

AMERIPATH INC
Form DEFM14A
February 26, 2003

**SCHEDULE 14A
(RULE 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934**

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 x Definitive Proxy Statement
 o Definitive Additional Materials
 o Soliciting Material Under Rule 14a-12

AmeriPath, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- o No fee required.
 x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:
AmeriPath, Inc. Common Stock par value \$0.01 per share.

(2) Aggregate number of securities to which transaction applies:
30,047,965(1)

(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):
Pursuant to the terms of the Agreement and Plan of Merger, dated as of December 8, 2002, among Amy Holding Company, Amy Acquisition Corp. and AmeriPath, Inc., each issued and outstanding share of AmeriPath, Inc. common stock, other than shares owned by stockholders who are entitled to and have exercised and perfected appraisal rights, shares owned by Amy Holding Company, Amy Acquisition Corp. and their affiliates, including Welsh, Carson, Anderson & Stowe IX, L.P., and shares held in AmeriPath's treasury, will be converted into the right to receive \$21.25 in cash. In addition, pursuant to the terms of the Agreement and Plan of Merger, each outstanding option and warrant will be canceled in exchange for (i) the excess, if any, of \$21.25 over the per share exercise price of the option or warrant multiplied by (ii) the number of shares of common stock subject to the option or warrant. The filing fee was calculated based upon (a) an estimated aggregate cash payment of \$619,557,839 for the proposed per share cash payment of \$21.25 for 29,155,663 outstanding shares of common stock, excluding shares held by Welsh, Carson, Anderson & Stowe IX, L.P. and certain related investors, and (b) an estimated aggregate cash payment of \$10,056,869.28 to holders of outstanding options to purchase an aggregate of 921,432 shares of common stock with per share exercise prices of less than \$21.25.

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(4) Proposed maximum aggregate value of transaction:
\$629,296,850

(5) Total fee paid:
\$50,910.12

(1) Based on the sum of (a) 29,155,663 shares of AmeriPath common stock, which represents 30,690,143 shares of common stock outstanding as of February 5, 2003, less 1,534,480 shares held by Welsh, Carson, Anderson & Stowe IX, L.P. and certain related investors, which will be cancelled without payment at the effective time of the proposed merger, and (b) 892,322 shares of common stock issuable pursuant to stock options with exercise prices less than the per share merger consideration of \$21.25.

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Fee paid previously with preliminary materials.
\$57,872.58

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:

AMERIPATH, INC.

7289 Garden Road, Suite 200
Riviera Beach, Florida 33404

PROPOSED CASH MERGER YOUR VOTE IS VERY IMPORTANT

February 26, 2003

To our Stockholders:

You are cordially invited to attend a special meeting of stockholders of AmeriPath, Inc., to be held on March 27, 2003 at 10:00 a.m. Eastern Time at the Palm Beach Gardens Marriott. At the special meeting, you will be asked to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of December 8, 2002, among AmeriPath, Inc., Amy Holding Company and Amy Acquisition Corp., and the merger contemplated by the merger agreement. Under the merger agreement, Amy Acquisition Corp., a wholly owned subsidiary corporation of Amy Holding Company, will be merged with and into AmeriPath, with AmeriPath as the surviving corporation. Both Amy Holding Company and Amy Acquisition Corp. are Delaware corporations that were newly formed by Welsh, Carson, Anderson & Stowe IX, L.P. to engage in the merger.

If the merger is completed, each issued and outstanding share of AmeriPath common stock owned by you will be converted into the right to receive \$21.25 in cash, without interest, unless you are a dissenting stockholder and exercise and perfect your appraisal rights under Delaware law. Each outstanding option and warrant for AmeriPath common stock will be canceled in exchange for (1) the excess, if any, of \$21.25 over the per share exercise price of the option or warrant, multiplied by (2) the number of shares of common stock subject to the option or warrant, net of any applicable withholding taxes.

The board of directors of AmeriPath formed a special committee, composed of independent directors who are not officers or employees of AmeriPath to evaluate, negotiate and recommend to the board of directors the merger proposal and transactions related thereto, including the terms of the merger agreement with Amy Holding Company and Amy Acquisition Corp.

Your board of directors, acting on the unanimous recommendation of the special committee, has approved the merger agreement and the merger. The special committee and the board of directors believe that the terms of the merger agreement and the proposed merger are fair to, and in the best interests of, AmeriPath stockholders. **The board of directors recommends that you vote FOR the approval and adoption of the merger agreement and the merger.**

The enclosed proxy statement provides information about the proposed merger and the transactions contemplated thereby, the merger agreement and the special meeting. In addition, you may obtain additional information about AmeriPath from documents filed with the Securities and Exchange Commission. **Please read the entire proxy statement carefully, including the appendices.**

Your vote is very important. The merger cannot be completed unless the merger agreement and the merger are approved and adopted by the affirmative vote of the holders of a majority of the outstanding shares of AmeriPath common stock entitled to vote. Regardless of whether you plan to attend, it is important that your shares are represented at the special meeting. Please vote in any of the following ways:

- use the toll-free number shown on the voting instructions;
 - use the Internet website shown on the voting instructions; or
-

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- complete, sign, date and mail the enclosed proxy card at your first opportunity.

