

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

FORD MOTOR CREDIT CO

CIK: **38009** | IRS No.: **381612444** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **6141** Personal credit institutions

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DEARBORN MI 48121*

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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 14, 1994

FORD MOTOR CREDIT COMPANY

(Exact name of registrant as specified in its charter)

INCORPORATED IN DELAWARE

1-6368

38-1612444

(State of other juris-
diction of incorporation)

(Commission File Number)

(IRS Employer
Identification
No.)

THE AMERICAN ROAD, DEARBORN, MICHIGAN

48121

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code 313-322-3000

ITEM 5. OTHER EVENTS

On April 14, 1994, Ford Motor Company ("Ford" or the "Company") announced the following corporate actions occurring on such date:

Stock Split and Dividend Increase. The Company's Board of Directors declared (i) a 2-for-1 stock split in the form of a 100

percent stock dividend on the Company's Common Stock and Class B Stock, contingent upon stockholder approval of an increase in the number of authorized shares of the Company and (ii) a cash dividend of 45 cents a share on the Company's outstanding Common Stock and Class B Stock for the second quarter of 1994, representing an increase of 12.5% over the 40 cents a share paid in the first quarter of 1994.

Sale of First Nationwide Bank. An agreement was entered into between First Nationwide Bank, a Federal Savings Bank (the "Bank") and First Madison Bank, FSB ("First Madison") for the sale of substantially all of the Bank's assets to, and the assumption of substantially all of the Bank's liabilities by, First Madison. The Bank is a wholly owned subsidiary of First Nationwide Financial Corporation ("FNFC"), which in turn is a wholly owned subsidiary of Ford.

The stated sale price for the Bank is \$1.1 billion, slightly higher than tangible net book value at December 31, 1993. The final settlement, depending on the actual closing date, is expected to consist of about \$750 million of cash and about \$350 million of assets and tax benefits that are not included in the sale. In total, Ford is expected to retain, through FNFC, approximately \$1.2 billion of commercial real estate and other assets as of the closing date. These retained assets generally are of lower quality than those included in the sale. In addition, for the three-year period ending in November 1996, First Madison has the option of requiring FNFC to repurchase up to \$500 million of the assets included in the sale that become nonperforming. This repurchase obligation will be guaranteed by Ford.

Ford expects the sale to result in an after-tax charge of about \$440 million against Ford's 1994 first quarter earnings, reflecting the non-recovery of goodwill and reserves for estimated losses on the assets to be retained and repurchased by FNFC. These assets will be liquidated over time as market conditions permit. Historically, FNFC (including the Bank) has not had a significant effect on Ford's operating results.

Acquisition of Remaining Shares of Hertz. Ford reached agreement to purchase the capital stock of The Hertz Corporation ("Hertz") owned by a Hertz management group. Hertz will then redeem the capital stock of Hertz owned by AB Volvo. This will result in Hertz owned subsidiary of Ford. Ford, AB Volvo and the Hertz management group presently own 54%, 26% and 20%, respectively, of the outstanding common stock of Hertz.

News releases, each dated April 14, 1994, announcing the foregoing actions are filed as Exhibits 20.A, 20.B and 20.C to

this Current Report on Form 8-K, and are incorporated by reference herein.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

EXHIBITS

DESIGNATION	DESCRIPTION	METHOD OF FILING
Exhibit 20.A	News release dated April 14, 1994 relating to stock split and dividend increase.	Filed with this Report
Exhibit 20.B	News release dated April 14, 1994 relating to sale of First Nationwide Bank.	Filed with this Report
Exhibit 20.C	News release dated April 14, 1994 relating to acquisition of remaining shares of Hertz.	Filed with this Report

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 thereunto duly authorized on the date indicated.

FORD MOTOR CREDIT COMPANY
(Registrant)

Date: April 15, 1994

By: /s/ R. P. Conrad

R. P. Conrad
Assistant Secretary

EXHIBIT INDEX

DESIGNATION	DESCRIPTION	METHOD OF FILING
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Exhibit 20.A

News release dated
April 14, 1994 relating
to stock split and divi-
dend increase.

Filed with
this Report

Exhibit 20.B

News release dated
April 14, 1994 relating
to sale of First Nation-
wide Bank.

Filed with
this Report

Exhibit 20.C

News release dated
April 14, 1994 relating
to acquisition of remaining
shares of Hertz.

Filed with
this Report

IMMEDIATE RELEASE

Contact: Kathryn A. Blackwell
(313) 322-1524 or 322-9545

BOARD DECLARES STOCK SPLIT, DIVIDEND INCREASE

DEARBORN, Mich., April 14 -- The Board of Directors of Ford Motor Company today declared a 2-for-1 stock split in the form of a 100 percent stock dividend, pending stockholder approval of an increase in the number of authorized shares.

The Board also increased the quarterly cash dividend on the company's Class B and common stock to 45 cents a share. This increase, the first since 1989, represents a 12.5 percent improvement over the 40 cents a share paid since the second quarter of 1991.

