

CIENA CORP
Form SC TO-I/A
May 02, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
(Rule 13e-4)
(Amendment No. 2)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

CIENA Corporation
(Name of Subject Company (Issuer) and Name of Filing Person (Offeror))

**Options to Purchase Common Stock, Par Value \$.01 Per Share,
Having an Exercise Price Greater Than \$12.00 Per Share,
Under the Third Amended and Restated 1994
Stock Option Plan, the 1999 Non-Officer
Stock Option Plan and the
Cyras Systems, Inc. 1998
Stock Plan**
(Title of Class of Securities)

171779 10 1
(CUSIP Number of Class of Securities (Underlying Common Stock, Par Value \$.01 Per Share))

Russell B. Stevenson, Jr.
Senior Vice President, General Counsel and Secretary
CIENA Corporation
1201 Winterson Road
Linthicum, MD 21090
(410) 865-8500
(Name, address, and telephone number of person authorized
to receive notices and communications on behalf of filing person)

Copy to:

Michael J. Silver
Amy Bowerman Freed
Hogan & Hartson L.L.P.
111 South Calvert Street
Baltimore, MD 21202
(410) 659-2700

CALCULATION OF FILING FEE

Transaction Valuation*

Amount of Filing Fee []**

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\$201,667,544.10	\$ 18,553.41
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*Calculated solely for purposes of determining the filing fee. This amount assumes that options to purchase 26,710,933 shares of common stock of CIENA Corporation, 25,992,648 of which were included in the Schedule TO-I filed on April 17, 2002 and 718, 285 of which are added on this Amendment No. 1 having an aggregate value of \$201,667,544.10 as of April 12, 2002 will be exchanged pursuant to this offer. Such options include options granted since October 16, 2001, which option holders participating in the exchange must tender in the offer to the extent that the exercise prices of those options are lower than the lowest exercise prices of any other options tendered by the option holder. The aggregate value of such options was calculated based on the Black-Scholes option pricing model.

** Previously paid

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

Amount Previously Paid:
Form or Registration No.:
Filing Party:
Date Filed:

[] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

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☐ third-party tender offer subject to Rule 14d-1
☒ issuer tender offer subject to Rule 13c-4
☐ going-private transaction subject to Rule 13e-3
☐ amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

This Amendment No. 2 amends and supplements the Tender Offer Statement on Schedule TO filed by CIENA Corporation (the "Company") with the Securities and Exchange Commission on April 17, 2002, as amended on April 19, 2002 (the "Schedule TO"), relating to an offer by the Company to exchange options outstanding under the Third Amended and Restated 1994 Stock Option Plan (the "1994 Plan"), the 1999 Non-Officer Stock Option Plan (the "1999 Plan") and the Cyras Systems, Inc. 1998 Stock Plan (the "Cyras Plan") held by eligible employees to purchase shares of the Company's common stock, par value \$.01 per share (the "Common Stock"), having an exercise price greater than \$12 per share (the "Options") for new options (the "New Options") to purchase shares of the Common Stock to be granted under the 1999 Plan for tendered options granted under the 1999 Plan and the 1994 Plan and under the Cyras Plan for tendered options granted under the Cyras Plan (the "Option Shares"), upon the terms and subject to the conditions described in the Offer to Exchange and the related Letter of Transmittal (the "Letter of Transmittal" and, together with the Offer to Exchange, as they may be amended from time to time, the "Offer"). Except for options that were granted after October 16, 2001, the Company will grant a New Option for one Option Share for every two Option Shares that the Company accepts for exchange, and the number of shares of Common Stock subject to the New Options will be equal to one half of the number of shares of Common Stock subject to the Options that are accepted for exchange. With respect to options that were granted after October 16, 2001, the Company will grant a New Option to purchase the number of shares of Common Stock equal to the number of shares of Common Stock subject to the Options that are accepted for exchange.

