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CHEMFIRST INC
Form SC 13D
July 29, 2002

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934*

CHEMFIRST INC.
(Name of Issuer)

Common Stock, Par Value \$1.00 Per Share
(Title of Class of Securities)

16361A106
(CUSIP Number)

John W. Ward, Esq.
E. I. du Pont de Nemours and Company
1007 Market Street
Wilmington, DE 19898
Telephone: (302) 774-8035
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

Copy to:
Ronald Cami, Esq.
Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
(212) 474-1000

July 23, 2002
(Date of Event Which Requires Filing of this Statement)

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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-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 ss.240.13d-7(b) 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.

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The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("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)

CUSIP No. 16361A106

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

E. I. du Pont de Nemours and Company
IRS. I.D. # 51-0014090

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

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

	7	SOLE VOTING POWER
NUMBER OF		None
SHARES		
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		1,198,664
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		None
PERSON		
WITH	10	SHARED DISPOSITIVE POWER
		1,198,664

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,198,664

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12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)	[]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 8.5%	
14	TYPE OF REPORTING PERSON* CO	

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Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission by E. I. du Pont de Nemours and Company that it is the beneficial owner of any of the common stock of ChemFirst Inc. referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or for any other purpose, and such beneficial ownership is expressly disclaimed. E. I. du Pont de Nemours and Company also disclaims any interest in any shares of common stock of ChemFirst Inc. held by any of its affiliated employee benefit plans, including pension funds and medical and dental funds, and by certain affiliated entities which may hold such shares for charitable purposes.

ITEM 1. SECURITY AND ISSUER

This statement on Schedule 13D relates to the common stock, par value \$1.00 per share (the "Issuer Common Stock"), of ChemFirst Inc., a Mississippi corporation (the "Issuer"). The principal executive offices of the Issuer are located at 700 North Street, Jackson, Mississippi 39215-1249.

ITEM 2. IDENTITY AND BACKGROUND

(a) The name of the person filing this statement is E. I. du Pont de Nemours and Company, a Delaware corporation ("DuPont").

(b) The address of the principal office and principal business of DuPont is 1007 Market Street, Wilmington, Delaware 19898.

(c) DuPont is a world leader in science and technology in a range of disciplines including high-performance materials, synthetic fibers, electronics, specialty chemicals, agriculture and biotechnology. DuPont operates globally through some 22 strategic business units. Within the strategic business units, a wide range of products are manufactured for distribution and sale to many different markets, including the transportation, textile, construction, motor vehicle, agricultural, home furnishings, medical, packaging, electronics and the nutrition and health markets. Set forth in Schedule A hereto, which is incorporated herein by reference, is the name, business address, present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted and citizenship, of each of DuPont's directors and executive officers, as of the date hereof. Other than such directors and executive officers, there are no persons controlling DuPont.

(d) During the past five years, neither DuPont nor, to DuPont's knowledge, any person named in Schedule A hereto, has been convicted in a

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criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, neither DuPont nor, to DuPont's knowledge, any person named in Schedule A hereto, was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activity subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Not applicable.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Pursuant to the Shareholder Agreement, dated as of July 23, 2002 (the "Shareholder Agreement"), between DuPont and certain shareholders of the Issuer set forth on Schedule A thereto (collectively, the "Shareholder"), DuPont may be deemed to be the beneficial owner of 1,198,664 shares of Issuer Common Stock (collectively, the "Subject Shares"). DuPont and the Shareholder entered into the Shareholder Agreement to induce DuPont to enter into the Agreement and Plan of Merger, dated as of July 23, 2002 (the "Merger Agreement"), among DuPont, Purple Acquisition Corporation, a Mississippi corporation and a wholly owned subsidiary of DuPont ("Merger Sub"), and the Issuer. Pursuant to the Merger Agreement, Merger Sub will merge with and into the Issuer (the "Merger"), with the Issuer continuing as the surviving corporation in the Merger (the "Surviving Corporation") as a wholly owned subsidiary of DuPont. In the Merger, each share of Issuer Common Stock will be converted into the right to receive \$29.20 in cash, without interest. The Merger is subject to certain conditions. The descriptions of the Merger Agreement and the Shareholder Agreement contained herein are qualified in their entirety by reference to such agreements, which are attached hereto as Exhibits 1 and 2, respectively.

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ITEM 4. PURPOSE OF TRANSACTION

(a)-(b) The Shareholder Agreement was entered into as a condition to the willingness of DuPont to enter into the Merger Agreement and to increase the likelihood that the approval of the Issuer's shareholders required in connection with the Merger will be obtained. See the response to Item 3 for a more complete description of the Merger. Pursuant to the terms of the Shareholder Agreement, any shares of capital stock of the Issuer acquired by the Shareholder after the date of the Shareholder Agreement and during the term of the Shareholder Agreement (including through the exercise of any stock options, warrants or similar instruments) will be subject to the Shareholder Agreement. Accordingly, any such acquisition of shares of capital stock of the Issuer by the Shareholder may result in DuPont being deemed to acquire beneficial ownership of additional securities of the Issuer.

