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C CUBE MICROSYSTEMS INC/DE
Form SC 13D
May 21, 2001

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. ___)*

C-CUBE MICROSYSTEMS INC.

(Name of Issuer)

COMMON STOCK, \$0.001 PAR VALUE PER SHARE

(Title of Class of Securities)

125015107

(CUSIP Number)

BRYON LOOK
CHIEF FINANCIAL OFFICER
LSI LOGIC CORPORATION
1551 MCCARTHY BLVD.
MILPITAS, CA 95035
(408) 433-8000

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

MAY 11, 2001

(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 Section 240.13d-1(e), 240.13d-1(f) or 240.13d-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 Section 240.13d-7(b) 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 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 "Exchange Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

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(1) Names of Reporting Persons. I.R.S. Identification No. of Above Persons
(Entities Only)

LSI Logic Corporation 94-2712976

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

(3) SEC Use Only

(4) Source of Funds (See Instructions)

00

(5) Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items
2(d) or 2(e)

(6) Citizenship or Place or Organization

Delaware

Number Of Shares	(7) Sole Voting Power
Beneficially	43,691,245
Owned By	(8) Shared Voting Power
Each	-0-
Reporting	(9) Sole Dispositive Power
Person	43,691,245
With	(10) Shared Dispositive Power
	-0-

(11) Aggregate Amount Beneficially Owned by Each Reporting Person

43,691,245

(12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Instructions)

(13) Percent of Class Represented by Amount in Row (11)

86%

(14) Type of Reporting Person (See Instructions)

CO

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ITEM 1. SECURITY AND ISSUER

This Schedule 13D relates to the common stock, par value \$0.001 per share ("C-Cube Common Stock"), of C-Cube Microsystems Inc., a Delaware corporation ("C-Cube"). The address of C-Cube's principal executive offices is 1778 McCarthy Blvd., Milpitas, California 95035.

ITEM 2. IDENTITY AND BACKGROUND

(a) The name of the person filing this Schedule 13D is LSI Logic Corporation, a Delaware corporation ("LSI Logic").

(b) The address of LSI Logic's principal office and principal business is 1551 McCarthy Blvd., Milpitas, California 95035.

(c) LSI Logic is a global supplier of custom, high-performance semiconductors. LSI Logic partners with trend-setting customers to build complete systems on a single chip. To LSI Logic's knowledge, as of the date hereof, set forth in Schedule I to this Schedule 13D is the name and present principal occupation or employment of each of LSI Logic's executive officers and directors and the name, principal business and address of any corporation or other organization in which such employment is conducted.

(d) During the past five years, neither LSI Logic nor, to LSI Logic's knowledge, any person named in Schedule I to this Schedule 13D, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, neither LSI Logic nor, to LSI Logic's knowledge, any person named in Schedule I to this Schedule 13D, was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activity subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) To LSI Logic's knowledge, all of the Directors and Executive Officers of LSI Logic named in Schedule I to this Schedule 13D are citizens of the United States, except Giuseppe Staffaroni, who is a citizen of Italy.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

To facilitate the consummation of the Offer and the Merger (as defined in Item 4 below), LSI Logic has exchanged, and will exchange, 0.79 of a share of its common stock, par value \$0.01 per share ("LSI Logic Common Stock"), and cash in lieu of any fractional share, for each outstanding share of C-Cube Common Stock.

ITEM 4. PURPOSE OF TRANSACTION

(a) - (b) Pursuant to an Agreement and Plan of Reorganization, dated as of March 26, 2001 (the "Reorganization Agreement"), by and among LSI Logic, C-Cube and Clover Acquisition Corp., a Delaware corporation and wholly owned subsidiary of LSI Logic ("Merger Sub"), Merger Sub commenced an exchange offer (the "Offer") to exchange 0.79 of a share of LSI Logic Common Stock for each

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outstanding share of C-Cube Common Stock that is validly tendered and not properly withdrawn prior to the expiration of the exchange offer.

