

AUDIENCE INC
Form SC TO-T/A
May 22, 2015

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

SCHEDULE TO
(Amendment No. 1)
(RULE 14D-100)
Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

AUDIENCE, INC.
(Name of Subject Company)

ORANGE SUBSIDIARY, INC.
(Offeror)

KNOWLES CORPORATION
(Parent of Offeror)
(Names of Filing Persons)

COMMON STOCK, \$0.001 PAR VALUE

(Title of Class of Securities)

05070J102

(CUSIP Number of Class of Securities)

Jeffrey S. Niew

President & Chief Executive Officer

Knowles Corporation

1151 Maplewood Drive

Itasca, Illinois 60143

(630) 250-5100

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

with copies to:

Thomas G. Jackson, Esq.

Senior Vice President,

General Counsel & Secretary

Knowles Corporation

1151 Maplewood Drive

Itasca, Illinois 60143

(630) 250-5100

Paul L. Choi, Esq.

Jennifer F. Fitchen, Esq.

Sidley Austin LLP

One South Dearborn Street

Chicago, Illinois 60603

(312) 853-7000

CALCULATION OF FILING FEE

Transaction Valuation(1)
\$138,054,637.74

Amount of Filing Fee(2)
\$16,041.95

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended (the Exchange Act), based on the product of (i) \$4.74, the average of the high and low per share prices of Audience, Inc. common stock as reported on the NASDAQ Global Select Market on May 12, 2015, and (ii) 29,125,451, the number of shares of Audience, Inc. common stock estimated to be outstanding at the time the offer and the merger are completed plus the aggregate number of shares of Audience, Inc. common stock issuable upon exercise and conversion of all outstanding stock options and restricted stock units as of such date.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11 under the Exchange Act of 1934 equals 0.0001162 multiplied by the transaction valuation.
- x 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: \$7,581.01
Form or Registration No.: Form S-4

Filing Party: Knowles Corporation
Date Filed: May 19, 2015

- .. 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:

- x 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: ..

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- .. Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
.. Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

This Amendment No. 1 (this Amendment) amends and supplements the Tender Offer Statement on Schedule TO (the Schedule TO) filed by Knowles Corporation, a Delaware corporation (Knowles), and Orange Subsidiary, Inc., a Delaware corporation and a wholly owned subsidiary of Knowles (Purchaser), with the Securities and Exchange Commission (the SEC) on May 19, 2015. The Schedule TO relates to the offer (the offer) by Purchaser to exchange for each issued and outstanding share of common stock of Audience, Inc., a Delaware corporation (Audience), for consideration consisting of both:

(i) \$2.50 in cash, without interest, and

(ii) a number of shares of Knowles common stock, par value \$0.01 per share, equal to the amount obtained by dividing \$2.50 by the volume weighted average of the sale prices for Knowles common stock as reported on the New York Stock Exchange for each of the 10 consecutive trading days ending on and including the second trading day prior to the final expiration date of the offer,

subject in each case to the adjustment procedures and collar described in the Prospectus/Offer to Exchange (as defined below) and the related Letter of Transmittal (as defined below).

Except as otherwise set forth below, the information set forth in the Schedule TO remains unchanged and is incorporated herein by reference. Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Schedule TO and the related exhibits incorporated therein by reference.

The offer is being made pursuant to an Agreement and Plan of Merger, dated as of April 29, 2015, as it may be amended from time to time (the Merger Agreement), by and among Knowles, Purchaser and Audience, which contemplates the offer and the subsequent merger of Purchaser with and into Audience (the merger) with Audience surviving as a wholly owned subsidiary of Knowles. As a result of the merger, each then-outstanding share of Audience common stock held by persons other than Knowles or Purchaser and their subsidiaries, and stockholders of Audience who have properly preserved their appraisal rights, if any, under applicable law, will be converted into the right to receive the merger consideration described in the Prospectus/Offer to Exchange. On May 19, 2015, Knowles filed with the SEC a registration statement on Form S-4 (the Registration Statement) relating to the shares of Knowles common stock to be issued to Audience stockholders and holders of options, restricted stock units and other rights to purchase shares of common stock of Audience in the offer and the merger. The terms and conditions of the offer and the merger are described in the Prospectus/Offer to Exchange, which is a part of the Registration Statement (the Prospectus/Offer to Exchange), and the related letter of transmittal (the Letter of Transmittal), which are filed as Exhibits (a)(4) and (a)(1)(A) hereto, respectively.

Pursuant to General Instruction F to Schedule TO, the information contained in the Prospectus/Offer to Exchange and the Letter of Transmittal, including any prospectus supplement or other supplement thereto related to the offer hereafter filed with the SEC by Knowles or Purchaser, is hereby expressly incorporated into the Schedule TO by reference in response to Items 1 through 11 of the Schedule TO and is supplemented by the information specifically provided for in the Schedule TO. The Merger Agreement, a copy of which is filed as Exhibit (d)(1) hereto, is incorporated into the Schedule TO by reference.

