

FLEETBOSTON FINANCIAL CORP

Form S-4/A

December 12, 2003

Table of Contents

As filed with the Securities and Exchange Commission on December 12, 2003

Registration No. 333-109379

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**AMENDMENT NO. 2  
TO  
FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

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**FLEETBOSTON FINANCIAL CORPORATION**

(Exact name of Registrant as specified in its charter)

**Rhode Island**  
(State or other jurisdiction of  
incorporation or organization)

**6021**  
(Primary Standard Industrial  
Classification Code Number)

**05-0341324**  
(I.R.S. Employer

Identification No.)

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100 Federal Street

Boston, Massachusetts 02110

617-434-2200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Gary A. Spiess, Esq.  
Executive Vice President,

General Counsel and Secretary  
FleetBoston Financial Corporation  
100 Federal Street  
Boston, Massachusetts 02110  
617-434-2870

(Names, addresses, including zip code, and telephone numbers, including area code, of agents for service)

Janice B. Liva, Esq.  
Deputy General Counsel and

Assistant Secretary  
FleetBoston Financial Corporation  
100 Federal Street  
Boston, Massachusetts 02110  
617-434-8630

*COPIES TO:*

Laura N. Wilkinson, Esq.  
Edwards & Angell, LLP  
2800 Financial Plaza  
Providence, Rhode Island 02903  
401-274-9200

Progress Financial Corporation  
4 Sentry Parkway  
Suite 200  
Blue Bell, Pennsylvania 19422-0764  
Attention: Corporate Secretary

Raymond A. Tiernan, Esq.  
Elias, Matz, Tiernan & Herrick L.L.P.  
734 15th Street, N.W.  
Washington, D.C. 20005  
202-347-0300

**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after the effective date of this registration statement and all other conditions precedent to the merger of Progress Financial Corporation with and into the registrant have been satisfied or waived as described in the enclosed proxy statement-prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. " \_\_\_\_\_"

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " \_\_\_\_\_"

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " \_\_\_\_\_"

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the**

Commission, acting pursuant to said Section 8(a), may determine.

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**Table of Contents**

**The information in this proxy statement-prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement-prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED DECEMBER 12, 2003**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

**Progress Financial Corporation**

**Four Sentry Parkway, Suite 200**

**Blue Bell, Pennsylvania 19422-0764**

**(610) 825-8800**

Dear fellow shareholders:

You are cordially invited to attend a special meeting of shareholders of Progress Financial Corporation to be held at 9:00 a.m., local time, on Tuesday, January 20, 2004 at the Whitmarsh Valley Country Club, 815 Thomas Road, Lafayette Hill, Pennsylvania. At the special meeting you will be asked to consider and vote upon a proposal to approve and adopt an agreement and plan of merger pursuant to which Progress will be merged with and into FleetBoston Financial Corporation.

If the merger agreement is approved and the merger is subsequently completed, each outstanding share of Progress common stock (other than certain shares held by Progress or FleetBoston) will be converted into the right to receive 0.9333 of a share of FleetBoston common stock, subject to adjustment if the price of FleetBoston common stock averages below \$27.00 per share or above \$33.00 per share for a specified period prior to the closing of the merger.

The merger cannot be completed unless the shareholders of Progress approve and adopt the merger agreement and the parties receive all required regulatory approvals, among other customary conditions.

In deciding whether to vote in favor of the merger, you should be aware that on October 27, 2003, FleetBoston entered into an agreement and plan of merger with Bank of America Corporation under which FleetBoston will be merged into Bank of America, with Bank of America as the surviving corporation. As part of the terms of the Bank of America/FleetBoston merger, shareholders of FleetBoston will receive in that merger 0.5553 of a share of Bank of America common stock for each share of FleetBoston common stock that they hold. Since the announcement of the

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Bank of America/FleetBoston merger, FleetBoston common stock has traded above \$33.00 per share. Using the closing price of FleetBoston common stock on December 2, 2003 of \$40.86, the exchange ratio would be adjusted downward such that each share of Progress common stock would be converted into the right to receive 0.7538 of a share of FleetBoston common stock.

The Bank of America/FleetBoston merger is expected to close after the merger of Progress into FleetBoston. As a result, if both mergers are consummated, and you do not sell your shares of Progress or FleetBoston, you will ultimately become a shareholder of Bank of America. The Bank of America/FleetBoston merger is subject to a number of conditions, including regulatory approvals and the approval of both Bank of America's and FleetBoston's shareholders. We cannot assure you that the Bank of America/FleetBoston merger will be consummated, or, if it is consummated, when the closing will occur.

