HUGHES Telematics, Inc.
Form PREM14C
June 12, 2012
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c) of the

Securities Exchange Act of 1934

Check the appropriate box:

x Preliminary Information Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

¨ Definitive Information Statement

HUGHES Telematics, Inc.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

x Fee computed below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:
Common Stock, par value $0.0001 per share

(2) Aggregate number of securities to which transaction applies:
47,397,797 shares of Common Stock, warrants to acquire 4,000,000 shares of Common Stock and options to acquire 2,348,875 shares of Common Stock.

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
The filing fee was determined based upon the sum of (A) 47,397,797 shares of Common Stock multiplied by $12.00 per share, (B) 4,000,000 shares of Common Stock underlying warrants multiplied by $6.01 per share (which is the difference between $12.00 and the weighted average exercise price of $5.99 per share) and (C) 2,348,875 shares of Common Stock underlying options multiplied by $7.96 (which is the difference between $12.00 and the weighted average exercise price of $4.04 per share). In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filing fee was determined by multiplying 0.011460 by the sum of the preceding sentence.

(4) Proposed maximum aggregate value of transaction:
$611,508,273

(5) Total fee paid:
$70,078.85

¨ Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Table of Contents

PRELIMINARY COPY SUBJECT TO COMPLETION

HUGHES Telematics, Inc.

2002 Summit Boulevard, Suite 1800

Atlanta, Georgia 30319

NOTICE OF WRITTEN CONSENT AND APPRAISAL RIGHTS

AND

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

To our Stockholders:

This notice of written consent and appraisal rights and information statement is being furnished to the holders of common stock of HUGHES Telematics, Inc., which we refer to as the Company, in connection with the Agreement and Plan of Merger, dated as of June 1, 2012, by and among Verizon Communications Inc., a Delaware corporation, which we refer to as Parent, Verizon Telematics Inc., a Delaware corporation and wholly owned subsidiary of Parent, which we refer to as Sub, and the Company. We refer to the Agreement and Plan of Merger as the Merger Agreement (a copy of which is attached as Annex A to this information statement) and to the merger of Sub with and into the Company that is contemplated by the Merger Agreement as the Merger. Upon completion of the Merger, each share of common stock of the Company, par value $0.0001 per share (Common Stock) issued and outstanding immediately prior to the effective time of the Merger (the Effective Time) will be cancelled and converted automatically into the right to receive $12.00 in cash (the Merger Consideration), without interest and subject to reduction for any required withholding taxes. However, the Merger Consideration will not be paid in respect of (a) Earnout Shares (as defined below) (which, pursuant to the terms of an escrow agreement previously entered into by the Company and certain stockholders (the Escrow Agreement), will automatically be cancelled with no consideration paid therefor), (b) any shares of Common Stock owned by Parent or the Company or any of their subsidiaries (which will automatically be cancelled with no consideration paid therefor) and (c) those shares of Common Stock with respect to which appraisal rights under Delaware law are properly exercised and not withdrawn (Dissenting Shares).

The board of directors of the Company (the Company Board), by unanimous vote of all of the directors, acting upon the recommendation of a special committee of independent directors of the Company (the Special Committee), (a) determined that it is in the best interests of the Company and its stockholders, and declared it advisable, to enter into the Merger Agreement and to consummate the transactions contemplated thereby, including the Merger, (b) approved the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, upon the terms and subject to the conditions set forth in the Merger Agreement and (c) subject to certain limited rights of the Company to terminate the Merger Agreement in connection with an unsolicited superior proposal, resolved to recommend the adoption of the Merger Agreement and the approval of the transactions contemplated thereby, including the Merger, by the holders of shares of Common Stock, upon the terms and subject to the conditions set forth in the Merger Agreement.

