CA, INC.
Form DEFA14A
July 12, 2018

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): July 12, 2018 (July 11, 2018)

CA, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	**1-9247**	**13-2857434**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

520 Madison Avenue, New York, New York **10022**
(Address of principal executive offices) **(Zip Code)**

(800) 225-5224

(Registrant s telephone number, including area code)

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:

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 1.01 Entry into a Material Definitive Agreement.
Merger Agreement

On July 11, 2018, CA, Inc., a Delaware corporation (the Company or CA), entered into an Agreement and Plan of Merger (the Merger Agreement) with Broadcom Inc., a Delaware corporation (Broadcom), and Collie Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Broadcom (Merger Sub). The Merger Agreement provides that, subject to the terms and conditions set forth therein, Merger Sub will merge with and into CA (the Merger), with CA surviving the Merger and becoming a wholly owned subsidiary of Broadcom.

Under the Merger Agreement, at the effective time of the Merger, each issued and outstanding share of CA common stock (other than shares (i) owned or held in treasury by CA or owned by Broadcom or Merger Sub, (ii) owned by any subsidiary of Broadcom or of CA and (iii) held by CA stockholders who perfect their appraisal rights with respect to the Merger) will be cancelled and automatically converted into the right to receive $44.50 in cash, without interest (the Merger Consideration).

Under the Merger Agreement, at the effective time of the Merger, Broadcom will assume unvested CA stock options and outstanding CA restricted shares, restricted stock units and performance shares, and all vested CA stock options and director stock units will be cancelled in exchange for the Merger Consideration, less, in the case of options, the applicable aggregate option exercise price.

CA has made customary representations, warranties and covenants in the Merger Agreement, including covenants not to, during the pendency of the Merger, solicit alternative transactions or, subject to certain exceptions, not to enter into discussions concerning, or provide confidential information in connection with, an alternative transaction. Each of Broadcom and Merger Sub also has made customary representations, warranties and covenants in the Merger Agreement.

Consummation of the Merger is subject to the satisfaction or waiver of customary closing conditions, including adoption of the Merger Agreement by CA stockholders, the expiration or termination of the waiting period under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and clearance under the antitrust laws of the European Union and Japan. The transaction is not subject to any financing condition.

The Merger Agreement contains certain customary termination rights for Broadcom and CA, including a right to terminate the Merger Agreement if the Merger is not completed by January 11, 2019, unless otherwise extended pursuant to the terms of the Merger Agreement. The Merger Agreement further provides that, upon termination of the Merger Agreement under certain specified circumstances, CA will be obligated to pay Broadcom a termination fee of $566 million.

The foregoing summary of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement attached hereto as Exhibit 2.1 and incorporated herein by reference.

The Merger Agreement has been attached as an exhibit hereto to provide investors with information regarding its terms. It is not intended to provide any other factual information about CA, Broadcom or Merger Sub, their respective businesses, or the actual conduct of their respective businesses during the period prior to the consummation of the Merger. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of the Merger Agreement as of the specific dates therein, were solely for the benefit of the parties to the Merger Agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential

disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, the representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time and investors should not rely on them as statements of fact.

Rights Agreement Amendment

On July 11, 2018, in connection with the transactions contemplated by the Merger Agreement, CA entered into Amendment No. 1 (the Rights Agreement Amendment) to the Stockholder Protection Rights Agreement (the Rights Agreement), dated as of November 30, 2015, by and between CA and Computershare Trust Company, N.A., a federally chartered trust company, as rights agent. The Rights Agreement Amendment provides, among other things, that the Rights Agreement will not apply to the Merger or any of the other transactions contemplated by the Merger Agreement or the Voting Agreement and, subject to the occurrence of the effective time of the Merger, will terminate immediately prior to the effective time of the Merger.

The foregoing summary of the Rights Agreement Amendment and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Rights Agreement Amendment attached hereto as Exhibit 4.1 and incorporated herein by reference.

Item 3.03 Material Modification to Rights of Security Holders.
The foregoing discussion of the Rights Agreement Amendment under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.
On July 11, 2018, CA and Broadcom issued a joint press release announcing the entry into the Merger Agreement. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information contained in Item 7.01 of this report, including Exhibit 99.1, shall not be incorporated by reference into any filing of the registrant, whether made before, on or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information contained in Item 7.01 of this report, including Exhibit 99.1, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 8.01 Other Events.
Voting Agreement

In connection with the execution of the Merger Agreement, Careal Property Group AG, BigPoint Holding AG, Martin Haefner and Eva Maria Bucher-Haefner (collectively, the CA Stockholders) have entered into a Voting Agreement, dated as of July 11, 2018, with Broadcom and Merger Sub (the Voting Agreement). Subject to the terms and conditions of the Voting Agreement, the CA Stockholders have agreed, among other things, to vote all of the shares of CA common stock held by them (representing in the aggregate approximately 25% of the total outstanding shares of CA common stock) in favor of the adoption of the Merger Agreement, and, subject to certain exceptions, not to

transfer their shares of CA common stock. The Voting Agreement will terminate if the Merger Agreement is validly terminated.