This solicitation for your proxy is being made on behalf of the board of directors of AmeriPath. If you fail to vote, the effect will be the same as a vote against the approval and adoption of the merger agreement and the merger for purposes of the vote referred to above. If you complete, sign and submit your proxy without indicating how you wish to vote, your proxy will be counted as a vote in favor of approval and adoption of the merger agreement and the merger. Returning the proxy card or submitting your vote using the telephone or Internet will not deprive you of your right to attend the special meeting and vote your shares in person.

On behalf of your board of directors, thank you for your continued support.

Sincerely,

/s/ JAMES C. NEW

Chairman and Chief Executive Officer

Riviera Beach, Florida
February 26, 2003

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This proxy statement is dated February 26, 2003 and is first being mailed to stockholders of AmeriPath on or about February 27, 2003.

AMERIPATH, INC.

7289 Garden Road, Suite 200
Riviera Beach, Florida 33404

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS To Be Held On March 27, 2003

Notice is hereby given that a special meeting of stockholders of AmeriPath, Inc., a Delaware corporation, will be held on March 27, 2003 at 10:00 a.m. Eastern Time at the Palm Beach Gardens Marriott, 4000 RCA Boulevard, Palm Beach Gardens, Florida 33410, for the following purposes:

To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of December 8, 2002, among AmeriPath, Amy Holding Company and Amy Acquisition Corp., and the merger contemplated by the merger agreement.

To consider and vote upon such other matters as may properly come before the special meeting or any adjournment or postponement of the special meeting.

The board of directors, acting on the unanimous recommendation of the special committee, has approved the terms of the merger agreement and the proposed merger. The board of directors believes that the terms of the merger agreement and the proposed merger are fair to, and in the best interests of, the AmeriPath stockholders. **The board of directors recommends that you vote FOR the approval and adoption of the merger agreement and the merger.**

Only holders of record of AmeriPath common stock at the close of business on February 5, 2003, the record date, are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements thereof.

Stockholders of AmeriPath who do not vote in favor of approval and adoption of the merger agreement and the merger will have the right to seek appraisal of the fair value of their shares if the merger is completed, but only if they submit a written demand for an appraisal before the vote is taken on the merger agreement and the merger and they comply with Delaware law as explained in the accompanying proxy statement.

Your vote is very important, regardless of the number of shares you own. The merger cannot be completed unless the merger agreement and the merger are approved and adopted by the affirmative vote of the holders of a majority of the outstanding shares of AmeriPath common stock entitled to vote. Failure to vote is equal to a vote against the proposal. Even if you plan to attend in person, it is important that your shares are represented at the special meeting. To ensure that your shares will be represented at the special meeting, please complete, date, sign and mail the enclosed proxy card or submit your vote using the telephone or Internet.

This solicitation for your proxy is being made on behalf of the board of directors of AmeriPath. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for that purpose. If you do attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain from the record holder a proxy issued in your name.

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If you have any questions or need assistance in voting your shares, please call D.F. King & Co., Inc., which is assisting AmeriPath, toll-free at (800) 488-8075.

The merger is described in the accompanying proxy statement, which you are urged to read carefully. A copy of the merger agreement is included as Appendix A to the accompanying proxy statement.

By Order of the Board of Directors,

/s/ GREGORY A. MARSH

Vice President, Chief Financial Officer and Secretary

Riviera Beach, Florida
February 26, 2003

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Appendix A	Agreement and Plan of Merger
Appendix B	Contingency Letter Agreement
Appendix C	Opinion of Salomon Smith Barney Inc.
Appendix D	Section 262 of the Delaware General Corporation Law

SUMMARY TERM SHEET

This summary provides a brief description of the material terms of the merger agreement and the merger. This summary highlights selected information contained in this proxy statement and may not contain all of the information that is important to you. You are urged to read this entire proxy statement carefully, including the Appendices.

The Parties

- **AmeriPath** AmeriPath, Inc. is a Delaware corporation that is headquartered in Riviera Beach, Florida. AmeriPath is a leading national provider of cancer diagnostics, genomic and related medical diagnostic and information services. See **The Participants** beginning on page 13.
- **Holding** Amy Holding Company is a Delaware corporation that is a wholly owned subsidiary of Welsh, Carson, Anderson & Stowe IX, L.P., a Delaware limited partnership, referred to as Welsh Carson in this proxy statement. Welsh Carson is an investment partnership that was organized by Welsh, Carson, Anderson & Stowe, a New York based private equity firm. Welsh Carson currently owns approximately 4.9% of AmeriPath's outstanding common stock and, together with its related co-investors, will own all the capital stock of Holding when the merger is consummated. Welsh Carson formed Holding for the purpose of completing the merger and related financing transactions. See **The Participants** beginning on page 13.
- **Acquisition Corp.** Amy Acquisition Corp. is a Delaware corporation that is a wholly owned subsidiary of Holding. Acquisition Corp. was formed by Welsh Carson for the purpose of completing the merger and related financing transactions. See **The Participants** beginning on page 13.