The adoption of the Merger Agreement by the Company s stockholders required the affirmative vote or written consent of the stockholders holding in the aggregate at least a majority of the outstanding shares of Common Stock (the Company Stockholder Approval). On June 1, 2012, affiliates of Apollo Global Management, LLC (Apollo), including Communications Investors, LLC (Communications), Apollo Management V, L.P. (Management V) and PLASE HT, LLC (PLASE HT) (collectively, the Apollo Entities), which on such date owned 62,668,697 shares of Common Stock, constituting approximately 59.2% of the voting power of the issued and outstanding shares of Common Stock, delivered a written consent (a copy of which is attached as Annex B to this information statement) adopting the Merger Agreement and approving in all respects the transactions contemplated thereby, including the Merger (the Written Consent). As a result, no further action by any stockholder of the Company is required under applicable law or the Merger Agreement to adopt the Merger Agreement, and the Company is not soliciting your vote for the adoption of the Merger

Table of Contents

Agreement and will not call a stockholders meeting for purposes of voting on the adoption of the Merger Agreement. **This notice and the accompanying information statement shall constitute notice to you from the Company of the Written Consent required by Section 228(e) of the General Corporation Law of the State of Delaware (the DGCL).**

Under Section 262 of the DGCL, if the Merger is completed, subject to strict compliance with the requirements of Section 262 of the DGCL, holders of shares of Common Stock, other than the Apollo Entities, will have the right to seek an appraisal for, and be paid the fair value of, their shares of Common Stock (as determined by the Court of Chancery of the State of Delaware) instead of receiving the Merger Consideration. To exercise your appraisal rights, you must submit a written demand for an appraisal no later than 20 days after the mailing of this information statement, or June [ ], 2012, and comply precisely with other procedures set forth in Section 262 of the DGCL, which are summarized in the accompanying information statement. A copy of Section 262 of the DGCL is attached to the accompanying information statement as Annex D. **This notice and the accompanying information statement shall constitute notice to you from the Company of the availability of appraisal rights under Section 262 of the DGCL.**

We urge you to read the entire information statement carefully. Please do not send in your Common Stock certificates at this time. If the Merger is completed, you will receive instructions regarding the surrender of your Common Stock certificates and payment for your shares of Common Stock.

BY ORDER OF THE BOARD OF DIRECTORS,

ROBERT LEWIS
General Counsel and Secretary

JEFFREY LEDDY
Chief Executive Officer

Neither the U.S. Securities and Exchange Commission (the SEC) nor any state securities regulatory agency has approved or disapproved the Merger, passed upon the fairness of the Merger or passed upon the adequacy or accuracy of the disclosures in this notice or the accompanying information statement. Any representation to the contrary is a criminal offense.

This information statement is dated [ ], 2012 and is first being mailed to stockholders on or about [ ], 2012.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

SUMMARY

This summary highlights important information from this information statement. It may not contain all of the information that is important to you with respect to the Merger. You should read carefully this entire information statement, together with the Annexes, and the other documents to which this information statement refers to understand fully the Merger and the transactions contemplated by the Merger Agreement. See Where You Can Find More Information beginning on page 85. We have included page references in this summary directing you to a more complete description of those items.

Unless otherwise indicated or unless the context requires otherwise: all references in this information statement to the Company, we, our and us refer to HUGHES Telematics, Inc. and, where appropriate, its subsidiaries; and all references in this information statement to terms defined in the notice to which this information statement is attached have the meanings provided in that notice.

The Parties to the Merger (page 16)

The Company. The Company is a telematics services company that provides a suite of real-time voice and data communications services and applications for use in vehicles and is developing additional applications for use within and outside of the automotive industry. These services are enabled through a communications center designed and built to connect various mobile devices with content, services and call centers. The Company s system architecture enables it to manage the integration of these components and the associated service delivery in an efficient manner, allowing the Company to quickly adopt and implement new technologies and services. Within the automotive industry, our communications center allows for two-way voice and data communications to vehicles and supports, among other things, critical safety and security services as well as location-based services and remote diagnostics. The Company was incorporated in Delaware in 2007 as Polaris Acquisition Corp. (Polaris). On March 31, 2009, pursuant to the terms of the Agreement and Plan of Merger dated June 13, 2008 (as amended and restated on November 10, 2008 and March 12, 2009 (the Polaris Merger Agreement)), Hughes Telematics, Inc. (HTI), a privately held company, and Polaris, a publicly held blank check company, consummated the merger (the Polaris Merger) whereby HTI merged with a wholly owned direct subsidiary of Polaris with HTI as the surviving corporation, and immediately thereafter, HTI merged with and into Polaris, with Polaris as the surviving corporation. In connection with the Polaris Merger, Polaris changed its name from Polaris Acquisition Corp. to HUGHES Telematics, Inc. (i.e. the current entity, the Company). The Company s principal executive offices are located at 2002 Summit Boulevard, Suite 1800, Atlanta, Georgia 30319, and its telephone number is (404) 573-5800. The Company s website is www.hughestelematics.com. Shares of Common Stock are quoted on the over-the-counter Bulletin Board (the OTC Bulletin Board) under the symbol HUTC. Additional information about the Company is included in documents incorporated by reference into this information statement. See the section entitled Where You Can Find More Information beginning on page 85.

