

Edgar Filing: ARRIS GROUP INC - Form SC 13D/A

ARRIS GROUP INC  
Form SC 13D/A  
July 28, 2003

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D/A  
(RULE 13d-101)

(Amendment No. 7)

ARRIS Group, Inc.  
-----  
(Name of Issuer)

Common Stock, \$.01 par value per share  
-----  
(Title of Class of Securities)

04269Q100  
-----  
(CUSIP Number)

Deborah J. Noble  
Corporate Secretary  
Nortel Networks Corporation  
8200 Dixie Road, Suite 100  
Brampton, Ontario L6T 5P6  
Canada  
(905) 863-1103  
-----

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

July 25, 2003  
-----

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box:

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Nortel Networks Corporation  
-----

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

Not Applicable  
-----

3. SEC USE ONLY  
-----

4. SOURCE OF FUNDS

00  
-----

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS

2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Canada  
-----

7. SOLE VOTING POWER

14,000,000 shares  
-----

8. SHARED VOTING POWER

0 shares  
-----

NUMBER OF SHARES  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
WITH

9. SOLE DISPOSITIVE POWER

14,000,000 shares  
-----

10. SHARED DISPOSITIVE POWER

0 shares  
-----

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

14,000,000 shares  
-----

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

18.7%  
-----

14. TYPE OF REPORTING PERSON

CO

-----  
\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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AMENDMENT NO. 7  
TO  
SCHEDULE 13D

This Amendment No. 7 amends the Statement on Schedule 13D filed on August 13, 2001, by and on behalf of Nortel Networks Corporation with respect to its beneficial ownership of common stock, par value \$.01 per share ("Arris Group Common Stock"), of Arris Group, Inc. (f/k/a Broadband Parent Corporation), a Delaware corporation ("Arris Group"), as amended by Amendment No. 1 to Schedule 13D filed on June 11, 2002, Amendment No. 2 to Schedule 13D filed on June 21, 2002, Amendment No. 3 to Schedule 13D filed on June 25, 2002, Amendment No. 4 to Schedule 13D filed on March 13, 2003, Amendment No. 5 to Schedule 13D filed on March 19, 2003 and Amendment No. 6 to Schedule 13D filed on March 25, 2003 (as amended, the "Statement"). The Statement, as amended by this Amendment No. 7 is referred to herein as "Schedule 13D." This Schedule 13D is filed to report, among other things, that Arris Group filed a registration statement on Form S-3 (Registration No. 333-107325) with respect to the sale by Nortel Networks Inc. of up to 14,000,000 shares of Arris Group Common Stock. Capitalized terms used and not defined herein have the meanings set forth in the Statement.

With respect to Items 2, 4, 5 and 6 of this Schedule 13D, the Schedule I to the Statement is hereby replaced with the Schedule I attached hereto.

Item 4. Purpose of Transaction.  
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The tenth paragraph of Item 4 of the Statement is hereby amended and restated to read in its entirety as follows:

On March 20, 2003, in accordance with the terms of the Stock Option Agreement, Arris Group exercised the Stock Option for 8,000,000 shares of Arris Group Common Stock at an exercise price per share equal to \$3.50. On March 24, 2003, Nortel Networks Inc. consummated the sale of 8,000,000 shares of Arris Group Common Stock to Arris Group for an aggregate consideration of \$28,000,000. Pursuant to the terms of the Stock Option Agreement, there was also a reduction in the forgiveness of the Class B Return equal to 50% of the product of (a) the difference between \$4.00 per share and the exercise price per share (\$3.50), multiplied by (b) the number of shares of Arris Group Common Stock acquired upon exercise (8,000,000). Accordingly, the amount of this forgiveness was reduced by \$2,000,000, which amount was wired to Nortel Networks on March 24, 2003. As described in Item 6 of this Schedule 13D, the Stock Option expired by its terms on June 30, 2003.

