

CIENA CORP
Form SC TO-I
April 17, 2002

As filed with the Securities and Exchange Commission on _____, 2002

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
(Rule 13e-4)

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 Eligible Option Plans**
(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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\$196,244,492.40

\$ 18,054.50

*Calculated solely for purposes of determining the filing fee. This amount assumes that options to purchase 25,992,648 shares of common stock of CIENA Corporation having an aggregate value of \$196,244,492.40 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.

**The amount of the filing fee is calculated in accordance with Section 13(e) of the Securities Exchange Act of 1934, as amended.

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:	Not applicable.
Form or Registration No.:	Not applicable.
Filing Party:	Not applicable.
Date Filed:	Not Applicable.

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:

ITEM 1. SUMMARY TERM SHEET.

The information set forth under the Summary Term Sheet in the Offer to Exchange, dated April 17, 2002 (the Offer to Exchange), attached hereto as Exhibit (a)(1), is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) The name of the issuer is CIENA Corporation, a Delaware corporation (the Company), and the address of its principal executive offices is 1201 Winterson Road, Linthicum, Maryland 21090. The information set forth in the Offer to Exchange under Information Concerning CIENA is incorporated herein by reference.

(b) This Tender Offer Statement on Schedule TO relates to an offer by the Company to exchange options outstanding under the Third Amended and Restated 1994 Stock Option Plan (the 1994 Plan) and the 1999 Non-Officer Stock Option Plan (the 1999 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 (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, attached hereto as Exhibit (a)(2). 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 under Summary Term Sheet, Section 1 (Eligibility; Number of Options; Expiration Date), Section 5 (Acceptance of Options for Exchange and Issuance of New Options) and Section 8 (Source and Amount of Consideration; Terms of New Options) is incorporated herein by reference.

(c) The information set forth in the Offer to Exchange under Section 7 (Price Range of Our Common Stock) is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) The information set forth under Item 2(a) above is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a) The information set forth in the Offer to Exchange under Summary Term Sheet, Section 1 (Eligibility; Number of Options; Expiration Date), Section 3 (Procedures for Tendering Options), Section 4 (Withdrawal Rights), Section 5 (Acceptance of Options for Exchange and Issuance of New Options), Section 6 (Conditions of the Offer), Section 8 (Source and Amount of Consideration; Terms of New Options), Section 11 (Status of Options Acquired by Us in the Offer; Accounting Consequences of the Offer), Section 12 (Legal Matters; Regulatory Approvals), Section 13 (Material Federal Income Tax Consequences) and Section 14 (Extension of Offer; Termination; Amendment) is incorporated herein by reference.

(b) The information set forth in the Offer to Exchange under Section 10 (Interests of Directors and Officers; Transactions and Arrangements Concerning the Options) is incorporated herein by reference.

ITEM 5. PAST CONTRACTS, TRANSACTIONS, NEGOTIATIONS AND ARRANGEMENTS.

(e) The information set forth in the Offer to Exchange under Section 10 (Interests of Directors and Officers; Transactions and Arrangements Concerning the Options) is incorporated herein by reference.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

- (a) The information set forth in the Offer to Exchange under Section 2 (Purpose of the Offer) is incorporated herein by reference.
- (b) The information set forth in the Offer to Exchange under Section 5 (Acceptance of Options for Exchange and Issuance of New Options) and Section 11 (Status of Options Acquired by Us in the Offer; Accounting Consequences of the Offer) is incorporated herein by reference.
- (c) The information set forth in the Offer to Exchange under Section 2 (Purpose of the Offer) is incorporated herein by reference.

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

- (a) The information set forth in the Offer to Exchange under Section 8 (Source and Amount of Consideration; Terms of New Options) and Section 15 (Fees and Expenses) is incorporated herein by reference.
- (b) The information set forth in the Offer to Exchange under Section 6 (Conditions of the Offer) is incorporated herein by reference.
- (d) Not applicable.

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

- (a) Not applicable.
- (b) The information set forth in the Offer to Exchange under Section 10 (Interests of Directors and Officers; Transactions and Arrangements Concerning the Options) is incorporated herein by reference.

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

- (a) Not applicable.

ITEM 10. FINANCIAL STATEMENTS.

- (a) The information set forth in the Offer to Exchange under Section 9 (Information Concerning CIENA) and Section 16 (Additional Information), and in the Company's Annual Report on Form 10-K for its fiscal year ended October 31, 2001, and the Company's Quarterly Report on Form 10-Q for its fiscal quarter ended January 31, 2002, is incorporated herein by reference.

ITEM 11. ADDITIONAL INFORMATION.

- (a) The information set forth in the Offer to Exchange under Section 10 (Interests of Directors and Officers; Transactions and Arrangements Concerning the Options) and Section 12 (Legal Matters; Regulatory Approvals) is incorporated herein by reference. To the knowledge of the Company, no material legal proceedings relating to the tender offer are pending.
- (b) Not applicable.

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

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- (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 FAQs 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) 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)(12) 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.
- (g) Not applicable.
- (h) Not applicable.

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 Schedule TO is true, complete and correct.

Date: April 17, 2002

CIENA CORPORATION

/s/ Russell B. Stevenson, Jr.

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

INDEX TO EXHIBITS

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