

## 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

September 13, 1998

Date of Report (Date of earliest event reported)

CIENA Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction  
of incorporation)

0-21969

(Commission  
File No.)

23-2725311

(IRS Employer  
Identification No.)

1201 Winterson Road, Linthicum, Maryland 21090

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:

(410) 865-8500

Not applicable

(Former name or former address, if changed since last report)

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## Item 5. Other Events.

CIENA Corporation and Tellabs, Inc. announced on September 14, 1998 that they had agreed to terminate the Agreement and Plan of Merger dated as of June 2, 1998, as amended by the First Amendment to Agreement and Plan of Merger dated as of August 27, 1998 (as so amended, the "Merger Agreement"). In accordance with the terms of the Termination Agreement, a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein, all related agreements including the Stock Option Agreement are also terminated. Certain provisions relating to confidentiality survive the termination of the Merger Agreement. Under the terms of the Termination Agreement, no termination fees are payable by either party.

Also, in connection with the termination of the Merger Agreement, CIENA has amended its Shareholder Rights Agreement dated December 29, 1997, as amended on June 2, 1998, to provide that the amendments made on June 2, 1998 in contemplation of the Merger are rescinded. The Second Amendment to the Rights Agreement is attached hereto as Exhibit 99.2 and incorporated by reference herein.

## Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

99.1 Termination Agreement, dated September 13, 1998.

99.2 Second Amendment to Rights Agreement, dated September 13, 1998.

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 thereunto duly authorized.

CIENA Corporation

Date: September 14, 1998

By: /s/ G. Eric Georgatos

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G. Eric Georgatos  
Vice-President, General Counsel  
and Secretary

## EXHIBIT INDEX

Exhibit No.	Description
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99.1	Termination Agreement, dated September 13, 1998.
99.2	Second Amendment to Rights Agreement, dated September 13, 1998.

EXHIBIT 99.1

TERMINATION AGREEMENT

## TERMINATION AGREEMENT

This Termination Agreement (this "Termination Agreement") is made as of this 13th day of September, 1998, among Tellabs, Inc., a Delaware corporation ("Parent") and CIENA Corporation, a Delaware corporation (the "Company").

WHEREAS, Parent, White Oak Merger Corp., a Delaware corporation and a direct wholly owned subsidiary of Parent ("Sub") and Company are parties to that certain Agreement and Plan of Merger dated as of June 2, 1998, as amended by the First Amendment to Agreement and Plan of Merger dated as of August 27, 1998 (as so amended, the "Merger Agreement"); and

WHEREAS, the parties desire to terminate the Merger Agreement by mutual consent as provided by Section 7.1 (a) of the Merger Agreement.

NOW, THEREFORE, in consideration of the premises and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties hereto agree as follows:

1. CAPITALIZED TERMS. Except as otherwise defined or modified herein, all capitalized terms used in this Termination Agreement shall have the meanings set forth in the Merger Agreement.

2. TERMINATION OF AGREEMENT. Effective immediately upon execution of this Termination Agreement, the Merger Agreement is hereby terminated pursuant to Section 7.1 (a) thereof, and the Stock Option Agreement is hereby terminated pursuant to Section 19 thereof. All covenants, undertakings, restrictions and limitations contained in all Company Affiliate Letters, Parent Affiliate Letters, the Stockholders Agreement dated as of August 27, 1998 between the Company and Michael Birck and the Stockholder Agreements executed in connection with the Merger Agreement (collectively with the Merger Agreement and the Stock Option Agreement, the "Transaction Agreements") are also terminated and waived and shall be of no further force and effect.

3. SURVIVAL OF CONFIDENTIALITY AGREEMENT. Notwithstanding any provisions of the Merger Agreement to the contrary, the provisions of Sections 2.1, 2.4, 2.7 and 2.8 of the Confidentiality Agreement shall survive the termination of the Merger Agreement, and each party will use commercially reasonable efforts to promptly return all Evaluation Material (as defined in the Confidentiality Agreement) relating to the other party to the other party or destroy the same, as requested by the other party, and will otherwise cooperate with the other party in taking all reasonable steps necessary to carry out an orderly termination of actions heretofore taken to carry out the transactions contemplated by the Merger Agreement, provided, however, that if the Receiving

Company (as defined in the Confidentiality Agreement) reasonably determines that because of pending or threatened litigation or proceedings the return or destruction of any such materials would not be appropriate, in lieu of such return or destruction the Receiving Company may turn over any such materials to its outside legal counsel (who shall maintain the confidentiality thereof, use such materials only as reasonably necessary in connection with such legal actions or proceedings and shall promptly return or destroy such materials when the same are no longer reasonably necessary for use in such legal action or proceedings).