Parent. Parent s principal executive offices are located at 140 West Street, New York, New York 10007, and its telephone number is (212) 395-1000. Parent s website is www.verizon.com.

Sub. Sub was formed by Parent solely for the purpose of completing the Merger with the Company. Sub is a wholly owned subsidiary of Parent and has not carried on any activities to date, except for activities incidental to its incorporation and activities undertaken in connection with the transactions contemplated by the Merger Agreement. Sub s principal executive offices are located at One Verizon Way, Basking Ridge, New Jersey 07920, and its telephone number is (212) 395-1000.

The Merger (page 18)

On June 1, 2012, the Company entered into the Merger Agreement with Parent and Sub. Upon the terms and subject to the conditions provided in the Merger Agreement, and in accordance with Delaware law, at the Effective Time, Sub will merge with and into the Company, with the Company continuing as the surviving

Table of Contents

corporation. As a result, the Company will become a wholly owned subsidiary of Parent following the Effective Time. Because the Merger Consideration will be paid in cash, you will receive no equity interest in Parent, and after the Effective Time you will have no equity interest in the Company.

The Merger Consideration (page 58)

The Merger Agreement provides for the treatment of the outstanding equity securities of the Company in connection with the Merger. The issued and outstanding equity of the Company consists of 105,895,928 shares of Common Stock, warrants to acquire an aggregate of 4,000,000 shares of Common Stock (Company Warrants) and options to acquire an aggregate of 4,179,806 shares of Common Stock. Of the issued and outstanding shares of Common Stock, 58,498,131 shares are referred to as earnout shares, which are shares of Common Stock that are held in escrow pursuant to the terms of the Escrow Agreement and may be released to the holders of such shares of Common Stock only upon the achievement of certain trading share price targets set forth in the Escrow Agreement by March 31, 2014, as more fully described in The Merger Background to the Merger beginning on page 18 (Earnout Shares). The remaining 47,397,797 issued and outstanding shares of Common Stock are non-earnout shares and are not subject to the terms of the Escrow Agreement (Non-Earnout Shares). Of the issued and outstanding options to acquire shares of Common Stock, options to acquire an aggregate 2,348,875 shares are exercisable upon satisfaction of certain time or performance vesting criteria (Non-Earnout Options). Options to acquire an aggregate of 1,830,931 shares of Common Stock are exercisable only upon the achievement of the trading share price targets set forth in the Escrow Agreement by March 31, 2014, as more fully described in The Merger Background to the Merger beginning on page 18 (Earnout Options).

Common Stock. At the Effective Time, each share of Common Stock issued and outstanding immediately before the Effective Time will be converted into the right to receive the Merger Consideration in cash, without interest and subject to reduction for any required withholding taxes, other than:

(a) Earnout Shares (which, under the terms of the Escrow Agreement, will automatically be cancelled without consideration because the Merger Consideration is less than the trading share price targets for shares of Common Stock specified in the Escrow Agreement);

(b) any shares of Common Stock owned by Parent or the Company or any of their subsidiaries (which will automatically be cancelled without consideration); and

(c) any Dissenting Shares.

