

Hyland Jeffrey S
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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Hyland Jeffrey S		(Month/Day/Year)	CTI INDUSTRIES CORP [CTIB]	
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
22160 NORTH PEPPER ROAD			(Check all applicable)	
(Street)			<input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)	
BARRINGTON,Â ILÂ 60010			President	
(City)	(State)	(Zip)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable Expiration Date	Title Amount or Number of Shares			

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hyland Jeffrey S 22160 NORTH PEPPER ROAD BARRINGTON, IL 60010	X		President	

Signatures

By: Gerald M. Miller, Attorney-in-Fact for Jeffrey S. Hyland 12/04/2017

**Signature of Reporting Person Date

Explanation of Responses:

No securities are beneficially owned

- * If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. "font-family:Times New Roman" SIZE="2">

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Certain abbreviations and terms used in the text and notes are defined below:

Abbreviation/Term	Description
APSC	Arkansas Public Service Commission
City Council	City Council for the City of New Orleans
Code	The Internal Revenue Code of 1986, as amended
The debt exchange	The planned exchange by Entergy of the TransCo debt securities previously issued to Entergy in full or partial satisfaction of the Entergy exchangeable debt. In the debt exchange (should the debt exchange occur), the unrelated creditor or creditors that hold the Entergy exchangeable debt will receive the TransCo debt securities and Entergy will receive the Entergy exchangeable debt.
DGCL	General Corporation Law of the State of Delaware
The distribution	The distribution by Entergy, pursuant to the merger agreement, of 100% of the TransCo common units (excluding any TransCo common units to be contributed to the exchange trust in the event Entergy makes the exchange trust election) to Entergy's shareholders through a spin-off, a split-off exchange offer or a combination of the two.
E-RSC	Entergy Regional State Committee
Entergy	Entergy Corporation
Entergy Arkansas	Entergy Arkansas, Inc.
The Entergy exchangeable debt	New debt issued by Entergy to one or more unrelated creditors or existing Entergy debt held by one or more unrelated creditors that is expected to be tendered in the debt exchange.
Entergy Gulf States Louisiana	Entergy Gulf States Louisiana, L.L.C.
Entergy Louisiana	Entergy Louisiana, LLC
Entergy Mississippi	Entergy Mississippi, Inc.
Entergy New Orleans	Entergy New Orleans, Inc.
Entergy Texas	Entergy Texas, Inc.
Entergy's Transmission Business (or Transmission Business of Entergy Corporation and Subsidiaries)	The transmission business currently held indirectly by Entergy. Entergy's Transmission Business consists of the Entergy transmission system, which is comprised of approximately 15,400 circuit miles of transmission lines operated at 69kV to 500kV and approximately 1,400 substations, as well as the employees and assets used to plan, operate and maintain that system. The Entergy transmission system spans portions of Arkansas, Louisiana, Mississippi, Missouri and Texas covering 114,000 square miles. Under the terms of the separation agreement, specified assets and liabilities used in Entergy's transmission business as described in this proxy statement/prospectus would transfer to ITC in connection with the separation, distribution and merger.

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ESI	Entergy Services, Inc., which is a service company that provides services to the Utility Operating Companies and which also owns certain assets related to the operation of Entergy's Transmission Business
The exchange trust	An irrevocable trust to be formed in the event that Entergy makes the exchange trust election under Delaware law into which Entergy will transfer the retained TransCo common units
The exchange trust election	Entergy's exercisable right to, at least thirty (30) business days prior to the closing of the merger, retain up to the number of TransCo common units that would convert in the merger into up to 4.9999% of the total number of shares of ITC common stock outstanding on a fully diluted basis immediately following the consummation of the merger that otherwise would have been distributed in the distribution.
FERC	Federal Energy Regulatory Commission
HSR Act	The Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended
ICT	Independent coordinator of transmission
IRS	Internal Revenue Service
IRS rulings	Private letter rulings from the IRS with respect to the anticipated non-taxable nature of the transactions
ITC	ITC Holdings Corp.
ISO	Independent system operator that coordinates, controls and monitors the operation of large parts of the transmission system, usually within a single state, but sometimes across multiple states
kV or Kilovolt(s)	A common measure of electric potential, which equals one thousand volts
LPSC	Louisiana Public Service Commission
MBCA	The Business Corporation Act of the State of Michigan
The merger	The merger of Merger Sub with and into TransCo, with TransCo surviving the merger as a wholly owned subsidiary of ITC, as contemplated by the merger agreement
The merger agreement	The Merger Agreement, dated as of December 4, 2011, as amended by Amendment No. 1, dated September 21, 2012, and by Amendment No. 2, dated January 28, 2013, among Entergy, TransCo, ITC and Merger Sub (as the same may be amended from time to time)
Merger Sub	ITC Midsouth LLC (formerly known as Ibis Transaction Subsidiary LLC), which is a wholly owned subsidiary of ITC
MISO	Midwest Independent Transmission System Operator, Inc., a regional transmission organization
MPSC	Mississippi Public Service Commission

