

OPTA CORP  
Form DEF 14C  
August 02, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**SCHEDULE 14C**

**(RULE 14C-101)**

**SCHEDULE 14C INFORMATION**

**Information Statement Pursuant to Section 14(c)  
of the Securities Exchange Act of 1934**

Check the appropriate box:

- |                                  |                                   |                       |  |
|----------------------------------|-----------------------------------|-----------------------|--|
| <input type="radio"/>            | Preliminary Information Statement | <input type="radio"/> | Confidential, for Use of the Commission Only (as permitted by Rule 14c-5 (d)(2)) |
| <input checked="" type="radio"/> | Definitive Information Statement  |                       |  |

**OPTA CORPORATION**

(Name of Registrant As Specified in Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.

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- ý Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.
- 1) Title of each class of securities to which transaction applies:  
common stock, par value \$0.001 per share and preferred stock, par value \$0.001 per share.
- 2) Aggregate number of securities to which transaction applies:  
2,800,421 shares is the current estimated maximum number of shares to be converted in the merger into the right to receive cash; 1,930,000 shares is the maximum number previously estimated solely for purposes of calculating the amount of the filing fee.
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):  
\$0.06 is the current cash payment per share to holders of the shares; \$0.13 is the amount of cash payment per share to holders of the shares previously estimated for purposes of calculation of the filing fee.
- 4) Proposed maximum aggregate value of transaction:  
\$168,026 is the current maximum aggregate value of the transaction and is based on the product of (a) 2,800,421 shares of the Issuer's common stock and preferred stock (which is the estimated maximum number of shares to be converted in the merger into the right to receive cash); and (b) \$0.06 (which is the cash payment per shares to holders of the shares set forth in (a)). \$250,900 was the previously calculated maximum aggregate value of the transaction (estimated solely for purposes of calculating the amount of the filing fee) and was based on the product of (x) 1,930,000 shares of the Issuer's common stock and preferred stock (which was the estimated maximum number of shares to be converted in the merger into the right to receive cash); and (y) \$0.13 (which was the cash payment per shares to holders of the shares set forth in (x)).
- 5) Total fee paid:  
\$29.53. The filing fee of \$29.53 was calculated by multiplying the previously calculated transaction value (as calculated above) of \$250,900 by .0001177.

ý Fee paid previously with preliminary materials.

ý Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:  
\$29.53
- 2) Form, Schedule or Registration Statement No:  
Schedule 14C
- 3) Filing Party:  
Opta Corporation
- 4) Date Filed:  
July 8, 2005
-

**Neither the Commission nor any state securities commission has approved or disapproved of the Going Private Transaction, passed upon the merits or fairness of the Going Private Transaction, or passed upon the adequacy or accuracy of the disclosure in this information statement. Any representation to the contrary is a criminal offense.**

Opta Corporation  
1350 Bayshore Highway, Suite 600  
Burlingame, CA 94010  
650-579-3610



**INFORMATION STATEMENT**

**August 2, 2006**



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This information statement is being circulated to the stockholders of Opta Corporation, a Delaware corporation ( Opta or the Company ), in connection with the taking of corporate action without a meeting upon the written consent of the holders of a majority of the outstanding voting securities of the Company and is being furnished to holders of record of the capital stock of the Company in order to comply with the requirements of Section 14(c) of the Securities Exchange Act of 1934, as amended (the Exchange Act ) and Regulation 14C under the Exchange Act.

**WE ARE NOT ASKING YOU FOR A PROXY AND**

**YOU ARE REQUESTED NOT TO SEND US A PROXY**





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Our Board of Directors is furnishing this information statement to all holders of record of the issued and outstanding shares of our common stock, \$0.001 par value per share ( Common Stock ) and our preferred stock, \$0.001 par value per share ( Preferred Stock ), as of the close of business on June 10, 2006 to inform all stockholders of the approval of the Merger (defined below) and the subsequent filing of the Restated Certificate of Incorporation of the Surviving Corporation attached hereto as Annex A. The information statement was mailed or delivered to you on August 2, 2006. The information statement also serves as notice to you of an action taken by less than unanimous consent. Such notice is required by Section 228 of the Delaware General Corporation Law and Article II, Section 13 of the Company's Amended and Restated Bylaws. On June 10, 2006, our Board of Directors adopted resolutions proposing and approving a corporate reorganization that will enable Opta to become a non-reporting company with the Securities and Exchange Commission (the Commission ).