Options. At the Effective Time:

(a) each outstanding Non-Earnout Option that is vested and exercisable at the Effective Time will be cancelled and converted into a right to receive an amount in cash (rounded to the nearest cent), without interest, equal to the product of the (x) excess, if any, of the Merger Consideration over the exercise price per share of that Non-Earnout Option and (y) number of shares of Common Stock that may be purchased under that Non-Earnout Option. The cash payments will be made within 10 business days following the date on which the closing (the Closing) of the Merger occurs (the Closing Date), net of all applicable tax withholdings. Each Non-Earnout Option that is unvested as of the Effective Time will be converted into a right to receive, on the earliest of (1) December 31, 2012, (2) the last payroll date of Parent in 2012 and (3) the payroll date of Parent following the date on which the Non-Earnout Option would have become vested, a cash payment, net of all applicable tax withholdings, in an amount equal to the product of (x) the excess, if any, of the Merger Consideration over the exercise price per share of that Non-Earnout Option and (y) the number of shares of Common Stock that may be purchased under that Non-Earnout Option, which payment will be subject to the holder s continued employment with the Company up to such payment date subject to certain exceptions for permissible payments

Table of Contents

upon termination of the holder s employment under specified circumstances. The payment of the option consideration to Non-Earnout Option holders is conditioned on the execution by such holders of a written confirmation of the cancellation of outstanding Earnout Options, as discussed below; and

(b) each outstanding Earnout Option will be automatically cancelled without consideration under the terms of the Polaris Merger Agreement governing those Earnout Options because the Merger Consideration is less than certain trading price targets for shares of Common Stock specified in the Polaris Merger Agreement, and thus those Earnout Options are not eligible to be exercised.

Warrants. At the Effective Time, each outstanding Company Warrant will be cancelled and converted into the right to receive an amount in cash (rounded to the nearest cent), without interest, equal to the product of the (x) excess, if any, of the Merger Consideration over the applicable exercise price per share of that Company Warrant and (y) number of shares of Common Stock that may be purchased under that Company Warrant (the Warrant Consideration).

We encourage you to read the Merger Agreement, which is attached as Annex A to this information statement, as it is the legal document that governs the Merger.

Reasons for the Merger (page 34)

After consideration of various factors as discussed under The Merger Reasons for the Merger beginning on page 34, the Company Board, acting upon the recommendation of the Special Committee and after consultation with the Company Board s legal advisor and the Special Committee s financial and legal advisors, determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, were advisable and in the best interests of the Company and its stockholders and approved the Merger Agreement and the Merger.

For a discussion of the material factors considered by the Special Committee and the Company Board in reaching their conclusions, see The Merger Reasons for the Merger beginning on page 34.

Required Stockholder Approval for the Merger (page 65 and Annex B)

The adoption of the Merger Agreement by our stockholders required the affirmative vote or written consent of stockholders of the Company holding in the aggregate at least a majority of the outstanding shares of Common Stock. On June 1, 2012, the Apollo Entities, which hold a majority of the Company s outstanding shares of Common Stock, delivered the Written Consent adopting the Merger Agreement and approving the transactions contemplated thereby, including the Merger. No further action by any other Company stockholder is required under applicable law or the Merger Agreement in connection with the adoption of the Merger Agreement. As a result, the Company is not soliciting your vote for the adoption of the Merger Agreement and will not call a stockholders meeting for purposes of voting on the adoption of the Merger Agreement. No action by the stockholders of Parent is required to complete the Merger.

When actions are taken by written consent of less than all of the stockholders entitled to vote on a matter, Delaware law requires notice of the action to those stockholders who did not consent in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting. This information statement and the notice attached hereto constitute notice to you of action by written consent as required by Delaware law.

Opinion of the Financial Advisor of the Special Committee (page 38 and Annex C)

The Special Committee retained Moelis & Company, LLC (Moelis) to act as its financial advisor in connection with its evaluation of a potential strategic transaction, including the Merger. In connection with the Merger, Moelis delivered an opinion dated May 31, 2012, addressed to the Special Committee and the Company Board as to the fairness, from a financial point of view, as of the date of such opinion, and based upon and

Table of Contents

subject to the various factors, limitations and qualifications set forth in such opinion, of the Merger Consideration to be received in the Merger by the holders of shares of Common Stock (other than Apollo, including its officers and affiliates who are holders of shares of Common Stock) (the Moelis Opinion).