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MW or Megawatt(s)	A common measure of electric power, which equals one thousand kilowatts
NYSE	The New York Stock Exchange
OATT	Open Access Transmission Tariff, which is a pricing schedule required by FERC to prevent undue discrimination or preference in the transmission of electricity in interstate commerce
PUCT	Public Utility Commission of Texas
RTOs	Regional transmission organizations that administer the transmission grid on a regional basis throughout North America
The separation	The internal restructuring to separate and consolidate specified assets and liabilities used in Entergy's Transmission Business under TransCo pursuant to the separation agreement
The separation agreement	The Separation Agreement, dated as of December 4, 2011, as amended by Amendment No. 1, dated September 24, 2012, by and among Entergy, ITC, TransCo, each of the Utility Operating Companies and ESI (as the same may be amended from time to time)
SPP	Southwest Power Pool
The transactions	The separation, the distribution and the merger and related transactions
TransCo	Mid South TransCo LLC, which is currently a wholly-owned subsidiary of Entergy Corporation
TransCo common units	Limited liability company membership interests in TransCo
TransCo debt securities	Senior securities of TransCo issued to Entergy in partial consideration for the contribution of equity interests of the TransCo Subs to TransCo
TransCo Subs	The following newly formed subsidiaries of Entergy's Utility Operating Companies, the equity interests of which are to be transferred to TransCo pursuant to the separation: Transmission Company Arkansas, LLC; Transmission Company Louisiana I, LLC; Transmission Company Louisiana II, LLC; Transmission Company Mississippi, LLC; Transmission Company New Orleans, LLC and Transmission Company Texas, LLC.
TransCo Subs Financing	Bridge facility of the TransCo Subs, the proceeds of which will be distributed to Utility Operating Companies in connection with the contribution of each Utility Operating Company's transmission business to its respective TransCo Sub
U.S. GAAP	United States generally accepted accounting principles
Utility Operating Company (or Utility Operating Companies)	The following six companies that, prior to consummation of the transactions described in this proxy statement/prospectus, own the Entergy transmission system assets that are located in their respective service areas: Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc. and Entergy Texas, Inc.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS AND THE SPECIAL MEETING

Q: What are ITC shareholders being asked to vote on at the special meeting?

A: In order to implement the merger, ITC shareholders are being asked to consider and vote on a proposal to approve the merger agreement, a proposal to amend ITC's amended and restated articles of incorporation to increase the number of authorized shares of ITC common stock to effectuate the merger and a proposal to approve the issuance of ITC common stock pursuant to the merger agreement (these proposals are collectively referred to as the merger proposals). Approval of each of the merger proposals by ITC shareholders is required for the completion of the merger. The approval of each of the merger proposals is conditioned upon the approval of each of the other merger proposals, and the merger will not occur unless all of the merger proposals are approved. ITC shareholders are also being asked to consider and vote on a proposal to approve, by non-binding advisory vote, certain compensation arrangements for ITC's named executive officers in connection with the merger contemplated by the merger agreement and to vote on the adjournment proposal.

The exact number of shares of ITC common stock to be issued to Entergy shareholders in connection with the merger is calculated based on a formula in the merger agreement, described on page 113 of this proxy statement/prospectus. We currently expect, based on the number of outstanding shares of ITC common stock as of February 22, 2013 and assuming the ITC recapitalization takes the form of a one-time special dividend, that ITC will issue to Entergy shareholders approximately 52,953,261 shares of ITC common stock as a result of the transactions, although the precise number of shares will not be known until closer to the closing date of the merger and could be significantly impacted by the form of the ITC recapitalization.