Based on our reasons for the merger described in the accompanying document, our board of directors believes that the merger agreement is advisable and in your best interest. In making this determination, our board of directors considered, among other things, the opinion of Ryan Beck & Co., Inc., our financial advisor, that, as of the date of that opinion, and subject to the assumptions, limitations and qualifications set forth in that opinion, the merger consideration is fair, from a financial point of view, to the holders of Progress common stock. **Accordingly our board of directors unanimously recommends that you vote FOR approval and adoption of the merger agreement.**

The accompanying document gives you detailed information about the special meeting, the merger, the merger agreement and related matters, including the Bank of America/FleetBoston merger. **We urge you to read this entire document carefully, including the merger agreement and the other appendices to this document.**

It is very important that your shares be voted at the special meeting, regardless of whether you plan to attend the meeting in person. To ensure that your shares are represented on this very important matter, please take the time to vote by completing and mailing the enclosed proxy card or by voting by telephone or via the Internet in the manner described in the accompanying document. Failure to vote your shares by mail, by telephone, via the Internet or in person at the special meeting will have the same effect as a vote against the merger agreement.

Thank you for your cooperation and your continued support of Progress Financial Corporation.

Sincerely,

W. Kirk Wycoff

Chairman, President and Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement-prospectus or determined if this proxy statement-prospectus is accurate or adequate. Any representation to the contrary is a criminal offense. The securities of FleetBoston being offered through this document are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either of our companies, and they are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.**

**This proxy statement-prospectus is dated December 12, 2003**

**and is first being mailed to Progress shareholders on or about December 16, 2003**

**Table of Contents**

**REFERENCES TO ADDITIONAL INFORMATION**

This document incorporates important business and financial information about FleetBoston and Progress from documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents related to FleetBoston and Progress that are incorporated by reference in this document, without charge, by requesting them in writing or by telephone from the appropriate company:

FleetBoston  
Investor Relations Department  
FleetBoston Financial Corporation  
100 Federal Street  
P.O. Box 2016  
Mail Stop: MA DE 10032F  
Boston, Massachusetts 02106-2106  
(617) 434-7858

Progress Financial Corporation  
4 Sentry Parkway  
Suite 200  
Blue Bell, Pennsylvania 19422-0764  
Attention: Corporate Secretary  
(610) 825-8800

**If you would like to request documents, please do so by January 12, 2004 to receive them before the special meeting.**

See Where You Can Find More Information on page 80.

**Table of Contents**

**Progress Financial Corporation**  
**Notice of Special Meeting of Shareholders**  
**to be Held on January 20, 2004**

To the Shareholders of Progress:

We will hold a special meeting of shareholders of Progress Financial Corporation, a Delaware corporation, on Tuesday, January 20, 2004, at 9:00 a.m., local time, at the Whitmarsh Valley Country Club, 815 Thomas Road, Lafayette Hill, Pennsylvania, for the following purposes:

To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of August 27, 2003, by and between Progress and FleetBoston Financial Corporation, a Rhode Island corporation. The merger agreement provides the terms and conditions under which Progress proposes to merge with and into FleetBoston. This proposal is more fully described in the enclosed proxy statement-prospectus,

To consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement, and

To consider and vote upon any other matters that may be properly brought before the meeting or any adjournment or postponement of the meeting.

Progress has fixed the close of business on December 10, 2003 as the record date for determining those shareholders entitled to vote at the Progress special meeting and any adjournments or postponements of the Progress special meeting. Only shareholders of record on that date are entitled to notice of, and to vote at, the Progress special meeting and any adjournments or postponements of the Progress special meeting.

By Order of the Board of Directors,

Blue Bell, Pennsylvania

December 12, 2003

Eric J. Morgan  
Corporate Secretary

**The Board of Directors of Progress unanimously recommends that**  
**you vote for approval of the merger agreement.**

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The affirmative vote of the holders of a majority of the outstanding shares of Progress common stock, voting in person or by proxy, is necessary to approve the merger agreement on behalf of Progress. Whether or not you plan to attend the Progress special meeting in person, please vote your shares by telephone, via the Internet or by mail, in the manner described in this proxy statement-prospectus. If you plan on attending the special meeting, please so indicate on your proxy.

**Important Notice: All shareholders planning to attend the special meeting should refer to the back cover for directions to the special meeting site and for important information regarding procedures for admittance to the special meeting.**