The full text of the Moelis Opinion delivered to the Special Committee and addressed to the Special Committee and the Company Board, dated May 31, 2012, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex C to this information statement and is incorporated herein by reference. Stockholders are urged to read the Moelis Opinion carefully and in its entirety. The Moelis Opinion is directed to the Special Committee and the Company Board, and addresses only the fairness, from a financial point of view, of the Merger Consideration to be received in the Merger by the holders of shares of Common Stock (other than Apollo, including its officers and affiliates who are holders of shares of Common Stock). The Moelis Opinion does not constitute a recommendation to any stockholder of the Company as to how such stockholder should act with respect to the Merger or any other matter.

Financing for the Merger (page 49)

The Merger is not contingent on the receipt of any proceeds from any financing.

The Merger Agreement (page 57 and Annex A)

Conditions to the Merger (page 71)

The obligations of each of Parent, Sub and the Company to effect the Merger are subject to the satisfaction or, to the extent permitted by applicable law, waiver at or before the Closing of the following conditions:

- the Company Stockholder Approval having been obtained, which occurred when the Apollo Entities executed and delivered the Written Consent on June 1, 2012;
- the clearance by the SEC of this information statement which, after that clearance, must be sent to the Company s stockholders at least 20 days before the Effective Time;
- the absence of any law, order or injunction in effect that would prohibit, prevent or make illegal the Merger or that imposes a Materially Burdensome Condition (see page 7 for the definition of Materially Burdensome Condition); and
- the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act) having expired or been terminated.

The obligations of each of Parent and Sub to effect the Merger are subject to the satisfaction or, to the extent permitted by applicable law, waiver at or before the Closing of the following conditions:

- the accuracy of the representations and warranties of the Company and compliance by the Company with its obligations under the Merger Agreement, subject to certain materiality qualifiers;
- the delivery to Parent of certificates signed on behalf of the Company certifying as to the matters described in the immediately preceding bullet point;

the absence of a Company Material Adverse Effect (see page 62 for the definition of Company Material Adverse Effect);

delivery by the Company to Parent of a statement, meeting the requirements of Treasury Regulations Sections 1.897-2(h) and 1.1445-2(c)(3), certifying that an interest in the Company is not a U.S. real property interest ;

Table of Contents

the receipt of consents from governmental entities required to be obtained by the Company to consummate the Merger (other than under the HSR Act); and

the aggregate number of shares of Common Stock for which appraisal rights have been properly exercised and not withdrawn not exceeding, as of the time immediately prior to the Closing, 10% of the total number of shares of Common Stock issued and outstanding as of June 1, 2012.

The obligations of the Company to effect the Merger are subject to the satisfaction or, to the extent permitted by applicable law, waiver at or before the Closing of the following conditions:

the accuracy of the representations and warranties of Parent and Sub and compliance by Parent and Sub with their obligations under the Merger Agreement, subject to certain materiality qualifiers; and

the delivery to the Company of certificates signed on behalf of Parent and Sub certifying as to the matters described in the immediately preceding bullet point.

Restrictions on Solicitations (page 66)

The Merger Agreement provides that the Company and its subsidiaries will not, and will not authorize or knowingly permit, any of their respective representatives to, directly or indirectly:

(a) solicit, initiate, or induce the making, submission or announcement of, or knowingly encourage, facilitate or assist any Takeover Proposal (see page 67 for the definition of Takeover Proposal),

(b) furnish to any third party any of its non-public information or give any third party access to its business that would reasonably be expected to result in the making of, or for the purpose of knowingly encouraging, facilitating or assisting, a Takeover Proposal, or any inquiries that would reasonably be expected to lead to a Takeover Proposal,

(c) participate or engage in discussions or negotiations with any third party with respect to a Takeover Proposal,

(d) approve, endorse or recommend a Takeover Proposal,

(e) enter into any letter of intent, memorandum of understanding or agreement of any kind providing for, contemplating or intended to facilitate or otherwise relating to a Takeover Proposal, or

(f) authorize, commit or agree to do any of the foregoing.