(c) Not applicable.

(d) Upon consummation of the Merger, the directors of the Surviving Corporation shall be the existing directors of Merger Sub, until their resignation or removal or until their respective successors are duly elected and qualified. The existing directors of Merger Sub are Robert M. Reardon and Mark D. Matthews. The officers of the Surviving Corporation shall be the officers of Merger Sub immediately prior to the consummation of the Merger,

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until their resignation or removal or until their respective successors are duly elected and qualified.

(e) Other than as a result of the Merger described in Item 3 above, not applicable.

(f) Not applicable.

(g) Upon consummation of the Merger, the Articles of Incorporation of Merger Sub shall be the Articles of Incorporation of the Surviving Corporation until thereafter changed or amended. Upon consummation of the Merger, the By-laws of Merger Sub, as in effect immediately prior to the Merger, shall be the By-laws of the Surviving Corporation until thereafter changed or amended.

(h) - (i) Upon consummation of the Merger, the Issuer Common Stock will be delisted from The New York Stock Exchange and will become eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act.

(j) Other than as described above, DuPont currently has no plan or proposals that relate to, or may result in, any of the matters listed in Items 4(a) - (i) of Schedule 13D (although DuPont reserves the right to develop such plans).

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a)-(b) As a result of the Shareholder Agreement, DuPont may be deemed to be the beneficial owner of the Subject Shares. The Subject Shares constitute approximately 8.5% of the issued and outstanding shares of Issuer Common Stock, based on the Issuer's representation in the Merger Agreement that there were 14,184,806 shares of Issuer Common Stock issued and outstanding at the close of business on July 19, 2002.

Pursuant to the Shareholder Agreement, the Shareholder has agreed, among other things, (i) to vote the Subject Shares (and any shares of capital stock of the Issuer acquired by the Shareholder after the date of the Shareholder Agreement and during the term of the Shareholder Agreement) in favor of (a) the approval of the Merger Agreement, (b) the approval of the Merger and (c) the approval of the other transactions contemplated by the Merger Agreement, (ii) to vote the Subject Shares (and any shares of capital stock of the Issuer acquired by the Shareholder after the date of the Shareholder Agreement and during the term of the Shareholder Agreement) against (a) any merger agreement or merger (other than the Merger Agreement and the Merger), consolidation, combination, sale of substantial assets, reorganization, recapitalization, dissolution, liquidation or winding up of or by the Issuer, (b) any Takeover Proposal (as such term is defined in the Merger Agreement) and (c) any amendment of the Issuer's Articles of Incorporation or By-laws or other proposal, action or transaction that would impede, frustrate, prevent or delay the consummation of the Merger or the other transactions contemplated by the Merger Agreement or Shareholder Agreement or change in any manner the voting rights of the Issuer Common Stock, (iii) except for liens, security interests or transfers in connection with loans secured by the Subject Shares, not to sell, transfer, pledge, assign or otherwise dispose of any Subject Shares or enter into any arrangement with respect to the sale, transfer, pledge, assignment or other disposition of such Subject Shares unless the transferee enters into a shareholder agreement with DuPont and Merger Sub that is substantially identical to the Shareholder Agreement and (iv) not to enter into any voting agreement or arrangement with respect to the Subject Shares (and any shares of capital stock of the Issuer acquired by the Shareholder after the date of the Shareholder Agreement and during the term of the Shareholder Agreement) or to deposit any Subject Shares (and any shares of capital stock of the Issuer acquired by the Shareholder

after the date of the Shareholder Agreement and during the term of the Shareholder Agreement) in a voting trust. Further, by their execution of the Shareholder Agreement, the Shareholder has irrevocably appointed DuPont, Purple Acquisition Corporation and any individual designated in writing by DuPont (each, an "Attorney"), as the Shareholder's proxy and attorney-in-fact (with full power of substitution). The names of the Shareholder and the number of Subject Shares beneficially owned by the Shareholder are set forth in Schedule A to the Shareholder Agreement, which is attached as Exhibit 2 hereto.

In exercising its right to vote the Subject Shares as proxy and attorney-in-fact of the Shareholder, an Attorney's rights are limited to voting the Subject Shares, or granting a consent or approval with respect to the Subject Shares, (i) in favor of approval of the Merger and the Merger Agreement and (ii) against any Takeover Proposal (as such term is defined in the Merger Agreement) or other proposal or transaction that would impede, frustrate, prevent or delay the Merger, the other transactions contemplated by the Merger Agreement or the Shareholder Agreement or change in any manner the voting rights of the Issuer Common Stock. The Shareholder may vote the Subject Shares on all other matters.