**Table of Contents**

**TABLE OF CONTENTS**

<u>SUMMARY</u>	1
<u>UNAUDITED COMPARATIVE PER SHARE DATA</u>	8
<u>FLEETBOSTON FINANCIAL CORPORATION SELECTED FINANCIAL DATA</u>	10
<u>PROGRESS FINANCIAL CORPORATION SELECTED FINANCIAL DATA</u>	14
<u>BANK OF AMERICA/FLEETBOSTON SELECTED PRO FORMA COMBINED FINANCIAL DATA</u>	17
<u>THE COMPANIES</u>	19
<u>Information about FleetBoston</u>	19
<u>Information about Progress</u>	19
<u>RECENT DEVELOPMENTS BANK OF AMERICA/FLEETBOSTON MERGER</u>	20
<u>PROGRESS SPECIAL MEETING</u>	21
<u>General</u>	21
<u>Matters to be Considered</u>	21
<u>How to Vote Your Shares</u>	21
<u>Solicitation of Proxies</u>	22
<u>Record Date and Voting Rights</u>	22
<u>Recommendation of the Progress Board of Directors</u>	23
<u>Employee Stock Ownership Plan Shares</u>	23
<u>THE MERGER</u>	24
<u>General</u>	24
<u>Background of the Merger</u>	24
<u>Recommendation of the Progress Board of Directors and Reasons for the Merger</u>	27
<u>Opinion of Progress's Financial Advisor</u>	28
<u>Conversion of Stock</u>	39
<u>Treatment of Options and Restricted Stock</u>	40
<u>Exchange of Certificates: Fractional Shares</u>	40
<u>Effective Time</u>	41
<u>The Bank Merger</u>	42
<u>Representations and Warranties</u>	42
<u>Conduct of Business of Progress Pending the Merger</u>	43
<u>Conduct of Business of FleetBoston Pending the Merger</u>	46
<u>Other Agreements of FleetBoston and Progress</u>	47
<u>Progress Employee Stock Ownership Plan</u>	48
<u>Conditions to Consummation of the Merger</u>	48
<u>Regulatory Approvals Required for the Merger</u>	49
<u>Material Federal Income Tax Consequences</u>	50
<u>Accounting Treatment</u>	51
<u>Termination of the Merger Agreement</u>	52
<u>Breakup Fee</u>	53
<u>Extension, Waiver and Amendment of the Merger Agreement</u>	53
<u>Expenses</u>	54
<u>Dividends</u>	54
<u>Interests of Certain Persons in the Merger</u>	54
<u>Restrictions on Resales by Affiliates</u>	57

**Table of Contents**

<u>MANAGEMENT AND OPERATIONS AFTER THE MERGER</u>	58
<u>Management</u>	58
<u>Operations</u>	58
<u>PRICE RANGE OF COMMON STOCK AND DIVIDENDS</u>	59
<u>FleetBoston</u>	59
<u>Progress</u>	60
<u>REGULATION AND SUPERVISION</u>	61
<u>Introduction</u>	61
<u>Regulatory Agencies</u>	61
<u>Financial and Bank Holding Company Activities</u>	61
<u>Liability for Banking Subsidiaries</u>	63
<u>Capital Requirements</u>	63
<u>FDICIA</u>	64
<u>Dividend Restrictions</u>	64
<u>Deposit Insurance Assessments</u>	64
<u>Depositor Preference Statute</u>	65
<u>Future Legislation</u>	65
<u>DESCRIPTION OF FLEETBOSTON CAPITAL STOCK</u>	66
<u>General</u>	66
<u>FleetBoston Common Stock</u>	66
<u>Transfer Agent and Registrar</u>	67
<u>Restrictions on Ownership</u>	67
<u>Preferred Stock Purchase Rights</u>	67
<u>Preferred Stock</u>	68
<u>SELECTED PROVISIONS IN THE ARTICLES OF INCORPORATION OF FLEETBOSTON</u>	70
<u>Business Combinations with Related Persons</u>	70
<u>Directors</u>	71
<u>COMPARISON OF SHAREHOLDERS' RIGHTS</u>	72
<u>General</u>	72
<u>Voting Rights</u>	72
<u>Special Meetings</u>	74
<u>Appraisal Rights</u>	74
<u>Provisions Relating to Directors</u>	75
<u>State Anti-Takeover Statutes</u>	76
<u>RIGHTS OF DISSENTING SHAREHOLDERS</u>	78
<u>ADJOURNMENT OF THE SPECIAL MEETING</u>	78
<u>LEGAL MATTERS</u>	78
<u>EXPERTS</u>	78
<u>SHAREHOLDER PROPOSALS</u>	79
<u>OTHER MATTERS</u>	79
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	80
<u>FORWARD LOOKING STATEMENTS</u>	84
<u>BANK OF AMERICA/FLEETBOSTON UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u>	86
Appendix A Agreement and Plan of Merger	A-1
Appendix B Stockholder Agreement	B-1
Appendix C Opinion of Ryan Beck & Co., Inc.	C-1

**Table of Contents**

**SUMMARY**

*This brief summary highlights selected information from this document and does not contain all of the information that is important to you. You should carefully read this entire document and the other documents to which this document refers you. See Where You Can Find More Information. Each item in this summary contains a page reference directing you to a more complete description of that item.*

***Progress shareholders will receive 0.9333 of a share of FleetBoston common stock for their shares of Progress common stock, subject to adjustment as described below (page 24 and 39)***

FleetBoston and Progress propose a merger in which Progress will merge with and into FleetBoston, with FleetBoston continuing after the merger as the surviving corporation. Subject to receipt of Progress shareholder approval, regulatory approvals and other matters, we expect to complete the merger in the first quarter of 2004. When we complete the merger, each share of Progress common stock will be converted into the right to receive a number of shares of FleetBoston common stock calculated as described in the next paragraph.

