

Edgar Filing: ASHLAND INC. - Form 8-K

ASHLAND INC.  
Form 8-K  
April 11, 2007

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): April 9, 2007

ASHLAND INC.  
(Exact name of registrant as specified in its charter)

Kentucky  
(State or other jurisdiction of incorporation)

1-32532  
(Commission File Number)

20-0865835  
(I.R.S. Employer Identification No.)

50 E. RiverCenter Boulevard, Covington, Kentucky 41011  
(Address of principal executive offices) (Zip Code)

P.O. Box 391, Covington, Kentucky 41012-0391  
(Mailing Address) (Zip Code)

Registrant's telephone number, including area code (859) 815-3333

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))

-1-

Item 1.01. Entry into a Material Definitive Agreement

Edgar Filing: ASHLAND INC. - Form 8-K

-----  
On April 9, 2007, Ashland Inc. ("Ashland"), as Borrower, entered into a five year, \$300 Million Credit Agreement (the "Credit Agreement") with The Bank of Nova Scotia as Administrative Agent; Bank of America, N.A. as Syndication Agent; SunTrust Bank, Inc., JP Morgan Chase Bank, N.A. and Citibank, N.A. as Co-Documentation Agents; The Bank of Nova Scotia and Banc of America Securities LLC as Joint Lead Arrangers; The Bank of Nova Scotia as Book Manager; and the Lenders as that term is defined in the Credit Agreement attached hereto as Exhibit 10.1 and incorporated by this reference herein. The Lenders have committed to make loans to Ashland to the extent of each Lender's individual commitment under the terms set forth in the Credit Agreement, up to a total amount of \$300 million. At Ashland's request, and with the consent of one or more of the Lenders, the total amount available under the Credit Agreement can be expanded up to \$400 million. The Credit Agreement will be used by Ashland to refinance certain obligations and for other general corporate purposes.

Item 1.02. Termination of a Material Definitive Agreement  
-----

On April 9, 2007, coincident with entry into the Credit Agreement described in Item 1.01, the \$350 Million 5-Year Revolving Credit Agreement dated as of March 21, 2005, among Ashland as Borrower; The Bank of Nova Scotia, as Sole Lead Arranger, Sole and Exclusive Book Manager and Administrative Agent; SunTrust Bank and JP Morgan Chase Bank N.A. as Co-Syndication Agents; The Royal Bank of Scotland PLC and Citibank, N.A. as Co-Documentation Agents; and the additional Lenders under that agreement was terminated.

-2-

Item 9.01. Financial Statements and Exhibits  
-----

(d) Exhibits

10.1 \$300 Million Credit Agreement dated as of April 9, 2007.

-3-

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 thereunto duly authorized.

ASHLAND INC.  
-----

(Registrant)

Date: April 11, 2007

/s/ J. Marvin Quin  
-----

Edgar Filing: ASHLAND INC. - Form 8-K

Name: J. Marvin Quin  
Title: Senior Vice President  
and Chief Financial Officer

-4-

EXHIBIT INDEX  
-----

10.1 \$300 Million Credit Agreement dated as of April 9, 2007.

-5-

f Financial Officer of ProAssurance Corporation. Mr. Rand was employed by ProAssurance Corporation as our Senior Vice-President of Finance on November 8, 2004. Mr. Rand is replacing Howard H. Friedman (46) who has served as Chief Financial Officer since the formation of ProAssurance in June, 2001. Mr. Friedman remains a Senior Vice-President of ProAssurance and retains his position as our Corporate Secretary and will continue to be the Chief Underwriting Officer and Chief Actuary for our professional liability segment. 2 These changes were announced in a news release issued after the close of NYSE trading hours on March 31, 2005. The transition is being made to strengthen ProAssurance's overall management structure and Mr. Friedman is not leaving his position as the result of any disagreement. Mr. Friedman has effectively had the responsibility for both financial and underwriting operations for some time now, and this change allows him to concentrate on further refining our underwriting process. Prior to his employment with ProAssurance Mr. Rand was employed for four years by PartnerRe, Ltd most recently as Chief Accounting Officer and Head of Corporate Finance. Before joining PartnerRe he was the Chief Financial Officer of Atlantic American Corporation. Mr. Rand's experience in finance and financial reporting will enable him to enhance our capital management strategy as we seek to maintain the strength of our balance sheet and maximize value for our stockholders. We expect Mr. Rand to help ensure that we remain fully compliant with all Sarbanes-Oxley requirements. Mr. Rand serves at the pleasure of the ProAssurance Board of Directors, subject to a Severance Agreement dated as of March 31, 2005. The Severance Agreement provides Mr. Rand compensation in the event that he is terminated without cause, or voluntarily resigns for "good reason." If such termination occurs within two years after his date of employment with ProAssurance, Mr. Rand is entitled to compensation in an amount equal to twice his annual base salary and bonus compensation; thereafter the severance compensation will be an amount equal to his average annual compensation. In addition his health care benefits would be continued for a period of time and he would be entitled to outplacement services. Mr. Rand may assert good reason in certain enumerated circumstances including demotion, relocation, a reduction in base salary, or the failure of any successor of ProAssurance to assume the Severance Agreement. In addition to the Severance Agreement, we also provided Mr. Rand our standard form Indemnification Agreement effective upon his hiring. At that time his base salary was \$335,000 (since updated, see Item 1.01(a)). Concurrent with his hiring Mr. Rand was granted 10,000 options to purchase ProAssurance common stock (previously reported by Mr. Rand on a Form 4 filed November 9, 2004) and a cash payment of \$75,000. In addition, Mr. Rand was guaranteed a bonus for 2004 of \$75,000. The Company also agreed to compensate Mr. Rand for certain retention arrangements with his former employer that he forfeited upon acceptance of the ProAssurance position totaling \$100,000 payable through May of 2006. Once Mr. Rand has met certain length of service requirements he is eligible to participate in the Company's various benefit plans available to all full time employees. In 2005 Mr. Rand will also participate in the Company's executive bonus plan which provides for a bonus, payable in both stock of ProAssurance and cash of up to 50% of his base salary. Mr. Rand was reimbursed for the costs of his relocation to Birmingham. This description is subject to, and qualified in its entirety by, the Severance Agreement and the Indemnification Agreement filed as exhibits 99.1 and 99.2, and incorporated into this Form 8K by reference. Item 7.01 Regulation FD Disclosure On March 31, 2005 we issued a News Release announcing these changes to our

management team. A copy of this news release is attached as Exhibit 99.3. 3 We are furnishing the News Release in accordance with item 7.01, Regulation FD Disclosure. This exhibit shall not be deemed to be "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liability of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of the general incorporation language of such filing, except as shall be expressly set forth by specific reference in such filing. Item 9.01 Financial Statements and Exhibits Exhibit Description -----  
----- Exhibit 99.1: Severance Agreement dated as of March 31, 2005 Exhibit 99.2: Form of Indemnification Agreement dated as of November 8, 2004, Filed as Exhibit 10.6 in ProAssurance Annual Report on Form 10K for the year ended December 31, 2004 and incorporated herein by reference. Exhibit 99.3: News release, dated March 31, 2005, announcing changes in the ProAssurance management team. 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. Date: April 1, 2005 PROASSURANCE CORPORATION By: /s/ Edward L. Rand, Jr. ----- Edward L. Rand, Jr. Chief Financial Officer 4