Item 11. Additional Information.

Item 11 of the Schedule TO is hereby amended and supplemented by adding a new subsection entitled Certain Legal Proceedings at the end of subsection (a) as follows:

Certain Legal Proceedings

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On May 15, 2015, a lawsuit captioned *Hall v. Audience, Inc., et al.* (Case No. 1-15-CV-280778) (*Hall*) was filed in the Superior Court of California, Santa Clara County. The suit is a purported class action brought on behalf of the stockholders of Audience against Audience, the members of its board of directors, Knowles and Purchaser. The suit alleges that the members of Audience's board of directors breached their fiduciary duties to Audience stockholders in connection with the proposed transaction, and that Audience and Knowles aided and abetted these alleged violations. The complaint seeks to enjoin the transaction. The plaintiff also seeks attorneys' and other fees and costs, in addition to other relief. Knowles, Purchaser and Audience believe that the plaintiff's allegations are without merit.

On May 20, 2015, another purported class action lawsuit brought on behalf of the stockholders of Audience captioned Mohamadi v. Gyani et al. (Case No. 1-15-CV-280931) was filed in the Superior Court of California, Santa Clara County against the members of Audience's board of directors, Knowles and Purchaser. Similar to *Hall*, the suit alleges that the members of Audience's board of directors breached their fiduciary duties to Audience stockholders in connection with the proposed transaction, and that Knowles and Purchaser aided and abetted these alleged violations. The plaintiff also alleges that Audience failed to publicly disclose all material information about the proposed transaction and that the public disclosures filed by Audience in connection with the proposed transaction contain misleading information. The complaint seeks to enjoin the transaction or amend or enjoin the deal protection provisions of the Merger Agreement. The plaintiff also seeks an indeterminate amount of damages and attorneys' and other fees and costs, in addition to other relief. Knowles, Purchaser and Audience believe that the plaintiff's allegations are without merit.

SIGNATURES

After due inquiry and to the best of their knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: May 22, 2015

ORANGE SUBSIDIARY, INC.

By: /s/ Raymond D. Cabrera
Name: Raymond D. Cabrera
Title: President

KNOWLES CORPORATION

By: /s/ Jeffrey S. Niew
Name: Jeffrey S. Niew
Title: President & Chief Executive
Officer

EXHIBIT INDEX

Exhibit No.	Description
(a)(1)(A)	Form of Letter of Transmittal (incorporated by reference to Exhibit 99.1 to Knowles Registration Statement on Form S-4 filed with the SEC on May 19, 2015 (the Form S-4))
(a)(1)(B)	Form of Notice of Guaranteed Delivery (incorporated by reference to Exhibit 99.2 to the Form S-4)
(a)(1)(C)	Form of Letter from the Information Agent to Brokers, Dealers, Banks, Trust Companies and Other Nominees (incorporated by reference to Exhibit 99.3 to the Form S-4)
(a)(1)(D)	Form of Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees (incorporated by reference to Exhibit 99.4 to the Form S-4)
(a)(4)	Prospectus/Offer to Exchange relating to the shares of Knowles common stock to be issued in the offer and the merger (incorporated by reference to the Form S-4)
(a)(5)(A)	Joint Press Release Issued by Knowles and Audience, dated April 30, 2015 (incorporated by reference to Exhibit 99.1 to Knowles Form 8-K filed with the SEC on April 30, 2015)
(a)(5)(B)	Investor Presentation Materials, dated April 30, 2015, titled Knowles to Acquire Audience (incorporated by reference to the Form 425 filed by Knowles on April 30, 2015)
(a)(5)(C)	Form of Summary Advertisement published in the New York Times on May 19, 2015 (incorporated by reference to the Form 425 filed by Knowles on May 19, 2015)
(b)(1)	Amended and Restated Credit Agreement, dated as of December 31, 2014, among Knowles, Knowles Luxembourg International S.à r.l. and certain other subsidiaries of Knowles, as borrowers, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to Knowles Form 8-K filed with the SEC on January 6, 2015)
(b)(2)	First Amendment, dated as of April 17, 2015, to Amended and Restated Credit Agreement by and among Knowles and Knowles Luxembourg International S.à r.l., as borrowers, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.2 to Knowles Form 8-K filed with the SEC on April 30, 2015)
(d)(1)	Agreement and Plan of Merger, dated as of April 29, 2015, among Knowles, Purchaser and Audience (incorporated by reference to Exhibit 2.1 to Knowles Form 8-K filed with the SEC on April 30, 2015)
(d)(2)	Form of Tender and Support Agreement, dated as of April 29, 2015, between Knowles, the directors and executive officers of Audience and certain affiliates of Tallwood Venture Capital (incorporated by reference to Exhibit 10.1 to Knowles Form 8-K filed with the SEC on April 30, 2015)