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The initial offering period expired at midnight, New York time, on May 10, 2001. On May 11, 2001, Merger Sub acquired approximately 43.6 million shares of C-Cube Common Stock (including shares tendered through notice of guaranteed delivery), equaling approximately 86% of the total number of outstanding shares of C-Cube Common Stock on such date. A subsequent offering period began at 9:00 a.m., New York time on May 11, 2001, and will expire at midnight, New York time on Thursday, May 24, 2001. Upon the expiration of the subsequent offering period, LSI Logic intends to complete the acquisition of C-Cube by merging Merger Sub into C-Cube, after which C-Cube will be a wholly owned subsidiary of LSI Logic (the "Merger").

The description contained in this Item 4 of the transactions contemplated by the Reorganization Agreement is qualified in its entirety by reference to the full text of the Reorganization Agreement, a copy of which is attached to this Schedule 13D as Exhibit 99.1 and incorporated herein by reference.

(c) Not applicable.

(d) After the expiration of the initial offering period, LSI Logic became entitled to appoint three members to the C-Cube board of directors and to replace the management of C-Cube. After the effective time of the Merger, LSI Logic will become entitled to replace the two remaining members of the C-Cube board of directors.

(e) It is currently anticipated that, at the effective time of the Merger, the capitalization of C-Cube will be modified as set forth in the Reorganization Agreement.

(f) None, except as otherwise described in response to this Item 4.

(g) The Reorganization Agreement contains a number of provisions limiting the ability of C-Cube to become acquired by, or to pursue the acquisition of C-Cube by, any persons other than LSI Logic during the pendency of the Reorganization Agreement.

(h) Upon consummation of the Merger, C-Cube Common Stock will cease to be listed for exchange on the Nasdaq National Market.

(i) Upon consummation of the Merger, the C-Cube Common Stock will become eligible for termination of registration pursuant to Section 12(g)(4) of the Act.

(j) Other than as described above, LSI Logic currently has no plan or proposal which relates to, or may result in, any of the matters listed in Items 4(a) - (i) of Schedule 13D (although LSI Logic reserves the right to develop such plans).

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) - (b) LSI Logic has acquired and, for purposes of Rule 13d-3 promulgated under the Exchange Act, beneficially owns approximately 43.6 million shares of C-Cube Common Stock equaling approximately 86% of the total number of outstanding shares of C-Cube Common Stock

To LSI Logic's knowledge, except as set forth in this Item 5, neither LSI Logic, nor any other person controlling LSI Logic, nor any persons named in

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Schedule I to this Schedule 13D beneficially owns any shares of C-Cube Common Stock.

- (c) Not applicable.
- (d) Not applicable.
- (e) Not applicable.

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ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Except for certain Stockholder Agreements entered into in connection with the Reorganization Agreement and filed as Exhibit 99.2 of this Schedule 13D, and except as described in Item 4 above, to LSI Logic's knowledge, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Schedule I to this Schedule 13D and between such persons and any person with respect to any securities of C-Cube, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, put or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

EXHIBIT NO.	DESCRIPTION
99.1	Agreement and Plan of Reorganization, dated as of March 26, 2001, by and among LSI Logic Corporation, a Delaware corporation, C-Cube Microsystems Inc., a Delaware corporation, and Clover Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of LSI Logic Corporation, previously filed as an Annex A to LSI Logic Corporation's Registration Statement on Form S-4, as amended (Registration No. 333-58862).
99.2	Form of Stockholder Agreement, dated as of March 26, 2001, by and among LSI Logic Corporation, a Delaware corporation, and certain stockholders of C-Cube Microsystems Inc, a Delaware corporation, previously filed as an Annex B to LSI Logic Corporation's Registration Statement on Form S-4, as amended (Registration No. 333-58862).

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SIGNATURE

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct. In executing this statement, the undersigned agrees, to the extent required by Rule 13d-1(a) promulgated the Securities Exchange Act of 1934, that this statement is being filed on behalf of each of the Reporting Persons herein.

Date: May 18, 2001

LSI LOGIC CORPORATION

/s/ Bryon Look

 Bryon Look
 Chief Financial Officer

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SCHEDULE I
 EXECUTIVE OFFICERS AND DIRECTORS OF
 LSI LOGIC CORPORATION

The following table sets forth the name, age and present principal occupation or employment, and material occupations, positions, offices or employment for the past five years, of each director and executive officer of LSI Logic. The business address and telephone number of each such person is LSI Logic Corporation, 1551 McCarthy Boulevard, Milpitas, California 95035, (408) 433-8000.

