

## Synovus, Fla. Bank Owe Info On \$2.9B Deal, Investor Says

By **Matthew Guarnaccia**

Law360 (October 12, 2018, 7:57 PM EDT) -- A shareholder for Florida Community Bank launched a proposed class action in Delaware federal court Thursday to try to put a pending \$2.9 billion acquisition of the bank by financial services firm Synovus on hold, saying more information is needed before the deal can go through.

Paul Parshall's lawsuit names FCB parent company FCB Financial Holdings Inc., the company's board of directors and Synovus Financial Corp., claiming a recent joint filing by the companies with the U.S. Securities and Exchange Commission omitted material information that is vitally important to shareholders in deciding whether to vote for the proposed tie-up.

According to Parshall, the information left out by FCB and Synovus pertains primarily to analyses performed by financial advisers Sandler O'Neill & Partners LP, Guggenheim Securities LLC and Evercore Group LLC, meaning the companies seeking to strike the deal are in violation of federal securities laws.

"The omissions and false and misleading statements in the registration statement are material in that a reasonable stockholder will consider them important in deciding how to vote on the proposed transaction," the complaint says.

Parshall's lawsuit comes less than three months after Synovus announced the **all-stock deal** for FCB, which would see the firm take control of the largest community bank in Florida and create one of the biggest regional banks in the Southeastern U.S. based on deposits.

Under the agreement, FCB shareholders will receive 1.055 shares of Synovus common stock for each of their own, representing \$58.15 per FCB share. At the close of the deal, FCB shareholders will control approximately 30 percent of Synovus.

The particular filing at issue in Parshall's lawsuit is an S-4 form filed by Synovus on Sept. 14. Parshall says the analyses do not adequately back up their determinations of net present value for each company, and contain a pro forma merger analysis that failed to include one-time transaction costs and the extent to which the deal would be accretive or dilutive to Synovus' per-share estimated earnings and book value.

In addition, the registration statement filed by Synovus also leaves out relevant information on whether there are conflicts of interest, including the timing and nature of communications between company executives detailing future employment and future leadership roles.

According to Parshall, the registration statement does not detail the existence of any nondisclosure or standstill agreements either. Parshall said this information is vital to finding out whether other entities were prevented from submitting higher offers for FCB.

"Without this information, stockholders may have the mistaken belief that, if these potentially interested parties wished to come forward with a superior offer, they are or were permitted to do so, when in fact they are or were contractually prohibited from doing so," the complaint said.

Parshall asked the court to prevent FCB and Synovus from moving forward with the deal until a new draft of the registration statement containing all relevant material facts has been filed.

Another FCB shareholder, Stephen Bushansky, filed his own lawsuit in Florida federal court days ago, also alleging that the S-4 statement is defective. The lawsuit references many of the same issues as Parshall's, including problems with the analyses by the companies' financial advisers and concerns over conflicts of interest and nondisclosure agreements.

Representatives for Synovus declined to comment Friday.

Counsel for Parshall and representatives for FCB did not immediately respond Friday to requests for comment.

Parshall is represented by Brian D. Long and Gina M. Serra of Rigrotsky & Long PA and Richard A. Maniskas of RM Law PC.

Counsel information for FCB and Synovus was not immediately available Friday.

The case is Parshall v. FCB Financial Holdings Inc. et al., case number 1:18-cv-01570, in the U.S. District Court for the District of Delaware.

--Editing by Jay Jackson Jr.