4. EXPENSES. Except as otherwise provided in this Termination Agreement, all costs and expenses incurred in connection with or relating to this Termination Agreement, the Transaction Agreements or the transactions contemplated hereby and thereby, including, without limitation, the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the party incurring such costs and expenses; provided, that all printing expenses and all filing fees incurred by the parties prior to the date hereof in connection with the Merger Agreement (including, without limitation, filing fees under the Securities Act, the Exchange Act and the HSR Act) shall be divided equally between Parent and the Company. Accordingly, all charges of Bowne & Co. in connection with printing and distributing the Registration Statement and the Joint Proxy Statement shall be borne 50% by Parent and 50% by the Company.

5. RELEASE AND WAIVER. Each of the parties hereto, for itself and its subsidiaries, predecessors, successors and assigns, and for each of its and their respective directors, officers, employees, agents and attorneys acting as such (collectively, the "Releasing Persons"), does hereby forever and unconditionally release, acquit and discharge each of the other parties hereto, and each of their respective parents, subsidiaries, stockholders, directors, officers, employees, agents, attorneys and consultants, and the predecessors, successors and assigns of each of them (collectively, the "Released Persons"), with all Released Persons who are natural persons being so released, acquitted and discharged in both their individual as well as their official capacities, from any and all claims, controversies, covenants, representations, warranties, demands, promises, contracts, agreements, causes of action, suits, liabilities, obligations, debts or other responsibility of whatever kind or nature, whether known or unknown, whether in law or in equity, which the Releasing Persons ever had, now have or may have against any Released Person for any matter, thing, event, action or omission which in any way, directly or indirectly, relates to or arises out of or is connected to the Transaction Agreements, any of the transactions contemplated thereby, including, without limitation by reason of or in connection with the termination of the Transaction Agreements, or any other acts, facts, omissions, transactions, occurrences or other subject matters relating thereto, arising therefrom or in connection therewith; provided, however, that nothing contained herein shall release any obligation under this Termination Agreement or claim to enforce it.

6. AMENDMENTS. This Agreement can be modified or amended only by a writing signed by the parties hereto.

7. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8. ENFORCEMENT. The parties hereto agree that irreparable damage would occur in the event that any provisions of Section 3 of this Termination Agreement were not performed in accordance with their specific wording or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of Section 3 of this Termination Agreement and to enforce specifically the terms and provisions of such Section 3 in any court of the United States or any state having jurisdiction, such remedy being in addition to any other remedy to which any party is entitled at law or in equity.

9. DISCLOSURE. Promptly following the execution hereof, Parent and the Company shall issue the press releases in the forms attached hereto as Exhibits A and B, respectively, or as otherwise agreed between the parties prior to release.

10. REPRESENTATIONS AND WARRANTIES. Each of the parties hereto represents and warrants to the other that (a) it has all requisite power and authority to enter into this Termination Agreement and (b) this Termination Agreement constitutes the legal, valid and binding obligation of such party and (assuming that this Termination Agreement is the valid, binding and enforceable obligation of the other party) is enforceable against it in accordance with its terms.

11. EXECUTION IN COUNTERPARTS. To facilitate execution, this Agreement may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.



12. ENTIRE AGREEMENT. Except as set forth in Section 3 hereof with respect to certain provisions of the Confidentiality Agreement, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect thereto; including without limitation, Section 7.2 of the Merger Agreement, the other provisions of the Merger Agreement, all other Transaction Agreements and the Confidentiality Agreement. Except for the provisions of Section 5 hereof, this Termination Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

IN WITNESS WHEREOF, the undersigned have executed this Termination Agreement as of the date first above written.

ATTEST/WITNESS: TELLABS, INC.