Q: When and where is the special meeting of ITC shareholders?

A: The special meeting of ITC shareholders will be held at 9:00 a.m., local time, on April 16, 2013, at ITC corporate headquarters located at 27175 Energy Way, Novi, Michigan 48377.

Q: Who can vote at the special meeting of ITC shareholders?

A: Holders of ITC common stock can vote their shares at the special meeting if they are holders of record of those shares at the close of business on February 26, 2013, the record date for the special meeting.

Q: What vote is required to approve each proposal?

A: The proposal to approve the merger agreement and the proposal to amend ITC's amended and restated articles of incorporation to increase the number of authorized shares of ITC common stock each require the affirmative vote of holders of a majority of the outstanding shares of ITC common stock entitled to vote at the meeting. The proposal to approve the issuance of ITC common stock pursuant to the merger agreement requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting. However, the approval of each of the merger proposals is conditioned upon the approval of each of the other merger proposals, and the merger will not occur unless all of the merger proposals are approved. The proposal to approve, by non-binding advisory vote, certain compensation arrangements for ITC's named executive officers in connection with the merger and the proposal to approve the adjournment proposal requires the affirmative vote of a majority of the votes cast, in person or by proxy, at the special meeting.

Q: How do ITC shareholders vote?

A: ITC shareholders may submit a proxy to vote before the special meeting in one of the following ways:

calling the toll-free number shown on the proxy card to submit a proxy by telephone;

visiting the website shown on the proxy card to submit a proxy via the Internet; or

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completing, signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope. ITC shareholders may also vote in person by attending the special meeting and voting their shares.

Q: If an ITC shareholder is not going to attend the special meeting, should that shareholder return his or her proxy card or otherwise vote his or her shares?

A: Yes. Completing, signing, dating and returning the proxy card by mail or submitting a proxy by calling the toll-free number shown on the proxy card or submitting a proxy by visiting the website shown on the proxy card ensures that the shareholder's shares will be represented and voted at the special meeting, even if the shareholder is unable to or does not attend.

Q: If an ITC shareholder's shares are held in street name by his or her broker, will the broker vote the shares for the ITC shareholder?

A: A broker will vote a shareholder's shares only if the shareholder provides instructions to the broker on how to vote. ITC shareholders should follow the directions provided by their brokers regarding how to instruct the broker to vote their shares. Without instructions, the shares will not be voted, which will have the effect of a vote against the approval of the merger agreement, the amendment of ITC's amended and restated articles of incorporation to increase the number of authorized shares of ITC common stock and the approval, by non-binding advisory vote, of certain compensation arrangements for ITC's named executive officers in connection with the merger (though it will have no effect on the vote to approve the issuance of ITC common stock pursuant to the merger agreement or the adjournment proposal), and may result in the failure to establish a quorum for the special meeting.

Q: Can ITC shareholders change their vote?

A: Yes. Holders of record of ITC common stock who have properly completed and submitted their proxy card or proxy by telephone or Internet can change their vote in any of the following ways:

sending a written notice to the ITC Corporate Secretary that is received prior to the special meeting stating that the ITC shareholder revokes his or her proxy;

properly completing, signing and dating a new proxy card bearing a later date and properly submitting it so that it is received prior to the special meeting;

visiting the website shown on the proxy card and submitting a new proxy in the same manner that the shareholder would to submit his or her proxy via the Internet or by calling the toll-free number shown on the proxy card to submit a new proxy by telephone; or

attending the special meeting in person and voting their shares.
Simply attending the special meeting will not revoke a proxy.

An ITC shareholder whose shares are held in street name by his or her broker and who has directed that person to vote his or her shares should instruct that person in order to change his or her vote.

Q: What if ITC shareholders do not vote or abstain from voting?

A: If a holder of ITC common stock fails to submit his or her proxy or vote his or her shares or fails to instruct his or her broker or other nominee how to vote on the proposals to approve the merger agreement and to amend ITC's amended and restated articles of incorporation to increase the number of authorized shares of ITC common stock, that failure will have the same effect as a vote against those proposals. If a holder of ITC common stock

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fails to submit his or her proxy or vote his or her shares or fails to instruct his or her broker or other nominee how to vote on the proposal to issue shares of ITC common stock pursuant to the merger agreement, the proposal to approve, by non-binding advisory vote, certain compensation arrangements for ITC's named executive officers in connection with the merger or the adjournment proposal, that failure will have no effect on those proposals, assuming a quorum is present at the special meeting.