The exact exchange ratio for the merger will not be known until the determination date, which is the date of receipt of the last regulatory approval required to consummate the merger. If the average daily last sale price of FleetBoston common stock on the New York Stock Exchange during the 10 consecutive full trading days ending at the close of trading on the determination date is from \$27.00 to \$33.00 per share, then each share of Progress common stock will convert into the right to receive 0.9333 of a share of FleetBoston common stock. If the average FleetBoston price is above \$33.00 per share, each share of Progress common stock will convert into the right to receive the number of shares of FleetBoston common stock equal to the quotient obtained by dividing \$30.80 by such average price. If the average FleetBoston price is below \$27.00 per share, each share of Progress common stock will convert into the right to receive the number of shares of FleetBoston common stock equal to the quotient obtained by dividing \$25.20 by such average price. In each case, Progress shareholders who would otherwise be entitled to a fractional share of FleetBoston common stock will instead receive an amount in cash based on an average of the daily closing prices of FleetBoston common stock for the 10 consecutive trading days beginning on the 12<sup>th</sup> trading day and ending on the third trading day preceding the merger.

Since the announcement of the Bank of America/FleetBoston merger, FleetBoston common stock has traded above \$33.00 per share. On December 2, 2003, the closing price of FleetBoston common stock on the New York Stock Exchange was \$40.86. If the closing price of FleetBoston common stock averaged \$40.86 during the determination period described in the preceding paragraph, each share of Progress common stock would be converted into the right to receive 0.7538 of a share of FleetBoston common stock.

The conversion of Progress common stock into the right to receive FleetBoston common stock is further described in the section titled The Merger Conversion of Stock on page 39.

You will have to surrender your Progress common stock certificates to receive new stock certificates representing FleetBoston common stock. Please do not send us any certificates now we will send you written instructions on how to surrender your Progress common stock certificates for new FleetBoston common stock certificates after we complete the merger.

***On October 27, 2003, Bank of America and FleetBoston entered into a merger agreement under which each share of FleetBoston common stock will be exchanged for 0.5553 of a share of Bank of America common stock (page 20)***

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On October 27, 2003, FleetBoston entered into an agreement and plan of merger with Bank of America under which FleetBoston will be merged into Bank of America, with Bank of America as the surviving corporation. The Bank of America/FleetBoston merger will be accounted for as a purchase by Bank of America under accounting principles generally accepted in the United States of America ( GAAP ) and is intended to

**Table of Contents**

constitute a reorganization for U.S. federal income tax purposes. As part of the terms of the Bank of America/FleetBoston merger, shareholders of FleetBoston will receive in that merger 0.5553 of a share of the common stock of Bank of America for each share of FleetBoston common stock that they hold. FleetBoston stockholders who would otherwise be entitled to a fractional share of Bank of America common stock will instead receive an amount in cash based on the average of the closing sale prices of Bank of America common stock for the five full trading days immediately preceding to the date on which the Bank of America/FleetBoston merger is completed.

The Bank of America/FleetBoston agreement and plan of merger dated October 27, 2003 was filed on October 28, 2003 with the Securities and Exchange Commission as an exhibit to FleetBoston's Current Report on Form 8-K, and is incorporated by reference in this proxy statement-prospectus. See *Where You Can Find More Information* on page 80. In addition, the preliminary joint proxy statement-prospectus which is part of the Form S-4 registration statement of Bank of America was filed with the Securities and Exchange Commission on December 4, 2003 (File No. 333-110924), and contains further information about that merger. You should be aware that the Bank of America Form S-4 is subject to review by the Securities and Exchange Commission and may be revised prior to being finalized. These filings are public documents available on the SEC's web site at [www.sec.gov](http://www.sec.gov). We urge you to obtain and read carefully the Bank of America/FleetBoston merger agreement and the Form S-4 containing the Bank of America/FleetBoston joint proxy statement-prospectus filed by Bank of America.

