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HERCULES INC
Form DFAN14A
March 12, 2001

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(RULE 14A-101)

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

FILED BY THE REGISTRANT []

FILED BY A PARTY OTHER THAN THE REGISTRANT [X]

CHECK THE APPROPRIATE BOX:

| | | |
|-------------------------------------|---------------------------------|---|
| <input type="checkbox"/> | PRELIMINARY PROXY STATEMENT | |
| <input type="checkbox"/> | DEFINITIVE PROXY STATEMENT | <input type="checkbox"/> CONFIDENTIAL, FOR USE OF THE |
| <input type="checkbox"/> | DEFINITIVE ADDITIONAL MATERIALS | COMMISSION ONLY (AS PERMITTED) |
| <input checked="" type="checkbox"/> | SOLICITING MATERIAL PURSUANT TO | BY RULE 14A-6(E) (2) |
| | RULE 14A-12 | |

HERCULES INCORPORATED

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

INTERNATIONAL SPECIALTY PRODUCTS INC.

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

NO FEE REQUIRED.

FEE COMPUTED ON TABLE BELOW PER EXCHANGE ACT RULES 14A-6(I) (4) AND 0-11.

(1) TITLE OF EACH CLASS OF SECURITIES TO WHICH TRANSACTION APPLIES:
NOT APPLICABLE

(2) AGGREGATE NUMBER OF SECURITIES TO WHICH TRANSACTION APPLIES: NOT
APPLICABLE.

(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): NOT APPLICABLE.

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(4) PROPOSED MAXIMUM AGGREGATE VALUE OF TRANSACTION: NOT APPLICABLE.

(5) TOTAL FEE PAID: NOT APPLICABLE.

[] 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: NOT APPLICABLE.

(2) FORM, SCHEDULE OR REGISTRATION STATEMENT NO.: NOT APPLICABLE.

(3) FILING PARTY: NOT APPLICABLE.

(4) DATE FILED: NOT APPLICABLE.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

(Amendment No. 8)

HERCULES INCORPORATED
(Name of Issuer)

COMMON STOCK, \$25/48 STATED VALUE PER SHARE
(Title of class of securities)

427056106
(CUSIP number)

RICHARD A. WEINBERG, ESQ.
C/O ISP MANAGEMENT COMPANY, INC.
1361 ALPS ROAD
WAYNE, NEW JERSEY 07470
(973) 628-4000

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

WITH A COPY TO:

STEPHEN E. JACOBS, ESQ.
WEIL, GOTSHAL & MANGES LLP
767 FIFTH AVENUE
NEW YORK, NEW YORK 10153-0119
(212) 310-8000

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MARCH 12, 2001

(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 ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-(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. Seess. 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act. (However, see the Notes.)

(Continued on following pages)

(Page 1 of 7 Pages)

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CUSIP No. 427056106

13D

1 NAME OF REPORTING PERSON ISP OPCO HOLDIN
S.S. OR I.R.S. IDENTIFICATION NO.
OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

3 SEC USE ONLY

4 SOURCE OF FUNDS: OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) OR 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION:

7 SOLE VOTING POWER:

NUMBER OF
SHARES

BENEFICIALLY

8 SHARED VOTING POWER:

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| | | |
|-------------|--|---------------------------|
| OWNED BY | ----- 9 | SOLE DISPOSITIVE POWER: |
| EACH | | |
| REPORTING | ----- 10 | SHARED DISPOSITIVE POWER: |
| PERSON WITH | | |
| ----- | ----- | ----- |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON: | |
| ----- | ----- | |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: | |
| ----- | ----- | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): | |
| ----- | ----- | |
| 14 | TYPE OF REPORTING PERSON: CO | |
| ----- | ----- | |

| | |
|---------------------|--------------|
| CUSIP No. 427056106 | ----- 13D |
| ----- | ----- |

| | | |
|-------|---|-----------------|
| 1 | NAME OF REPORTING PERSON | ISP INVESTMENTS |
| | S.S. OR I.R.S. IDENTIFICATION NO. | |
| | OF ABOVE PERSON | |
| ----- | ----- | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: | |
| ----- | ----- | |
| 3 | SEC USE ONLY | |
| ----- | ----- | |
| 4 | SOURCE OF FUNDS: WC, O | |
| ----- | ----- | |
| 5 | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): | |
| ----- | ----- | |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION: | |
| ----- | ----- | |

| | | |
|--------------|--|---------------------------|
| NUMBER OF | 7 | SOLE VOTING POWER: |
| SHARES | | |
| BENEFICIALLY | ----- 8 | SHARED VOTING POWER: |
| OWNED BY | | |
| EACH | ----- 9 | SOLE DISPOSITIVE POWER: |
| REPORTING | | |
| PERSON WITH | ----- 10 | SHARED DISPOSITIVE POWER: |
| ----- | ----- | ----- |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON: | |
| ----- | ----- | |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: | |
| ----- | ----- | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): | |
| ----- | ----- | |
| 14 | TYPE OF REPORTING PERSON: CO | |
| ----- | ----- | |

