

FULTON FINANCIAL CORP
Form 8-K
January 12, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934

Date of Report: January 12, 2005
Date of earliest event reported: January 11, 2005

FULTON FINANCIAL CORPORATION

(Exact Name of Registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of

incorporation)

One Penn Square, P.O. Box 4887, Lancaster, PA
(Address of principal executive offices)

0-10587
Commission File No.

23-2195389
(IRS Employer Identification

Number)

17604
(Zip Code)

Registrant's telephone number, including area code: (717) 291-2411

(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 obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

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- .. 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))
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Item 1.01 Entry into a Material Definitive Agreement

On January 11, 2005, Fulton Financial Corporation (Fulton) entered into a definitive Agreement and Plan of Merger (the Agreement) with SVB Financial Services, Inc. (Somerset). Under the Agreement, Somerset will merge (the Merger) with and into Fulton, with Fulton surviving, and all of the outstanding shares of the common stock of Somerset (Somerset Common Stock) will be converted into shares of the common stock of Fulton (Fulton Common Stock) or cash, or a combination of both. Following the Merger, Somerset s wholly-owned banking subsidiary, Somerset Valley Bank, will continue operations as a subsidiary of Fulton.

Under the terms of the Agreement, shares of Somerset Common Stock will be exchanged for (i) shares of Fulton Common Stock on the effective date of the Merger based on an exchange ratio of .9519 shares of Fulton Common Stock for each share of Somerset Common Stock outstanding, subject to adjustment; (ii) \$21.00 per share; or (iii) a combination of (i) and (ii). Each option to acquire shares of Somerset Common Stock which is outstanding on the effective date of the Merger will be exchanged for either (i) options to acquire Fulton Common Stock, with the number of shares subject to such options and the exercise price adjusted appropriately based on the exchange ratio; or (ii) cash for each option equal to the difference between the exercise price of the option and \$21.00. Elections are subject to proration so that, in the aggregate, a minimum of 20% and a maximum of 40% of total consideration is paid in cash.

Consummation of the Merger is subject to various conditions, including, among others, the approval of the Merger by applicable bank regulatory authorities and the approval of the Agreement and the Merger by the shareholders of Somerset. In connection with the execution of the Agreement, Somerset has granted Fulton an option to acquire 1,008,775 shares (subject to adjustment) of Somerset Common Stock at an exercise price of \$22.00 per share, such option to be exercisable only upon the occurrence of certain events.

In connection with the execution of the Merger Agreement, on January 11, 2005, Messrs. Corcoran and Brattlof entered into Employment Agreements with Somerset Valley Bank and Fulton Financial Corporation. The employment agreements become effective only upon consummation of the merger and provide for the continued employment of Messrs. Corcoran and Brattlof in their current positions with Somerset Bank as President and Chief Executive Officer and Executive Vice President and Chief Lending Officer, respectively, at their current levels of compensation following consummation of the merger. Messrs. Corcoran and Brattlof will both receive change of control payments in amounts provided for in their current Employment Agreements with Somerset Valley Bank. The Merger Agreement also permits Somerset to select one director to serve on Fulton s board of directors.

Assuming that all conditions are satisfied without unexpected delay, it is anticipated that the effective date of the Merger will occur in the third quarter of 2005.

Pursuant to General Instruction F to Form 8-K, the press release announcing the execution of the Agreement is attached as an exhibit to this Current Report and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

Pursuant to Item 9.01(c) of Form 8-K, Fulton hereby files the following exhibits in accordance with Item 601 of Regulation S-K:

Number	Title
2.1	Agreement and Plan of Merger, dated January 11, 2005, between Fulton Financial Corporation and SVB Financial Services, Inc.
99.1	Warrant Agreement, dated January 12, 2005, between Fulton Financial Corporation and SVB Financial Services, Inc.
99.2	Warrant, dated January 12, 2005
99.3	Employment Agreement between Somerset Valley Bank, Fulton Financial Corporation and Robert Corcoran, dated January 11, 2005
99.4	Employment Agreement between Somerset Valley Bank, Fulton Financial Corporation and Arthur Brattlof, dated January 11, 2005
99.5	Press Release, dated January 11, 2005
99.6	Transaction Information

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.

FULTON FINANCIAL CORPORATION

Date: January 12, 2005

By: */s/ CHARLES J. NUGENT*
Name: **Charles J. Nugent**
Title: **Executive Vice President and Chief Financial Officer**

EXHIBIT INDEX

<u>Number</u>	<u>Title</u>	<u>Page Number in Manually</u>	<u>Signed Original</u>
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