The Merger

- In the merger, Acquisition Corp. will merge with and into AmeriPath. Upon completion of the merger, Acquisition Corp. will cease to exist and AmeriPath will continue as the surviving corporation and as a wholly owned subsidiary of Holding. We have attached the merger agreement as Appendix A to this proxy statement. We encourage you to read the merger agreement in its entirety because it is the legal document that governs the merger. See **The Merger** beginning on page 14 and **The Merger Agreement** beginning on page 39.

Stockholder Vote Required to Approve the Merger

- You are being asked to consider and vote upon a proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. Approval and adoption of the merger agreement and the merger require the affirmative vote of the holders of a majority of the outstanding shares of common stock of AmeriPath entitled to vote. See **The Special Meeting** beginning on page 11.

Recommendation of the Board of Directors

- The special committee and the board of directors believe that the terms of the merger agreement and the proposed merger are fair to, and in the best interests of, the AmeriPath stockholders. **The board of directors has approved the merger agreement and the merger and recommends that you vote FOR the approval and adoption of the merger agreement and the merger.**
-

Consideration; Effect of the Merger on AmeriPath Stockholders

- In the merger, each share of AmeriPath common stock will be converted automatically into the right to receive \$21.25 in cash, without interest, except for:

treasury shares of AmeriPath common stock, all of which will be canceled without any payment;

shares of AmeriPath common stock owned by Holding, Acquisition Corp., or any affiliate of theirs, including Welsh Carson, which will be canceled without any payment; and

shares of AmeriPath common stock held by stockholders who properly exercise and perfect appraisal rights, which will be subject to appraisal in accordance with Section 262 of the Delaware General Corporation Law. See The Merger Appraisal Rights beginning on page 35.

- In the merger, each outstanding option and warrant will be canceled in exchange for an amount in cash, if any, determined by multiplying (1) the excess, if any, of \$21.25 over the per share exercise price of the option or warrant, and (2) the number of shares of AmeriPath common stock subject to the option or warrant net of any applicable withholding taxes. See The Merger Agreement beginning on page 39. The merger agreement provides for the accelerated vesting of all options at the effective time of the merger, in order for the full amount of such options to be so canceled in exchange for cash. See The Merger Agreement Treatment of Options and Warrants beginning on page 40.
- Upon completion of the merger, current AmeriPath stockholders, other than Welsh Carson and its affiliates, will cease to have ownership interests in AmeriPath or rights as AmeriPath stockholders, and Holding, and indirectly Welsh Carson and its related co-investors, will own all of the surviving corporation's outstanding capital stock. Therefore, current stockholders of AmeriPath, other than Welsh Carson and its affiliates, will not participate in any future earnings or growth of AmeriPath and will not benefit from any appreciation in value of AmeriPath. See The Merger Effects of the Merger beginning on page 26.
- As a result of the merger, AmeriPath will be a privately held corporation and there will be no public market for its common stock. After the merger, AmeriPath's common stock will no longer be listed on the Nasdaq National Market, and its registration under the Securities Exchange Act of 1934, as amended, referred to in this proxy statement as the Exchange Act, will be terminated. See The Merger Effects of the Merger beginning on page 26.

Appraisal Rights

- If you do not vote in favor of the merger and instead follow the appropriate procedures for demanding and perfecting appraisal rights under Delaware law, you will receive a cash payment for the fair value of your shares of common stock, as determined by the Delaware Court of Chancery, instead of the \$21.25 per share merger consideration to be received by the AmeriPath stockholders in connection with the merger. The price determined by the Delaware Court of Chancery may be more than, less than, or equal to the merger consideration you would have received for each of your shares of common stock in the merger if you had not exercised your appraisal rights. See The Merger Appraisal Rights beginning on page 35 and Appendix D.
- Merely voting against the merger agreement and the merger will not preserve your appraisal rights under Delaware law. In order to validly exercise and perfect appraisal rights under Section 262 of the Delaware General Corporation Law, as described on pages 35 through 38 and in Appendix D, among other things:

you must not vote for approval and adoption of the merger agreement and the merger; and

you must make written demand for appraisal in compliance with Delaware law prior to the vote on the merger agreement and the merger.

Failure to take all of the steps required under Delaware law may result in the loss of your appraisal rights. See The Merger Appraisal Rights beginning on page 35 and Appendix D.

Termination of the Merger Agreement

- The merger agreement may be terminated prior to the closing of the merger under several circumstances, including:
 - by either AmeriPath or Holding (so long as such party's breach of the merger agreement has not caused or resulted in such failure to complete the merger) if the merger is not completed on or before 5:00 p.m. Eastern Standard Time on April 30, 2003;
 - by either AmeriPath or Holding if the stockholders of AmeriPath do not approve and adopt the merger agreement and the merger by the requisite vote at the special meeting or an adjournment thereof;
 - by Holding if either the board of directors or the special committee withdraws or modifies its recommendation to approve the merger agreement and the merger in a manner that is materially adverse to Holding or Acquisition Corp. or if either the board of directors or the special committee takes specified actions or fails to take specified actions with respect to a competing acquisition proposal; and
 - by AmeriPath if the board of directors or the special committee in the exercise of its good faith judgment as to its fiduciary duties determines that such termination is required by reason of a superior acquisition proposal having been made.

See Merger Agreement Termination beginning on page 49.

