

FIRST BANCORP /PR/
Form SC TO-I/A
August 19, 2010

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

**Amendment No. 2
to
SCHEDULE TO
Tender Offer Statement under Section 14(d)(1) or 13(e)(1) of the
Securities Exchange Act of 1934**

FIRST BANCORP.
(Name of Subject Company (Issuer) and Filing Person (Offeror))

| | |
|--|--|
| 7.125% Noncumulative Perpetual Monthly Income Preferred Stock, Series A | 318672201 |
| 8.35% Noncumulative Perpetual Monthly Income Preferred Stock, Series B | 318672300 |
| 7.40% Noncumulative Perpetual Monthly Income Preferred Stock, Series C | 318672409 |
| 7.25% Noncumulative Perpetual Monthly Income Preferred Stock, Series D | 318672508 |
| 7.00% Noncumulative Perpetual Monthly Income Preferred Stock, Series E | 318672607 |
| <i>(Title of Class of Securities)</i> | <i>(CUSIP Number of Class of Securities)</i> |

**Lawrence Odell
Executive Vice President and General Counsel
First BanCorp.
1519 Ponce de León Avenue, Stop 23
Santurce, Puerto Rico 00908
(787) 729-8109**

(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing person)

Copies to:

**Linda L. Griggs
Gail A. Pierce
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, D.C. 20004**

**James R. Tanenbaum
Anna T. Pinedo
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104**

CALCULATION OF FILING FEE

Transaction valuation*
\$110,512,160

Amount of filing fee**
\$7,879.52

* Estimated solely
for the purpose

of calculating
the filing fee.
This Tender
Offer Statement
on Schedule TO
relates to an
exchange offer
(the Exchange
Offer) of newly
issued shares of
common stock,
par value \$1.00
per share (the
Common
Stock), of First
BanCorp. for
shares of First
BanCorp. s
(i) 7.125%
Noncumulative
Perpetual
Monthly Income
Preferred Stock,
Series A
(Series A
Preferred
Stock),
(ii) 8.35%
Noncumulative
Perpetual
Monthly Income
Preferred Stock,
Series B
(Series B
Preferred
Stock),
(iii) 7.40%
Noncumulative
Perpetual
Monthly Income
Preferred Stock,
Series C
(Series C
Preferred
Stock),
(iv) 7.25%
Noncumulative
Perpetual
Monthly Income
Preferred Stock,
Series D

(Series D Preferred Stock) and (v) 7.00% Noncumulative Perpetual Monthly Income Preferred Stock, Series E (Series E Preferred Stock). The Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock are collectively referred to as Preferred Stock. This transaction valuation was calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended (the Exchange Act), by adding the sum of (1) the product of (a) \$5.05, the average of the high and low sale prices per share of Series A Preferred Stock on July 13, 2010 and (b) 3,600,000, the number of outstanding shares of Series A Preferred

Stock; (2) the product of (a) \$5.10, the average of the high and low sale prices per share of Series B Preferred Stock on July 13, 2010 and (b) 3,000,000, the number of outstanding shares of Series B Preferred Stock; (3) the product of (a) \$5.08, the average of the high and low sale prices per share of Series C Preferred Stock on July 13, 2010 and (b) 4,140,000, the number of outstanding shares of Series C Preferred Stock; (4) the product of (a) \$5.14, the average of the high and low sale prices per share of Series D Preferred Stock on July 13, 2010 and (b) 3,680,000, the number of outstanding shares of Series D Preferred Stock; and (5) the product of (a)

\$4.89, the average of the high and low sale prices per share of Series E Preferred Stock on July 13, 2010 and (b) 7,584,000, the number of outstanding shares of Series E Preferred Stock. The number of shares of Preferred Stock represents the maximum number of shares of Preferred Stock that are subject to the Exchange Offer.

** The amount of the filing fee was computed in accordance with Rule 0-11 of the Exchange Act and equals \$71.30 for each \$1,000,000 of the value of the transaction.