The Shareholder Agreement terminates upon the earlier of (i) such date and time as the Merger shall become effective in accordance with the terms of the Merger Agreement or (ii) the termination of the Merger Agreement in accordance with its terms.

(c) Neither DuPont nor, to the knowledge of DuPont, any person named in Schedule A, has effected any transaction in the Issuer Common Stock during the past 60 days.

(d) Not applicable.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Other than as described in Items 3, 4 and 5 and the agreements incorporated herein by reference and set forth as exhibits hereto, to the knowledge of DuPont, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the Issuer, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIALS TO BE FILED AS EXHIBITS

The following documents are filed as exhibits:

Exhibit Number	Exhibit Name
1.	Agreement and Plan of Merger dated as of July 23, 2002, among E. I.

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du Pont de Nemours and Company, a Delaware corporation, Purple Acquisition Corporation, a Mississippi corporation and a wholly owned subsidiary of E. I. du Pont de Nemours and Company, and ChemFirst Inc., a Mississippi corporation.

- 2. Shareholder Agreement dated as of July 23, 2002, between E. I. du Pont de Nemours and Company, a Delaware corporation, Purple Acquisition Corporation, a Mississippi corporation and a wholly owned subsidiary of E. I. du Pont de Nemours and Company, and certain shareholders of ChemFirst Inc., a Mississippi corporation.

SIGNATURE

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

E. I. DU PONT DE NEMOURS AND COMPANY,

by /s/ Gary M. Pfeiffer

Name: Gary M. Pfeiffer
Title: Senior Vice President &
Chief Financial Officer

Dated: July 26, 2002

EXHIBIT INDEX

Exhibit Number	Exhibit Name
1.	Agreement and Plan of Merger dated as of July 23, 2002, among E. I. du Pont de Nemours and Company, a Delaware corporation, Purple Acquisition Corporation, a Mississippi corporation and a wholly owned subsidiary of E. I. du Pont de Nemours and Company, and ChemFirst Inc., a Mississippi corporation.
2.	Shareholder Agreement dated as of July 23, 2002, between E. I. du Pont de Nemours and Company, a Delaware corporation, Purple Acquisition Corporation, a Mississippi corporation and a wholly owned subsidiary of E. I. du Pont de Nemours and Company, and ChemFirst Inc., and certain shareholders of ChemFirst Inc., a Mississippi corporation.

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SCHEDULE A

The following is a list of the directors and executive officers of DuPont, setting forth the present principal occupation or employment and the name and principal business of any corporation or other organization in which such employment is conducted for each such person. Unless otherwise indicated, all directors and officers listed below are citizens of the United States.

Board of Directors of DuPont

Name ----	Position -----	Present Principal Occupation -----	Business -----
Charles O. Holliday, Jr.	Director	Chairmen of the Board and Chief Executive Officer of E. I. du Pont de Nemours and Company.	c/o E. I. Nemours 1007 Mar Wilmington
Alain J. P. Belda	Director	Chairman and Chief Executive Officer of Alcoa Inc., a producer of primary aluminum, fabricated aluminum and alumina.	c/o E. I. Nemours 1007 Mar Wilmington
Richard H. Brown	Director	Chairman of the Board and Chief Executive Officer of EDS, a global services company.	c/o E. I. Nemours 1007 Mar Wilmington
Curtis J. Crawford	Director	Chairman of the board of ON Semiconductor Company, a producer of semiconductors for broadband and power management applications, Director of CENix Inc., a designer and manufacturer of optoelectronic subsystems, and Director of ITT Industries, Inc., a designer and manufacturer of engineered products and provider of related services.	c/o E. I. Nemours 1007 Mar Wilmington
Louisa C. Duemling	Director	Member of the Board of Governors, Nature Conservancy, a private conservation organization, and a member of the Board of Managers, Mount Cuba Center, Inc., a center focused on the study of Piedmont Flora in Greenville Delaware.	c/o E. I. Nemours 1007 Mar Wilmington
Edward B. du Pont	Director	Director of Wilmington Trust Corporation, a bank with over 50 branches, a Trustee of Christiana Care Corporation, a not-for-profit healthcare network, a Trustee of Eleutherian Mills-Hagley Foundation, the foundation that manages the Hagley museum, and a Vice President and a Trustee of Longwood	c/o E. I. Nemours 1007 Mar Wilmington

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Foundation, Inc., a foundation focused on education, health and human services, the environment and the arts.

