

FINISAR CORP  
Form 8-K  
December 21, 2016

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## 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): **December 21, 2016**

## Finisar Corporation

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**000-27999**  
(Commission File  
No.)

**94-3038428**  
(I.R.S. Employer Identification No.)

**1389 Moffett Park Drive, Sunnyvale, CA 94089**

(Address of principal executive offices)

Registrant's telephone number, including area code: **(408) 548-1000**

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:

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- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

*Convertible Notes Offering*

On December 21, 2016, Finisar Corporation, a Delaware corporation (the *Company*), consummated its previously announced offering (the *Offering*) of \$575.0 million aggregate principal amount of 0.50% Convertible Senior Notes due 2036 (the *Notes*) in a private placement, which amount included \$75.0 million principal amount of Notes issued pursuant to the initial purchasers' exercise in full of their over-allotment option. The Notes were issued to Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co., as initial purchasers, in reliance on the exemption from the registration requirements provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the *Securities Act*), for resale to qualified institutional buyers pursuant to Rule 144A under the Securities Act.

*Indenture*

The Notes were issued pursuant to an indenture, dated as of December 21, 2016 (the *Indenture*), between the Company and Wells Fargo Bank, National Association, as trustee (the *Trustee*). The Notes will mature on December 15, 2036, unless earlier converted, repurchased or redeemed. The Notes bear interest at a rate of 0.50% per year, payable semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2017. The Notes are unsecured and unsubordinated obligations of the Company, and rank equal in right of payment to all of the Company's other unsecured and unsubordinated indebtedness. The Notes will be effectively subordinated in right of payment to all of the Company's future secured indebtedness and liabilities to the extent of the value of the collateral securing those obligations and structurally subordinated to the indebtedness and other liabilities of the Company's subsidiaries.

Holders may convert their Notes at their option prior to the close of business on the business day immediately preceding June 15, 2036 only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on January 29, 2017 (and only during such fiscal quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the *measurement period*) in which the trading price per \$1,000 principal amount of Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the applicable conversion rate on each such trading day; or (3) upon the occurrence of certain corporate events, as specified in the Indenture. On or after June 15, 2036, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their Notes at any time, regardless of whether any of the foregoing circumstances have occurred.

The initial conversion rate is 22.6388 shares of common stock per \$1,000 principal amount of Notes (which is equivalent to an initial conversion price of approximately \$44.17 per share of common stock), subject to adjustment upon the occurrence of certain events, as specified in the Indenture.

Upon conversion of the Notes, the Company will pay or deliver, as the case may be, either cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, as described in the Indenture.

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If holders elect to convert their Notes in connection with a fundamental change (as defined in the Indenture) that occurs on or before December 22, 2021, the Company will, to the extent described in the Indenture, increase the conversion rate applicable to such Notes.

Holders will have the option to require the Company to repurchase for cash any Notes held by them in the event of a fundamental change at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date. Holders also have the option to require the Company to repurchase for cash any Notes held by them on December 15, 2021, December 15, 2026 and December 15, 2031 at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

The Company may redeem the Notes in whole or in part at any time on or after December 22, 2021 at 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The Indenture contains customary terms and covenants. If an event of default occurs and is continuing, either the Trustee or the holders of at least 25% in principal amount of the outstanding Notes may, by notice to the Company, declare the entire principal amount of the Notes, plus accrued and unpaid interest, to be immediately due and payable. Events of default include, among other things: default in any payment of interest when due with such default continuing for a period of 30 days; default in the payment of principal of the Notes when due at maturity, upon redemption or required repurchase or otherwise; the Company's failure to comply with its obligations to convert the Notes into common stock, cash or a combination of cash and common stock, as applicable, upon exercise of a holder's conversion right; the Company's failure to issue a fundamental change notice in accordance with the terms of the Indenture; the Company's failure for 60 days after written notice to comply with any of its other agreements contained in the Notes or the Indenture; the failure of the Company, or any of its significant subsidiaries, to discharge certain financial obligations resulting in any debt for borrowed money in excess of \$10 million becoming declared due and payable, unless such acceleration is rescinded or annulled within 30 days; or specified events involving bankruptcy, insolvency or reorganization with respect to the Company or any of its significant subsidiaries.

The foregoing summary of the Indenture is qualified in its entirety by reference to the full text of the Indenture, a copy of which is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth under Item 1.01 above is incorporated into this Item 2.03 by reference.

**Item 3.02. Unregistered Sales of Equity Securities.**

The information set forth under Item 1.01 of this Form 8-K is incorporated herein by reference.

The Notes have not been registered under the Securities Act, or any state securities laws, and the Notes may not be offered or sold in the United States absent registration or the availability of exemptions from the registration requirements of the Securities Act and applicable state securities laws. The Company does not intend to file a shelf registration statement for the resale of the Notes.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

4.1 Indenture, dated as of December 21, 2016, between the Finisar Corporation and Wells Fargo Bank, National Association.

**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.

**Finisar Corporation**

Date: December 21, 2016

By:

/s/ Kurt Adzema  
Kurt Adzema  
*Chief Financial Officer*

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
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