Holders of ITC common stock who submit proxy cards but do not indicate how they want to vote on a particular proposal will have their proxies counted as votes in favor of that proposal.

Q: Does the ITC board of directors support the merger?

A: Yes. The ITC board of directors has approved the merger agreement and the merger and recommends that ITC shareholders vote FOR the merger proposals.

Q: What should ITC shareholders do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, ITC shareholders should submit a proxy by mail, via the Internet or by telephone to vote their shares as soon as possible so that their shares will be represented and voted at the special meeting. ITC shareholders should follow the instructions set forth on the enclosed proxy card or on the voting instruction form provided by the record holder if their shares are held in the name of a broker or other nominee.

Q: What are the transactions described in this proxy statement/prospectus?

A: The transactions are designed to effect the transfer of Entergy's Transmission Business to ITC. References to the transactions are to the separation, distribution, merger and related transactions to be entered into by Entergy, ITC, Merger Sub and TransCo, including their respective affiliates, as described under "The Transactions" and elsewhere in this proxy statement/prospectus.

Q: What will happen in the separation?

A: Prior to the merger, certain subsidiaries of Entergy will undergo an internal restructuring to separate and consolidate Entergy's Transmission Business under TransCo pursuant to the separation agreement by and among Entergy, ITC, TransCo, each of Entergy's Utility Operating Companies and Entergy Services, Inc. ("ESI"), a service company that provides services to the Utility Operating Companies. Entergy's transmission assets and liabilities are currently owned by Entergy's Utility Operating Companies and ESI. In the separation, each Utility Operating Company will transfer its respective specified transmission assets and liabilities to a newly formed subsidiary of such Utility Operating Company (such newly formed subsidiaries are referred to as the TransCo Subs) and ESI will transfer its specified transmission assets to TransCo or one or more TransCo Subs. Immediately thereafter, the Utility Operating Companies and certain other intermediate holding companies of Entergy will distribute the equity interests of the TransCo Subs so that Entergy will be the direct holder of the equity interests of each TransCo Sub. Entergy will then contribute the equity interests in each TransCo Sub to TransCo in exchange for TransCo common units and TransCo debt securities. See "The Transactions Overview" beginning on page 108 and "The Transactions The Separation and Distribution" beginning on page 112.

Q: What will happen in the distribution that occurs prior to the merger?

A: After the Utility Operating Companies and ESI transfer their respective specified assets and liabilities related to Entergy's Transmission Business to TransCo and its subsidiaries, Entergy will distribute 100% of the TransCo common units (excluding any TransCo common units to be contributed to an exchange trust in the event Entergy makes the exchange trust election as described below and elsewhere in this proxy statement/prospectus) to Entergy's shareholders through a spin-off, a split-off exchange offer or a combination of both. The distribution

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agent will hold such shares for the benefit of Entergy shareholders that are entitled to the TransCo common units. In accordance with the terms of the merger agreement, the TransCo common units delivered to the distribution agent will be converted into ITC common stock at the effective time of the merger. Accordingly, in lieu of delivering TransCo common units to Entergy shareholders that are entitled to the TransCo common units in the distribution, the distribution agent will distribute to Entergy shareholders shares of ITC common stock into which the TransCo common units will have converted at the time of the merger and cash in lieu of fractional shares (if any). Entergy currently intends to effectuate the distribution through a spin-off but, pursuant to the merger agreement, will advise ITC of the final form of the distribution no later than 30 business days prior to the closing. See [The Transactions Overview](#) beginning on page 108 and [The Transactions The Separation and Distribution](#) beginning on page 112.

Q: What are the exchange trust and the exchange trust election as referenced in the preceding question?