Completion of the Bank of America/FleetBoston merger, which is currently anticipated to occur in the first half of 2004, is subject to a number of conditions, including stockholder approval by both companies, receipt of all requisite governmental approvals (including the approval of the Board of Governors of the Federal Reserve System (the **Federal Reserve Board**)), and certain other customary conditions. The Bank of America/FleetBoston merger is expected to close after the merger of Progress into FleetBoston. As a result, if both mergers are consummated, and you do not sell your shares of Progress or FleetBoston, you will ultimately become a stockholder of Bank of America. For this reason, we have summarized the material terms of the Bank of America/FleetBoston merger agreement and have included certain pro forma financial information about that merger in this proxy statement-prospectus. See *Recent Developments Bank of America/FleetBoston Merger* and *Bank of America/FleetBoston Unaudited Pro Forma Condensed Combined Financial Information* on page 86. You should be aware that if the record date for the FleetBoston special meeting to be held in connection with the Bank of America/Fleet Boston merger occurs before the closing of the FleetBoston/Progress merger, you will not be a stockholder of FleetBoston entitled to vote on the Bank of America/FleetBoston merger. See

Depending on the record date for the Bank of America/FleetBoston special meeting, you may not have the opportunity to vote on the Bank of America/FleetBoston merger.

We cannot assure you that the Bank of America/FleetBoston merger will be consummated, or if it is consummated, when it will be consummated and what the value of shares of Bank of America common stock will be following the merger. Since the announcement of the Bank of America/FleetBoston merger, FleetBoston common stock has traded above its prior trading range. If the Bank of America/FleetBoston merger agreement were terminated after the determination period for the FleetBoston/Progress merger, the exchange ratio would not be adjusted to reflect any decline in the market price of FleetBoston common stock that might occur after such a termination.

***If both mergers are consummated, and you do not sell your shares of Progress or FleetBoston common stock, you will ultimately become a shareholder of Bank of America***

If you hold 200 shares of Progress common stock, and the exchange ratio in the FleetBoston/Progress merger is 0.7538, you will receive 150 shares of FleetBoston common stock and a cash payment instead of the 0.76 of a share of FleetBoston common stock that you otherwise would have received (i.e.,  $200 \text{ shares} \times 0.7538 = 150.76 \text{ shares}$ ). If you continue to hold those 150 shares of FleetBoston common stock until consummation of the Bank of America/FleetBoston merger, you will receive 83 shares of Bank of America common stock and a cash payment instead of the 0.295 of a share of Bank of America common stock that you otherwise would have received (i.e.,  $150 \text{ shares} \times 0.5553 = 83.295 \text{ shares}$ ).



**Table of Contents**

*Depending on the record date for the FleetBoston special meeting, you may not have the opportunity to vote on the Bank of America/FleetBoston merger*

If the record date for the FleetBoston special meeting to be held in connection with the Bank of America/FleetBoston merger occurs before the closing of the FleetBoston/Progress merger, you will not be a stockholder of FleetBoston entitled to vote on the Bank of America/FleetBoston merger. Factors that affect the timing of the closing of the merger are summarized elsewhere in this proxy statement-prospectus. Factors that affect the timing of the record date for the FleetBoston special meeting include the timing of the review made by the Securities and Exchange Commission of the Form S-4 registration statement filed by Bank of America with the Securities and Exchange Commission.

*FleetBoston and Progress comparative per share market price information (page 59)*

FleetBoston common stock trades on the New York Stock Exchange under the symbol FBF. Progress common stock trades on the Nasdaq National Market under the symbol PFNC. Some examples of recent New York Stock Exchange and Nasdaq closing prices for FleetBoston common stock, Progress common stock and the implied market value of the merger consideration, based on the FleetBoston common stock price and assuming the indicated exchange ratio, are as follows:

**On August 27, 2003**

<u>FleetBoston:</u>	<u>Progress:</u>	<u>Exchange Ratio:</u>	<u>Implied Value:</u>
\$29.72	\$16.96	0.9333	\$27.74

**On December 2, 2003**

<u>FleetBoston:</u>	<u>Progress:</u>	<u>Exchange Ratio(1):</u>	<u>Implied Value:</u>
\$40.86	\$30.52	0.7538	\$30.80

(1) Calculated by using \$40.86, which was the closing price of FleetBoston common stock on the New York Stock Exchange on December 2, 2003.

The market price of FleetBoston common stock will fluctuate prior to the merger. It will fluctuate in part in relation to fluctuations in the share price of Bank of America shares. You should obtain current market quotations for FleetBoston and Bank of America common stock.

*The merger will generally be tax-free to shareholders (page 50)*

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FleetBoston has received a legal opinion dated the date of this proxy statement-prospectus from its counsel, Edwards & Angell, LLP, that the merger will be treated as a transaction of a type that is generally tax-free for federal income tax purposes and that the exchange by Progress shareholders of shares of Progress common stock for shares of FleetBoston common stock generally will not cause them to recognize any gain or loss for U.S. federal income tax purposes. Progress shareholders will, however, have to recognize income or gain in connection with any cash received instead of fractional shares. This legal opinion also states that neither FleetBoston nor Progress generally will recognize any gain or loss for U.S. federal income tax purposes.

The obligations of FleetBoston and Progress to consummate the merger are conditioned upon the receipt of opinions of their respective counsel to the same effect.