The foregoing summary of the Voting Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Voting Agreement attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.
(d) Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of July 11, 2018, by and among Broadcom Inc., Collie Acquisition Corp. and CA, Inc.
4.1	Amendment No. 1 to the Stockholder Protection Rights Agreement, dated as of July 11, 2018, by and between CA, Inc. and Computershare Trust Company, N.A.
99.1	Press Release, dated July 11, 2018.
99.2	Voting Agreement, dated as of July 11, 2018, by and among Broadcom Inc., Collie Acquisition Corp., Careal Property Group AG, BigPoint Holding AG, Martin Haefner and Eva Maria Bucher-Haefner.

Cautionary Note Regarding Forward-Looking Statements

This announcement contains forward-looking statements (including within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended) concerning Broadcom and CA. These statements include, but are not limited to, statements regarding the expected completion and timing of the proposed transaction, expected benefits and costs of the proposed transaction, and management plans relating to the proposed transaction, and statements that address each company s expected future business and financial performance and other statements identified by words such as will , expect , believe , anticipate , estimate , should , intend , plan , potential , predict project , aim , and similar words, phrases or expressions. These forward-looking statements are based on current expectations and beliefs of the management of Broadcom and CA (as the case may be), as well as assumptions made by, and information currently available to, such management, current market trends and market conditions and involve risks and uncertainties, many of which are outside of each company s and each company s management s control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

Those risks, uncertainties and assumptions include: the risk that the proposed transaction may not be completed in a timely manner or at all, which may adversely affect Broadcom s and CA s business and the price of the common stock of Broadcom and CA; the failure to satisfy any of the conditions to the consummation of the proposed transaction, including the adoption of the Merger Agreement by the stockholders of CA and the receipt of certain regulatory approvals; the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement; the effect of the announcement or pendency of the proposed transaction on Broadcom s and CA s business relationships, operating results and business generally; risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the proposed transaction;

risks related to diverting management s attention from ongoing business operations; the outcome of any legal proceedings that may be instituted related to the Merger Agreement or the proposed transaction; unexpected costs, charges or expenses resulting from the proposed transaction; the ability of Broadcom to achieve its plans, forecasts and other expectations with respect to CA s business after completion of the proposed transaction; and other risks described in CA s filings and Broadcom s and its predecessors filings with the United States Securities and Exchange Commission, such as Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K.

Other particular uncertainties that could materially affect future results include risks associated with: any loss of Broadcom s or CA s significant customers and fluctuations in the timing and volume of significant customer demand; Broadcom s dependence on contract manufacturing and outsourced supply chain; Broadcom s dependency on a limited number of suppliers; any other acquisitions Broadcom may make, such as delays, challenges and expenses associated with receiving governmental and regulatory approvals and satisfying other closing conditions, and with integrating acquired companies with Broadcom s existing businesses and Broadcom s ability to achieve the benefits, growth prospects and synergies expected by such acquisitions; Broadcom s ability to accurately estimate customers demand and adjust its manufacturing and supply chain accordingly; Broadcom s significant indebtedness, including the additional significant indebtedness that Broadcom expects to incur in connection with the proposed transaction and the need to generate sufficient cash flows to service and repay such debt; dependence on a small number of markets and the rate of growth in these markets; dependence on and risks associated with distributors of Broadcom products; dependence on senior management; quarterly and annual fluctuations in operating results; global economic conditions and concerns; the amount and frequency of Broadcom stock repurchases; cyclicality in the semiconductor or enterprise software industry or in target markets; Broadcom s competitive performance and ability to continue achieving design wins with its customers, as well as the timing of any design wins; prolonged disruptions of Broadcom s or its contract manufacturers manufacturing facilities or other significant operations; Broadcom s ability to improve its manufacturing efficiency and quality; Broadcom s dependence on outsourced service providers for certain key business services and their ability to execute to Broadcom s requirements; Broadcom s ability to maintain or improve gross margin; each of Broadcom s and CA s ability to protect its respective intellectual property and the unpredictability of any associated litigation expenses; any expenses or reputational damage associated with resolving customer product warranty and indemnification claims; Broadcom s and CA s ability to sell to new types of customers and to keep pace with technological advances; market acceptance of the end products into which Broadcom s and CA s products are designed; Broadcom s overall cash tax costs, legislation that may impact its overall cash tax costs and its ability to maintain tax concessions in certain jurisdictions; and other events and trends on a national, regional and global scale, including those of a political, economic, business, competitive and regulatory nature.

Forward-looking statements speak only as of the date of this communication. Neither Broadcom nor CA undertake any intent or obligation to publicly update or revise any of the estimates and other forward-looking statements made in this announcement, whether as a result of new information, future events or otherwise, except as required by law.

SIGNATURE

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.

CA, INC.

Date: July 12, 2018

By: /s/ Ava M. Hahn
Name: Ava M. Hahn
Title: Executive Vice President, General Counsel, Corporate Secretary and Chief Ethics and Compliance Officer