### *Voting Securities*



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As of the close of business on June 10, 2006, the record date for the determination of stockholders to whom this information statement is sent (the Record Date ), the Company had outstanding approximately 50,037,538 shares of Common Stock and 4,300 shares of Preferred Stock. Each stockholder is entitled to one vote per share of capital stock held.

*Consenting Stockholders*



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On June 10, 2006, the following stockholders, who collectively own approximately 51.2% of our outstanding capital stock, consented in writing to the Going Private Transaction; the vote of more than 50% of our outstanding stock was required.

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| Stockholder Name                     | Shares of Opta Stock | Percentage of Ownership |
|--------------------------------------|----------------------|-------------------------|
| Lotus International Holdings Ltd.(1) | 16,000,000           | 32.0%                   |
| TCL Industries Holdings (HK) Ltd.(2) | 9,606,671            | 19.2%                   |
| Total                                | 25,606,671           | 51.2%                   |

(1) Lotus International Holdings Ltd. (hereinafter referred to as LIH ) is controlled by TCL Industries Holdings (HK) Ltd.

(2) TCL Industries Holdings (HK) Ltd. (hereinafter referred to as TCL Industries ) is an affiliate of TCL Corp. Two of Opta's directors, Li Dongsheng and Vincent Yan, are also directors of TCL Corp. Mr. Yan is also our President and CEO. Mr. Li serves as the Chairman of the TCL Corp and both Mr. Li and Mr. Yan hold positions with TCL Corp-affiliated companies.

Under Delaware law, we are required to give all stockholders who have not consented written notice of any actions that are taken by written consent without a stockholders meeting. Under Section 14(c) of the Exchange Act, the actions cannot become effective until 20 calendar days after the mailing date of this information statement to our stockholders.

We will pay the expenses of furnishing this information statement, including the cost of preparing, assembling and mailing this information statement.

We are not seeking written consent from any of our stockholders and our other stockholders will not be given an opportunity to vote with respect to these actions. All necessary corporate and stockholder approvals have been obtained and this information statement is furnished solely for the purposes of:

advising stockholders who have not consented of the action taken by written consent, as required by Delaware law; and

giving stockholders advance notice of the actions taken, as required by Exchange Act.

We may abandon the Going Private Transaction at any time before its effectiveness if for any reason we deem it advisable to do so.

Under Delaware law, you may have appraisal rights in connection with the Merger. To exercise your appraisal rights, you must comply with all procedural requirements of Section 262 of the Delaware General Corporation Law. A description of Section 262 of the Delaware General Corporation Law is provided in the Appraisal Rights section below and the full text of the section is attached to this document. FAILURE TO TAKE ANY STEPS REQUIRED BY DELAWARE LAW MAY RESULT IN A TERMINATION OR WAIVER OF YOUR APPRAISAL RIGHTS.

*Forward-Looking Statements*





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This information statement contains forward-looking statements with respect to the impact on our company of the Going Private Transaction and other matters. The forward-looking statements are not guarantees of future performance and occurrences and involve risks and uncertainties. Certain of the statements contained herein may be, within the meaning of the federal securities laws, forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different

from any future results, performance or achievements expressed or implied by such forward-looking statements. See the Company's Form 10-K for the fiscal year ended June 30, 2005 and other reports filed with the Commission under the Exchange Act for a discussion of such risks, uncertainties, and other factors. These forward-looking statements are based on management's expectations as of the date hereof, and the Company does not undertake any responsibility to update any of these statements in the future.

*Additional Information*



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All SEC reports and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act are available free of charge on our Investor Relations web site at [www.optaco.com/sec](http://www.optaco.com/sec) as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Additionally, we will mail copies of our prior SEC reports to any stockholder upon written request, free of charge, by contacting the Company's Investor Relations at 1350 Bayshore Highway, Suite 600, Burlingame, CA 94010, telephone number (650) 579-3610.

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Annex K Quarterly Report on Form 10-Q for the Nine Month Period Ended March 31, 2006

Annex L Pro Forma Financial Statements

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**INFORMATION STATEMENT**

**Summary Term Sheet**



This summary term sheet highlights selected information from the information statement and addresses material terms of the transaction. You should carefully read this entire information statement and the other documents to which we refer you for a more complete understanding of the matters being described in this summary term sheet. In addition, we incorporate by reference important business and financial information into this information statement. You may obtain the information incorporated by reference into this information statement without charge by following the instructions in the section entitled **Where You Can Find More Information**.