The information set forth in the Offer to Exchange and the related Letter of Transmittal, copies of which were previously filed as Exhibits (a)(i)(A) and (a)(i)(B), respectively, is incorporated herein by reference except that such information is hereby amended and supplemented to the extent specifically provided herein. The Form of Presentation Q & A's to Eligible Option Holders is attached to this Amendment No. 2 as Exhibit (a)(11).

ITEM 1 SUMMARY TERM SHEET

ITEM 4. TERMS OF THE TRANSACTION

Items 1 and 4 are hereby supplemented and amended as follows:

Section 6 of the Offer to Exchange, Conditions of the Offer, is amended by deleting section (c)(6) and inserting the following in its place:

(6) any change in the general political, market, economic or financial conditions in the United States or abroad that has a material adverse effect on the business, condition (financial or other), operations or prospects of CIENA Corporation or our subsidiaries or that, in our reasonable judgment, makes it inadvisable to proceed with the offer;

Section 6 of the Offer to Exchange, Conditions of the Offer, is amended by deleting section (f) and inserting the following in its place:

(f) any change or changes shall have occurred in the business, condition (financial or other), assets, income, operations, prospects, or stock ownership of CIENA Corporation or our subsidiaries that, in our reasonable judgment, is materially adverse to CIENA Corporation or our subsidiaries.

ITEM 12. EXHIBITS.

- (a)(1)** Offer to Exchange, dated April 17, 2002.
 - (a)(2)** Form of Letter of Transmittal.
 - (a)(3)** Form of Announcement to Employees.
 - (a)(4)** Form of Initial Letter to Eligible Option Holders.
 - (a)(5)** Form of Summary of Outstanding Options Letter.
 - (a)(6)* Form of Confirmation Letter to Eligible Option Holders.
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- (a)(7)* Form of Reminder Letter to Eligible Option Holders.
- (a)(8)** Form of FAQ s for Eligible Option Holders.
- (a)(9)* Text of Slide Presentation to Eligible Option Holders.
- (a)(10)** Form of Confirmation Letter to Tendering Option Holders.
- (a)(11) Form of Presentation Q & As for Eligible Option Holders.
- (a)(12) CIENA Corporation Annual Report on Form 10-K for its fiscal year ended October 31, 2001, filed with the Securities and Exchange Commission December 13, 2001 and incorporated herein by reference.
- (a)(13) CIENA Corporation Quarterly Report on Form 10-Q for its fiscal quarter ended January 31, 2002, filed with the Securities and Exchange Commission February 21, 2002 and incorporated herein by reference.
- (b) Not applicable.
- (d)(1) The Company s Third Amended and Restated 1994 Stock Option Plan. Filed as Exhibit 10.2 to the Company s Annual Report on Form 10-K for its fiscal year ended October 31, 2001 and incorporated herein by reference.
- (d)(2) The Company s 1999 Non-Officer Stock Option Plan, as amended, and Form of Stock Option Agreement. Filed as Exhibits 10.22 and 10.25 to the Company s Annual Report on Form 10-K for its fiscal year ended October 31, 2001 and incorporated herein by reference.
- (d)(3) The Cyrus Systems, Inc. 1998 Stock Plan, as amended, and Form of Stock Option Agreement. Filed as Exhibit 10.24 to the Company s Annual Report on Form 10-K for its fiscal year ended October 31, 2001 and incorporated herein by reference.
- (g) Not applicable.
- (h) Not applicable.

* Previously filed on Schedule TO-I on April 17, 2002.

** Previously filed on Schedule TO-I on April 19, 2002.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13e-3.

- (a) Not applicable.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Amendment No. 2 to Schedule TO is true, complete and correct.

Date: May 2, 2002

CIENA CORPORATION

/s/ Russell B. Stevenson, Jr.

Russell B. Stevenson, Jr.
Senior Vice President, General Counsel and
Secretary

INDEX TO EXHIBITS

Exhibit

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<u>Number</u>	<u>Description</u>
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