## **Table of Contents**

**This tax treatment may not apply to all Progress shareholders. Determining the actual tax consequences of the merger to you can be complicated. They will depend on your specific situation and on variables not within our control. You should consult your own tax advisor for a full understanding of the merger's tax consequences to you.**

### *Dividend policy; difference in cash dividends per share (page 54)*

After the merger, FleetBoston expects to continue to pay dividends on FleetBoston common stock in an amount equal to FleetBoston's current dividend of \$0.35 per quarter. Progress's last dividend declared on Progress common stock was \$0.13. Future dividend payments by FleetBoston will depend on business conditions and on the combined company's financial condition and earnings and other factors.

Prior to the merger, the merger agreement permits Progress to pay regular quarterly dividends, not to exceed \$0.13 per share, for the third and fourth quarters of 2003 and the first quarter of 2004. If the closing occurs in any fiscal quarter after the fiscal quarter ended December 31, 2003, after the record date for a FleetBoston dividend for such quarter, then at the closing FleetBoston will make a cash payment to Progress shareholders equal to the sum of (1) \$0.13 times the portion of the quarter prior to the closing and (2) \$0.35 times the portion of the quarter remaining following the closing, multiplied by the exchange ratio.

Under the Bank of America/FleetBoston merger agreement, FleetBoston has agreed that, until the Bank of America/FleetBoston merger is completed, it will not pay regular quarterly cash dividends in excess of \$0.35 per share of FleetBoston common stock. FleetBoston and Bank of America also have agreed to coordinate the declaration of dividends so that holders of FleetBoston common stock will not receive two dividends, or fail to receive one dividend, for any quarter with respect to their FleetBoston common stock and any Bank of America common stock any holder receives in the Bank of America/FleetBoston merger.

### *Progress's financial advisor says the merger consideration is fair to shareholders (page 28)*

Among other factors considered in deciding to approve the merger, the Progress board of directors received the written opinion of its financial advisor, Ryan Beck & Co., Inc. that, as of August 27, 2003 (the date on which the Progress board of directors approved the merger and related agreements), the consideration being offered to Progress's shareholders in the merger was fair to the holders of Progress common stock from a financial point of view. This opinion was subsequently reconfirmed in writing as of the date of this proxy statement-prospectus noting the announcement of the Bank of America/FleetBoston merger. The opinion dated as of the date of this proxy statement-prospectus is included as Appendix C. Progress has agreed to pay a financial advisory fee to Ryan Beck & Co., Inc. as described on page 39 of this proxy statement-prospectus.

### *Progress shareholders do not have appraisal rights (page 78)*

Progress shareholders do not have any right to dissent from the merger or to have the value of their shares of Progress common stock appraised in connection with the merger under Delaware law or otherwise.

*The Progress board of directors recommends that you approve the merger (page 27)*

Based on Progress's reasons for the merger described in this document, including the fairness opinion of Ryan Beck & Co., Inc., the Progress board of directors believes that the merger is in the best interests of Progress shareholders and unanimously recommends that you vote FOR approval of the merger agreement.

**Table of Contents**

***Conditions to completion of the merger (page 48)***

The completion of the merger depends on a number of conditions being met, including:

approval of the merger agreement by Progress shareholders;

receipt of required regulatory approvals and other consents to consummate the merger and the merger of Progress Bank into Fleet National Bank, including either an approval or a waiver of the application requirement by the Board of Governors of the Federal Reserve System and applicable state banking authorities;

there is no injunction or legal or regulatory prohibition to completion of the merger;

the SEC shall have declared effective the registration statement of which this proxy statement-prospectus forms a part and the SEC shall not have issued, initiated or threatened to issue a stop order suspending that effectiveness;

the shares of FleetBoston common stock being issued to Progress shall have been listed on the New York Stock Exchange;

the receipt of opinions from our respective tax counsel that the merger will qualify as a tax-free reorganization;

our respective representations and warranties in the merger agreement must be true and correct, subject to exceptions that would not have a material adverse effect on Progress or FleetBoston;

we must each be in compliance in all material respects with our respective covenants in the merger agreement; and

there has been no material adverse change to either of our respective businesses, results of operations or financial condition.

Where the law permits, a party to the merger agreement could elect to waive a condition to its obligation to complete the merger although that condition has not been satisfied. We cannot be certain when (or if) the conditions to the merger will be satisfied or waived or that the merger will be completed.

