

CLEARONE COMMUNICATIONS INC
Form SC TO-I
November 06, 2006

**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

CLEARONE COMMUNICATIONS, INC.
(Name of Subject Company (Issuer))

CLEARONE COMMUNICATIONS, INC.
(Name of Filing Persons (Issuer))

Common Stock, \$0.001 Par Value Per Share
(Title of Class of Securities)

185060100
(Cusip Number of Class of Securities)

**Greg A. LeClaire
Chief Financial Officer
ClearOne Communications, Inc.
1825 Research Way
Salt Lake City, Utah 84116
(801) 975-7200**

(Name, address and telephone numbers of person authorized to receive notices and communications on behalf of filing persons)

CALCULATION OF FILING FEE

| | |
|------------------------|------------------------|
| Transaction Valuation* | Amount of Filing Fee** |
| \$10,000,000 | \$1,070 |

*Calculated solely for the purpose of determining the amount of the filing fee, based on the purchase of 2,353,000 shares of Common Stock, par value \$.001 per share, at the tender offer price of \$4.25 per share.

** Calculated at \$107.00 per \$1,000,000 of the Transaction Valuation.

oCheck 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: [N/A] Filing Party: [N/A]

Form or Registration No.: [N/A] Date Filed: [N/A]

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 transaction 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:

INTRODUCTION

This Tender Offer Statement on Schedule TO relates to the offer by ClearOne Communications, Inc., a Utah corporation (the “Company”), to purchase up to 2,353,000 shares of its common stock, par value \$0.001 per share, at a price of \$4.25, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated November 6, 2006 (the “Offer to Purchase”), a copy of which is attached hereto as Exhibit (a)(1)(A), and in the Letter of Transmittal (the “Letter of Transmittal”), a copy of which is attached hereto as Exhibit (a)(1)(B). This Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended. The information contained in the Offer to Purchase and the Letter of Transmittal is incorporated herein by reference in response to all of the items of this Schedule TO, as more particularly described below.

Item 1. Summary Term Sheet.

The information set forth under “Summary Term Sheet” in the Offer to Purchase is herein incorporated by reference.

Item 2. Subject Company Information.

(a) The name of the issuer is ClearOne Communications, Inc., a Utah corporation, and the address of its principal executive offices is 5225 Wiley Post Way, Suite 500, Salt Lake City, Utah 84116. The telephone number of its principal executive offices is (801) 975-7200.

(b) As of the offer date, the Company had 12,145,068 shares outstanding of Common Stock, \$0.001 par value per share.

(c) The information set forth in the Offer to Purchase under Section 7 (“Price Range of the Shares”) is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) The Company is the filing person. The Company’s address and telephone number are set forth in Item 2 above. The information set forth in the Offer to Purchase under Section 10 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a) The following sections of the Offer to Purchase contain a description of the material terms of the transaction and are incorporated herein by reference:

- “Summary Term Sheet”;
- “Introduction”;
- Section 1 (“Number of Shares; Price; Proration”);
- Section 2 (“Purpose of the Offer; Certain Effects of the Offer”);
- Section 3 (“Procedures for Tendering Shares”);
- Section 4 (“Withdrawal Rights”);

- Section 5 (“Purchase of Shares and Payment of Purchase Price”);
 - Section 6 (“Conditions of the Tender Offer”);
 - Section 7 (“Price Range of The Shares”);
 - Section 8 (“Source and Amount of Funds”);
 - Section 9 (“Information About ClearOne Communications”);
- Section 10 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”);
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- Section 11 (“Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act”);
 - Section 12 (“Legal Matters; Regulatory Approvals”);
 - Section 13 (“United States Federal Income Tax Consequences”);
 - Section 14 (“Extension of the Tender Offer; Termination; Amendment”);
 - Section 15 (“Fees and Expenses”); and
 - Section 16 (“Miscellaneous”).

(b) The information set forth under “Introduction” in the Offer to Purchase is incorporated herein by reference.

Item 5. *Past Contacts, Transactions, Negotiations and Agreements.*

(e) The information set forth in the Offer to Purchase under Section 10 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

Item 6. *Purposes of the Transaction and Plans or Proposals.*

(a), (b) and (c) The information set forth in the Offer to Purchase under Section 2 (“Purpose of the Tender Offer; Certain Effects of the Tender 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 Purchase under Section 8 (“Source and Amount of Funds”) is incorporated herein by reference.

(b) The information set forth in the Offer to Purchase under Section 6 (“Conditions of the Tender Offer”) is incorporated herein by reference.

(d) Not applicable.

Item 8. *Interest in Securities of the Subject Company.*

(a) and (b) The information set forth in the Offer to Purchase under Section 10 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”) is incorporated herein by reference.

Item 9. *Persons/Assets, Retained, Employed, Compensated or Used.*

(a) The information set forth in the Offer to Purchase under Section 15 (“Fees and Expenses”) is incorporated herein by reference.

Item 10. *Financial Statements.*

Not applicable.

Item 11. *Additional Information.*

(a) The information set forth in the Offer to Purchase under Section 10 (“Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares”), Section 19 (“Information about ClearOne Communications”), Section 11 (“Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act”), 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) The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto, respectively, as each may be amended or supplemented from time to time, is incorporated herein by reference.

Item 12. Exhibits.

| Exhibit Number | Description |
|-------------------|---|
| <u>(a)(1)(A)*</u> | Offer to Purchase, dated November 6, 2006 |
| <u>(a)(1)(B)*</u> | Letter of Transmittal |
| <u>(a)(1)(C)*</u> | Notice of Guaranteed Delivery |
| <u>(a)(1)(D)*</u> | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees |
| <u>(a)(1)(E)*</u> | Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees |
| <u>(a)(1)(F)*</u> | Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 |
| <u>(a)(1)(G)*</u> | Letter to Shareholders |
| (a)(2) | Not applicable |
| (a)(3) | Not applicable |
| (a)(4) | Not applicable |
| <u>(a)(5)(A)*</u> | Advertisement/Press Release, dated October 30, 2006, |
| (b) | Not applicable |
| (d)(1) | Clearone Communications, Inc. 1998 Stock Option Plan |
| (d)(2) | Clearone Communications, Inc. 1997 Employee Stock Purchase Plan |
| (g) | Not applicable |
| (h) | Not applicable |

* Filed herewith.

(1) Incorporated by reference to Exhibit 4.8 of the Company's Registration Statement on Form S-8 filed October 6, 2006 (File No.333-137859).

(2) Incorporated by reference to Exhibit 4.9 of the Company's Registration Statement on Form S-8 filed October 6, 2006 (File No.333-137859).

Item 13. Information Required by Schedule 13E-3.

Not Applicable.

SIGNATURE

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.

CLEARONE COMMUNICATIONS, INC.
 By /s/ Zeynep Hakimoglu
 President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.