere with any merger or other business combination approved by the Board of Directors at any time prior to the first date that a Person or group has become an Acquiring Person (as defined below).

Until the earlier to occur of (i) ten (10) days following a public announcement that a person or group of affiliated or associated persons (other than an Existing Holder (as defined below), unless and until such time as the Existing Holder becomes the beneficial owner of an additional 2% or more of the Common Shares) has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the Common Shares (an Acquiring Person) or (ii) ten (10) business days (or such later date as may be determined by action of the Board of Directors prior to such time as any person or group of affiliated persons becomes an Acquiring Person) following the commencement or announcement of an intention to make a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 15% or more of the Common Shares (the earlier of (i) and (ii) being called the Distribution Date), the Rights will be evidenced, with respect to any of the Common Share certificates outstanding as of the Record Date, by such Common Share certificate. Existing Holder means Capital Research and Management Company, together with all of its Affiliates and Associates. As described in the stockholder rights plan, Rights which are held by or have been held by an Acquiring Person or associates or affiliates thereof and certain transferees thereof shall become null and void and will no longer be transferable. The Rights will be transferred with and only with the Common Shares until the Distribution Date or earlier redemption or expiration of the Rights. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights (Right Certificates) will be mailed to holders of record of the Common Shares as of the close of business on the Distribution Date and such separate Right Certificates alone will evidence the Rights. The Rights will at no time have any voting rights.

Each Preferred Share purchasable upon exercise of the Rights will be entitled, when, as and if declared, to a minimum preferential quarterly dividend payment of \$1.00 per share but will be entitled to an aggregate dividend of 100 times the dividend, if any, declared per Common Share. In the event of liquidation, dissolution or winding up of the Company, the holders of the Preferred Shares will be entitled to a preferential liquidation payment of \$100 per share plus any accrued but unpaid dividends but will be entitled to an aggregate payment of 100 times the payment made per Common Share. Each Preferred

Table of Contents

Share will have 100 votes and will vote together with the Common Shares. Finally, in the event of any merger, consolidation or other transaction in which Common Shares are exchanged, each Preferred Share will be entitled to receive 100 times the amount received per Common Share. Preferred Shares will not be redeemable. Because of the nature of the Preferred Share's dividend, liquidation and voting rights, the value of one one-hundredth (1/100th) of a Preferred Share purchasable upon exercise of each Right should approximate the value of one Common Share.

In the event that a Person becomes an Acquiring Person or if the Company were the surviving corporation in a merger with an Acquiring Person or any affiliate or associate of an Acquiring Person and the Common Shares were not changed or exchanged, each holder of a Right, other than Rights that are or were acquired or beneficially owned by the Acquiring Person (which Rights will thereafter be null and void), will thereafter have the right to receive upon exercise that number of Common Shares having a market value of two times the then current Purchase Price of one Right. In the event that, after a person has become an Acquiring Person, the Company were acquired in a merger or other business combination transaction or more than 50% of its assets or earning power were sold, proper provision shall be made so that each holder of a Right shall thereafter have the right to receive, upon the exercise thereof at the then current Purchase Price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction would have a market value of two times the then current Purchase Price of one Right.

At any time after a Person becomes an Acquiring Person and prior to the earlier of one of the events described in the last sentence in the previous paragraph or the acquisition by such Acquiring Person of 50% or more of the then outstanding Common Shares, the Board of Directors may cause the Company to exchange the Rights (other than Rights owned by an Acquiring Person which have become void), in whole or in part, for Common Shares at an exchange rate of one Common Share per Right (subject to adjustment).

The Rights may be redeemed in whole, but not in part, at a price of \$.01 per Right (the Redemption Price) by the Board of Directors at any time prior to the time that an Acquiring Person has become such. The redemption of the Rights may be made effective at such time, on such basis and with such conditions as the Board of Directors in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be receipt of the Redemption Price.

The Rights will expire on September 26, 2002 (unless earlier redeemed, exchanged or terminated). Mellon Investor Services LLC is the Rights Agent.

The Purchase Price payable, and the number of one one-hundredths (1/100th's) of a Preferred Share or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Preferred Shares, (ii) upon the grant to holders of the Preferred Shares of certain rights or warrants to subscribe for or purchase Preferred Shares or convertible securities at less than the current market price of the Preferred Shares or (iii) upon the distribution to holders of the Preferred Shares of evidences of indebtedness, cash, securities or assets (excluding regular periodic cash dividends at a rate not in excess of 125% of the rate of the last regular periodic cash dividend theretofore paid or, in case regular periodic cash dividends have not theretofore been paid, at a rate not in excess of 50% of the average net income per share of the Company for the four quarters ended immediately prior to the payment of such dividend, or dividends payable in Preferred Shares (which dividends will be subject to the adjustment described in clause (i) above)) or of subscription rights or warrants (other than those referred to above).

Table of Contents

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company beyond those as an existing stockholder, including, without limitation, the right to vote or to receive dividends.

Any of the provisions of the Rights Agreement, dated as of September 16, 2002, between the Company and the Rights Agent (the Rights Agreement), may be amended by the Board of Directors of the Company for so long as the Rights are then redeemable, and after the Rights are no longer redeemable, the Company may amend or supplement the Rights Agreement in any manner that does not adversely affect the interests of the holder of the Rights.

One Right will be distributed to stockholders of the Company for each Common Share owned of record by them on September 26, 2002. As long as the Rights are attached to the Common Shares, the Company will issue one Right with each new Common Share so that all such shares will have attached Rights. The Company has agreed that, from and after the Distribution Date, the Company will reserve 1,000,000 Preferred Shares initially for issuance upon exercise of the Rights.

The Rights Agreement specifying the terms of the Rights and the text of the press release announcing the declaration of the Rights are incorporated herein by reference as exhibits to this Current Report. The foregoing description of the Rights is qualified in its entirety by reference to such exhibits.

Item 7. Exhibits.

Exhibit Number	Description of Exhibit
4.2	Rights Agreement, dated as of September 16, 2002, between Gen-Probe Incorporated and Mellon Investor Services LLC, which includes the form of Certificate of Designations of the Series A Junior Participating Preferred Stock of Gen-Probe Incorporated as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C.
99.1	The Company's press release, dated September 17, 2002.

Table of Contents

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 undersigned hereunto duly authorized.

Date: September 16, 2002

GEN-PROBE INCORPORATED

By: /s/ R. WILLIAM BOWEN

R. William Bowen
Vice President, General Counsel and
Assistant Secretary

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
4.2	Rights Agreement, dated as of September 16, 2002, between Gen-Probe Incorporated and Mellon Investor Services LLC, which includes the form of Certificate of Designations of the Series A Junior Participating Preferred Stock of Gen-Probe Incorporated as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C.
99.1	The Company's press release, dated September 17, 2002.