

EXTREME NETWORKS INC
Form 8-K
March 30, 2017

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 29, 2017

EXTREME NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

000-25711
(Commission
File Number)

77-0430270
(IRS Employer
Identification Number)

6480 Via Del Oro
San Jose, California
(Address of principal executive offices)

95119
(Zip Code)

Registrant's telephone number, including area code: (408) 579-2800

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On March 29, 2017, Extreme Networks, Inc., a Delaware corporation (the Company), entered into an Asset Purchase Agreement (the Purchase Agreement) with LSI Corporation, a Delaware corporation (LSI), and, solely for the purposes set forth in the Purchase Agreement, Broadcom Corporation, a California Corporation (Broadcom), to purchase the data center technology business (the Business) of Brocade Communication Systems, Inc. (Brocade) and its subsidiaries. Upon the terms and subject to the conditions of the Purchase Agreement, the Company will acquire customers, employees, technology and other assets of the Business, as well as assume certain contracts and other liabilities of the Business, for an upfront cash closing payment equal to \$35 million, plus a deferred payment equal to \$20 million to be paid \$1 million per quarter for 20 quarters following the closing date of the transaction (the Closing, and such date, the Closing Date), plus quarterly earnout payments equal to 50% of profits of the Business for the five-year period commencing at the end of the first full fiscal quarter of the Company following the Closing Date. Pursuant to certain ancillary agreements, LSI will also provide the Company with access to certain technology related to the Business, as well as transition services for a period of time following the Closing. The acquisition will include the rights to have manufactured and sold Brocade's current SLX based solutions product portfolio, which launched earlier this month.

The Closing is subject to the consummation of the merger of Bobcat Merger Sub, Inc. (Merger Sub), a direct wholly owned subsidiary of LSI, with and into Brocade, upon the terms and subject to the conditions set forth in the Agreement and Plan of Merger, dated as of November 2, 2016, by and among Broadcom Limited, Broadcom, Brocade and Merger Sub (the Broadcom-Brocade Merger Agreement and such merger, the Broadcom-Brocade Merger), and the satisfaction of customary closing conditions, including, among other matters, (i) the absence of any law or governmental order prohibiting or preventing the consummation of the transactions contemplated by the Purchase Agreement, (ii) the receipt of certain needed governmental approvals and authorizations, (iii) the accuracy of the representations and warranties and compliance with the covenants set forth in the Purchase Agreement, each in all material respects, and (iv) the absence of any material adverse effect on the Business.

The Purchase Agreement includes customary representations, warranties and covenants. Certain covenants require each of the parties to use commercially reasonable efforts to cause the Closing to be consummated, including with regard to receiving any required regulatory approvals. Subject to certain exceptions and limitations, each party has agreed to indemnify the other for breaches of representations, warranties, covenants and other specified matters.

The representations and warranties in the Purchase Agreement are the product of negotiations among the parties to the Purchase Agreement and are made to, and solely for the benefit of, the party to whom such representations and warranties are made. Such representations and warranties may have been made for the purpose of allocating contractual risk between the parties to the Purchase Agreement instead of establishing these matters as facts, may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors, and may not be relied upon by any other person.

Either party may terminate the Purchase Agreement if (a) the Closing has not occurred by September 29, 2017, subject to certain exceptions and limitations, or (b) the Broadcom-Brocade Merger Agreement has been validly terminated in accordance with the terms thereof. In no event will the Closing Date be prior July 1, 2017, unless agreed to by the parties. The Purchase Agreement is subject to certain other customary provisions permitting termination by the parties. There is no financing condition to the Closing.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is attached hereto as Exhibit 2.1 and is incorporated by reference herein.

Forward-Looking Statements

Certain statements in this communication that are not historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon management's current beliefs and expectations and are subject to uncertainty and changes in circumstances and contain words such as: believe, intended, expect, and anticipate and include statements about expectations for future results. Examples of forward-looking statements include, among others, statements regarding the Company's belief that the Broadcom-Brocade Merger will successfully close and that all other customary closing conditions necessary for closing the transaction will be satisfied. Such forward-looking statements are subject to risks, uncertainties, and other factors, including a downturn in the economy, the risk that the acquisition may not be completed, the risk that the Company may not realize the anticipated benefits of the acquisition, the risk that the Company may not retain customer relationships and other risks associated with the transaction, such as the ability to successfully integrate the acquired technologies or operations, the potential for unexpected liabilities, the Company's ability to retain key employees, the inability of the Broadcom-Brocade Merger to successfully close, or failure to meet other closing terms and conditions for the transaction, the reaction to the transaction of customers, employees and counterparties, or difficulties related to the transition of services, as well as additional risks and uncertainties contained in the Risk Factors and forward-looking statements disclosure contained in our most recent Annual

Report on Form 10-K and Quarterly Reports on Form 10-Q, any or all of which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Although the Company believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company or any person that future events, plans, or expectations contemplated by the Company will be achieved. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information or future developments.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
No.**

Description of Exhibit

| | |
|------|--|
| 2.1* | Asset Purchase Agreement, dated as of March 29, 2017, by and among LSI Corporation, Extreme Networks, Inc. and, solely for the purposes set forth therein, Broadcom Corporation. |
|------|--|

* This filing excludes schedules and exhibits pursuant to Item 601(b)(2) of Regulation S-K, which the registrant agrees to furnish supplementally to the SEC upon request by the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXTREME NETWORKS, INC.

Dated: March 29, 2017

/s/ Katy Motiey

Name: Katy Motiey

Title: Executive Vice President, Chief Administrative

Officer Human Resources, General Counsel
and

Secretary

EXHIBIT INDEX

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