The Company agreed to immediately cease and cause to be terminated all negotiations, discussions and activities with any third party with respect to any Takeover Proposal existing when the parties entered into the Merger Agreement. These restrictions are subject to certain exceptions, which are described below in The Merger Agreement Restrictions on Solicitations; Takeover Proposals beginning on page 66.

If a third party makes an unsolicited Takeover Proposal to the Company prior to 11:59 p.m. New York City time on July 1, 2012, the Company, subject to compliance with certain notice and other requirements set forth in the Merger Agreement, may negotiate and discuss the proposal with the third party under certain circumstances specified in the Merger Agreement. If the Company Board determines in good faith that such Takeover Proposal constitutes a Superior Proposal (see page 67 for the definition of Superior Proposal), then, if the Company complies with certain notice requirements provided in the Merger Agreement and, subject to certain match rights of Parent, the Company may terminate the

Merger Agreement prior to 11:59 p.m. New York City time on July 1, 2012 (subject to certain extensions). The Company must pay Parent a termination fee substantially concurrently with such termination. See The Merger Agreement Termination of the Merger Agreement beginning on page 72.

Table of Contents

Termination of the Merger Agreement (page 72)

The Merger Agreement may be terminated at any time before the Effective Time upon the mutual written consent of the Company and Parent and, subject to certain limitations described in the Merger Agreement, by either Parent or the Company, if any of the following occurs, among other things:

- the Merger is not consummated on or before December 1, 2012; or
- a governmental entity (a) that must grant a material approval of the Merger has denied approval, and that denial has become final, binding and non-appealable or (b) has issued a final, binding and non-appealable order or injunction that would permanently prohibit the Merger.

In addition, the Company may terminate the Merger Agreement, subject to certain limitations described in the Merger Agreement, if, among other things:

- Parent or Sub breach or fail to perform any representation, warranty, covenant or agreement which breach or failure results in the failure of certain Closing conditions and is not cured (or is not curable) within 30 days (or by December 1, 2012, if sooner) following written notice to Parent (however, the Company may terminate the Merger Agreement if all Closing conditions are satisfied and Parent fails to comply with its obligations to close the Merger and such failure is not cured (or is not curable) within five days after written notice to Parent); or
- if, prior to 11:59 p.m. New York City time on July 1, 2012, the Company receives an unsolicited Takeover Proposal that the Company Board determines in good faith constitutes a Superior Proposal (see page 67 for the definition of Superior Proposal), subject to certain notice requirements and match rights of Parent and payment by the Company of a termination fee of $21,385,000 substantially concurrently with such termination.

In addition, Parent may terminate the Merger Agreement, subject to certain limitations described in the Merger Agreement, if, among other things:

- the Company breaches or fails to perform any representation, warranty, covenant or agreement, which breach or failure to perform results in the failure of certain Closing conditions and is not cured (or is not curable) within 30 days (or by December 1, 2012, if sooner) following written notice to the Company, or
- prior to the execution and delivery of the Written Consent, (a) a Company Adverse Recommendation Change (see page 68 for the definition of Company Adverse Recommendation Change) is effected by the Company Board, or (b) a Takeover Proposal is made and the Company Board fails to timely (1) reaffirm its recommendation of the Merger and the Merger Agreement upon the request of Parent or (2) recommend against such Takeover Proposal, if such Takeover Proposal is a tender or exchange offer. Because the Written Consent has been executed and delivered by the Apollo Entities, Parent no longer has the ability to terminate pursuant to this provision.

A more detailed description of the foregoing circumstances and other circumstances under which the Company or Parent may terminate the Merger Agreement is provided in The Merger Agreement Termination of the Merger Agreement beginning on page 72.

Termination Fee (page 74)

If the Merger Agreement is terminated, the Company may be required under certain circumstances specified in the Merger Agreement to pay to Parent a termination fee of $21,385,000, as described under The Merger Agreement Termination of the Merger Agreement beginning on page 72.

