

GREENWAY MEDICAL TECHNOLOGIES INC

Form SC 14D9

October 04, 2013

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14D-9

(Rule 14d-101)

Solicitation/Recommendation Statement

Under Section 14(d)(4) of the Securities Exchange Act of 1934

GREENWAY MEDICAL TECHNOLOGIES, INC.

(Name of Subject Company)

GREENWAY MEDICAL TECHNOLOGIES, INC.

(Name of Person Filing Statement)

Common Stock, \$0.0001 par value per share

(Title of Class of Securities)

39679B 103

(CUSIP Number of Class of Securities)

James A. Cochran

Chief Financial Officer

Greenway Medical Technologies, Inc.

100 Greenway Boulevard

Carrollton, GA 30117

(770) 836-3100

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of the Person Filing Statement)

With copies to:

Reinaldo Pascual

Paul Hastings LLP

1170 Peachtree Street, N.E., Suite 100

Atlanta, GA 30309

(404) 815-2227

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

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Item 1.

• Subject Company Information.

(a) Name and Address. The name of the subject company to which this Solicitation/Recommendation Statement on Schedule 14D-9 (together with any annexes attached hereto, this “Schedule 14D-9”) relates is Greenway Medical Technologies, Inc., a Delaware corporation (“Greenway”). The address of the principal executive offices of Greenway is 100 Greenway Boulevard, Carrollton, GA 30117 and its telephone number is (770) 836-3100. In this Schedule 14D-9, “we,” “us,” “our,” “Company” and “Greenway” refer to Greenway Medical Technologies, Inc.

(b) Securities. The title of the class of equity securities to which this Schedule 14D-9 relates is the common stock, par value \$0.0001 per share, of Greenway (sometimes referred to herein as, the “Shares”). As of October 2, 2013, there were 29,837,187 shares of our common stock issued and outstanding.

Item 2.

• Identity and Background of Filing Person.

(a) Name and Address. The name, address and telephone number of Greenway, which is the person filing this Schedule 14D-9 and the subject company, are set forth in Item 1(a) above. Our website is <http://www.greenwaymedical.com>. The website and the information on or available through the website are not a part of this Schedule 14D-9, are not incorporated herein by reference and should not be considered a part of this Schedule 14D-9.

(b) Tender Offer.

This Schedule 14D-9 relates to the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission (“SEC”) on October 4, 2013 (together with any amendments and supplements thereto, the “Schedule TO”) by (i) VCG Holdings, LLC, a Delaware limited liability company (“Parent”), (ii) Crestview Acquisition Corp., a Delaware corporation and a direct wholly-owned subsidiary of Parent (“Merger Sub”), (iii) Vitera Healthcare Solutions, LLC, a Delaware limited liability company that is wholly owned by VEPF IV (“Vitera”) and (iv) Vista Equity Partners Fund IV, L.P., an affiliate of each of Parent and Merger Sub (“Vista”). The Schedule TO relates to the tender offer for all of the outstanding Shares of Greenway, at a price of \$20.35 per Share (the “Offer Price”) net to the seller in cash without interest and less any applicable withholding taxes (the “Per Share Amount”), if any, upon the terms and conditions set forth in the offer to purchase dated October 4, 2013 (as amended or supplemented from time to time, the “Offer to Purchase”), and in the related letter of transmittal (the “Letter of Transmittal”), which, together with any amendments or supplements, collectively constitute the “Offer.”

The Offer to Purchase and the Letter of Transmittal are being mailed to the Company’s stockholders together with this Schedule 14D-9 and filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto, respectively, and are incorporated herein by reference.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of September 23, 2013 (as it may be amended from time to time, the “Merger Agreement”), by and among Parent, Merger Sub and Greenway. Pursuant to the Merger Agreement, following the consummation of the Offer and the satisfaction or waiver of each of the applicable conditions set forth in the Merger Agreement, Merger Sub and Greenway will merge (the “Merger”), with Greenway as the surviving corporation in the Merger continuing as a direct wholly-owned subsidiary of Parent (the “Surviving Corporation”). The Merger Agreement also provides that the Merger may be consummated regardless of whether the Offer is completed, but if the Offer is not completed and is terminated in accordance with the Merger Agreement, and the Merger Agreement is not terminated, the Merger will only be able to be consummated, subject to the terms and conditions of the Merger Agreement, after the stockholders of Greenway have adopted the Merger Agreement at a special meeting of its stockholders. As a result of the Merger, each outstanding Share (other than Shares owned by Parent, Merger Sub or Greenway (or held in its treasury), any subsidiary of Parent or Greenway, or by any stockholder of Greenway who or which is entitled to and properly demands and perfects appraisal of such Shares pursuant to, and complies in all respects with, the applicable provisions of Delaware law) will at the effective time of the Merger (the “Effective Time”) be converted into the right to receive the Per Share Amount (the “Merger

Consideration”). As a result of the Merger, Greenway will cease to be a publicly traded company and will become wholly-owned by Parent.

