

HEIDRICK & STRUGGLES INTERNATIONAL INC
Form 8-K
January 04, 2013

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 Exchange Act of 1934

Date of Report (Date of earliest event reported): December 31, 2012

HEIDRICK & STRUGGLES INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

0-25837
(Commission

File Number)

36-2681268
(IRS Employer

Identification No.)

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233 South Wacker Drive, Suite 4200, Chicago, IL

(Address of principal executive offices)

Registrant's telephone number, including area code: (312) 496-1200

60606-6303

(Zip Code)

N/A

(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))

Item 1.01 Entry into a Material Definitive Agreement.

On December 31, 2012, Heidrick & Struggles International, Inc. (the Company) entered into a Membership Interest Purchase Agreement (the Purchase Agreement), by and among the Company, Senn-Delaney Leadership Consulting Group, LLC, a California limited liability company (Senn-Delaney) and all of the members of Senn-Delaney (the Members), pursuant to which, among other things, the Company acquired all of the membership interests of Senn-Delaney from the Members. Senn-Delaney provides corporate culture shaping services to Global 1000 and Fortune 500 companies and other major non-profit organizations, institutions and government entities.

Under the terms of the Purchase Agreement, the Company paid \$53.5 million at closing for the membership interests of Senn-Delaney. The Company could pay up to \$15.0 million of additional cash consideration based on the realization of specific EBITDA milestones achieved in 2013, 2014 and 2015. Also, there is a \$6.5 million retention escrow that will generally vest and be paid to certain key executives if they remain for three years subsequent to the acquisition. At closing, \$4 million was deposited into an escrow account to be available to satisfy claims for indemnification that the Company may have under the Purchase Agreement. The Purchase Agreement also contains representations, warranties and covenants of the parties customary for a transaction of this type. The transaction was financed with cash, but the Company expects to explore additional options for financing a portion of the initial purchase price.

The foregoing summary of the Purchase 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 Purchase Agreement, a copy of which is attached as Exhibit 2.1 to this report and is incorporated herein by reference. The Purchase Agreement has been included to provide investors with information regarding its terms. The representations and warranties made in the Purchase Agreement were made solely for purposes of the Purchase Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with the negotiated terms of the Purchase Agreement. Moreover, some of those representations and warranties may have only been true at a certain date, may be subject to a contractual standard of materiality or may have been used for purposes of allocating risk between the parties rather than establishing matters of fact. Investors are not third-party beneficiaries of the Purchase Agreement and should not rely on the representations, warranties or covenants or any description thereof as characterizations of the actual state of facts at the time they were made or otherwise. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On December 31, 2012, the Company completed the acquisition of Senn-Delaney pursuant to the Purchase Agreement described above in Item 1.01. The information set forth above under Item 1.01 is hereby incorporated herein by reference.

Item 7.01 Regulation FD.

On January 2, 2013, the Company issued a press release announcing that the parties had entered into the Purchase Agreement. This press release is attached to this report as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number	Description
2.1	Membership Interest Purchase Agreement, dated as of December 31, 2012, among Heidrick & Struggles International, Inc., Senn-Delaney Leadership Consulting Group, LLC and the members of Senn-Delaney Leadership Consulting Group, LLC (Pursuant to Item 601(b)(2) of Regulation S-K, the schedules and exhibits to this agreement are omitted, but will be provided supplementally to the Securities and Exchange Commission upon request).
99.1	Press Release dated January 2, 2013.

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.

HEIDRICK & STRUGGLES INTERNATIONAL, INC.
(Registrant)

Date: January 4, 2013

By: /s/ Stephen W. Beard
Name: Stephen W. Beard
Title: Executive Vice President, General Counsel and Corporate Secretary