

MAGICJACK VOCALTEC LTD
Form DEFA14A
November 20, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

magicJack VocalTec Ltd.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

B. Riley Agreement to Acquire magicJack VocalTec Ltd.

Master Key Messaging

Background Key Messages:

On November 9, 2017, we announced an agreement to be acquired by B. Riley Financial, Inc., which has agreed to pay \$8.71 in cash for each share of magicJack.

This event marks the successful completion of our strategic alternatives process which we believe maximizes shareholder value and will benefit magicJack customers.

We believe there are significant synergistic opportunities that will result from this transaction that are complementary to our product platform.

We intend to remain focused on our customers and strengthen and build on our product offerings to deliver even greater value to our customers.

The transaction is subject to the approval of magicJack shareholders, regulatory approvals and the satisfaction of other closing conditions. We look forward to a smooth process to facilitate an efficient closing which we hope can occur in the first half of 2018.

Employee Questions & Answers:

1. What triggered this buyout offer?

The executive leadership team began a dual-track process in March of this year to explore strategic alternatives for the company while also building the business. The agreement with B. Riley announced on November 9 is the result of that strategic alternatives process.

While we appreciate your interest in better understanding the background to this agreement, we are not in a position to address that now. Once we file our proxy statement with the U.S. Securities and Exchange Commission ("SEC"), we will be better able to address your questions in this area.

2. Can I buy or sell shares in the company now that the news is out? Am I restricted?

Our Insider Trading Policy is still in place and in effect. Accordingly, before buying or selling any shares, you must follow the policy.

3. What will happen to my stock options and restricted stock awards?

The agreement provides that at closing, outstanding stock options will be immediately and fully vested and option holders will be paid in cash the difference between the per share transaction price of \$8.71 and the exercise price of the options. All restricted stock will become vested as a result of the transaction if and to the extent provided by the terms of the award or the plan pursuant to which the award was granted. Any shares that do not become vested will be forfeited. Vested restricted shares will be cancelled and converted into the right to receive a cash payment equal to the per share transaction price of \$8.71.

4. What can employees expect until the deal closes?

Until the transaction closes, magicJack will remain a separate and independent company, and it is very much business as usual. However, the merger agreement has certain customary operating restrictions relating to new commitments of the Company. Please consult with your manager regarding these restrictions.

It is important that all of us here continue our absolute commitment to customers and customer service and focus on executing on our operating goals and projects which remain unchanged.

We are committed to keeping you informed as we move forward to complete this transaction.

It is important that we not be distracted and that we continue to work productively.

While we don't have answers for all of your questions today, we will work to get them to you in the coming weeks.

Additional Information and Where You Can Find It:

In connection with the proposed transaction, magicJack will file a proxy statement with the SEC. The proxy statement will be mailed to the shareholders of magicJack. **SHAREHOLDERS OF MAGICJACK ARE URGED TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT (IF ANY) BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** The proxy statement (when it becomes available), and any other documents filed by magicJack with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov. Shareholders are urged to read the proxy statement and the other relevant materials when they become available before making any decision with respect to the proposed transaction.

Certain Information Concerning Participants:

magicJack and its directors and executive officers may be deemed to be participants in the solicitation of proxies from magicJack's shareholders with respect to the proposed transactions. Information regarding magicJack's directors and executive officers is contained in magicJack's annual report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 16, 2017, proxy statement for magicJack's 2017 special meeting of shareholders filed with the SEC on June 23, 2017, and current reports on Form 8-K filed with the SEC on March 15, 2017, May 10, 2017, May 23, 2017 and June 19, 2017. Additional information regarding the interests of magicJack's directors and executive officers in the transaction will be included in the proxy statement for the special meeting of magicJack's shareholders to be held to approve the transactions contemplated by the Merger Agreement and in other relevant documents regarding proposed transaction, when filed with the SEC.

Cautionary Statement Regarding Forward-Looking Statements:

This document contains forward-looking statements as defined in the Securities Exchange Act of 1934 and is subject to the safe harbors created therein. These forward-looking statements involve risks and uncertainties that could significantly affect the expected results and are based on certain key assumptions. Due to such uncertainties and risks, no assurances can be given that such expectations will prove to have been correct, and readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. The forward-looking statements contained herein include, but are not limited to, the expected benefits of the transaction and the expected timing of the completion of the transaction. Actual results may differ materially from those referred to in the forward-looking statements due to a number of important factors, including but not limited to the possibility that expected benefits of the transaction may not materialize as expected; that the transaction may not be timely completed, if at all; and that B. Riley may not be able to successfully integrate the solutions and employees of B. Riley and magicJack or ensure the continued performance or growth of magicJack's products or solutions.

In addition, other risks that magicJack faces include those detailed in magicJack's filings with the SEC, including magicJack's annual report on Form 10-K for the year ended December 31, 2016.

Forward-looking statements are based on the beliefs and assumptions of magicJack's management and on currently available information. magicJack undertakes no responsibility to publicly update or revise any forward-looking statement.