

SMG Indium Resources Ltd.
Form SC TO-I
October 30, 2014

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)

OF THE SECURITIES EXCHANGE ACT OF 1934

SMG INDIUM RESOURCES LTD.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Common Stock, \$0.001 par value

(Title of Class of Securities)

78454K102

(CUSIP Number of Class of Securities)

Mary E. Paetzold

Chief Financial Officer

100 Park Avenue

New York, New York 10017

(212) 984-0635

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

Copy to:

Andrew P. Gilbert, Esq.

DLA Piper LLP (US)

51 John F. Kennedy Parkway, Suite 120

Short Hills, NJ 07078

(973) 520-2550

Calculation of Filing Fee

| Transaction Valuation* | Amount of Filing Fee** |
|------------------------|------------------------|
| \$16,094,842.78 | \$ 1,870.23 |

The transaction value is estimated only for purposes of calculating the filing fee. This amount is based on the offer to *purchase for not more than \$16,094,842.78 in aggregate of up to 6,678,358 shares of common stock, par value \$0.001 per share, at the tender offer price of \$2.41 per share.

**The amount of the filing fee, calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, and Fee Advisory No. 1 for fiscal year 2015, equals \$116.20 per \$1,000,000 of the value of the

transaction.

Check the 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: Not applicable. Filing Party: Not applicable.
Form or Registration No.: Not applicable. Date Filed: Not applicable.

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

Check the appropriate boxes 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.

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

SCHEDULE TO

This Tender Offer Statement on Schedule TO (this “Schedule TO”) relates to the offer by SMG Indium Resources, Ltd., a Delaware corporation (“SMG” or the “Company”), to purchase shares of its common stock, par value \$0.001 per share (the “Shares”), up to an aggregate purchase price of \$16,094,842.78, at a price equal to \$2.41 per Share, net to the seller in cash, less any applicable withholding taxes and without interest. The Company’s offer is being made upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 30, 2014 (the “Offer to Purchase”) and in the related Letter of Transmittal (the “Letter of Transmittal,” which, together with the Offer to Purchase, as they may be amended or supplemented from time to time, constitute the “Offer”), copies of which are attached to this Schedule TO as Exhibits (a)(1)(i) and (a)(1)(ii), respectively. This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

The information in the Offer to Purchase and the Letter of Transmittal is incorporated by reference in answer to Items 1 through 11 in this Schedule TO, and as more particularly set forth below.

Item 1. Summary Term Sheet.

The information set forth in the section captioned “Summary Term Sheet” in the Offer to Purchase, a copy of which is filed with this Schedule TO as Exhibit (a)(1)(i), is incorporated herein by reference.

Item 2. Subject Company Information.

(a) **Name and Address:** The name of the issuer is SMG Indium Resources Ltd., a Delaware corporation. The address of its principal executive office is 100 Park Avenue, New York, New York 10017 and its telephone number is (212) 984-0635. However, as of December 1, 2014, our new principal executive office will be located at 176 LaGuardia Ave., Staten Island, New York 10314.

(b) **Securities:** The information set forth in the section of the Offer to Purchase captioned “Introduction” is incorporated herein by reference.

(c) **Trading Market and Price:** The information set forth in Section 8 (“Price Range of Shares; Dividends”) of the Offer to Purchase is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) **Name and Address:** SMG Indium Resources Ltd., a Delaware corporation, is the filing person and subject company. The address of its principal executive office is 100 Park Avenue, New York, New York 10017 and its telephone number is (212) 984-0635. However, as of December 1, 2014, our new principal executive office will be located at 176 LaGuardia Ave., Staten Island, New York 10314. The information set forth in Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a) **Material Terms:** The information set forth in the sections of the Offer to Purchase captioned “Introduction” and “Summary Term Sheet” is incorporated herein by reference. The information set forth in Section 1 (“Number of Shares; Proration”), Section 2 (“Purpose of the Offer; Certain Effects of the Offer”), Section 3 (“Procedures for Tendering Shares”), Section 4 (“Withdrawal Rights”), Section 5 (“Purchase of Shares and Payment of Purchase Price”), Section 6 (“Conditional Tender of Shares”), Section 7 (“Conditions of the Offer”), Section 9 (“Source and Amount of Funds”), Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”), Section 13 (“Certain United States Federal Income Tax Consequences”) and Section 14 (“Extension of the Offer; Termination; Amendment”) of the Offer to Purchase is incorporated herein by reference.