Termination Fee

- If the merger agreement is terminated under specified circumstances, including acceptance of a superior acquisition proposal, AmeriPath may be required to pay to Holding or its designee a \$12,912,000 termination fee. See The Merger Agreement Fees and Expenses; Termination Fee beginning on page 50.

Conditions of the Merger

- The merger agreement and the merger are subject to approval by the holders of a majority of the outstanding shares of AmeriPath common stock entitled to vote, as well as other conditions, including obtaining the necessary financing to complete the merger and obtaining required consents and approvals. See The Merger Agreement Conditions to Completing the Merger beginning on page 48 and The Merger Merger Financing beginning on page 32.

Merger Financing

- The total amount of funds necessary to complete the merger and the related transactions is anticipated to be approximately \$792.3 million, consisting of:
 - approximately \$629.3 million to pay AmeriPath's stockholders (other than Holding, Acquisition Corp. and their affiliates, including Welsh Carson), option holders and warrant holders the amounts due to them under the merger agreement, assuming that no AmeriPath stockholder exercises and perfects its appraisal rights;
 - approximately \$125 million to refinance existing indebtedness of AmeriPath that will become due as a result of the merger; and

approximately \$38 million to pay related fees and expenses.

See The Merger Merger Financing beginning on page 32.

- Holding and Acquisition Corp. expect that this amount will be funded with a common equity investment by Welsh Carson, and certain related co-investors, in Holding to be contributed to the surviving corporation as common equity, borrowing by the surviving corporation under new senior secured credit facilities and the issuance by Acquisition Corp. of senior subordinated notes or, if Acquisition Corp. cannot complete a public offering or Rule 144A or other private offering of senior subordinated notes prior to the completion of the merger, borrowings of senior subordinated increasing rate bridge loans by the surviving corporation under a bridge loan facility. See The Merger Merger Financing beginning on page 32.
- Holding has received a commitment letter from Credit Suisse First Boston, acting through its Cayman Islands branch, referred to as CSFB in this proxy statement, and Deutsche Bank AG Cayman Islands Branch, referred to as Deutsche Bank in this proxy statement, and Deutsche Bank Securities Inc., referred to as DB Securities in this proxy statement, pursuant to which CSFB and Deutsche Bank have committed, subject to the terms and conditions set forth in the commitment letter, to provide to Acquisition Corp.:

up to \$375 million in senior secured credit facilities; and

in the event that Acquisition Corp. is unable to complete a public offering or Rule 144A or other private offering of not less than \$215 million of senior subordinated notes at the closing of the merger, up to \$215 million of bridge financing in the form of senior subordinated increasing rate bridge loans under a bridge loan facility. See The Merger Senior Secured Credit Facilities beginning on page 33 and The Merger Senior Subordinated Notes , and The Merger Senior Subordinated Increasing Rate Bridge Loans each beginning on page 34.

- As a result of the merger, Acquisition Corp. will be merged with and into AmeriPath and, thereafter, AmeriPath as the surviving corporation will be (1) the borrower under the senior secured credit facilities and bridge loan facility, and (2) the issuer of the senior subordinated notes.
- In addition, Holding has received commitment letters from:

Welsh Carson, pursuant to which Welsh Carson has committed, subject to the terms and conditions set forth in the commitment letter, to provide to Holding up to an aggregate \$302.1 million in common equity financing; and

WCAS Capital Partners III, L.P., an investment fund affiliated with Welsh Carson, pursuant to which WCAS Capital Partners III, L.P. has committed, subject to the terms and conditions set forth in the commitment letter, to purchase from Holding senior subordinated notes and common stock of Holding for an estimated \$67 million. See The Merger Holding Equity and Senior Subordinated Note Commitments beginning on page 33.

- It is anticipated that all of the proceeds of the WCAS Capital Partners III, L.P. financing would be placed into a reserve account and used to fund future payments under contingent notes that were issued by AmeriPath in past acquisitions. The \$67 million investment by WCAS Capital Partners III, L.P. will increase or decrease if needed to match the aggregate estimated amount of such contingent note obligations on the closing date of the merger. See The Merger Holding Equity and Senior Subordinated Note Commitments beginning on page 33.

- Litigation Challenging the Merger (see page 35)

On December 23, 2002 and January 2, 2003 respectively, two civil actions were commenced in the Circuit Court of the 15th Judicial Circuit in and for Palm Beach County, Florida. The two complaints are substantially similar, and the actions were consolidated on February 14, 2003. The plaintiffs each seek to represent a putative class consisting of the public stockholders of AmeriPath. Named as defendants in both complaints are AmeriPath and the members of the AmeriPath board of directors. The plaintiffs allege, among other things, that the consideration is inadequate, that the announcement was improperly timed, that the company was not properly auctioned, that the proposed merger is unfair and that the AmeriPath directors breached their fiduciary duties. Each complaint seeks injunctive relief against consummation of the merger, unspecified amounts of rescissory damages, costs and expenses related to their actions and other unspecified relief. AmeriPath believes that both complaints lack merit and has moved to dismiss them.

QUESTIONS AND ANSWERS ABOUT THE MERGER

The following section provides brief answers to some of the more likely questions raised by the merger agreement and the merger. This section is not intended to contain all of the information that is important to you. You are urged to read the entire proxy statement carefully, including the appendices.

Q: What will happen in the Merger?