A: Pursuant to the terms of the merger agreement, Entergy may elect, at least thirty (30) business days prior to the closing of the merger, to retain up to the number of TransCo common units that would convert in the merger into up to 4.9999% of the total number of shares of ITC common stock outstanding on a fully diluted basis immediately following the consummation of the merger that otherwise would have been distributed in the distribution. Such election is referred to as the exchange trust election. If Entergy makes the exchange trust election, Entergy will transfer the retained TransCo common units to an irrevocable trust, referred to as the exchange trust. The TransCo common units transferred to the exchange trust will not be distributed to the distribution agent on behalf of Entergy shareholders in the distribution. At the closing of the merger, the TransCo common units transferred to the trust will convert to ITC common stock. The trustee of the exchange trust will own and hold legal title to the TransCo common units or ITC common stock for the benefit of Entergy and Entergy shareholders; provided, however, in no event will the ITC common stock held by the exchange trust be transferred to Entergy. Upon delivery of notice by Entergy, the trustee of the exchange trust will conduct an exchange offer (referred to as the exchange trust exchange offer) pursuant to which Entergy shareholders may exchange Entergy common stock for the ITC common stock held by the exchange trust pursuant to irrevocable terms contained in the trust agreement at the time it is entered into. Any ITC common stock remaining in the exchange trust after six months following the completion of the merger will be distributed to Entergy shareholders *pro rata* (this distribution is referred to as a mandatory trust distribution). The purpose of the exchange trust is to permit an exchange offer with Entergy shareholders to occur during a period after the closing, when the trading market for the combined company's common stock has settled following the merger. This delayed exchange offer, if elected by Entergy, is an option to help Entergy efficiently manage its post-transaction capital structure and improve cash flow and credit metrics. Upon the consummation of a successful exchange offer by the trust, there would be fewer outstanding shares of Entergy common stock, as those shares would have been exchanged for the shares of ITC common stock held by the trust. Consequently, a successful delayed exchange offer would permit Entergy to reduce its common shares outstanding and aggregate cash dividends paid and as a result could improve Entergy's available cash flow and credit metrics. See [The Transactions Exchange Trust](#) beginning on page 117 and [Additional Material Agreements Agreements Related to the Exchange Trust and Exchange Offer Exchange Trust Agreement](#) beginning on page 201.

Q: What will happen in the merger?

A: In accordance with the terms of the merger agreement, Merger Sub, a wholly owned subsidiary of ITC, will be merged with and into TransCo with TransCo surviving the merger as a wholly owned subsidiary of ITC. Pursuant to the merger, the TransCo common units held by the distribution agent (and, if applicable, the exchange trust) will be converted into the number of shares of ITC common stock such that immediately after the merger Entergy shareholders (and, if applicable, the exchange trust) will collectively own approximately 50.1% of ITC common stock on a fully diluted basis, and ITC shareholders will collectively own approximately 49.9% of ITC common stock on a fully diluted basis (subject to adjustment in limited circumstances as provided in the merger agreement and excluding any ITC equity awards issued to employees of Entergy's).

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Transmission Business who become employees of TransCo). In no event will Entergy shareholders (and, if applicable, the exchange trust) hold less than 50.1% of the outstanding common stock of ITC immediately after the merger. See [The Transactions The Merger](#) beginning on page 113 and [The Transactions Calculation of the Merger Consideration](#) beginning on page 113.

Q: Why will the post-merger ownership of ITC between Entergy shareholders and pre-merger ITC shareholders be approximately 50.1% and 49.9%, respectively?

A: Immediately after the merger, Entergy shareholders (and, if applicable, the exchange trust) will collectively own approximately 50.1% of ITC common stock on a fully diluted basis, and ITC shareholders will collectively own approximately 49.9% of ITC common stock on a fully diluted basis (subject to adjustment in limited circumstances as provided in the merger agreement and excluding any ITC equity awards issued to employees of Entergy's Transmission Business who become employees of TransCo). In no event will Entergy shareholders (and, if applicable, the exchange trust) hold less than 50.1% of the outstanding common stock of ITC immediately after the merger. The post-merger ownership of ITC was the result of a negotiated value exchange between Entergy and ITC, which was based upon each party's independent valuations of pre-merger ITC and Entergy's Transmission Business, the size of the ITC recapitalization in connection with the proposed transaction and tax requirements for a Reverse Morris Trust transaction structure. The proposed transaction is a Reverse Morris Trust acquisition structure, which allows a parent company (here, Entergy) to distribute a subsidiary or a business (here, TransCo and Entergy's Transmission Business) in a tax-efficient manner. The first step of such a transaction is the tax-free distribution through a dividend (a spin-off), exchange (a split-off) or a combination of a spin-off and split-off of the subsidiary stock to or with the parent company shareholders under Section 355 of the Code. The distributed subsidiary then merges with the acquiring third party (here, Merger Sub, a wholly owned subsidiary of ITC) in a tax-free reorganization under Section 368 of the Code. Such a transaction can qualify as tax-free for U.S. federal income tax purposes for the parent company, its shareholders and the acquiring third party's shareholders if the transaction structure meets all applicable requirements, including that the parent company shareholders own more than 50% of the stock of the combined entity immediately after the merger. Therefore, in order to meet all applicable requirements of the Code, Entergy shareholders must own more than 50% of the ITC common stock outstanding immediately following the merger.

