

INVESTMENT TECHNOLOGY GROUP, INC.
Form 8-K
November 12, 2015

**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): **November 5, 2015**

INVESTMENT TECHNOLOGY GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-32722
(Commission
File Number)

95-2848406
(IRS Employer
Identification No.)

One Liberty Plaza, 165 Broadway
New York, New York
(Address of Principal Executive Offices)

10006
(Zip Code)

Registrant's telephone number, including area code: **(212) 588-4000**

(Former Name or Former Address, if Changed Since Last Report)

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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):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - o 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.

Stock Purchase Agreement

On November 5, 2015, Investment Technology Group, Inc (ITG) and certain subsidiaries of ITG (collectively, the Seller Parties) entered into a Stock Purchase Agreement (the Stock Purchase Agreement) with Kratos Energy Research Canada Inc. and Kratos U.S., Inc. (collectively,

Buyers), pursuant to which, subject to the satisfaction or waiver of certain conditions, Buyers will purchase from the Seller Parties all of the issued and outstanding shares of two of ITG 's indirect, wholly-owned subsidiaries, ITG Investment Research ULC, an Alberta unlimited liability company, and Recharge Inc., a Delaware corporation (collectively, the Companies), and thereby acquire ITG 's oil and gas research business (the

Transaction). Buyers are affiliated with funds managed by Warburg Pincus LLC. The purchase price for the Companies is \$120.5 million in cash, subject to certain adjustments.

The completion of the Transaction, which is subject to customary closing conditions, is anticipated by the end of the fourth quarter of 2015. The Transaction is not subject to approval by the stockholders of either party or to any financing contingency.

The Stock Purchase Agreement contains representations, warranties and covenants of the Seller Parties and Buyers customary for a transaction of this nature. Between the date of the Stock Purchase Agreement and the Closing Date, the Seller Parties have agreed to operate the Companies in the ordinary course of business consistent with past practice, use commercially reasonable efforts to preserve intact the oil and gas research business, and preserve the Companies ' current business relationships and goodwill, as well as to comply with certain other operating covenants.

The Stock Purchase Agreement provides Seller Parties and Buyers with limited termination rights, including if the closing has not occurred on or prior to March 31, 2016.

The Stock Purchase Agreement contemplates the entry by the parties into a Transition Services Agreement (the Transition Services Agreement) as of the closing of the Transaction, pursuant to which certain Seller Parties will provide certain support services to the Companies. In addition, the parties will enter into an Exclusive Distribution Agreement (the Exclusive Distribution Agreement, and together with the Transition Services Agreement and the Stock Purchase Agreement, collectively, the Transaction Agreements) as of the closing of the Transaction, pursuant to which certain Seller Parties will market, promote, distribute, sell and license the Companies ' oil and gas research products to institutional investors.

The Transaction Agreements also include (a) agreements by ITG and its subsidiaries not to solicit or hire certain employees of the Companies for a specified period of time following the closing of the Transaction, subject to certain exceptions; and (b) agreements by ITG and its subsidiaries (i) not to engage in the oil and gas research business and (ii) not to market, promote, distribute, sell or license any oil and gas research products for a specified period of time following the closing of the Transaction, subject to certain exceptions including to the extent permitted under the Exclusive Distribution Agreement.

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.

INVESTMENT TECHNOLOGY GROUP, INC.

By: */s/ Steven R. Vigliotti*
Name: Steven R. Vigliotti
Title: Chief Financial Officer and Duly
Authorized Signatory of Registrant

Dated: November 12, 2015