/s/ ----- By: /s/ Michael J. Birck (SEAL) -----  
Michael J. Birck  
President and Chief Executive Officer

CIENA CORPORATION

/s/ ----- By: /s/ Patrick H. Nettles (SEAL) -----  
Patrick H. Nettles  
President and Chief Executive Officer

ACKNOWLEDGED AND AGREED:

WHITE OAK MERGER CORP.

/s/ ----- By: /s/ Michael J. Birck (SEAL) -----  
Michael J. Birck  
President and Chief Executive Officer

EXHIBIT 99.2  
SECOND AMENDMENT TO RIGHTS AGREEMENT

SECOND AMENDMENT TO RIGHTS AGREEMENT, dated as of September 13, 1998 (the "Amendment"), between CIENA Corporation, a Delaware corporation (the "Company"), and BankBoston N.A. (the "Rights Agent").

WHEREAS, the Company and the Rights Agent are parties to the Rights Agreement dated as of December 29, 1997, as amended by the First Amendment to Rights Agreement dated June 2, 1998 (the "Agreement");

WHEREAS, the Company has delivered to the Rights Agent an appropriate certificate pursuant to Section 27 of the Agreement; and

WHEREAS, in accordance with Section 27 of the Agreement, the Company and the Rights Agent desire to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

SECTION 1. AMENDMENTS TO SECTION 1. (a) Section 1(c) of the Agreement relating to the definitions of "Beneficial Owner" and "beneficially own" is amended by deleting the following:

"Notwithstanding anything contained in this Agreement to the contrary, neither Tellabs nor White Oak, nor any of their Affiliates or Associates, shall be deemed to be the Beneficial Owner of, nor to beneficially own, any of the Common Stock of the Company solely by virtue of the approval, execution or delivery of the Merger Agreement, the Stock Option Agreement or the Stockholder Agreements, the acquisition of Common Stock pursuant to the terms of the Stock Option Agreement or the consummation of the Merger and the other transactions contemplated by the Merger Agreement, the Stock Option Agreement and the Stockholder Agreements."

(b) Section 1 of the Agreement is amended by deleting the following at the end thereof:

"(dd) The following additional terms have the meanings indicated: "Merger" shall mean the merger of White Oak with and into the Company in accordance with the General Corporation Law of the State of Delaware upon the terms and subject to the conditions set forth in the Merger Agreement. "Merger Agreement" shall mean the Agreement and Plan of Merger, dated as of June 2, 1998, by and among Tellabs, White Oak and the Company (as such agreement may be amended from time to time). "Stockholder Agreements" shall mean the Stockholder Agreements, dated as of June 2, 1998, by and between Tellabs and certain stockholders of the Company (as such agreements may be amended from time to time). "Stock Option Agreement" shall mean the Stock Option Agreement, dated as of June 2, 1998, by and between Tellabs and the Company (as such

agreement may be amended from time to time). "Tellabs" shall mean Tellabs, Inc., a Delaware corporation. "White Oak" shall mean White Oak Merger Corp., a Delaware corporation, and wholly-owned subsidiary of Tellabs."

SECTION 2. EXPIRATION DATE. Section 7(a) of the Agreement is hereby amended (a) by replacing the comma that appears immediately prior to the symbol "(iv)" with an ", or"; (b) by deleting the following to the end of the Section 7(a): ", or (v) the time immediately prior to the Effective Time (as defined in the Merger Agreement), whereupon the Rights shall expire (the earliest of (i), (ii), (iii), (iv) and (v) being herein referred to as the "Expiration Date")." ;and (c) by inserting in place thereof the following parenthetical "(the earliest of (i), (ii), (iii) and (iv) being herein referred to as the "Expiration Date")."

SECTION 3. DELETE SECTION 35. Section 35 is hereby deleted in its entirety.

SECTION 4. SEVERABILITY. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 5. GOVERNING LAW. This Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such state.

SECTION 6. COUNTERPARTS. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

SECTION 7. EFFECT OF AMENDMENT. Except as expressly modified herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

Attest:  
/s/ G. Eric Georgatos  
G. Eric Georgatos  
Vice President, General  
Counsel and Secretary

CIENA CORPORATION  
By: /s/ Patrick H. Nettles  
Patrick H. Nettles  
President and Chief Executive  
Officer

Attest: BANKBOSTON, N.A.

/s/ Linda Adams  
By: /s/ Margaret Prentice  
Name: Margaret Prentice  
Title: Administrative Manager