The final paragraph of Item 4 of the Statement is hereby deleted in its entirety and the following paragraphs shall be inserted in lieu thereof:

On July 25, 2003, Arris Group filed a registration statement on Form S-3 (Registration No. 333-107325) (the "July 2003 Registration Statement") with respect to the sale by Nortel Networks Inc. of up to 14,000,000 shares of Arris Group Common Stock as a result of the exercise of certain demand registration

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rights as described in Item 6 of the Statement, which is incorporated herein by reference. The shares of Arris Group Common Stock registered under

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the July 2003 Registration Statement may be sold by Nortel Networks Inc., or its pledgees, assignees, donees, distributors, transferees, or any other successors in interest to any or all of the shares of Arris Group Common Stock, from time to time directly to purchasers or through agents, underwriters or dealers on any stock exchange or automated interdealer quotation system on which the shares of Arris Group Common Stock are listed, in the over-the-counter market, in privately negotiated transactions or otherwise. These sales may be at fixed prices that may be changed, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at prices otherwise negotiated.

Except as set forth in this Schedule 13D, the Reorganization Agreement, the Arris LLC Operating Agreement, the S-3 Registration Statement, the Prospectus Supplement, the Option Agreement, the Underwriting Agreement, the Stock Option Agreement, the Master Securities Loan Agreement, the March Prospectus Supplement and the July 2003 Registration Statement, neither Nortel Networks Corporation nor, to the best of Nortel Networks Corporation's knowledge, any of the individuals named in Schedule I hereto has any plans or proposals which related to or which would result in or relate to any of the actions specified in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.  
-----

The first paragraph of Item 5(a) of the Statement is hereby amended and restated to read in its entirety as follows:

(a) Nortel Networks Corporation is the beneficial owner of 14,000,000 shares of Arris Group Common Stock, representing approximately 18.7% of the Arris Group Common Stock issued and outstanding.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to  
-----  
Securities of Arris Group.  
-----

The last paragraph describing the Stock Option Agreement in Item 6 of the Statement is hereby deleted in its entirety and the following paragraph shall be inserted in lieu thereof:

On March 20, 2003, in accordance with the terms of the Stock Option Agreement, Arris Group exercised the Stock Option for 8,000,000 shares of Arris Group Common Stock at an exercise price per share equal to \$3.50. On March 24, 2003, Nortel Networks Inc. consummated the sale of 8,000,000 shares of Arris Group Common Stock to Arris Group for an aggregate consideration of \$28,000,000. Pursuant to the terms of the Stock Option Agreement, there was also a reduction in the forgiveness of the Class B Return equal to 50% of the product of (a) the difference between \$4.00 per share and the exercise price per share (\$3.50), multiplied by (b) the number of shares of Arris Group Common Stock acquired upon exercise (8,000,000). Accordingly, the amount of this forgiveness was reduced by \$2,000,000, which amount was wired to Nortel Networks on March 24, 2003. On June 30, 2003, pursuant to the terms of the Stock Option Agreement, the Stock Option expired. A copy of the Stock Option Agreement is filed as Exhibit 9 to the Statement and incorporated herein by reference.

SIGNATURES

After reasonable inquiry and to the best of the knowledge and belief of the undersigned, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: July 25, 2003

NORTEL NETWORKS CORPORATION

By: /s/ Katharine B. Stevenson

-----  
Katharine B. Stevenson  
Treasurer

By: /s/ Gordon Davies

-----  
Gordon Davies  
Assistant Secretary

SCHEDULE I  
NORTEL NETWORKS CORPORATION  
AND  
NORTEL NETWORKS LIMITED

DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN NON-EXECUTIVE BOARD APPOINTED OFFICERS

The name, citizenship, present principal occupation or employment, and the name of any corporation or other organization in which such employment is conducted, of each of the directors, executive officers and certain non-executive board appointed officers of Nortel Networks Corporation and Nortel Networks Limited is set forth below. Unless otherwise indicated below, the business address of each director, executive officer and certain non-executive board appointed officers is Nortel Networks Corporation and Nortel Networks Limited, 8200 Dixie Road, Suite 100, Brampton, Ontario L6T 5P6, Canada.