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CUSIP No. 427056106

13D

| | | |
|----|--|-----------------|
| 1 | NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON | INTERNATIONAL S |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: | |
| 3 | SEC USE ONLY | |
| 4 | SOURCE OF FUNDS: | OO |
| 5 | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): | |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION: | |
| 7 | SOLE VOTING POWER: | |
| 8 | SHARED VOTING POWER: | |
| 9 | SOLE DISPOSITIVE POWER: | |
| 10 | SHARED DISPOSITIVE POWER: | |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON: | |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): | |
| 14 | TYPE OF REPORTING PERSON: | CO |

This Amendment No. 8 ("Amendment No. 8") amends the statement of beneficial ownership on Schedule 13D ("Schedule 13D") filed on July 24, 2000, as amended by Amendment No. 1 filed on October 11, 2000, Amendment No. 2 filed on January 23, 2001, Amendment No. 3 filed on February 7, 2001, Amendment No. 4 filed on February 20, 2001, Amendment No. 5 filed on February 28, 2001, Amendment No. 6 filed on March 7, 2001, and Amendment No. 7 filed on March 9, 2001, by and on behalf of ISP Opco Holdings Inc. ("ISP Opco"), ISP Investments Inc. ("ISP Investments"), and International Specialty Products Inc. ("ISP" and together with ISP Investments and ISP Opco, the "Reporting Persons") with respect to their ownership of common stock, stated value \$25/48 per share ("Common Stock"), of Hercules Incorporated (the "Company"). Capitalized terms

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used herein and not defined herein have the meanings ascribed thereto in the Schedule 13D, as previously amended.

ITEM 4. PURPOSE OF TRANSACTION

On March 12, 2001, Samuel J. Heyman, Chairman of the Board of ISP, sent the following letter to Mr. Thomas Gossage, Chairman, CEO and President of the Company:

Mr. Thomas Gossage
Chairman, CEO and President
Hercules Incorporated
Hercules Plaza
1313 North Market Street
Wilmington, Delaware 19894-0001
Dear Tom:

We have not received a response to our February 7 and March 8 letters concerning the director election Bylaw matter. I can only assume that this matter has been referred to your Board for its determination, and from past experience I must tell you, quite frankly, that I simply have no confidence in the willingness of the Hercules Board to do the right thing.

And this brings us to a second point. In reviewing past actions of the Hercules Board, which in our opinion evidence a clear disregard for the rights and interests of the Company's shareholders, we simply cannot be sure that a favorable vote on resolutions currently included in our Preliminary Proxy Statement will be implemented by your Board without costly and time consuming delay and even possible litigation. For example, what possible explanation could there be for the following:

In 1992, a non-binding proposal to redeem Hercules' then existing, 20% threshold poison pill or submit it to a stockholder vote was approved by stockholders. Despite this stockholder mandate, the Hercules Board never put it to a definitive vote and refused to terminate the pill for three years. And then to add insult to injury, notwithstanding the 1992 stockholder vote, the Hercules Board implemented just this past August, without notice or shareholder approval, a new poison pill with a low 10% threshold.

In view of the above, we have decided to table our other shareholder proposals in order to focus the proxy contest on the election of our nominees. As a result, both sides

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will be able to address for shareholders, in a very direct and clear cut way, the paramount issue - the Hercules Board's record of corporate stewardship.

Sincerely,

/s/ Samuel J. Heyman

* * *

ISP HAS FILED A PRELIMINARY PROXY STATEMENT WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION RELATING TO ISP'S SOLICITATION OF PROXIES FROM THE STOCKHOLDERS OF THE COMPANY FOR USE AT THE 2001 ANNUAL MEETING. ISP STRONGLY ADVISES ALL HERCULES STOCKHOLDERS TO READ THE FINAL DEFINITIVE

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PROXY STATEMENT WHEN IT IS AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. WHEN COMPLETED, THE FINAL DEFINITIVE PROXY STATEMENT AND A FORM OF PROXY WILL BE MAILED TO ALL HERCULES STOCKHOLDERS AND WILL BE AVAILABLE AT NO CHARGE ON THE SEC WEBSITE AT HTTP:\\WWW.SEC.GOV. THE PRELIMINARY PROXY STATEMENT, CONTAINING INFORMATION RELATING TO THE PARTICIPANTS IN ISP'S PROXY SOLICITATION, IS CURRENTLY AVAILABLE AT NO CHARGE ON THE SEC'S WEBSITE.

[The remainder of this page intentionally left blank.]

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SIGNATURES

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

Dated: March 12, 2001

ISP OPCO HOLDINGS INC.
ISP INVESTMENTS INC.
INTERNATIONAL SPECIALTY PRODUCTS INC.

By: /s/ Susan B. Yoos

Susan B. Yoos
Executive Vice President and Treasurer

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