A: In the merger, Acquisition Corp. will be merged with and into AmeriPath with AmeriPath being the surviving corporation. All stockholders of AmeriPath at the time of the merger, other than Holding, Acquisition Corp. and their affiliates, including Welsh Carson, and stockholders who validly exercise and perfect their appraisal rights, will receive a cash payment of \$21.25 per share, without interest, for their outstanding shares of common stock. After the merger, AmeriPath will become a privately held company and a wholly owned subsidiary of Holding, which will be wholly owned by Welsh Carson and its related co-investors. See *The Special Meeting* beginning on page 11.

Q: What am I being asked to vote on?

A: You are being asked to approve and adopt the merger agreement and the merger, which provides for the acquisition of AmeriPath by Holding.

The board of directors has approved the merger agreement and the merger. The special committee and the board of directors believe that the terms of the merger agreement and the proposed merger are fair to, and in the best interests of, the AmeriPath stockholders. **The board of directors recommends that you vote FOR the approval and adoption of the merger agreement and the merger.**

Q: What will I receive in the merger?

A: In the merger, each share of AmeriPath common stock, other than treasury shares, shares owned by Holding, Acquisition Corp. and their affiliates, including Welsh Carson, and shares of common stock as to which appraisal rights have been validly exercised and perfected, will be converted automatically into the right to receive \$21.25 in cash, without interest.

All outstanding options and warrants will be canceled in exchange for an amount in cash, if any, determined by multiplying (1) the excess, if any, of \$21.25 over the per share exercise price of the option or warrant, and (2) the number of shares of common stock subject to the option or warrant, net of any applicable withholding taxes. The merger agreement provides for the accelerated vesting of all options at the effective time of the merger in order for the full amount of such options to be so canceled in exchange for cash. See *The Merger Agreement* beginning on page 39.

Q: Why is AmeriPath being merged?

A: The special committee and the board of directors of AmeriPath have each determined that the terms of the merger agreement are fair to, and in the best interests of, the AmeriPath stockholders and that the AmeriPath stockholders will be able to receive a substantial premium for their shares over the market price prior to the public announcement of the merger. See *The Merger Recommendation of the Board of Directors and Reasons for the Merger* beginning on page 18.

Q: What are the consequences of the merger to present members of management and the board of directors?

A: Some of AmeriPath's executive officers and members of AmeriPath's board of directors have interests in the transaction that are different from, or in addition to, the interests of AmeriPath's stockholders generally. For example:

James C. New, Chairman and Chief Executive Officer of AmeriPath, will continue as Chief Executive Officer of AmeriPath after the merger and the other members of the current

management of AmeriPath will continue as members of management of the surviving corporation under amended employment agreements, however, AmeriPath's President, Brian C. Carr, has indicated that he plans to leave AmeriPath within the next year;

under their existing employment agreements, Mr. New and other members of management are entitled to significant payments above their usual salary and bonus upon completion of the merger;

in connection with the merger, each outstanding option (including those held by AmeriPath's directors and executive officers) will become fully vested and will be canceled in exchange for (1) the excess, if any, of \$21.25 over the per share exercise price of the option, multiplied by (2) the number of shares of AmeriPath common stock subject to the option, net of any applicable withholding taxes; and

some members of management will be granted options to purchase up to an aggregate of 12% of the shares of capital stock of the surviving corporation after the merger is completed, subject to certain vesting and performance criteria.

These interests are more fully described under "The Merger - Interests of AmeriPath Directors and Executive Officers in the Merger" beginning on page 27.

The special committee and AmeriPath's board of directors were aware of these interests and considered them, among other factors, when approving the merger agreement.

Q: Is the merger subject to the satisfaction of any conditions?

A: Yes. Before completion of the transactions contemplated by the merger agreement, a number of closing conditions must be satisfied or waived. These conditions include, among others, obtaining all financing necessary to complete the transactions contemplated by the merger agreement and obtaining the requisite stockholder vote and other necessary consents and approvals. If these conditions are not satisfied or waived, the merger will not be completed. See "The Merger Agreement - Conditions to Completing the Merger" beginning on page 48.

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

A: The parties to the merger agreement are working toward completing the merger as quickly as possible. If the merger agreement and the merger are approved and the other conditions to the merger are satisfied or waived, the merger is expected to be completed promptly after the special meeting.

Q: What are the U.S. federal income tax consequences of the merger to me?

A: Stockholders of AmeriPath who receive cash for their shares should generally recognize gain or loss for federal income tax purposes equal to the difference between their basis for their shares and the amount of cash received. If a stockholder holds AmeriPath shares as a capital asset, such gain or loss should generally be a capital gain or loss. If the stockholder has held the shares for one year or less, the gain or loss should generally be a short-term gain or loss. If the stockholder has held the shares for more than one year, the gain or loss should generally be a long-term gain or loss. Long-term capital gain realized by individual taxpayers is generally taxable at a maximum rate of twenty percent. The deductibility of capital losses is subject to limitations. **Tax matters are very complex and the tax consequences of the merger to you will depend on the facts of your own situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including federal, state, local and foreign tax consequences.** See "The Merger - Material U.S. Federal Income Tax Consequences" beginning on page 34.

Q: When and where is the special meeting?