NAME AND CITIZENSHIP

PRESENT PRINCIPAL  
OCCUPATION OR EMPLOYMENT

Directors  
-----

Blanchard, James J.  
American

Piper Rudnick  
901-15th Street, N.W., Suite 700  
Washington, DC 20005-2301 U.S.A.

Brown, Robert E.

Chairman of the Board

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Canadian/British	Air Canada Air Canada Center 7373 Cote Vertu West Montreal, Quebec Canada H4Y 1H4
Cleghorn, John E. Canadian	Chairman of the Board SNC-Lavalin Group Inc. 200 Bay Street, South Tower, Suite 3115 Royal Bank Plaza Toronto, Ontario M5J 2J5 Canada
Dunn, Frank A. Canadian	President and Chief Executive Officer Nortel Networks Corporation and Nortel Networks Limited
Fortier, L. Yves Canadian	Chairman and Senior Partner Ogilvy Renault 1981 McGill College Avenue, 12th Floor Montreal, Quebec H3A 3C1 Canada

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Ingram, Robert A. American	Vice Chairman Pharmaceuticals GlaxoSmithKline 5 Moore Drive Research Triangle Park, N.C. 27709 U.S.A.
Owens, William A. American	Chief Executive Officer and Chairman of the Board Teledesic LLC 3740 Carillon Point Kirkland, WA 98033 U.S.A.
Saucier, Guylaine Canadian	1321 Sherbrooke Street West, Suite C-61 Montreal, Quebec H3G 1J4 Canada
Smith, Jr., Sherwood H. American	Chairman Emeritus of the Board CP&L One Hanover Square Building 421 Fayetteville Street Mall Raleigh, N.C. 27601-1748 U.S.A.
Wilson, Lynton R. Canadian	Chairman of the Board CAE Inc. 483 Bay Street, Floor 7, North Tower Toronto, Ontario M5G 2C9 Canada  Chairman of the Board of Nortel Networks Corporation and Nortel Networks Limited

### Officers

-----

Dunn, Frank A. Canadian	President and Chief Executive Officer
Beatty, Douglas C. Canadian	Chief Financial Officer
DeRoma, Nicholas J.	Chief Legal Officer

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American

Mumford, D. Gregory                    Chief Technology Officer  
Canadian                                3500 Carling Avenue  
    Nepean, Ontario  
    K2H 8E9 Canada

Debon, Pascal                            President, Wireless Network  
French                                    2221 Lakeside Boulevard  
    Richardson, Texas  
    75082-4399 U.S.A.

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Bolouri, Chahram                        President, Global Operations  
Canadian

McFadden, Brian W.                    President, Optical Networks  
Canadian                                2351 Boulevard Alfred-Nobel  
    St. Laurent, Quebec  
    H4S 2A9 Canada

Pusey, Stephen C.                        President, Europe, Middle East and Africa  
U.K.                                        Maidenhead Office Park,  
    Westacott Way  
    Maidenhead, Berkshire  
    SL6 3QH England

Spradley, Susan L.                      President, Wireline Networks  
American                                2221 Lakeside Boulevard  
    Richardson, Texas  
    75082-4399 U.S.A.

Tariq, Masood A.                        President, Global Alliances  
Canadian/American                      4006 E. Chapel Hill-Nelson Highway  
    Research Triangle Park, North Carolina  
    27709 U.S.A.

Donovan, William J.                    Senior Vice-President, Human Resources  
American

Gollogly, Michael J.                    Controller  
Canadian/U.K.

