

Edgar Filing: ANGELICA CORP /NEW/ - Form SC 13D/A

ANGELICA CORP /NEW/
Form SC 13D/A
July 12, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

Under the Securities Exchange Act of 1934
(Amendment No. 11)*

Angelica Corporation

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

034663104

(CUSIP Number)

Thomas R. Hudson Jr.
Pirate Capital LLC
200 Connecticut Avenue, 4th Floor
Norwalk, CT 06854
(203) 854-1100

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

July 12 2007

(Date of Event which Requires
Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [].

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 5 Pages)

* The remainder of this cover page shall be filled out for a reporting person's

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES* []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
9.8%

14 TYPE OF REPORTING PERSON*
IA

* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP NO. 034663104 SCHEDULE 13D PAGE 3 OF 5 PAGES

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
THOMAS R. HUDSON JR.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO
ITEM 2 (d) or 2 (e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
United States of America

7 SOLE VOTING POWER
-0-

8 SHARED VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 935,147

9 SOLE DISPOSITIVE POWER
-0-

10 SHARED DISPOSITIVE POWER
935,147

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- Exhibit 3 - Letter to the Board of Directors, dated July 2, 2007 (previously filed)
- Exhibit 4 - Shareholder Proposal Notification Letter, dated July 2, 2007 (previously filed)
- Exhibit 5 - Books and Records Demand Letter, dated July 2, 2007 (previously filed)
- Exhibit 6 - Letter to the Board of Directors, dated July 9, 2007 (previously filed)
- Exhibit 7 - Letter to the Board of Directors, dated July 12, 2007

SIGNATURES

After reasonable inquiry and to the best of their knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: July 12, 2007

PIRATE CAPITAL LLC

By: /s/ Thomas R. Hudson Jr.

Name: Thomas R. Hudson Jr.
Title: Manager

/s/ Thomas R. Hudson Jr.

Thomas R. Hudson Jr.

EXHIBIT INDEX

- Exhibit 1 - Joint Filing Agreement (previously filed)
- Exhibit 2 - Settlement Agreement with the Issuer, dated August 30, 2006 (previously filed)
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Exhibit 7

July 12, 2007

VIA FACSIMILE

Board of Directors of Angelica Corporation
c/o Stephen M. O'Hara
President and Chief Executive Officer
Angelica Corporation
424 South Woods Mill Road
Chesterfield, Missouri 63017-3406

Dear Members of the Board:

To clarify our position and to further highlight our intent to continue to champion the interests of shareholders of Angelica Corporation ("Angelica" or the "Company"), we feel that we must further reiterate our demand that the board promptly retain the services of a nationally recognized investment banking firm for the purpose of effecting a sale of the Company, through sales of assets, an extraordinary transaction or otherwise, and to publicly identify the investment banking firm and its mandate. If this demand is not promptly met, we intend to nominate one or more persons to the Company's board at the upcoming annual shareholders' meeting.

Management undertook a series of acquisitions between 2003 and 2006, which we understand cost in excess of \$125 million, or approximately 1x sales, while the Company's shares are currently trading at approximately only 0.5x sales. As such, we believe there remains a serious disconnect. In our opinion, either there was considerable value dissolution in rolling up the previous acquisitions, or Angelica greatly overpaid for the acquisitions. If a 1x sales metric is applied to Angelica's current gross sales level, even after adjusting for net debt and other factors, the implied valuation for Angelica based on that metric approaches \$35 per share. If we account for the valuation of Angelica based on the multiple of sales metric and an Enterprise Value-to-EBITDA metric, we arrive at an average valuation of approximately \$31 per share. At \$22.24 per share, last night's closing price of Angelica, the stock continues to trade well below what we estimate as the intrinsic value of the Company.

Over the past three years, Angelica's management team has been afforded ample time and opportunity to deliver growth and rejuvenate the Company as an on-going concern, but has demonstrated little success in this respect. We believe that the investigation of the sale of Angelica, led by a nationally recognized investment bank, will confer the most sensible strategy for delivering optimal shareholder value. We hope that you as the board, elected to uphold the interests of shareholders, will join us in pursuing our proposed strategies for the Company.

Sincerely,

/s/ Thomas R. Hudson Jr.
Thomas R. Hudson Jr.
Manager