**Going Private Transaction**

*Overview*



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*Opta will accomplish the Going Private Transaction by completing the following steps:*



- (1) On June 8, 2006, Opta Merger Corp., a wholly-owned subsidiary of Opta (the **Subsidiary** ), was incorporated under the laws of the State of Delaware upon the filing its Certificate of Incorporation, attached hereto as Annex B. (See the section entitled **Basic Terms** and Annex B.)
  
- (2) The Subsidiary will merge (the **Merger** ) with and into Opta upon the terms set forth in the Agreement of Merger attached hereto as Annex C. Upon the effective date (the **Effective Date** ) of the Merger, the Subsidiary will cease to exist and Opta will be the surviving corporation (the **Surviving Corporation** ). The Subsidiary's Certificate of Incorporation, attached hereto as Annex B, will be the Certificate of Incorporation of the Surviving Corporation upon the Effective Date of the Merger. (See the section entitled **Basic Terms** and Annex B and Annex C.)
  
- (3) As of June 10, 2006 the issued and outstanding capital stock of the Corporation consists of 50,037,538 shares of Common Stock, par value \$0.001 per share, and 4,300 shares of Class A Preferred Stock, par value \$0.001 per share. Each share of Common Stock or Preferred Stock (a **Pre-Merger Share** ), upon the Effective Date of the Merger and without any action on the part of the holder, will convert into one-five-thousandth (1/5,000) of a share of Common Stock of the Surviving Corporation (the **Exchange Ratio** ). (See the sections entitled **Basic Terms** and **Effective Time of the Going Private Transaction** . )
  
- (4) Any holder holding less than 5,000 Pre-Merger Shares will, after the Effective Date of the Merger, have their resulting fractional interests cancelled and converted into the right to receive \$0.06 in cash for each Pre-Merger Share ( **Cash Consideration** ) held by such holder. (See the sections entitled **Basic Terms** and **Stock Certificates** for more details.)
  
- (5) Immediately following the Merger, the Surviving Corporation shall file a Restated Certificate of Incorporation of the Surviving Corporation in the form attached hereto as Annex A (the **Restated Certificate** ) and upon the effectiveness of such Restated Certificate (the **Effective Date of the Restated Certificate** ) any surviving fractional interests attached to whole shares will be reconverted in a 5,000-for-1 forward stock split of the Surviving Corporation's then outstanding Common Stock such that any holder who

held at least 5,000 Pre-Merger Shares will hold the same number of shares of the Surviving Corporation after the Effective Date of the Restated Certificate. (See the sections entitled *Basic Terms* and *Stock Certificates* and Annex A for more details.)

Hereafter, the above five steps are referred to collectively as the *Going Private Transaction*.

As a result of this *Going Private Transaction*, Opta will substantially reduce its total number of stockholders, which will permit it to terminate registration under the Exchange Act, suspend its status as a reporting company with the Commission, and become a privately held company, which will allow it to eliminate public reporting costs and compliance with burdensome regulations. If consummated, the *Going Private Transaction* would enable us to provide liquidity to certain stockholders, terminate registration under Section 12(g) of the Exchange Act and suspend our duty to file reports under Sections 13 and 15(d) of the Exchange Act ( *Periodic Reporting Obligations* ). Following the *Going Private Transaction*, we expect that stockholders who will receive Cash Consideration for their fractional interests will receive such Cash Consideration within approximately 60 days after the Effective Date of the Restated Certificate. (See the sections entitled *Effects if Going Private Transaction is Not Consummated*, *Stock Certificates*, *Source of Funds and Financial Effect of the Going Private Transaction*, *Fees and Expenses*, *Accounting Consequences* and *Regulatory Filings and Approvals* for more details.)

As a result of this *Going Private Transaction*:

All stockholders who own less than one share of stock upon the Effective Date of the Merger will be entitled to receive Cash Consideration; and

Stockholders who own more than one share of common stock, upon the Effective Date of the Merger, will, upon the Effective Date of the Restated Certificate, retain the same number of whole shares of the Surviving Corporation owned by those stockholders before the *Going Private Transaction*. (See the section entitled *Stock Certificates* for more details.)