Donoghue, Adrian J.\*                    General Auditor  
Canadian

Stevenson, Katharine B.                Treasurer  
Canadian/American

Noble, Deborah J.\*                      Corporate Secretary  
Canadian

Schilling, Steven L.                    President, Enterprise Accounts  
American                                4006 E. Chapel Hill-Nelson Highway  
    Research Triangle Park, North Carolina  
    27709 U.S.A.

Doolittle, John M.\*                    Vice-President, Tax  
Canadian

Morrison, Blair F.* Canadian	Assistant Secretary
Pahapill, MaryAnne E.* Canadian	Assistant Treasurer
Collins, Malcolm K. U.K.	President, Enterprise Networks 4006 E. Chapel Hill-Nelson Highway Research Triangle Park, North Carolina 27709 U.S.A.
Hitchcock, Albert R.* U.K.	Chief Information Officer 4006 E. Chapel Hill-Nelson Highway Research Triangle Park, North Carolina 27709 U.S.A.
Mao, Robert Yu Lang American	President and Chief Executive Officer, Greater China 11/f, Tower 3 Sun Dong An Plaza 138 Wang Fu Jing Da Jie Beijing, 100006 China
Joannou, Dion C. American	President, CALA 1500 Concord Terrace Sunrise, Florida 33323 U.S.A.
Davies, Gordon* Canadian	Assistant Secretary
Giamatteo, John J. American	President, Asia Pacific Gate City Ohsaki, East Tower 9F 1-11-2 Ohsaki Shinagawa-Ku, Tokyo 141-8411 Japan

\*Non-executive board appointed officers

DIRECTORS, EXECUTIVE OFFICERS AND NON-EXECUTIVE  
BOARD APPOINTED OFFICERS OF  
NORTEL NETWORKS INC.

The name, citizenship, present principal occupation or employment, and the name of any corporation or other organization in which such employment is conducted, of each of the directors, executive officers and non-executive board appointed officers of Nortel Networks Inc. is set forth below. Unless otherwise indicated below, the business address of each director, executive officer and non-executive board appointed officer is Nortel Networks Inc., 220 Athens Way, Nashville, Tennessee 37228 USA.



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NAME AND CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
Directors	
-----	
Cross, Mary M. American	President, Nortel Networks Inc. 4008 E. Chapel Hill-Nelson Highway Research Triangle Park, N.C. 27709 U.S.A.
Stevenson, Katharine B. Canadian/American	Treasurer, Nortel Networks Corporation and Nortel Networks Limited 8200 Dixie Road, Suite 100 Brampton, Ontario L6T 5P6 Canada
Officers	
-----	
Cross, Mary M. American	President 4008 E. Chapel Hill-Nelson Highway Research Triangle Park, N.C. 27709 U.S.A.
Egan, Lynn C.* American	Assistant Secretary
Gigliotti, Thomas A.* American	Assistant Secretary 4001 E. Chapel Hill-Nelson Highway Research Triangle Park, N.C. 27709 U.S.A.
Higginbotham, Ernest R.* American	Assistant Secretary 2221 Lakeside Blvd. Richardson, TX 75082-4399 U.S.A.
Knudsen, Paul T.* Canadian	Assistant Secretary 2221 Lakeside Blvd. Richardson, TX 75082-4399 U.S.A.
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Krebs, Laurie American	Vice President, Tax 4001 E. Chapel Hill-Nelson Highway Research Triangle Park, N.C. 27709 U.S.A.
LaSalle, William J.* American	Secretary Nortel Networks Limited 8200 Dixie Road, Suite 100 Brampton, Ontario L6T 5P6 Canada
Lester, Monica L. American	Treasurer
Noble, Deborah J.* Canadian	Corporate Secretary Nortel Networks Corporation and Nortel Networks Limited Assistant Secretary, Nortel Networks Inc. 8200 Dixie Road, Suite 100 Brampton, Ontario L6T 5P6 Canada
Stout, Allen K.	Vice President, Finance

American

\* Non-executive board appointed officers