The Offer, the Merger and the other transactions contemplated by the Merger Agreement are collectively referred to as the “Transactions”.

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The foregoing summary of the Offer is qualified in its entirety by the more detailed description and explanation contained in the Offer to Purchase and accompanying Letter of Transmittal, copies of which have been respectively filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto and are incorporated herein by reference.

As set forth in the Offer to Purchase, the principal office address of each of Parent and Merger Sub is 401 Congress Avenue, Suite 3100, Austin, Texas 78701. The telephone number of each of Parent and Merger Sub is (512) 730-2400. The principal office address of Vitera is 430 West Boy Scout Boulevard, Suite 800, Tampa, Florida 33607. The telephone number of Vitera is (877) 932-6301. The principal office address of Vista is 401 Congress Avenue, Suite 3100, Austin, Texas 78701. The telephone number at the principal office of Vista is (512) 730-2400.

Item 3.

- Past Contacts, Transactions, Negotiations and Agreements.

Except as set forth or incorporated by reference in this Schedule 14D-9, including in the Information Statement of Greenway attached to this Schedule 14D-9 as Annex I hereto, which is incorporated by reference herein (the “Information Statement”), to our knowledge, as of the date of this Schedule 14D-9, there are no material agreements, arrangements or understandings, nor any actual or potential conflicts of interest between (i) Greenway or any of its affiliates, on the one hand, and (ii) (x) any of its executive officers, directors or affiliates, or (y) Parent, Merger Sub or any of their respective executive officers, directors or affiliates, on the other hand. The Information Statement is being furnished to our stockholders pursuant to Section 14(f) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 14f-1 promulgated under the Exchange Act, in connection with Merger Sub’s right pursuant to the Merger Agreement to designate persons to the board of directors of Greenway following the time at which Merger Sub accepts all Shares validly tendered and not validly withdrawn pursuant to the Offer (the “Acceptance Time”).

Any information that is incorporated herein by reference shall be deemed modified or superseded for purposes of this Schedule 14D-9 to the extent that any information contained herein modifies or supersedes such information.

(a)

- Arrangements between Greenway and its Executive Officers, Directors and Affiliates.

Our executive officers and members of our board of directors (the “Board”) may be deemed to have interests in the execution and delivery of the Merger Agreement and all of the Transactions, including the Offer and the Merger, that may be different from or in addition to those of our stockholders, generally. These interests may create potential conflicts of interest. Our Board was aware of these interests and considered them, among other things, in reaching its decision to approve the Merger Agreement and the Transactions. As described in more detail below, these interests include:

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- the cancellation of vested and unvested Company stock options (the “Stock Options”) outstanding immediately prior to the earlier to occur of the consummation of the Offer and the Effective Time (such earlier time, the “Acceleration Time”) and the conversion of such Stock Options into the right to receive a cash payment equal to (i) the excess, if any, of the Offer Price over the exercise price per share of such Stock Option, multiplied by (ii) the total number of Shares then issuable upon exercise in full of such Stock Option, without interest and less any required withholding taxes; and

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- the entitlement to the indemnification and exculpation benefits in favor of directors and officers of Greenway.

For further information with respect to the arrangements between Greenway and its executive officers, directors and affiliates described in this Item 3, please also see the Information Statement, including the information under the

headings “Security Ownership of Management and Certain Beneficial Owners,” “Compensation Discussion and Analysis,” “Summary Compensation Table,” “Executive Compensation,” and “Director Compensation.”

Outstanding Shares held by Directors and Executive Officers

If the executive officers and directors of Greenway who own Shares tender their Shares for purchase pursuant to the Offer, they will receive the same cash consideration on the same terms and conditions as the

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other stockholders of Greenway. As of October 2, 2013, the executive officers and directors of Greenway beneficially owned, in the aggregate, 2,862,661 Shares, excluding Shares issuable upon the exercise of Stock Options.

The following table sets forth the number of Shares beneficially owned as of October 2, 2013 by each of our executive officers and directors, excluding Shares issuable upon the exercise of Stock Options, and the aggregate Merger Consideration that would be payable for such Shares.

Name	Number of Shares Owned	Cash Value of Shares Owned
Directors and Executive Officers		
W. Thomas Green, Jr., Chairman of the Board (1)	2,077,072	\$42,268,415
Wyche T. Green, III, President, Chief Executive Officer and Director (2)	279,850	\$5,694,948
Thomas T. Richards, Director (3)	306,538	\$6,238,048
Walter Turek, Director	41,000	\$834,350
Robert Z. Hensley, Director	9,000	\$183,150
D. Neal Morrison, Director	—	\$—
Noah Walley, Director	—	\$—