6

Table of Contents

Regulatory and Other Governmental Approvals (page 56)

The Merger is subject to review by the U.S. Antitrust Division of the Department of Justice (the Antitrust Division) and the U.S. Federal Trade Commission (FTC) under the HSR Act. The HSR Act provides that transactions like the Merger may not be completed until certain information and documents have been submitted to the Antitrust Division and the FTC and the applicable waiting period has expired or been terminated. On June 11, 2012, each of Parent and Apollo made the requisite filings with the Antitrust Division and the FTC pursuant to the HSR Act and requested early termination of the initial 30-day waiting period. The applicable waiting period under the HSR Act will expire at 11:59 p.m. New York City time on July 11, 2012, unless earlier terminated or extended. The Antitrust Division or FTC could extend the initial 30-day waiting period and request additional information and documentary material from the parties (a Second Request), thus extending the review period until such time as the parties substantially comply with the Second Request and following an additional 30-day review period thereafter. At any time before or after the consummation of the Merger, notwithstanding the expiration or early termination of the applicable waiting period under the HSR Act, the FTC or the Antitrust Division could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the consummation of the Merger or seeking a divestiture of a substantial portion of the Company s assets or seeking other conduct relief. At any time before or after the consummation of the Merger, and notwithstanding the expiration or early termination of the applicable waiting period under the HSR Act, any state or private party could seek to enjoin the consummation of the Merger or seek other structural or conduct relief or damages.

Under the terms of the Merger Agreement, Parent and the Company have agreed that they will, and will cause their respective subsidiaries to, promptly make all filings and notifications with all governmental entities that may be or may become necessary, proper or advisable under applicable antitrust laws to consummate and make effective the Merger and the other transactions contemplated by the Merger Agreement. However, Parent, its subsidiaries and its affiliates are not obligated to propose or agree to accept any undertaking or condition, to enter into any consent decree, to make any divestiture or accept any operational restriction, or take or commit to take any action (A) the effectiveness or consummation of which is not conditioned on the consummation of the Merger or (B) that individually or in the aggregate is or would reasonably be expected to be materially adverse to (1) either (x) the Company and its subsidiaries, taken as a whole, or (y) Parent and its subsidiaries, taken as a whole (it being understood that, for purposes of clause (y), materiality shall be measured in relation to the size of the Company and its subsidiaries, taken as a whole, instead of the size of Parent and its subsidiaries, taken as a whole), in the case of each of clause (x) or (y) above, either before or immediately after giving effect to the Merger, or (2) Parent s ownership or operation of any material portion of the business or assets of the Company and its subsidiaries, taken as a whole (each, a Materially Burdensome Condition).

Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders (page 55)

If you are a U.S. Holder (as defined in The Merger Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders beginning on page 55), the Merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. Holder of shares of Common Stock receiving cash in the Merger generally will recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the (x) amount of cash you receive (determined before deduction of any applicable withholding taxes) and (y) adjusted tax basis of your surrendered shares of Common Stock.

Holders of shares of Common Stock should consult their tax advisor about the U.S. federal, state, local and foreign tax consequences of the Merger.

See The Merger Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders beginning on page 55.

Table of Contents

Interests of the Company s Directors and Officers in the Merger (page 50)

Members of the Company Board and the Company s named executive officers have certain interests in the Merger that may be different from, or in addition to, your interests as a stockholder.

The Special Committee and the Company Board were aware of these interests and considered, among other matters, that these interests may be different from, or in addition to, the interests of the Company s stockholders generally in making their respective determinations regarding the Merger Agreement and the transactions contemplated thereby, including the Merger. The interests of the Company s directors and officers are described more fully under The Merger Interests of the Company s Directors and Officers in the Merger beginning on page 50.

Procedure for Receiving Merger Consideration (page 59)

Prior to the Effective Time, Parent will enter into an agreement with a bank or trust company (the payment agent) selected by Parent and reasonably acceptable to the Company. As soon as reasonably practicable after the Effective Time, but in any event within five business days, the payment agent will mail to each (a) holder of record of a Common Stock certificate or uncertificated shares in book-entry form and (b) holder of a Company Warrant, a letter of transmittal and instructions explaining how to surrender your Common Stock certificates or Company Warrants in exchange for the Merger Consideration and/or Warrant Consideration, as applicable. If you hold uncertificated shares of Common Stock (i.e., you hold your shares in book-entry form), you will automatically receive the Merger Consideration, without interest and subject to reduction for any required withholding taxes, as promptly as practicable after the Effective Time without any further action required on your part. If your shares of Common Stock are held in street name by your bank, brokerage firm, trust or other nominee, you should contact your bank, brokerage firm, trust or other nominee. If you have Common Stock certificates, you should not forward your Common Stock certificates to the payment agent without a letter of transmittal.

