

ZI CORP
Form SC TO-T
November 26, 2008

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE TO
Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

ZI CORPORATION
(Name of subject company (Issuer))
NUANCE COMMUNICATIONS, INC.
(Name of Filing Persons (Offerors))

COMMON SHARES
(Title of Class of Securities)
988918108
(CUSIP number of common stock)

Thomas Beaudoin
Chief Financial Officer
Nuance Communications, Inc.
1 Wayside Road
Burlington, MA 01803
Telephone: (781) 565-5000
(Name, address, and telephone number of person authorized
to receive notices and communications on behalf of Filing Persons)

Copies to:

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CALCULATION OF FILING FEE

| Transaction Valuation* | Amount of Filing Fee** |
|------------------------|------------------------|
| \$22,790,875.60 | \$895.68 |

* Estimated solely
for purposes of
calculating

amount of filing fee in accordance with Rule 0-11 under the Securities Exchange Act of 1934. The transaction value assumes the purchase of all outstanding common shares, no par value, of Zi Corporation, other than the 1,000 common shares owned by Nuance Communications, Inc., for the expected consideration in the tender offer of \$0.40 per share. As of September 30, 2008 (as reported in Zi Corporation's Consolidated Interim Financial Statements for the period ending September 30, 2008), there were 50,667,957 common shares outstanding, 4,600,700 common shares issuable pursuant to outstanding stock options and restricted stock units, and outstanding warrants to purchase 1,709,532 common shares. As a result, this calculation assumes the

purchase of
56,977,189
common shares.

** The amount of filing fee is calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory No. 6 for fiscal year 2008 issued by the Securities and Exchange Commission on December 27, 2007. Such fee equals 0.00393% of the transaction value.

o 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 | N/A | Filing Party: | N/A |
| Previously Paid: | | | |
| Form of | N/A | Date Filed: | N/A |
| Registration No.: | | | |

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

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

- third party tender offer subject to Rule 14d-1
- issuer tender offer subject to Rule 13e-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:

TABLE OF CONTENTS

ITEM 1. SUMMARY TERM SHEET

ITEM 2. SUBJECT COMPANY INFORMATION

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON

ITEM 4. TERMS OF THE TRANSACTION

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY

ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED

ITEM 10. FINANCIAL STATEMENTS

ITEM 11. ADDITIONAL INFORMATION

ITEM 12. EXHIBITS

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3

SIGNATURES

EXHIBIT INDEX

(a)(1)(A) Offer to Purchase for Cash and Circular dated November 26, 2008

(a)(1)(B) Form of Letter of Transmittal

(a)(1)(C) Form of Notice of Guaranteed Delivery

(a)(1)(D) Form of Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees

(a)(1)(E) Form of Letter to Clients

(a)(5) Summary Advertisement published on November 26, 2008

Table of Contents

This Tender Offer Statement on Schedule TO (this Schedule TO) relates to a tender offer by Nuance Communications, Inc., a Delaware corporation (Nuance or the Offeror), to purchase all the outstanding common shares (the Shares) of Zi Corporation, an Alberta corporation (the Company or Zi), at a purchase price of \$0.40 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase for Cash and Circular dated November 26, 2008 (the Offer to Purchase and the Circular, respectively, and together, the Offer to Purchase and Circular) and in the related Letter of Transmittal (the Letter of Transmittal which, together with the Offer to Purchase and Circular, as each may be amended and supplemented from time to time, constitute the Offer). This Schedule TO is being filed on behalf of the Offeror.

The information set forth in the Offer to Purchase and Circular and the Letter of Transmittal, copies of which are filed with this Schedule TO as Exhibits (a)(1) and (a)(2) hereto, respectively, is incorporated by reference in answers to Items 1 through 9 and Item 11 of this Schedule TO, and is supplemented by the information specifically provided in this Schedule TO.

ITEM 1. SUMMARY TERM SHEET

The information set forth in the Summary Term Sheet of the Offer to Purchase and Circular is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION

(a) Zi Corporation, 2100, 840-7th Avenue S.W., Calgary, Alberta, Canada T2P 3G2, (403) 233-8875.

(b) As of September 30, 2008, there were 50,667,957 common shares of the Company outstanding, 4,600,700 common shares issuable pursuant to stock options and restricted stock units and 1,709,532 common shares issuable upon exercise of outstanding warrants (as reported in Zi Corporation's Consolidated Interim Financial Statements for the period ending September 30, 2008).