Q: What will be the indebtedness of ITC and the former transmission business of Entergy, referred to as the combined company, following completion of the transactions?

A: By virtue of the transactions, TransCo is expected to incur a maximum of \$1.775 billion of indebtedness, as may be adjusted pursuant to the merger agreement and the separation agreement. This indebtedness is expected to consist of \$575 million of senior debt securities of TransCo (i.e., the TransCo debt securities) and \$1.2 billion in the form of a 366-day bridge facility (i.e., the TransCo Subs Financing). It is expected that after the merger the TransCo Subs will issue first mortgage bonds to replace the bridge facility. The senior debt securities will be issued by TransCo to Entergy in partial consideration for the equity interests of the TransCo Subs contributed by Entergy to TransCo. Neither TransCo nor any of the TransCo Subs will retain any net proceeds from the TransCo debt securities or the TransCo Subs Financing. Entergy will use the net proceeds from the financings, plus approximately \$100 million from general corporate sources, to redeem approximately \$300 million of the Utility Operating Companies' outstanding preferred equity interests and to repay approximately \$1.577 billion of historic debt of Entergy or of the Utility Operating Companies. At the request of ITC, Entergy will use its reasonable best efforts to cause TransCo to arrange a working capital revolving credit facility in a principal amount mutually determined by ITC and Entergy, which TransCo will not draw upon without the consent of ITC. Furthermore, ITC expects to issue approximately \$740 million of new indebtedness to fund the \$700 million one-time special dividend and/or share repurchase it will complete in connection with the merger, with the remaining approximately \$40 million to be used for general corporate purposes and payment of transaction-related costs. The combined company will also retain the obligation of ITC's indebtedness existing prior to the merger. After giving effect to the merger and the assumption and incurrence of debt related thereto, ITC would have had total outstanding consolidated debt on its balance sheet of approximately \$5.6 billion as of September 30, 2012. See [The Financings](#) beginning on page 162.

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Q: Why has Entergy decided to separate its Transmission Business?

A: Entergy's board of directors believes that the transactions will accomplish a number of important business objectives and benefits. Certain of these objectives and benefits as they relate to TransCo include enhancing transparency to customers from independent planning and operation of the transmission system; strengthening and improving overall system performance; achieving the optimal structure for the transmission system as an independent transmission company that is a member of an RTO, such as the proposed membership in the Midwest ISO; improving access to capital; and utilizing ITC's experience, track record of safe and reliable operations, and unique position as an independent transmission company. See "The Transactions" Entergy's Reasons for the Separation, Distribution and the Merger beginning on page 147.

Q: What will ITC shareholders receive in the merger?

A: Immediately after the merger, ITC shareholders will continue to own shares in ITC, which will then include the specified assets and liabilities from Entergy's Transmission Business (including \$1.775 billion of debt expected to be incurred by TransCo and/or the TransCo Subs in connection with the transactions). However, pre-merger ITC shareholders will collectively hold approximately 49.9% of ITC common stock on a fully diluted basis after the merger (subject to adjustment in limited circumstances as provided in the merger agreement and excluding any ITC equity awards issued to employees of Entergy's Transmission Business who become employees of TransCo). In no event will Entergy shareholders (and, if applicable, the exchange trust) hold less than 50.1% of the outstanding common stock of ITC following the merger. In addition, under the terms of the merger agreement, prior to closing the merger, ITC may, in ITC's sole discretion, elect to (i) pay a \$700 million one-time special dividend to its pre-merger shareholders, (ii) repurchase \$700 million of ITC common stock or (iii) undertake a combination of both (not to exceed \$700 million in the