***We may decide not to complete the merger (page 52)***

Progress and FleetBoston can agree at any time not to complete the merger, even if you have voted to approve the merger agreement. Also, either of us can decide, without the consent of the other, not to complete the merger in a number of other situations, including:

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final denial of a required regulatory approval;

failure of the Progress shareholders to approve the merger agreement;

failure to complete the merger by June 30, 2004;

material breach by the other party of its representations, warranties, covenants or agreements contained in the merger agreement if the breach is not, or cannot be, cured within 30 days of notice of the breach;

by FleetBoston, if the Progress board of directors after the mailing of this proxy statement-prospectus withdraws its recommendation to shareholders to vote to approve the merger or the Progress board of directors authorizes Progress to engage in a competing proposal; or

by Progress, at any time prior to the special meeting, if it concurrently enters into an agreement to engage in a competing proposal and satisfies certain other conditions.

If the merger agreement is terminated under the circumstances described under The Merger Breakup Fee on page 53, Progress may be required to pay an \$8 million breakup fee to FleetBoston.

## **Table of Contents**

### ***We may amend the terms of the merger and waive some conditions (page 53)***

FleetBoston and Progress may jointly amend the terms of the merger, and each of us may waive our right to require the other party to adhere to those terms, to the extent legally permissible. However, after you approve the merger agreement, you must approve any amendment or waiver that reduces or changes the amount or form of the consideration that you will receive as a result of the merger.

### ***Officers and directors have some interests in the merger that are in addition to their interests as shareholders (page 54)***

Progress's directors and executive officers have interests in the merger that are in addition to their interests as shareholders of Progress. These additional interests are described in greater detail under "The Merger - Interests of Certain Persons in the Merger."

W. Kirk Wycoff, President and Chief Executive Officer of Progress, has entered into an employment agreement with Fleet National Bank that will become effective upon the completion of the merger. Mr. Wycoff will serve as chairman and chief executive officer of Fleet National Bank's commercial financial services and investment management businesses in Pennsylvania and certain counties of New Jersey. The employment agreement provides for minimum annual base salary and bonus, which over its three-year term totals \$625,000 per year. Mr. Wycoff also will be granted at the effective time an option to purchase 50,000 shares of FleetBoston common stock at an exercise price per share equal to the fair market value per share on that date.

Mr. Wycoff also has entered into a termination and release agreement with FleetBoston, Fleet National Bank, Progress and Progress Bank under which Mr. Wycoff will receive on the effective date of the merger a cash severance payment of approximately \$5.2 million, calculated in accordance with the terms of his existing employment agreement with Progress and Progress Bank.

In addition, Progress executive officers hold a total of 69,084 stock options that will vest upon consummation of the merger which is sooner than they were scheduled to vest when the parties entered into the merger agreement on August 27, 2003.

Progress officers also have existing change in control and termination agreements and arrangements with Progress providing for potential cash severance payments and other benefits if the employment of any of those officers terminates following the merger. The aggregate cash severance payments that will become payable to Progress officers (other than to Mr. Wycoff) under those agreements and arrangements is estimated to be approximately \$2.8 million. FleetBoston has agreed to pay those officers covered by such agreements as of the effective time of the merger the severance benefits pursuant to those agreements as if they had terminated their employment and were entitled to receive those benefits even if the executives are not terminated by FleetBoston or a FleetBoston subsidiary following the merger.

Also, following the merger, FleetBoston has agreed to indemnify, and provide directors' and officers' insurance equivalent to that provided by Progress for, the officers and directors of Progress for events occurring before the merger, including events that are related to the merger.

The members of Progress's board of directors knew about these additional interests, and considered them, when they approved the merger.

*The special meeting of shareholders (page 21)*

The special meeting of Progress shareholders will be held on January 20, 2004, at 9:00 a.m., local time, at the Whitemarsh Valley Country Club, 815 Thomas Road, Lafayette Hill, Pennsylvania. At the Progress special meeting, you will be asked to approve the merger agreement between Progress and FleetBoston providing for the merger.

**Table of Contents**

***Record date; vote required (page 22)***

You can vote at the Progress special meeting if you owned Progress common stock at the close of business on December 10, 2003. On that date, there were 7,180,900 shares of Progress common stock outstanding and entitled to vote. You can cast one vote for each share of Progress common stock you owned on that date. The affirmative vote of the holders of a majority of the outstanding shares of Progress common stock, voting in person or by proxy, is necessary to approve the merger agreement on behalf of Progress.

The Progress board of directors and executive officers held approximately 912,487 shares of Progress common stock as of the record date. The shares held as of the record date by the Progress directors and executive officers represent approximately 25% of the number of shares of Progress common stock necessary to approve the merger agreement. The Progress directors and executive officers have entered into a stockholder agreement with FleetBoston agreeing to vote all shares owned by them in favor of the merger. This stockholder agreement is attached as Appendix B to this proxy statement-prospectus.

***The companies (page 19)***

*FleetBoston Financial Corporation*

*100 Federal Street*

*Boston, Massachusetts 02110*

*(617) 434-2200*

FleetBoston is a diversified financial services company offering a comprehensive array of financial solutions to its customers. FleetBoston's three major domestic business lines are Personal Financial Services, Regional Commercial Financial Services and Investment Management, and National Commercial Financial Services. FleetBoston's other lines of business are International Banking and Capital Markets.