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

| | | | |
|---------------------------|-------------|---------------|----------------|
| Amount Previously Paid: | \$21,248.10 | Filing Party: | First BanCorp. |
| Form or Registration No.: | Form S-4 | Date Filed: | March 5, 2010 |
| File No. | 333-165252 | | |

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

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INTRODUCTORY STATEMENT

This Tender Offer Statement on Schedule TO (Tender Offer Statement) relates to an exchange offer (the Exchange Offer) by First BanCorp, a corporation organized under the laws of the Commonwealth of Puerto Rico (First BanCorp or the Corporation), to exchange newly issued shares of First BanCorp s common stock, par value \$1.00 per share (our Common Stock), for its outstanding shares of (i) 7.125% Noncumulative Perpetual Monthly Income Preferred Stock, Series A (Series A Preferred Stock), (ii) 8.35% Noncumulative Perpetual Monthly Income Preferred Stock, Series B (Series B Preferred Stock), (iii) 7.40% Noncumulative Perpetual Monthly Income Preferred Stock, Series C (Series C Preferred Stock), (iv) 7.25% Noncumulative Perpetual Monthly Income Preferred Stock, Series D (Series D Preferred Stock) and (v) 7.00% Noncumulative Perpetual Monthly Income Preferred Stock, Series E (Series E Preferred Stock and, collectively with our Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, Preferred Stock), on the terms and subject to the conditions set forth in this document and in the preliminary prospectus (incorporated by reference herein as Exhibit (a)(1)(A)) (the Prospectus) and the letter of transmittal (incorporated by reference herein as Exhibit (a)(1)(B)) (the Letter of Transmittal).

Item 1. Summary Term Sheet.

The information set forth in the Prospectus in the sections entitled Summary of Terms of the Exchange Offer is incorporated herein by reference.

Item 2. Subject Company Information.

(a) Name and Address.

The name of the issuer is First BanCorp (the Corporation). The address of the Corporation s principal executive offices is 1519 Ponce de Leon Avenue, Stop 23, Santurce, Puerto Rico 00908. The Corporation s telephone number is (787) 729-8200.

(b) Securities.

As of August 13, 2010, there were 92,542,722 shares of Common Stock outstanding and (i) 3,600,000 shares of Series A Preferred Stock outstanding, (ii) 3,000,000 shares of Series B Preferred Stock outstanding, (iii) 4,140,000 shares of Series C Preferred Stock outstanding, (iv) 3,680,000 shares of Series D Preferred Stock outstanding and (v) 7,584,000 shares of Series E Preferred Stock outstanding.

(c) Trading Market and Price.

The information set forth in the Prospectus in the section entitled Market Price, Dividend and Distribution Information is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) Name and Address.

The filing person is the Corporation. The address of the Corporation s principal executive offices is 1519 Ponce de Leon Avenue, Stop 23, Santurce, Puerto Rico 00908. The Corporation s telephone number is (787) 729-8200.

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The following persons are the directors and executive officers of the Corporation. The business address of each director and executive officer is: c/o 1519 Ponce de Leon Avenue, Stop 23, Santurce, Puerto Rico 00908, and each such person's telephone number is (787) 729-8200.

| Name | Position |
|------------------------------|---|
| Aurelio Alemán-Bermúdez | Director, President and Chief Executive Officer |
| Orlando Berges-González | Executive Vice President and Chief Financial Officer |
| Jorge L. Díaz-Irizarry | Director |
| José Ferrer-Canals | Director |
| Calixto García-Vélez | Executive Vice President |
| Frank Kolodziej-Castro | Director |
| Ginoris López-Lay | Executive Vice President, Retail and Business Banking Executive |
| Emilio Martínó-Valdés | Executive Vice President and Chief Lending Officer |
| José Menéndez-Cortada | Chairman of the Board of Directors |
| Héctor M. Nevares-LaCosta | Director |
| Lawrence Odell | Executive Vice President, General Counsel and Secretary |
| Cassan A. Pancham | Executive Vice President |
| Dacio A. Pasarell-Colón | Executive Vice President |
| Nayda Rivera-Batista | Executive Vice President and Chief Risk Officer |
| Fernando Rodríguez-Amaro | Director |
| José F. Rodríguez-Perelló | Director |
| Sharee Ann Umpierre-Catinchi | Director |

Item 4. Terms of the Transaction.**(a) Material Terms.**

The information set forth in Item 2(b) above and in the Prospectus in the sections entitled Questions and Answers about the Exchange Offer, Summary of Terms of the Exchange Offer, The Exchange Offer, Description and Comparison of Preferred Stock, Series G Preferred Stock and Common Stock Rights, Certain Material U.S. Federal Income Tax Considerations and Certain Puerto Rico Tax Considerations is incorporated herein by reference.

(b) Purchases.