The Board also declared quarterly cash dividends of \$1.05 a share on the depositary shares representing the company's Series A Cumulative Convertible Preferred stock, and 51.5625 cents a share on the depositary shares representing the company's Series B Cumulative Preferred stock. The amounts of the dividends on the Series A and Series B Preferred stock are the same as paid in the first quarter of 1994.

The second-quarter cash dividends are payable June 1, 1994 to stockholders of record on May 2, 1994.

Stockholders will be asked to approve an increase in authorized shares to accommodate the stock split at the Annual Meeting to be held in Cleveland on May 12, 1994. If the stockholders approve this measure, the additional shares will be distributed on or about July 5, 1994 to stockholders of record on June 6, 1994.

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4/14/94

IMMEDIATE RELEASE

Contact: Owen Blicksilver	David Krupp	313-322-7100
313-594-0390	Edward Miller	313-337-1940
First Nationwide	Ford Motor Company	
Linda Rosso	James T. Conroy	
415-904-1202	212-572-5980	
First Nationwide	First Madison	

FORD TO SELL FIRST NATIONWIDE BANK
TO FIRST MADISON BANK

DEARBORN, Mich., April 14 -- Ford Motor Company announced today that a definitive agreement with First Madison Bank has been signed to sell Ford's savings and loan unit, First Nationwide Bank, for approximately \$1.1 billion.

The sale price is a small premium above tangible book value.

As a result of the sale, Ford expects to take an after-tax charge of about \$440 million against first-quarter earnings. The charge primarily reflects non-recovery of goodwill, as well as reserves for estimated losses on retained and repurchased assets.

After the sale, Ford will retain approximately \$1.2 billion of commercial real estate and other assets in the bank holding company, First Nationwide Financial Corporation. Within a period of three years, the holding company, if requested to do so by the buyer, will repurchase up to an additional \$500 million of the assets sold to First Madison. The retained and repurchased assets will be managed by the holding company and liquidated over time as market conditions permit.

The sale, which is subject to federal regulatory approvals, is expected to be completed within six months.

At year-end 1993, First Nationwide Bank's assets consisted primarily of residential, apartment and commercial loans, totaling \$15.5 billion. The company operates 180 branch offices in eight states and 31 loan offices.

Ken Whipple, president of the Ford Financial Services Group (FSG), said the bank no longer provided a strategic fit with Ford's financial services businesses. The success of FSG's other businesses -- which offer auto loans, insurance, home equity loans, direct consumer loans, credit cards and a wide range of commercial and industrial financial products and services -- reduces the need for a savings bank as a component of the group, Whipple said.

"The core bank has returned to profitability, making it an attractive acquisition for another financial institution," Whipple said. "In addition, the market for banking assets has strengthened in recent months."

Whipple noted that during the transition period there would be no changes in customer services at the bank. Customers will be kept informed throughout the transition period and can obtain more information from their local First Nationwide branches or by calling 1-800-652-1760.

Gerald Ford, chief executive officer of First Madison, commented, "We are very excited about the opportunity to build on First Nationwide's strong competitive positioning in the marketplace. We look forward to working with the people of First Nationwide to create one of the country's premier banking companies."

Mr. Ford said that he and his management team intend to move to San Francisco and establish their offices at First Nationwide's headquarters. He also stated that First Madison will change its name to First Nationwide and that it plans to maintain the scope of the company's operations and its work force.

Founded in 1885 as Citizens Building and Loan, First Nationwide Bank was purchased by Ford in 1985 for \$496 million. It serves 700,000 U.S. households and has retail branches in Arizona, California, Florida, Illinois, Michigan, New Jersey, New York and Ohio. Loan offices are in California, Florida, Hawaii, Illinois, Michigan and Ohio.

First Madison Bank, FSB, a \$1.1 billion institution with four retail branches and 300 employees, is based in Dallas. It was established in 1993 with assets retained after First Gibraltar Bank was sold to BankAmerica Corp.

First Madison is a subsidiary of MacAndrews & Forbes Holdings Inc., a New York-based holding company.

The Ford Financial Services Group earned a record net profit of \$1.6 billion in 1993, based on record performances by each of the other three components that make up FSG: Ford Credit, The Associates and USL Capital.

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4-14-94

IMMEDIATE RELEASE

Contact: Kathryn Blackwell
(313) 322-1524 or 322-9545

FORD PURCHASES REMAINING HERTZ SHARES

DEARBORN, Mich., April 14 -- Ford Motor Company has reached agreement to purchase the outstanding shares of the Hertz Corporation, giving Ford sole ownership of the world's largest car rental company.

Ford has agreed to purchase the 26 percent share of Hertz owned by AB Volvo and an additional 20 percent from a Hertz management group.

"Hertz and Ford have enjoyed a long-standing and mutually beneficial relationship for many years," said David McCammon, Ford vice president - finance and treasurer. "Hertz is an exceptionally well-managed and consistently profitable company with an outstanding reputation. It is the premier car rental company, and this move ensures excellent product exposure for Ford and Lincoln-Mercury vehicles."

Hertz, based in Park Ridge, New Jersey, will continue to operate as an independent, wholly-owned subsidiary of Ford Motor Company. In 1993, Hertz operated in 131 countries and had annual revenues of \$2.9 billion.

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4/14/94