At September 30, 2003, on a consolidated basis, FleetBoston's total assets were \$196.4 billion, its total deposits were \$132.5 billion and its total stockholders' equity was \$17.6 billion.

*Progress*

*4 Sentry Parkway*

*Suite 200*

*Blue Bell, Pennsylvania 19422-0764*

*(610) 825-8800*

Progress is a Delaware corporation and the holding company for Progress Bank, a federally chartered savings bank. Progress Bank has a total of 21 banking offices in the Delaware Valley area with 11 full-service banking offices in Montgomery County, four full-service banking offices in Bucks County, one full-service banking office in Delaware County, two full-services banking offices in Chester County and two full-service banking offices in Philadelphia County in southeastern Pennsylvania, and one full-service banking office in Lambertville, Hunterdon County, New Jersey.

At September 30, 2003, on a consolidated basis, Progress's total assets were \$1.2 billion, its total deposits were \$746.6 million and its total shareholders' equity was \$64.3 million.

***Information***

FleetBoston has supplied all information contained or incorporated by reference in this proxy statement-prospectus relating to FleetBoston, as well as all pro forma financial information, and Progress has supplied all relevant information relating to Progress.



**Table of Contents**

**UNAUDITED COMPARATIVE PER SHARE DATA**

The following table presents historical information about earnings per share, cash dividends per share and book value per share, and similar information reflecting the merger and the Bank of America/FleetBoston merger, which we refer to as pro forma financial information. In presenting the comparative pro forma financial information for the periods shown in the table, we assumed that the merger and the Bank of America/FleetBoston merger, in which Bank of America will be the surviving corporation, had occurred on January 1, 2002 for purposes of presenting pro forma net income per share and cash dividends declared per common share (or January 1, 2003 for the interim data) and on September 30, 2003 for purposes of presenting pro forma book value per share.

We assumed that both mergers will be accounted for under an accounting method known as purchase accounting. Under the purchase method of accounting, the assets and liabilities of the company not surviving a merger are, as of the completion date of the merger, recorded at their respective fair values and added to those of the surviving company. Financial statements of the surviving company issued after consummation of the merger reflect these values and are not restated retroactively to reflect the historical financial position or results of operations of the company not surviving.

The information listed as pro forma equivalent FleetBoston/Progress was obtained by multiplying the FleetBoston/Progress pro forma amounts by the assumed exchange ratio, calculated as described in footnote (1) to the table on page 9. We present this information to reflect the fact that Progress shareholders will receive less than one share of combined company common stock for each share of Progress common stock exchanged in the merger. The information listed as pro forma equivalent FleetBoston/Progress/Bank of America was obtained by multiplying the FleetBoston/Progress/Bank of America pro forma amounts by the 0.5553 exchange ratio for the Bank of America/FleetBoston merger. We present this information because if both this merger and the Bank of America/FleetBoston merger are consummated, and you do not sell your shares of Progress or FleetBoston, you will ultimately become a shareholder of Bank of America.

We expect that we will record merger and restructuring expenses and purchase accounting adjustments as a result of combining our companies. These expenses are described under Management and Operations After the Merger Operations on page 58. FleetBoston also expects that Bank of America will record similar expenses and adjustments as a result of the Bank of America/FleetBoston merger. See Bank of America/FleetBoston Unaudited Pro Forma Condensed Combined Financial Information on page 86. A portion of these expenses and adjustments will be recorded upon consummation of both mergers as purchase accounting adjustments, with the remainder expected to be recorded in future combined results of operations. We also anticipate that both mergers will provide the combined companies with financial benefits that include reduced operating expenses. The pro forma information, while helpful in illustrating the financial characteristics of each of the combined companies under one set of assumptions, does not reflect these anticipated expenses and financial benefits and, accordingly, does not attempt to predict or suggest future results, nor does it include the effects of any divestitures that may be required by regulatory authorities.

The pro forma financial information is presented for comparative purposes only and is not necessarily indicative of the combined financial position or results of operations in the future or what the combined financial position or results of operations would have been had both mergers been completed and the applicable purchase accounting adjustments been reflected during the periods or as of the dates for which this pro forma information is presented.

We cannot assure you that the Bank of America/FleetBoston merger will be consummated, or if it is consummated, when it will be consummated and what the value of shares of Bank of America common stock will be following the merger.

**Table of Contents**

The information in the following table is based on the historical financial information that we have presented in our prior Securities and Exchange Commission filings. We are incorporating this material into this document by reference. See [Where You Can Find More Information](#) on page 80.

	<b>As of or for the nine months ended September 30, 2003</b>	<b>As of or for the year ended December 31, 2002</b>
<b>FleetBoston common stock:</b>		