(b) **Purchases:** The information set forth in the sections of the Offer to Purchase captioned “Introduction” and “Summary Term Sheet” is incorporated herein by reference. The information set forth in Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(e) **Agreements Involving the Subject Company’s Securities:** The information set forth in Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

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

(a) **Purposes:** The information set forth in the section of the Offer to Purchase captioned “Summary Term Sheet” is incorporated herein by reference. The information set forth in Section 2 (“Purpose of the Offer; Certain Effects of the Offer”) of the Offer to Purchase is incorporated herein by reference.

(b) **Use of the Securities Acquired:** The information set forth in Section 2 (“Purpose of the Offer; Certain Effects of the Offer”) of the Offer to Purchase is incorporated herein by reference.

(c) **Plans:** The information set forth in Section 2 (“Purpose of the Offer; Certain Effects of the Offer”) of the Offer to Purchase is incorporated herein by reference.

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

(a) **Source of Funds:** The information set forth in Section 9 (“Source and Amount of Funds”) of the Offer to Purchase is incorporated herein by reference.

(b) **Conditions:** The information set forth in Section 9 (“Source and Amount of Funds”) of the Offer to Purchase is incorporated herein by reference.

(d) **Borrowed Funds:** Not applicable.

Item 8. Interest in Securities of the Subject Company.

(a) **Securities Ownership:** The information set forth in Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

(b) **Securities Transactions:** The information set forth in Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) of the Offer to Purchase is incorporated herein by reference.

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

(a) **Solicitations or Recommendations:** The information set forth in Section 15 (“Fees and Expenses”) of the Offer to Purchase is incorporated herein by reference.

Item 10. Financial Statements.

Not applicable, in reliance on Instruction 2 to this Item 10.

Item 11. Additional Information.

(a) **Agreements, Regulatory Requirements and Legal Proceedings:** The information set forth in Section 2 (“Purpose of the Offer; Certain Effects of the Offer”), Section 10 (“Certain Information Concerning the Company”), Section 11 (“Interests of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) and Section 12 (“Certain Legal Matters; Regulatory Approvals”) in the Offer to Purchase is incorporated herein by reference.

(c) **Other Material Information:** The information in the Offer to Purchase and the Letter of Transmittal is incorporated herein by reference.

Item 12. Exhibits.

(a)(1)(i) Offer to Purchase, dated October 30, 2014.

(a)(1)(ii) Letter of Transmittal.

(a)(1)(iii) Notice of Guaranteed Delivery.

(a)(1)(iv) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees.

(a)(1)(v) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees.

(a)(5)(i) Press Release, dated October 30, 2014.

(b) None.

(d) 2008 Long-Term Incentive Compensation Plan (Incorporated by reference to Exhibit 4.6 to the Company's Registration Statement on Form S-1 (File No. 333-165930) filed April 7, 2010).

(g) None.

(h) None.

SIGNATURE

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

**SMG INDIUM
RESOURCES LTD.**

/s/ Mary E. Paetzold
Name: Mary E. Paetzold
Title: Chief Financial Officer

Date: October 30, 2014

Index to Exhibits

| Exhibit Number | Description |
|----------------|--|
| (a)(1)(i) | Offer to Purchase, dated October 30, 2014. |
| (a)(1)(ii) | Letter of Transmittal. |
| (a)(1)(iii) | Notice of Guaranteed Delivery. |
| (a)(1)(iv) | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees. |
| (a)(1)(v) | Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees. |
| (a)(5)(i) | Press Release, dated October 30, 2014. |
| (b) | None. |
| (d) | 2008 Long-Term Incentive Compensation Plan (Incorporated by reference to Exhibit 4.6 to the Company's Registration Statement on Form S-1 (File No. 333-165930) filed April 7, 2010). |
| (g) | None. |
| (h) | None. |