*Purpose of the Going Private Transaction*





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The purpose of the Going Private Transaction is to allow the Company to terminate registration under Section 12(g) of the Exchange Act, suspend its duty to file reports with the Commission and become a private company. The Going Private Transaction will enable us to terminate our Periodic Reporting Obligations so that we may continue future operations as a private company, relieving us of the costs, administrative burdens and competitive disadvantages associated with operating as a public company. Following the adoption of Sarbanes-Oxley, the amount of management time and Company resources required to comply with such requirements have become overly burdensome for a company of our size. We intend to accomplish this purpose by reducing the number of holders of record to fewer than 300 by cashing out the fractional interests resulting from the Going Private Transaction.

*Independent Fairness Opinion and Valuation*



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Our Board of Directors has engaged Cronkite & Kissell LLC ( Cronkite & Kissell ) to provide a valuation of our Company and to opine as to the fairness, from a financial point of view, of the consideration, in the amount of \$0.06 per Pre-Merger Share to be received by the stockholders holding less than 5,000 Pre-Merger Shares.

*Approval of Board of Directors*



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Our Board of Directors believes the Going Private Transaction is in the best interest of, and substantively and procedurally fair to, our stockholders, who will be redeemed pursuant to the Going Private Transaction. Our Board of Directors further concluded that the advantages of the Going Private Transaction to the stockholders far outweighed the disadvantages, and that it was substantively and procedurally fair to them, and, therefore, that the transaction was in all of our stockholders' best interests. The members of our Board of Directors who have no affiliation with any stockholders of Opta separately analyzed and approved the Going Private Transaction. Separate review by such directors is described further in the section *Interest of Certain Persons in or Opposition to Matters to Be Acted Upon*. On April 8, 2006 and June 10, 2006, our Board of Directors unanimously adopted resolutions authorizing and approving the Going Private Transaction. The Board of Directors reserved the right to abandon the Going Private Transaction at any time prior to the Effective Date of the Merger or Restated Certificate, as applicable.

### *Approval of Stockholders*



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As of June 10, 2006, we had approximately 800 stockholders of record holding an aggregate of 50,037,538 shares of Common Stock and one stockholder holding an aggregate of 4,300 shares of Preferred Stock outstanding as of the Record Date. Each stockholder is entitled to one vote per share, voting as a single class. The proposed actions to implement the Going Private Transaction requires the affirmative vote or written consent of the holders of a simple majority of the outstanding shares of our Common Stock and our Preferred Stock as of the Record Date, voting as one class of stock. As described above, stockholders owning approximately 51.2% of the outstanding capital stock have consented in writing to the Going Private Transaction.

*Estimated Effective Time of Going Private Transaction*





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We anticipate that the Going Private Transaction will become effective on or about August 22, 2006. However, in no event will the effective time of the Going Private Transaction (the Effective Time ) be consummated earlier than the twentieth calendar day after this information statement is sent or given to those persons or entities that held Opta stock as of the Record Date.

### *Implementation and Effects of Going Private Transaction*



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Every holder of record of Common Stock and Preferred Stock will be entitled to receive one share of the Surviving Corporation's common stock in exchange for every 5,000 shares of Common Stock and Preferred Stock held by that holder immediately prior to the Effective Date of the Merger. All holders of resulting fractional interests after the Effective Date of the Merger ( Cashed-Out Stockholders ), will receive the Cash Consideration at the rate of \$0.06 for each Pre-Merger Share. Immediately following the Merger and upon the Effective Date of the Restated Certificate, any surviving fractional interests attached to whole shares will be reconverted in a 5,000-for-1 forward stock split of the Surviving Corporation's then outstanding Common Stock into the same number of whole shares owned by those holders before the Merger.

Our shares are currently traded on the Pink Sheets, although trading has been extremely minimal, and our shares may continue to be so traded after the Going Private Transaction.

In addition, in connection with the Merger, the Subsidiary's Certificate of Incorporation will become the Certificate of Incorporation of the Surviving Corporation as attached hereto. The

Surviving Corporation's Certificate of Incorporation will not include any preferred stock class. As a result, the Company will only have common stock. The filing of the Restated Certificate will effect the 5,000-for-1 forward stock split, but otherwise will not provide for any other substantive changes.

*Information About our Company*



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The Company's principal executive offices are located at 1350 Bayshore Highway, Suite 600, Burlingame, CA 94010 and our phone number is (650) 579-3610. The filing person is the subject company.

For more information about Opta, please refer to the section entitled [Where You Can Find More Information](#).

**SPECIAL FACTORS**

**The Going Private Transaction**



