

Edgar Filing: TERAYON COMMUNICATION SYSTEMS - Form SC 13G

TERAYON COMMUNICATION SYSTEMS  
Form SC 13G  
February 14, 2003

SCHEDULE 13G

Amendment No. 0  
Terayon Communications Systems  
Common Stock  
Cusip #880775101

Cusip #880775101  
Item 1: Reporting Person - FMR Corp.  
Item 4: Delaware  
Item 5: 0  
Item 6: 0  
Item 7: 7,324,825  
Item 8: 0  
Item 9: 7,324,825  
Item 11: 10.000%  
Item 12: HC

Cusip #880775101  
Item 1: Reporting Person - Edward C. Johnson 3d  
Item 4: United States of America  
Item 5: 0  
Item 6: 0  
Item 7: 7,324,825  
Item 8: 0  
Item 9: 7,324,825  
Item 11: 10.000%  
Item 12: IN

Cusip #880775101  
Item 1: Reporting Person - Abigail P. Johnson  
Item 4: United States of America  
Item 5: 0  
Item 6: 0  
Item 7: 7,324,825  
Item 8: 0  
Item 9: 7,324,825  
Item 11: 10.000%  
Item 12: IN

SCHEDULE 13G - TO BE INCLUDED IN  
STATEMENTS  
FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)

Item 1(a). Name of Issuer:  
Terayon Communications Systems  
Item 1(b). Name of Issuer's Principal Executive Offices:

Edgar Filing: TERAYON COMMUNICATION SYSTEMS - Form SC 13G

2952 Bunker Hill Lane  
Santa Clara, CA 95054

Item 2(a). Name of Person Filing:

FMR Corp.

Item 2(b). Address or Principal Business Office or, if None,  
Residence:

82 Devonshire Street, Boston,  
Massachusetts 02109

Item 2(c). Citizenship:

Not applicable

Item 2(d). Title of Class of Securities:

Common Stock

Item 2(e). CUSIP Number:

880775101

Item 3. This statement is filed pursuant to Rule 13d-1(b) or 13d-2(b) and the person filing, FMR Corp., is a parent holding company in accordance with Section 240.13d-1(b)(ii)(G). (Note: See Item 7).

Item 4. Ownership

- (a) Amount Beneficially Owned: 7,324,825
- (b) Percent of Class: 10.000%
- (c) Number of shares as to which such person has:
  - (i) sole power to vote or to direct the vote: 0
  - (ii) shared power to vote or to direct the vote: 0
  - (iii) sole power to dispose or to direct the disposition of: 7,324,825
  - (iv) shared power to dispose or to direct the disposition of: 0

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the

Edgar Filing: TERAYON COMMUNICATION SYSTEMS - Form SC 13G

sale of, the Common Stock of Terayon Communications Systems. The interest of one person, FA Value Strategies Fund, an investment company registered under the Investment Company Act of 1940, in the Common Stock of Terayon Communications Systems, amounted to 5,381,930 shares or 7.348% of the total outstanding Common Stock at December 31, 2002.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

See attached Exhibit(s) A, B.

Item 8. Identification and Classification of Members of the Group.

Not Applicable. See attached Exhibit A.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule 13G in connection with FMR Corp.'s beneficial ownership of the Common Stock of Terayon Communications Systems at December 31, 2002 is true, complete and correct.

February 14, 2003  
Date

/s/Eric D. Roiter  
Signature

Eric D. Roiter  
Duly authorized under Power of Attorney  
dated December 30, 1997 by and on behalf  
of FMR Corp. and its direct and indirect  
subsidiaries

SCHEDULE 13G - TO BE INCLUDED IN  
STATEMENTS  
FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)

Pursuant to the instructions in Item 7 of Schedule  
13G, Fidelity Management & Research Company

## Edgar Filing: TERAYON COMMUNICATION SYSTEMS - Form SC 13G

("Fidelity"), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR Corp. and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 7,324,825 shares or 10.000% of the Common Stock outstanding of Terayon Communications Systems ("the Company") as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. The number of shares of Common Stock of Terayon Communications Systems owned by the investment companies at December 31, 2002 included 119,625 shares of Common Stock resulting from the assumed conversion of \$10,050,000 principal amount of TERAYON COMM CV 5% 8/01/07 (11.9033 shares of Common Stock for each \$1,000 principal amount of debenture).

The ownership of one investment company, FA Value Strategies Fund, amounted to 5,381,930 shares or 7.348% of the Common Stock outstanding. FA Value Strategies Fund has its principal business office at 82 Devonshire Street, Boston, Massachusetts 02109.

Edward C. Johnson 3d, FMR Corp., through its control of Fidelity, and the funds each has sole power to dispose of the 7,324,825 shares owned by the Funds.

Neither FMR Corp. nor Edward C. Johnson 3d, Chairman of FMR Corp., has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds' Boards of Trustees.

Members of the Edward C. Johnson 3d family are the predominant owners of Class B shares of common stock of FMR Corp., representing approximately 49% of the voting power of FMR Corp. Mr. Johnson 3d owns 12.0% and Abigail Johnson owns 24.5% of the aggregate outstanding voting stock of FMR Corp. Mr. Johnson 3d is Chairman of FMR Corp. and Abigail P. Johnson is a Director of FMR Corp. The Johnson family group and all other Class B shareholders have entered into a shareholders' voting agreement under which all Class B shares will be voted in accordance with the majority vote of Class B shares. Accordingly, through their ownership of voting common stock and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR Corp.

SCHEDULE 13G - TO BE INCLUDED IN  
STATEMENTS

FILED PURSUANT TO RULE 13d-1(b) or 13d-2(b)  
RULE 13d-1(f)(1) AGREEMENT

The undersigned persons, on February 14, 2003, agree and consent to the joint filing on their behalf of this Schedule 13G in connection with their beneficial ownership of the

Edgar Filing: TERAYON COMMUNICATION SYSTEMS - Form SC 13G

Common Stock of Terayon Communications Systems at  
December 31, 2002.

FMR Corp.

By /s/ Eric D. Roiter  
Eric D. Roiter  
Duly authorized under Power of Attorney  
dated December 30, 1997, by and on behalf  
of FMR Corp. and its direct and indirect  
subsidiaries

Edward C. Johnson 3d

By /s/ Eric D. Roiter  
Eric D. Roiter  
Duly authorized under Power of Attorney  
dated December 30, 1997, by and on behalf  
of Edward C. Johnson 3d

Abigail P. Johnson

By /s/ Eric D. Roiter  
Eric D. Roiter  
Duly authorized under Power of Attorney  
dated December 30, 1997, by and on behalf  
of Abigail P. Johnson

Fidelity Management & Research Company

By /s/ Eric D. Roiter  
Eric D. Roiter  
Senior V.P. and General Counsel

FA Value Strategies Fund

By /s/ Eric D. Roiter  
Eric D. Roiter  
Secretary