A: The special meeting of AmeriPath stockholders will be held at 10:00 a.m. Eastern Time on March 27, 2003 at the Palm Beach Gardens Marriott, 4000 RCA Boulevard, Palm Beach Gardens, Florida 33410.

Q: Who can vote on the merger agreement?

A: Holders of the common stock of AmeriPath at the close of business on February 5, 2003, the record date for the special meeting, may vote on the merger agreement and the merger in person or by proxy at the special meeting.

Q: How many votes do I have?

A: You have one vote for each share of common stock that you owned at the close of business on February 5, 2003, the record date for the special meeting.

Q: What vote is required to approve and adopt the merger agreement and the merger?

A: The approval and adoption of the merger agreement and the merger require the affirmative vote of the holders of at least a majority of the outstanding shares of the common stock of AmeriPath entitled to vote. Abstentions and broker non-votes are not included as votes cast on the proposal and have the effect of a vote against the merger. On the record date, there were 30,690,143 shares of common stock outstanding and entitled to be voted at the special meeting. In the contingency letter agreement, a copy of which is attached as Appendix B to this proxy statement, Welsh Carson has agreed to vote its shares of AmeriPath common stock, which represent 4.9% of the outstanding shares of common stock of AmeriPath, in favor of the merger agreement and the merger.

Q: What do I need to do now?

A: You should read this proxy statement carefully, including its appendices, and consider how the merger affects you. Please complete, sign and date your proxy card or voting instructions and return it in the enclosed postage paid envelope or, if you are a holder of record, submit your voting instructions by telephone or through the Internet, at the phone number or Internet address listed on page 12 of this proxy statement as soon as possible so that your shares may be represented at the special meeting. If your shares are held in an account at a brokerage firm or bank, you will receive instructions on how to vote from your brokerage firm or bank.

Q: What happens if I do not respond?

A: The failure to respond by returning your proxy card or submitting your vote through the telephone or the Internet will have the same effect as voting against the merger agreement and the merger unless you vote for the merger agreement and the merger in person at the special meeting.

Q: May I vote in person?

A: Yes. You may attend the special meeting of AmeriPath stockholders and vote your shares in person regardless of whether you sign and return your proxy card. If your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy from the record holder.

Q: May I change my vote after I have mailed my signed proxy card or otherwise submitted my vote?

A: Yes. You may change your vote at any time before your proxy is voted at the special meeting. Regardless of the manner in which you vote, you can do this in one of three ways. First, you can send a written notice revoking your proxy or voting instructions. Second, you can complete and submit a new proxy card or voting instructions bearing a later date. Third, you can attend the special meeting and vote

in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedures provided to you by your broker.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, the paying agent for the merger will send a letter of transmittal and written instructions for exchanging your shares of AmeriPath common stock for the merger consideration, without interest. You should not send in your AmeriPath stock certificates until you receive the letter of transmittal.

Q: What rights do I have to seek an appraisal of my shares?

A: If you wish, you may seek an appraisal of the fair value of your shares, but only if you comply with all requirements of Delaware law as described on pages 35 through 38 and in Appendix D of this proxy statement. Depending upon the determination of the Delaware Court of Chancery, the appraised fair value of your shares of AmeriPath common stock, which will be paid to you if you seek an appraisal and comply with all such requirements, may be more than, less than or equal to the per share consideration to be paid in the merger. See The Merger Appraisal Rights beginning on page 35.

Q: Who can help answer my questions?

A: The information provided above in the question-and-answer format is for your convenience only and is merely a summary of some of the information contained in this proxy statement. You should carefully read the entire proxy statement, including the appendices. If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger, including the procedures for voting your shares, you should contact:

D.F. King & Co., Inc.

(800) 488-8075
Toll-free

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement includes statements that are not historical facts. These forward-looking statements are based on AmeriPath's current estimates and assumptions and, as such, involve uncertainty and risk. Forward-looking statements include information concerning AmeriPath's possible or assumed future results of operations and generally include those statements preceded or followed by the words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "should," "plans," "targets" and/or similar expressions.

The forward-looking statements are not guarantees of future performance, and actual results may differ materially from those contemplated by these forward-looking statements. In addition to the factors discussed elsewhere in this proxy statement, other factors that could cause actual results to differ materially include the possibility that the merger may not occur due to the failure of the parties to satisfy the conditions set forth in the merger agreement, such as the inability of Holding and Acquisition Corp. to obtain financing, the failure of AmeriPath to obtain stockholder approval, or the occurrence of events that would have a material adverse effect on AmeriPath as described in the merger agreement. Additional risks and uncertainties relating to AmeriPath's operations include: the extent of success of AmeriPath's operating initiatives and growth strategies; ability to manage growth; access to capital on satisfactory terms; general economic conditions; terrorism or an escalation of hostilities or war; competition and changes in competitive factors; federal and state health care regulation (and compliance); reimbursement rates under government and third-party healthcare programs and the payments received under such programs; changes in coding; changes in technology; dependence upon pathologists and customer contracts; the ability to attract, motivate, and retain pathologists; labor, technology and insurance costs; marketing and promotional efforts; the availability of pathology practices in appropriate locations that AmeriPath is able to acquire on suitable terms or develop; and the successful completion and integration of acquisitions (and achievement of planned or expected synergies). The forward-looking statements in this proxy statement are made as of the date hereof based on management's current beliefs and expectations, and AmeriPath undertakes no obligation to update or revise any such statements. Further information regarding risks, uncertainties and other factors that could affect AmeriPath's financial or operating results or that could cause actual results to differ materially from those expected, estimated or anticipated are included in AmeriPath's annual, quarterly, and other reports and filings with the Securities and Exchange Commission.