Deborah C. Hopkins	Director	Senior advisor of Marakon Associates, a management consulting firm.	c/o E. I. Nemours 1007 Mar Wilmington
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Board of Directors of DuPont

Name ----	Position -----	Present Principal Occupation -----	Business -----
Lois D. Juliber	Director	Chief Operating Officer, Colgate-Palmolive Company, a producer of consumer products.	c/o E. I. Nemours 1007 Mar Wilmington
Goran Lindahl	Director	Chairman of Alliance for Global Sustainability, a foundation focused on the study of large-scale, multi-disciplinary environmental problems, and Chairman of World Childhood Foundation, an organization that defends the rights of children.	c/o E. I. Nemours 1007 Mar Wilmington
Masahisa Naitoh	Director	Executive Vice Chairman of ITOCHU Corporation, an international trading company.	c/o E. I. Nemours 1007 Mar Wilmington
William K. Reilly	Director	President and Chief Executive Officer of Aqua International Partners L.P., a partnership that finances water supply and wastewater treatment in developing countries.	c/o E. I. Nemours 1007 Mar Wilmington
H. Rodney Sharp, III	Director	President, Board of Trustees of Longwood Foundation, Inc., a foundation focused on education, health and human services, the environment and the arts.	c/o E. I. Nemours 1007 Mar Wilmington
Charles M. Vest	Director	President, Massachusetts Institute of Technology, a research university.	c/o E. I. Nemours 1007 Mar Wilmington

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SCHEDULE A

Executive Officers and Senior Management of DuPont

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Name	Position
Senior Leaders	
Charles Holliday, Jr.	Chairman of the Board and Chief Executive Officer
Thomas M. Connelly	Senior Vice President & Chief Science and Technology Officer
Edward J. Donnelly	Group Vice President - DuPont Coatings & Color Technologies
Richard R. Goodmanson	Executive Vice President & Chief Operating Officer
Diane H. Gulyas	Group Vice President - DuPont Electronic & Communication Technologies
John W. Himes	Senior Vice President, Corporate Strategy
John C. Hodgson	Executive Vice President
W. Donald Johnson	Group Vice President - Operations & Services
Ellen J. Kullman	Group Vice President - DuPont Safety & Protection
George F. MacCormack	Group Vice President and General Manager - DuPont Textile & Interiors
Steven R. McCracken	Group Vice President and General Manager - DuPont Textile & Interiors
Howard L. Minigh	Group Vice President - Agriculture & Nutrition
Stacey J. Mobley	Senior Vice President & Chief Administrative Officer & General Counsel
Craig G. Naylor	Group Vice President - DuPont Performance Materials
Gary M. Pfeiffer	Senior Vice President & Chief Financial Officer
Dennis Zeleny	Senior Vice President - Global Human Resources
DuPont Agriculture and Nutrition	
James C. Borel	Vice President & General Manager - DuPont Crop Protection
J. Erik Frywald	Vice President & General Manager - DuPont Nutrition and Health
James R. Houser	Director and President of DuPont Specialty Grains
Richard L. McConnell	President & Chief Operating Officer - Pioneer Hi-Bred
DuPont Coatings & Color Technologies	
Jeffrey L. Keefer	Vice President & General Manager - DuPont Titanium Technologies
John R. Lewis	Vice President & General Manager - DuPont Performance Coatings Europe and Asia
Eric G. Melin	Vice President & General Manager - Americas - DuPont Performance Coatings

Executive Officers and Senior Management of DuPont

Name	Position
DuPont Electronic & Communication Technologies	
Richard J. Angiullo	Vice President & General Manager - DuPont Fluoroproducts
David B. Miller	Vice President & General Manager - DuPont Electronic Technologies
Chester D. Pribonic	Vice President & General Manager - DuPont Display
DuPont Performance Materials	
Craig F. Binetti	Vice President & General Manager - DuPont Packaging & Industrial Polymers
Terry Caloghiris	Vice President & General Manager - DuPont Engineering Polymers
Tom D. Gill, Jr.	Vice President Global Operations - DuPont Engineering Polymers
Henry B. Voigt	Vice Chairman & Chief Operating Officer - DuPont Teijin Films
DuPont Safety & Protection	
Jeffrey A. Coe	Vice President & General Manager - DuPont Chemical Solutions
W. J. Harvey	Vice President & General Manager - DuPont Advanced Fiber Systems
Keith R. McLoughlin	Vice President & General Manager - DuPont Nonwovens
Harry Parker	Vice President & General Manager - DuPont Surfaces
DuPont Textiles & Interiors	
William Ghitis	Vice President & General Manager - DuPont Apparel
Kenneth W. Wall	Vice President & General Manager - DuPont Intermediates
Alan S. Wolke	Vice President & General Manager - DuPont Flooring Worldwide