

COMMERCE BANCSHARES INC /MO/

Form 8-K

April 04, 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 2, 2007

Commerce Bancshares, Inc.
(Exact name of registrant as specified in its charter)

| | | |
|---|---|--|
| Missouri | 0-2989 | 43-0889454 |
| (State of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |
| 1000 Walnut, Kansas City, MO | | 64106 |
| (Address of principal executive offices) | (Zip Code) | |
| | (816) 234-2000 | |
| | (Registrant's telephone number, including area code) | |

(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:

- 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))
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Item 1.01 Entry into a Material Definitive Agreement

Commerce Bank, N.A. (Commerce), a wholly-owned subsidiary of Commerce Bancshares, Inc., a Missouri corporation, Commerce Bankshares, Inc., a Colorado corporation, and Commerce Bank located in Aurora, Colorado (Commerce Bank), a wholly-owned subsidiary of Commerce Bankshares, Inc., have entered into an Agreement and Plan of Merger (the Merger Agreement) dated as of April 2, 2007, whereby Commerce Bank will be merged with and into Commerce.

The transaction is valued at approximately \$29.5 million consisting entirely of cash. Commerce's acquisition of Commerce Bank adds approximately \$96.8 million in assets, \$70.0 million in gross loans, \$75.5 million in total deposits and its first location in Colorado.

The Merger Agreement, which is filed as Exhibit 2.1 hereto and is incorporated herein by reference, contains various representation, warranties and covenants of Commerce Bank and Commerce and certain conditions precedent to the Merger. Those conditions include (i) the approval of the Merger by the stockholders of Commerce Bank and Commerce Bankshares, Inc., (ii) the receipt of all required regulatory approvals and (iii) the satisfaction or waiver of certain other customary closing conditions. Commerce has obtained the voting agreement of shareholders holding more than 50% of the outstanding shares to vote in favor of the Merger. The Merger is expected to be completed in either late second or early third quarter of 2007.

The foregoing description of the Merger and the Merger Agreement is a summary and does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements. The forward-looking statements involve certain risks and uncertainties. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include, among others, the following: 1) changes in economic conditions; 2) changes in the interest rate environment; 3) changes in foreign exchange rates; 4) adverse movements and volatility in debt and equity capital markets; 5) changes in market rates and prices; 6) political conditions and related actions by the United States military abroad which may adversely affect the company's businesses and economic conditions as a whole; 7) liabilities resulting from litigation and regulatory investigations; 8) changes in domestic or foreign tax laws, rules and regulations as well as IRS or other governmental agencies' interpretations thereof; 9) various monetary and fiscal policies and regulations; 10) increased competition; 11) ability to grow core businesses; 12) ability to develop and introduce new banking-related products, services and enhancements and gain market acceptance of such products; 13) mergers and acquisitions and their integration into the company; 14) decisions to downsize, sell or close units or otherwise change the business mix of the company; and 15) management's ability to manage these and other risks. For further information, please read Commerce reports filed with the SEC and available at www.sec.gov.

Item 8.01 Other Events.

In conjunction with the transaction discussed in Item 1.01 above, Commerce and Commerce Bank issued a joint press release. The release is included as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Note: Schedules and Exhibits to the Merger Agreement have not been included. The Schedules and Exhibits to the Merger Agreement qualify certain of the representations, warranties and covenants and do not contain any information that requires disclosure pursuant to any securities laws or rules.

2.1 Agreement and Plan of Merger, dated as of April 2, 2007 among Commerce Bank, N.A., Commerce Bankshares, Inc. and Commerce Bank

99.1 Joint Press Release dated April 3, 2007 announcing execution of the Merger Agreement

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.

COMMERCE BANCSHARES, INC.

By: /s/ Jeffery D. Aberdeen
Jeffery D. Aberdeen
Controller
(Chief Accounting Officer)

Date: April 4, 2007

INDEX TO EXHIBITS

| Exhibit Number | Description |
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