See The Merger Agreement Procedure for Receiving Merger Consideration, Warrant Consideration and Option Payments beginning on page 59.

Market Price of Common Stock (page 77)

Shares of Common Stock are quoted on the OTC Bulletin Board under the trading symbol HUTC. The closing sale price of shares of Common Stock on May 31, 2012, which was the last trading day before the announcement of the Merger Agreement, was $4.35 per share. The closing sale price of shares of Common Stock on June [ ], 2012, the most recent practicable date before this information statement was mailed to our stockholders, was $[ ] per share.

Appraisal Rights (page 78 and Annex D)

Holders of shares of Common Stock, other than the Apollo Entities, may elect to pursue appraisal rights to receive, in lieu of the Merger Consideration, the judicially determined fair value of their shares, but only if they comply precisely with the procedures required under Section 262 of the DGCL. To qualify for these rights, you must make a written demand for appraisal on or prior to July [ ], 2012, which is the date that is 20 days following the mailing of this information statement, and otherwise comply precisely with the procedures set forth in Section 262 of the DGCL for exercising appraisal rights. If you validly exercise (and do not withdraw or fail to perfect) appraisal rights, the ultimate amount that you may be entitled to receive in an appraisal proceeding may be less than, equal to or more than the amount of Merger Consideration that you would have received under the Merger Agreement. For a summary of these procedures, see Appraisal Rights beginning on page 78. A copy of Section 262 of the DGCL is also included as Annex D to this information statement. Failure to follow precisely the procedures set forth in Section 262 of the DGCL may result in the loss of appraisal rights.

Table of Contents

Deregistration of Common Stock

If the Merger is completed, shares of Common Stock will cease to be quoted on the OTC Bulletin Board and will be deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act). As a result, the Company would no longer file periodic reports with the SEC on account of its Common Stock or otherwise.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers are intended to briefly address commonly asked questions as they pertain to the Merger Agreement and the Merger. These questions and answers may not address all questions that may be important to you as a Company stockholder. Please refer to the Summary beginning on page 1 and the more detailed information contained elsewhere in this information statement, the annexes to this information statement and the documents referred to or incorporated by reference in this information statement, each of which you should read carefully. You may obtain information incorporated by reference in this information statement without charge by following the instructions under Where You Can Find More Information beginning on page 85.

Q: What is the proposed transaction?

A: The proposed transaction is the acquisition of the Company by Parent pursuant to the Merger Agreement. Upon the terms and subject to satisfaction or waiver of the conditions under the Merger Agreement, Sub, a wholly owned subsidiary of Parent, will merge with and into the Company, with the Company being the surviving corporation (the Surviving Corporation) and becoming a wholly owned subsidiary of Parent.

Q: What will I be entitled to receive in the Merger?

A: If the Merger is completed, you will be entitled to receive $12.00 in cash, without interest and subject to reduction for any required withholding taxes, for each share of Common Stock that you own, unless you properly exercise, and do not withdraw or fail to perfect, appraisal rights under Section 262 of the DGCL. For example, if you own 100 shares of Common Stock, you would be entitled to receive $1,200.00 in cash in exchange for your shares of Common Stock, subject to reduction for any required withholding taxes. You will not be entitled to receive shares of the Surviving Corporation or of Parent or any of its affiliates.

Q: When do you expect the Merger to be completed?

A: We are working to complete the Merger as quickly as possible. We currently expect to complete the Merger promptly after all of the conditions to the Merger have been satisfied or waived. Completion of the Merger is currently expected to occur in the third quarter of 2012, although the Company cannot assure completion by any particular date, if at all.