

FIRST COMMUNITY CORP /SC/
Form 425
October 23, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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): October 20, 2017

First Community Corporation

(Exact Name of Registrant As Specified in Its Charter)

South Carolina

(State or Other Jurisdiction of Incorporation)

000-28344
(Commission File Number)

57-1010751
(I.R.S. Employer Identification No.)

5455 Sunset Blvd, Lexington, South Carolina 29072
(Address of Principal Executive Offices) (Zip Code)

(803) 951-2265

(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 (see General Instruction A.2. below):

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01. Completion of Acquisition or Disposition of Assets.

Effective October 20, 2017, First Community Corporation (the “Company”), the holding company for First Community Bank, completed its previously announced merger with Cornerstone Bancorp (“Cornerstone”), the holding company for Cornerstone National Bank, pursuant to that certain Agreement and Plan of Merger, dated as of April 11, 2017 (the “Merger Agreement”), by and between the Company and Cornerstone, whereby Cornerstone merged with and into the Company (the “Merger”), with the Company surviving.

Under the terms of the Merger Agreement, Cornerstone shareholders have the right to receive either \$11.00 in cash or 0.54 shares of the Company’s common stock, or a combination thereof, for each Cornerstone share of common stock they owned immediately prior to the Merger, subject to the limitation that 30% of the outstanding shares of Cornerstone common stock will be exchanged for cash and 70% of the outstanding shares of Cornerstone common stock will be exchanged for shares of the Company’s common stock.

Immediately following the consummation of the Merger, Cornerstone National Bank, a bank chartered under the laws of the United States, merged with and into First Community Bank, a South Carolina-chartered commercial bank, with First Community Bank surviving.

The foregoing description of the Merger Agreement and the transactions described herein does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is incorporated herein by reference as Exhibit 2.1.

FORWARD-LOOKING STATEMENTS

This communication includes statements made in respect of the proposed merger involving the Company and Cornerstone Bancorp (“Cornerstone”). Certain statements in this news release contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future plans, goals, projections and expectations, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors, include, among others, the following: (1) the businesses of the Company and Cornerstone may not be integrated successfully or such integration may take longer to accomplish than expected; (2) the expected cost savings and any revenue synergies from the merger may not be fully realized within the expected timeframes or at all; (3) disruption from the merger may make it more difficult to maintain relationships with clients, associates, or suppliers; (4) competitive pressures among depository and other financial institutions may increase significantly and have an effect on pricing, spending, third-party relationships and revenues; (5) the strength of the United States economy in general and the strength of the local economies in which we conduct operations may be different than expected resulting in, among other things, a

deterioration in the credit quality or a reduced demand for credit, including the resultant effect on the company's loan portfolio and allowance for loan losses; (6) the rate of delinquencies and amounts of charge-offs, the level of allowance for loan loss, the rates of loan growth, or adverse changes in asset quality in our loan portfolio, which may result in increased credit risk-related losses and expenses; (7) changes in the U.S. legal and regulatory framework; (8) adverse conditions in the stock market, the public debt markets and other capital markets (including changes in interest rate conditions) could have a negative impact on the company; (9) technology and cybersecurity risks, including potential business disruptions, reputational risks, and financial losses, associated with potential attacks on or failures by our computer systems and computer systems of our vendors and other third parties; and (10) risks, uncertainties and other factors disclosed in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"), or in any of our Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed with the SEC since the end of the fiscal year covered by our most recently filed Annual Report on Form 10-K, which are available at the SEC's Internet site (<http://www.sec.gov>).

Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. We can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by our Company or any person that the future events, plans, or expectations contemplated by our Company will be achieved. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Additional Information About the Merger and Where to Find It

The Company has filed relevant documents concerning the Cornerstone merger with the SEC, including a registration statement on Form S-4 which includes a proxy statement/prospectus. Shareholders of Cornerstone can obtain a free copy of the proxy statement/prospectus, as well as other filings by the Company, at the SEC's internet site (<http://www.sec.gov>). Copies of the proxy statement/prospectus and the filings with the SEC that are incorporated by reference in the proxy statement/prospectus can also be obtained, without charge, by directing a request to: First Community Corporation, 5455 Sunset Blvd., Lexington, SC 29072, Attention: Michael Crapps.

SHAREHOLDERS OF CORNERSTONE ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC REGARDING THE TRANSACTION, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful under the securities laws of any such jurisdiction.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

- | | |
|------|---|
| 2.1 | Agreement and Plan of Merger, dated as of April 11, 2017 by and between First Community Corporation and Cornerstone (which is hereby incorporated by reference to Exhibit 2.1 to the Company's Form S-4 filed on June 7, 2017). |
| 99.1 | Press Release dated October 23, 2017. |

INDEX TO EXHIBITS

Exhibit No. Description

2.1 Agreement and Plan of Merger, dated as of April 11, 2017 by and between First Community Corporation and Cornerstone (which is hereby incorporated by reference to Exhibit 2.1 to the Company's Form S-4 filed on June 7, 2017).

99.1 Press Release dated October 23, 2017.

SIGNATURES

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.

**FIRST COMMUNITY
CORPORATION**

By: /s/ Joseph G. Sawyer
Name: Joseph G. Sawyer
Title: Chief Financial Officer

Dated: October 23, 2017