José Menéndez-Cortada, Jorge L. Díaz, Sharee Ann Umpierre-Catinchi, Héctor M. Nevares and Dacio Pasarell own shares of Preferred Stock and will participate in the Exchange Offer under the same terms as the other holders of Preferred Stock. The information set forth in the Prospectus in the section entitled The Exchange Offer Security Ownership of Certain Beneficial Owners and Management Beneficial Ownership of Preferred Stock by Directors and Executive Officers is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.**(a) Agreements Involving the Subject Company's Securities.**

The information set forth in the Prospectus in the sections entitled Questions and Answers about the Exchange Offer What Are the Requirements of the Recent Regulatory Agreements?, Will the Exchange Offer Trigger any Anti-dilution Rights?, What are the Terms of the Exchange of the Series F Preferred Stock for Series G Preferred Stock?, Summary Agreement With The U.S. Treasury Relating to the Conversion of the Series G Preferred Stock, Summary Anti-dilution Rights That May Be Triggered by the Exchange Offer, Agreement with the U.S. Treasury, Agreement with The Bank of Nova Scotia, Regulatory

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Agreements, Market Price, Dividend and Distribution Information and Description and Comparison of Preferred Stock, Series F Preferred Stock and Common Stock Rights is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) Purposes.

The information set forth in the Prospectus in the sections entitled Questions and Answers about the Exchange Offer What is the Purpose of the Exchange Offer?, Summary The Exchange Offer, and The Exchange Offer Purpose and Background of the Transactions is incorporated herein by reference.

(b) Use of Securities Acquired.

The information set forth in the Prospectus in the section entitled The Exchange Offer Terms of the Exchange Offer Generally is incorporated herein by reference.

(c) Plans.

The information set forth in the Prospectus in the section entitled Questions and Answers about the Exchange Offer What are the Terms of the Exchange of the Series F Preferred Stock for Series G Preferred Stock, Summary, Summary Anti-dilution Rights That May Be Triggered by the Exchange Offer, Risk Factors, The Exchange Offer, Agreement with the U.S. Treasury, Agreement with The Bank of Nova Scotia, Regulatory Agreements, and Market Price, Dividend and Distribution Information is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a) Source of Funds.

The information set forth in the Prospectus in the sections entitled Questions and Answers about the Exchange Offer What Consideration Are We Offering in Exchange for Shares of Preferred Stock?, Summary The Exchange Offer, and The Exchange Offer Terms of the Exchange Offer, Offer Consideration and Securities Issuable in the Exchange Offer is incorporated herein by reference.

(b) Conditions.

The information set forth in the Prospectus in the sections entitled Questions and Answers about the Exchange Offer What Are the Key Terms of the Exchange Offer?, Risk Factors Additional Risks Related to the Exchange Offer and The Exchange Offer Conditions of the Exchange Offer is incorporated herein by reference.

(c) Borrowed Funds.

Not applicable.

Table of Contents**Item 8. Interest in the Securities of the Subject Company.****(a) Securities Ownership.**

| Name of Beneficial Owner | Amount and Nature of Beneficial Ownership⁽¹⁾ | Percent of Class |
|---------------------------------|--|-------------------------|
| Aurelio Alemán-Bermúdez | 872,000 | * |
| Orlando Berges-González | 10,000 | * |
| Jorge L. Díaz-Irizarry | 62,737 ⁽²⁾ | * |
| José Ferrer-Canals | 5,527 | * |
| Calixto García-Vélez | | * |
| Frank Kolodziej-Castro | 2,762,483 | 2.99% |
| Ginoris López-Lay | 30,000 | * |
| Emilio Martínó-Valdés | 73,513 | * |
| José Menéndez-Cortada | 45,896 | * |
| Héctor M. Nevares-La Costa | 4,543,396 ⁽³⁾ | 4.91% |
| Lawrence Odell | 225,000 | * |
| Cassan A. Pancham | 120,653 | * |
| Dacio A. Pasarell-Colón | 126,000 | * |
| Nayda Rivera-Batista | 78,912 | * |
| Fernando Rodríguez-Amaro | 32,207 | * |
| José F. Rodríguez-Perelló | 324,077 | * |
| Sharee Ann Umpierre-Catinchi | 81,677 ⁽⁴⁾ | * |

* *Represents less than 1% of our outstanding Common Stock.*

(1) For purposes of this table, beneficial ownership is determined in accordance with Rule 13d-3 under the 1934 Act, pursuant to which a person or group of persons is deemed to have beneficial ownership of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Therefore, it includes the number of shares of Common Stock that could be purchased by exercising stock options that were

exercisable as of August 13, 2010 or within 60 days after that date, as follows:

Mr. Alemán-Bermúdez, 672,000; Ginoris López-Lay, 30,000; Martinó-Valdés, 68,000; Mr. Odell, 175,000; Mr. Pancham, 110,000; Mr. Pasarell-Colón, 96,000; Ms. Rivera-Batista, 70,000; and 1,221,000 shares for all current directors and executive officers as a group.