LSI LOGIC EXECUTIVE OFFICERS

NAME AND BUSINESS ADDRESS	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY
Wilfred J. Corrigan	63	Mr. Corrigan, a founder of LSI Logic, has served as the Chief Executive Officer and a director of LSI Logic since it was founded in January 1981. Mr. Corrigan also serves on the boards of directors of several privately held corporations.
John D'Errico	57	Mr. D'Errico has been LSI Logic's Executive Vice President, Storage Components since August 2000. From August 1998 to August 2000, Mr. D'Errico was Vice President, Colorado Operations. Mr. D'Errico joined LSI Logic in 1984 and has held various senior management and executive positions at LSI Logic's manufacturing facilities in the U.S. and Japan. Most recently, Mr. D'Errico served as LSI Logic's Vice President and General Manager, Pan-Asia from April 1997 to August 1998, and Vice President, JSI from July 1994 to April 1997.
Bruce Entin	49	Mr. Entin has been LSI Logic's Executive Vice President, Networking Infrastructure Group since January 2001. Mr. Entin has been with LSI Logic for more than 16 years, and most recently served as Vice President and General Manager of LSI Logic's Internet Computing Division from January 2000 to January 2001. From 1996 through 1998, Mr. Entin served as LSI Logic's Vice President, Customer Marketing, and in 1999, he served as Vice President, Worldwide Marketing.
Thomas Georgens	41	Mr. Georgens has been LSI Logic's Executive Vice President, SAN System, since November 2000. In August 1998, upon the acquisition of Symbios, Inc., a storage company, Mr. Georgens was named Senior Vice President and General

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Manager, SAN Systems. Mr. Georgens joined Symbios in 1996, where he served as Vice President and General Manager of Storage Systems until its acquisition by LSI Logic. Before joining Symbios, Mr. Georgens was employed by EMC Corporation, where he served as Director of Engineering Operations for the Systems Group and later as Director of Internet Marketing.

Bryon Look 47 Mr. Look has been LSI Logic's Executive Vice President and Chief Financial Officer since November 2000. Mr. Look joined LSI Logic in March 1997 as Vice President, Corporate Development. Prior to joining LSI Logic, during a 21-year career at Hewlett-Packard Company, a computer company, Mr. Look held a variety of management positions in finance and research and development, with

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the most recent position being Manager of Business Development for Hewlett-Packard's corporate development department.

W. Richard Marz 57 Mr. Marz has been LSI Logic's Executive Vice President, Geographic Markets since May 1996, prior to which, since joining LSI Logic in 1995, Mr. Marz was Senior Vice President, North American Marketing and Sales. Before joining LSI Logic, Mr. Marz was long-time senior sales and marketing executive at Advanced Micro Devices, Inc., a semiconductor manufacturer.

David G. Pursel 55 Mr. Pursel was named LSI Logic's Vice President, General Counsel and Secretary in June 2000. Mr. Pursel joined LSI Logic in February 1996 as Associate General Counsel, Chief Intellectual Property Counsel and Assistant Secretary. Prior to his tenure with LSI Logic, Mr. Pursel held legal positions with Advanced Micro Devices, Digital Equipment Corporation and The Boeing Company.

Giuseppe Staffaroni 49 Mr. Staffaroni has served as LSI Logic's Executive Vice President, Broadband since November 2000, having served as Vice President and General Manager of the Broadband Communications Group since November 1999. Mr. Staffaroni joined LSI Logic in 1990 as director of engineering in LSI Logic's Milan, Italy design center. From January 1996 to October 1997, he was LSI Logic's Director of Marketing, and from November 1997 to October 1999, he was Vice President and General Manager of the Communications Product Division. Prior to joining LSI Logic, Mr. Staffaroni held management positions at Texas Instruments and AT&T Microelectronics.

Joseph M. Zelayeta 54 Mr. Zelayeta was named LSI Logic's Executive Vice President, Worldwide Operations in September 1997. Prior to that time, Mr. Zelayeta served as LSI Logic's Senior Vice President of Research and Development and General Manager of U.S. Operations between August 1995 and September 1997. Employed with LSI Logic since 1981, Mr. Zelayeta has held management and executive positions in research and development and manufacturing operations since 1986.