(c) The Shares are traded on the NASDAQ Capital Market, under the symbol ZICA, and on the Toronto Stock Exchange, under the symbol ZIC. The information set forth in Section 12 Price Range and Trading Volume of Common Shares of the Circular is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON

(a), (b), (c) The information set forth in Section 1 The Offeror of the Circular and Schedule B Directors and Executive Officers of the Offeror of the Offer to Purchase and Circular is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION

The information set forth in the Summary Term Sheet, Section 1 The Offer, Section 2 Time for Acceptance, Section 3 Manner of Acceptance, Section 5 Extension and Variation of the Offer, Section 6 Withdrawal of Deposited Shares and Section 7 Take Up of and Payment for Deposited Shares of the Offer to Purchase, and Section 5 Purpose of the Offer and the Offeror's Plans for Zi, Section 13 Effect of the Offer on the Market for Securities; Public Disclosure by Zi; Exchange Act Registration; Margin Requirements, Section 15 Certain Canadian Federal Income Tax Considerations and Section 16 Certain U.S. Federal Income Tax Considerations of the Circular is incorporated herein by reference.

Table of Contents

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS

(a)(1) Other than the transactions described in Item 5(b) below, during the past two years neither the Offeror nor, to the best knowledge of the Offeror, any of the persons listed in Schedule B Directors and Executive Officers of the Offeror of the Offer to Purchase and Circular has entered into any transaction with the Company or any of the Company's affiliates that are not natural persons.

(a)(2) Other than the transactions described in Item 5(b) below, during the past two years neither the Offeror nor, to the best knowledge of the Offeror, any of the persons listed in Schedule B Directors and Executive Officers of the Offeror of the Offer to Purchase and Circular has entered into any transaction or series of similar transactions with any executive officer, director or affiliate of the Company that is a natural person with an aggregate value that exceeds \$60,000.

(b) The information set forth in Section 3 Background to the Offer, Section 9 Commitments to Acquire Common Shares and Section 10 Arrangements, Agreements or Understandings of the Circular is incorporated herein by reference.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS

(a), (c)(1)-(7) The information set forth in Section 4 Strategic Rationale, Section 5 Purpose of the Offer and the Offeror's Plans for Zi, Section 6 Acquisition of Common Shares Not Deposited and Section 13 Effect of the Offer on the Market for Securities; Public Disclosure by Zi; Exchange Act Registration; Margin Requirements of the Circular is incorporated herein by reference.

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

(a), (b), (d) The information set forth in Section 7 Source of Funds of the Circular is incorporated herein by reference.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY

The information set forth in Section 8 Beneficial Ownership of and Trading in Securities of the Circular is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED

The information set forth in Section 17 Depository, U.S. Forwarding Agent, Dealer Managers and Information Agent and Section 18 Legal Matters of the Circular is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS

Not applicable.

ITEM 11. ADDITIONAL INFORMATION

(a)(1) Except as disclosed in Items 1 through 10 above, there are no present or proposed material agreements, arrangements, understandings or relationships between (i) the Offeror or any of its

Table of Contents

executive officers, directors, controlling persons or subsidiaries and (ii) the Company or any of its executive officers, directors, controlling persons or subsidiaries.

(a)(2)-(4) The information set forth in the Section 13 Effect of the Offer on the Market for Securities; Public Disclosure by Zi; Exchange Act Registration; Margin Requirements and Section 14 Regulatory Matters of the Circular is incorporated herein by reference.

(a)(5) None.

(b) The information set forth in the Offer to Purchase and Circular and the Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively, to the extent not otherwise incorporated herein by reference, is incorporated herein by reference.

ITEM 12. EXHIBITS

See Exhibit Index immediately following the signature page.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3

Not applicable.

Table of Contents

SIGNATURES

After due 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.

NUANCE COMMUNICATIONS, INC.

Dated: November 26, 2008

By: /s/ Thomas Beaudoin

Name: Thomas Beaudoin

Title: Chief Financial Officer

-4-

Table of Contents

EXHIBIT INDEX

**EXHIBIT
NUMBER**

DOCUMENT

| | |
|-----------|---|
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