Also, it includes shares granted under the First BanCorp 2008 Omnibus Incentive Plan, subject to transferability restrictions and/or forfeiture upon failure to meet vesting conditions, as follows:

Mr. Menéndez-Cortada, 2,685;

Mr. Díaz-Irizarry, 2,685;

Mr. Ferrer-Canals, 2,685;

Ms. Umpierre-Catinchi, 2,685;

Mr. Rodríguez-Amaro, 2,685;

Mr. Nevares-LaCosta, 2,685;

Mr. Kolodziej-Castro, 2,685; and

Mr. Rodríguez-Amaro, 2,685; which represent

21,480 shares for all current directors and executive officers as a

group. The amount does not include shares of Common Stock acquired through the

Corporation's Defined Contribution Plan

*pursuant to which
participants may
acquire units equivalent
to shares of Common
Stock through a unitized
stock fund.*

*(2) This amount includes
22,460 shares owned
separately by his spouse.*

*(3) This amount includes
9,000 shares owned
jointly with his spouse.*

*(4) This amount includes
9,000 shares owned
jointly with her spouse.*

(b) Securities Transactions.

None of the Corporation or the Corporation's executive officers or directors have effected any transactions with respect to the Preferred Stock within the 60-day period immediately prior to the date of the Prospectus.

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Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) Solicitations or Recommendations.

The information set forth in the Prospectus in the sections entitled Questions and Answers about the Exchange Offer Is the Corporation Making a Recommendation Regarding Whether You Should Tender in the Exchange Offer?, Summary of Terms of the Exchange Offer Soliciting Dealer Fee, Dealer Manager, and Exchange Agent and Information Agent, and The Exchange Offer Soliciting Dealer Fee, Exchange Agent, Information Agent, Dealer Manager and Fees and Expenses is incorporated herein by reference.

Item 10. Financial Statements.

(a) Financial Information.

The information set forth in the Prospectus in the sections entitled Where You Can Find More Information and Selected Financial Data is incorporated herein by reference. The Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010 are incorporated herein by reference and can also be accessed electronically on the Securities and Exchange Commission's website at <http://www.sec.gov>.

(b) Pro Forma Information.

The information set forth in the Prospectus in the sections entitled Unaudited Pro Forma Financial Information is incorporated herein by reference.

Item 11. Additional Information.

(a) Agreements, Regulatory Requirements and Legal Proceedings.

Not applicable.

(b) Other Material Information.

The information set forth in the Prospectus in the sections entitled Questions and Answers about the Exchange Offer What are the Terms of the Exchange of the Series F Preferred Stock for Series G Preferred Stock, Summary Recent Developments, and Agreement with the U.S. Treasury Relating to the Conversion of the Series G Preferred Stock, Regulatory and Other Capital Ratios, Agreement with the U.S. Treasury, and The Exchange Offer Conditions of the Exchange Offer is incorporated herein by reference.