THE SPECIAL MEETING

General

The enclosed proxy is solicited by AmeriPath on behalf of the board of directors of AmeriPath for use at a special meeting of stockholders to be held on March 27, 2003, at 10:00 a.m. Eastern Time at the Palm Beach Gardens Marriott, 4000 RCA Boulevard, Palm Beach Gardens, Florida 33410, or at any adjournments or postponements thereof, for the purposes set forth in this proxy statement and in the accompanying notice of special meeting. AmeriPath intends to mail this proxy statement and accompanying proxy card on or about February 27, 2003 to all stockholders entitled to vote at the special meeting.

At the special meeting, the stockholders of AmeriPath are being asked to consider and vote upon a proposal to approve and adopt the merger agreement, dated as of December 8, 2002, among Holding, Acquisition Corp. and AmeriPath and the merger. Under the merger agreement, Acquisition Corp. will be merged with and into AmeriPath and each issued and outstanding share of AmeriPath common stock will be converted into the right to receive \$21.25 in cash, without interest, except for:

treasury shares of AmeriPath common stock, all of which will be canceled without any payment;

shares of AmeriPath common stock owned by Holding, Acquisition Corp. and their affiliates, including Welsh Carson, all of which will be canceled without any payment; and

shares of AmeriPath common stock held by stockholders who validly exercise and perfect appraisal rights, which will be subject to appraisal in accordance with Delaware law.

At the effective time of the merger, each outstanding option and warrant will be canceled in exchange for an amount in cash, if any, determined by multiplying (1) the excess, if any, of \$21.25 over the per share exercise price of the option or warrant, and (2) the number of shares of common stock subject to the option or warrant, net of any applicable withholding taxes. The merger agreement provides for the accelerated vesting of all options at the effective time of the merger, in order for the full amount of such options to be so canceled in exchange for cash.

The board of directors has approved the terms of the merger agreement and the proposed merger. **The board of directors recommends that you vote FOR the approval and adoption of the merger agreement and the merger.**

Record Date, Quorum and Voting Information

Only holders of record of AmeriPath common stock at the close of business on February 5, 2003, the record date for the special meeting, will be entitled to notice of and to vote at the special meeting. At the close of business on February 5, 2003, there were outstanding and entitled to vote 30,690,143 shares of AmeriPath common stock. A list of the AmeriPath stockholders will be available for review at AmeriPath's executive offices during regular business hours for a period of 10 days before the special meeting. Each holder of record of AmeriPath common stock on the record date will be entitled to one vote for each share held. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote at the special meeting is necessary to constitute a quorum for the transaction of business at the special meeting. In the contingency letter agreement, Welsh Carson has agreed to vote its shares of AmeriPath common stock, which represent 4.9% of the outstanding shares of common stock of AmeriPath, in favor of the merger agreement and the merger.

All votes will be tabulated by the inspector of election appointed for the special meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Brokers who hold shares in street name for clients typically have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, absent specific instructions from the beneficial owner of the shares, brokers are not allowed to exercise their voting discretion with respect to the approval and adoption of non-routine matters, such as the merger agreement and the merger. Proxies submitted

without a vote by the brokers on these matters are referred to as broker non-votes. Abstentions and broker non-votes are counted for purposes of determining whether a quorum exists at the special meeting.

The affirmative vote of the holders of a majority of the outstanding shares of common stock entitled to vote is required to approve and adopt the merger agreement and the merger. Accordingly, proxies that reflect abstentions and broker non-votes, as well as proxies that are not returned, will have the same effect as a vote AGAINST approval and adoption of the merger agreement and the merger. Accordingly, the special committee and the board of directors urge the stockholders to complete, sign, date and return the enclosed proxy card in the accompanying self-addressed postage prepaid envelope as soon as possible.

Stockholders who do not vote in favor of approval and adoption of the merger agreement and the merger, and who otherwise comply with the applicable statutory procedures of the Delaware General Corporation Law summarized elsewhere in this proxy statement, will be entitled to seek appraisal of the value of their shares as set forth in Section 262 of the Delaware General Corporation Law. See The Merger Appraisal Rights beginning on page 35.

Because Delaware, the state in which AmeriPath is incorporated, permits electronic submission of proxies by telephone or through the Internet, instead of submitting proxies by mail on the enclosed proxy card or voting instructions, all holders of record and many stockholders whose banks or brokerage firms permit will have the option to submit their proxies or voting instructions electronically by telephone or through the Internet. Please note that there are separate arrangements for using the Internet and telephone depending on whether you are a record holder and your shares are registered in the stock records in your name or your shares are registered in the name of a brokerage firm or bank. Stockholders should check their proxy card or voting instructions forwarded by their broker, bank or other holder of record to see which options are available.