Lewis C. Wallbridge 57 Mr. Wallbridge has served as LSI Logic's Vice President, Human Resources since prior to 1996.

LSI LOGIC DIRECTORS

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NAME AND BUSINESS ADDRESS	AGE	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT AND FIVE YEAR EMPLOYMENT HISTORY
Wilfred J. Corrigan	63	Mr. Corrigan, a founder of LSI Logic, has served as the Chief Executive Officer and a director of LSI Logic since it was founded in January 1981. Mr. Corrigan also serves on the boards of directors of several privately held corporations.
T.Z. Chu	66	Mr. Chu has been a director of LSI Logic since 1992. Mr. Chu served as President of Hoefer Pharmacia Biotech, Inc., a biotechnology

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Malcom R. Currie	74	company, from March 1995 until his retirement in February 1997. From August 1993 until March 1995, Mr. Chu served as President and Chief Executive Officer of Hoefer Scientific Instruments, a manufacturer of scientific instruments. Dr. Currie has been a director of LSI Logic since 1992. Dr. Currie has served as Chief Executive Officer of Currie Technologies, Inc., a manufacturer of electric propulsion systems for bicycles and other light vehicles, since February 1997. Dr. Currie served as Chairman and Chief Executive Officer of Hughes Aircraft Company (now called Hughes Electronics), an electronics manufacturer, from March 1988 until his retirement in July 1992. He presently serves on the Board of Directors for Investment Company of America, ENOVA Systems, Inc., Regal One Corp., Inamed CNP, and Greystone Technologies, and as member (former Chairman) of the Board of Trustees of the University of Southern California.
James H. Keyes	60	Mr. Keyes has been a director of LSI Logic since 1983. Mr. Keyes has served as Chairman and Chief Executive Officer of Johnson Controls, Inc., an automotive systems and facility management and control company, since January 1993. Mr. Keyes also serves on the Boards of Directors of Pitney Bowes Inc. and the Chicago Federal Reserve Board.
R. Douglas Norby	65	Mr. Norby has been a director of LSI Logic since 1993. Mr. Norby has served as Chief Financial Officer of Novalux, Inc. since December 2000. Prior to his tenure with Novalux, Mr. Norby served as Executive Vice President and Chief Financial Officer of LSI Logic from November 1996 to November 2000. Prior to that time, Mr. Norby served as Senior Vice President and Chief Financial Officer of Mentor Graphics Corporation, an electronic design automation company, from July 1993 to October 1996. Mr. Norby is also on the Board of Directors of Alexion Pharmaceuticals, Inc.
Matthew J. O'Rourke	62	Mr. O'Rourke has been a director of LSI Logic since 1999. Mr. O'Rourke was a partner with the accounting firm Price Waterhouse LLP from 1972 until his retirement in June 1996. Prior to his retirement, he served as Managing Partner at Price Waterhouse's New York National Office from 1994 to 1996 and as Managing Partner for Northern California from 1988 to 1994. Since his retirement, Mr. O'Rourke has been engaged as an independent business consultant. Mr. O'Rourke is also a member of the Board of Directors of Read-Rite Corporation and Infonet Services Corporation.

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Larry W. Sonsini

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Mr. Sonsini has been a director of LSI Logic since 2000. Mr. Sonsini has been a partner of the law firm of Wilson Sonsini Goodrich & Rosati, Professional Corporation, since 1969 and has served as its Chairman and Chief Executive Officer for more than the past five years. Mr. Sonsini serves on the Board of Directors of the following public companies: Brocade Communications Systems, Inc., Commerce One, Inc., Echelon Corporation, Lattice Semiconductor Corporation, Novell, Inc., Tibco Software, Inc. and PIXAR, Inc.

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EXHIBIT INDEX

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99.2 Form of Stockholder Agreement, dated as of March 26, 2001, by and among LSI Logic Corporation, a Delaware corporation, and certain stockholders of C-Cube Microsystems Inc, a Delaware corporation, previously filed as an Annex B to LSI Logic Corporation's Registration Statement on Form S-4, as amended (Registration No. 333-58862).