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Item 12. Exhibits

Exhibit Number Exhibit Name

- (a)(1)(A) Prospectus (incorporated by reference from Amendment No. 5 to Form S-4 on Form S-1 (Registration No. 333-165252), which the Corporation filed on August 18, 2010).
- (a)(1)(B) Letter of Transmittal (incorporated by reference from Exhibit 99.1 to Amendment No. 4 to Form S-4 on Form S-1, which the Corporation filed on July 16, 2010).
- (a)(1)(C) Letter to Brokers (incorporated by reference from Exhibit 99.3 to Amendment No. 4 to Form S-4 on Form S-1, which the Corporation filed on July 16, 2010).
- (a)(1)(D) Letter to Clients (incorporated by reference to Exhibit 99.4 from Amendment No. 4 to Form S-4 on Form S-1, which the Corporation filed on July 16, 2010).
- (a)(2) Not applicable.
- (a)(3) Not applicable.
- (a)(4) Incorporated by reference herein as Exhibit (a)(1)(A).
- (a)(5)(A) Press Release, dated February 1, 2010, announcing the Corporation's Proposed Exchange Offer (incorporated by reference to Exhibit 99.2 to the Corporation's Current Report on Form 8-K filed on February 3, 2010).
- (a)(5)(B) Press Release, dated July 7, 2010, announcing the Corporation's Agreement with the U.S. Treasury (incorporated by reference from Exhibit 99.1 of the Corporation's Current Report on Form 8-K filed on July 7, 2010).
- (a)(5)(C) Press Release, dated July 16, 2010, announcing the Exchange Offer (incorporated by reference from Exhibit 99.1 of the Corporation's Current Report on Form 8-K filed on July 16, 2010).
- (a)(5)(D) Press Release, dated July 20, 2010, announcing the Corporation's issuance of Mandatorily Convertible Preferred Stock to the U.S. Treasury (incorporated by reference from Exhibit 99.1 of the Corporation's Current Report on Form 8-K filed on July 20, 2010).
- (a)(5)(E) Proposed Exchange Offer Presentation, dated August 18, 2010 (incorporated by reference from Exhibit 99.1 of the Corporation's Current Report on Form 8-K filed on August 18, 2010).
- (b) Not applicable.
- (d)(1) Warrant, dated January 16, 2009, to purchase shares of Common Stock of First BanCorp. (incorporated by reference from Exhibit 4.1 to the Corporation's Current Report on Form 8-K filed on January 20, 2009).
- (d)(2) Stockholder Agreement, dated August 24, 2007, by and between First BanCorp. and The Bank of Nova Scotia (incorporated by reference from Exhibit A of Exhibit 10.1 to the Corporation's Current Report on Form 8-K filed on February 22, 2007).

- (d)(3) Consent Order, dated June 2, 2010, by and between the Federal Deposit Insurance Corporation, the Office of the Commissioner of Financial Institutions of Puerto Rico, and FirstBank Puerto Rico (incorporated by reference from Exhibit 10.1 to the Corporation's Current Report on Form 8-K filed on June 4, 2010).
- (d)(4) Written Agreement, dated June 3, 2010, by and between First BanCorp. and Federal Reserve Bank of New York (incorporated by reference from Exhibit 10.2 to the Corporation's Current Report on Form 8-K filed on June 4, 2010).
- (d)(5) Form of Restricted Stock Award Agreement (incorporated by reference from Exhibit 10.23 of Amendment No. 4 to Form S-4 on Form S-1 (Registration No. 333-165252), which the Corporation filed on July 16, 2010)
- (d)(6) Form of Stock Option Agreement for Officers and Other Employees (incorporated by reference from Exhibit 10.24 of Amendment No. 4 to Form S-4 on Form S-1 (Registration No. 333-165252), which the Corporation filed on July 16, 2010)
- (d)(7) Exchange Agreement by and between First BanCorp and the United States Department of the Treasury dated July 7, 2010 (incorporated by reference from Exhibit 10.1 of the Corporation's Current Report on Form 8-K filed on July 7, 2010)
- (d)(8) Form of Amended and Restated Warrant, Annex A to the Exchange Agreement by and between First BanCorp and the United States Department of the Treasury dated July 7, 2010 (incorporated by reference from Exhibit 10.2 of the Corporation's Current Report on Form 8-K filed on July 7, 2010)
- (d)(9) Form of Certificate of Designations of Fixed Rate Cumulatively Convertible Preferred Stock, Series G, Annex B to the Exchange Agreement by

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Exhibit Number Exhibit Name

and between First BanCorp and the United States Department of the Treasury dated July 7, 2010 (incorporated by reference from Exhibit 10.3 of the Corporation's Current Report on Form 8-K filed on July 7, 2010)

(g) Not applicable.

(h)(1)(A) Opinion of Morgan, Lewis & Bockius LLP (incorporated by reference from Exhibit 8.1 to Amendment No. 3 to Form S-4 on Form S-1, which the Corporation filed on July 9, 2010).

(h)(1)(B) Opinion of Pietrantonio Méndez & Alvarez LLP (incorporated by reference from Exhibit 8.2 to Amendment No. 4 to Form S-4 on Form S-1, which the Corporation filed on July 16, 2010).

Item 13. Information Required by Schedule 13E-3.

Not applicable.

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SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: August 18, 2010

FIRST BANCORP.

By: /s/ Aurelio Alemán

Name:Aurelio Alemán

Title: President and Chief Executive Officer

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