The Internet and telephone procedures described below for submitting your proxy or voting instructions are designed to authenticate stockholders' identities, to allow stockholders to have their shares voted and to confirm that their instructions have been properly recorded. Stockholders submitting proxies or voting instructions via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that would be borne by the stockholder.

AmeriPath holders of record may submit their proxies:

through the Internet by visiting a website established for that purpose at www.voteproxy.com and following the instructions; or

by telephone by calling the toll-free number 1-800-776-9437 (1-800-PROXIES) in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions.

Proxies; Revocation

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted at the special meeting. A proxy may be revoked by filing with the Secretary of AmeriPath at AmeriPath's executive offices located at 7289 Garden Road, Suite 200, Riviera Beach, Florida 33404, a written notice of revocation or a duly executed proxy bearing a later date, or a proxy may be revoked by attending the special meeting and voting in person. Attendance at the special meeting will not, by itself, revoke a proxy. Furthermore, if a stockholder's shares are held of record by a broker, bank or other nominee and the stockholder wishes to vote at the meeting, the stockholder must obtain from the record holder a proxy issued in the stockholder's name. If a stockholder has instructed a broker to vote the stockholder's shares, the stockholder must follow such broker's directions to change such instructions.

Expenses of Proxy Solicitation

Except as provided below, AmeriPath will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy and any additional

information furnished to stockholders. AmeriPath has retained D.F. King & Co., Inc. (D.F. King) to assist in the solicitation of proxies for a fee of \$12,500 plus reimbursement of expenses if AmeriPath's proxy solicitation for the merger is not contested. If proxy solicitation is contested, D.F. King's fee would be \$100,000. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of common stock beneficially owned by others to forward to the beneficial owners. AmeriPath may reimburse persons representing beneficial owners of common stock for their costs of forwarding solicitation materials to the beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, telegram or other electronic means, or by personal solicitation by directors, officers or other regular employees of AmeriPath or by representatives of D.F. King. No additional compensation will be paid to directors, officers or other regular employees for their services in connection with the solicitation of proxies.

Adjournments

If there are insufficient votes to approve the merger agreement and the merger at the special meeting, and if you voted in favor of the merger agreement and the merger or gave no voting instructions, your proxy may be voted to adjourn the special meeting in order to solicit additional proxies in favor of approval of the merger agreement and the merger. If the special meeting is adjourned or postponed for any purpose, then at any subsequent reconvening of the special meeting, your proxy will be voted in the same manner as it would have been voted at the original convening of the special meeting unless you withdraw or revoke your proxy.

Please do not send in stock certificates at this time. In the event the merger is completed, the paying agent for the merger will distribute instructions regarding the procedures for exchanging existing AmeriPath stock certificates for the merger consideration.

THE PARTICIPANTS

AmeriPath, Inc.

**7289 Garden Road, Suite 200
Riviera Beach, Florida 33404
(561) 845-1850**

AmeriPath, Inc., referred to as AmeriPath, is a Delaware corporation headquartered in Riviera Beach, Florida, and is a leading national provider of cancer diagnostics, genomic, and related medical diagnostic and information services. More than 400 pathologists in AmeriPath's owned and managed operations provide medical diagnostic services in outpatient laboratories owned or managed by AmeriPath, in hospitals, and in ambulatory surgery centers.

If the merger agreement and the merger are approved and adopted by the AmeriPath stockholders at the special meeting and the merger is completed as contemplated, AmeriPath will continue its operations following the merger as a private company.

Amy Holding Company

**c/o Welsh, Carson, Anderson & Stowe IX, L.P.
320 Park Avenue, Suite 2500
New York, New York 10022-6815
(212) 893-9500**

Amy Holding Company, referred to as Holding, is a Delaware corporation organized by Welsh, Carson, Anderson & Stowe IX, L.P., referred to as Welsh Carson, for the purpose of engaging in the merger and the related financing transactions. Holding has not participated in any activities to date other than those incident to its formation, the formation of its wholly owned subsidiary, Acquisition Corp., and the transactions contemplated by the merger agreement. Holding is currently a wholly owned subsidiary of Welsh Carson and it will be wholly owned by Welsh Carson and its related co-investors at the time of the

merger. Welsh Carson is an investment partnership organized by Welsh, Carson, Anderson & Stowe, one of the largest private equity firms in the United States and the largest in the world focused exclusively on investments in the healthcare, information services and communications industries. Since its inception in 1979, Welsh, Carson, Anderson & Stowe has organized partnerships with capital of more than \$12 billion.

Amy Acquisition Corp.

c/o Welsh, Carson, Anderson & Stowe IX, L.P.
320 Park Avenue, Suite 2500
New York, New York 10022-6815
(212) 893-9500

Amy Acquisition Corp., referred to as Acquisition Corp., is a Delaware corporation organized by Welsh Carson for the purpose of engaging in the merger and the related financing transactions. Acquisition Corp. has not participated in any activities to date other than those incident to its formation and the transactions contemplated by the merger agreement. Acquisition Corp. is a wholly owned subsidiary of Holding.

THE MERGER

General

At the special meeting, AmeriPath will ask its stockholders to vote on a proposal to approve the merger agreement and the merger of Acquisition Corp. with and into AmeriPath. We have attached a copy of the merger agreement as Appendix