

LATTICE SEMICONDUCTOR CORP
Form SC TO-I
December 22, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

(Rule 13e-4)

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)

of the Securities Exchange Act of 1934

LATTICE SEMICONDUCTOR CORPORATION

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Options to Purchase Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

518415104

(CUSIP Number of Common Stock Underlying the Class of Securities)

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Byron Milstead

Corporate Vice President and General Counsel

Lattice Semiconductor Corporation

5555 N.E. Moore Court

Hillsboro, Oregon 97124-6421

(503) 268-8000

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

Copies to:

John A. Fore, Esq.

Michael S. Russell, Esq.

Wilson Sonsini Goodrich & Rosati

Professional Corporation

650 Page Mill Road

Palo Alto, CA 94304-1050

(650) 493-9300

CALCULATION OF FILING FEE

Transaction Valuation*
\$6,063,814.68

Amount of Filing Fee
\$238.31

* Calculated solely for purposes of determining the filing fee. This amount assumes that options to purchase 7,875,084 shares of common stock of Lattice Semiconductor Corporation having an aggregate value of \$6,063,814.68 as of December 15, 2008 will be exchanged or cancelled pursuant to this offer. The aggregate value of such securities was calculated based on the Black-Scholes option pricing model. The amount of the filing fee, calculated in accordance with the Securities Exchange Act of 1934, as amended, equals \$39.30 for each \$1,000,000 of the value of this transaction.

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“ 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:	Not applicable.
Form or Registration No.:	Not applicable.
Filing party:	Not applicable.
Date filed:	Not applicable.

“ 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:

- “ third party tender offer subject to Rule 14d-1.
- x 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: “

This Tender Offer Statement on Schedule TO relates to an offer by Lattice Semiconductor Corporation, a Delaware corporation (*Lattice* or the *Company*), to exchange (the *Exchange Offer*) certain options to purchase up to an aggregate of 7,875,084 shares of the *Company*'s common stock, whether vested or unvested, that were granted with an exercise price per share equal to or greater than \$3.91, except as otherwise described in the Offer to Exchange (the *Eligible Options*). These *Eligible Options* may be exchanged for either new options or restricted stock units upon the terms and subject to the conditions set forth in (i) the Offer to Exchange Certain Outstanding Options for New Options or Restricted Stock Units dated December 22, 2008 (the *Offer to Exchange*), attached hereto as Exhibit (a)(1)(A), (ii) the cover letter to eligible employees from Byron Milstead, the *Company*'s Corporate Vice President and General Counsel, dated December 22, 2008, attached hereto as Exhibit (a)(1)(B), (iii) the Election Form, attached hereto as Exhibit (a)(1)(C), and (iv) the Withdrawal Form, attached hereto as Exhibit (a)(1)(D). These documents, as they may be amended or supplemented from time to time, together constitute the *Offer Documents*. An *eligible employee* refers to all employees of the *Company* or its subsidiaries based in the United States as of the date of this Exchange Offer who remain employees of the *Company* or its subsidiaries through the date exchanged *Eligible Options* are cancelled. Notwithstanding the foregoing, the *Company*'s executive officers, members of the *Company*'s board of directors, and employees of the *Company*'s based outside of the United States are not *eligible employees*.

The information in the *Offer Documents*, including all schedules and annexes to the *Offer Documents*, is incorporated herein by reference to answer the items required in this Schedule TO.

Item 1. Summary Term Sheet.

The information set forth under the caption *Summary Term Sheet and Questions and Answers* in the Offer to Exchange is incorporated herein by reference.

Item 2. Subject Company Information.

(a) *Name and Address.*

Lattice is the issuer of the securities subject to the Exchange Offer. The address of the *Company*'s principal executive office is 5555 N.E. Moore Court, Hillsboro, Oregon 97124, and the telephone number at that address is (503) 268-8000. The information set forth in the Offer to Exchange under the caption *The Offer* titled *Information concerning Lattice* is incorporated herein by reference.

(b) *Securities.*

The subject class of securities consists of the *Eligible Options*. The actual number of shares of common stock subject to the new options and the restricted stock units to be issued in the Exchange Offer will depend on the number of shares of common stock subject to the unexercised options tendered by *eligible employees* and accepted for exchange and cancelled. The information set forth in the Offer to Exchange under the caption *Summary Term Sheet and Questions and Answers* and the sections under the caption *The Offer* titled *Number of options; expiration date, Acceptance of options for exchange and issuance of new options and restricted stock units, and Source and amount of consideration; terms of new options and restricted stock units* is incorporated herein by reference.

(c) *Trading Market and Price.*

There is no established trading market for the Eligible Options. The information set forth in the Offer to Exchange under the caption "The Offer titled "Price range of shares underlying the options" is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) *Name and Address.*

The filing person is the issuer. The information set forth under Item 2(a) above is incorporated by reference.

Pursuant to General Instruction C to Schedule TO, the information set forth on Schedule A to the Offer to Exchange is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a) *Material Terms.*

The information set forth in the section of the Offer to Exchange under the caption "Summary Term Sheet and Questions and Answers" and the sections under the caption "The Offer" titled "Eligibility," "Number of options; expiration date," "Procedures for electing to exchange options," "Withdrawal rights and change of election," "Acceptance of options for exchange and issuance of new options and restricted stock units," "Conditions of the offer," "Source and amount of consideration; terms of new options and restricted stock units," "Status of options acquired by us in the offer; accounting consequences of the offer," "Legal matters; regulatory approvals," "Material U.S. federal income tax consequences," and "Extension of offer; termination; amendment" is incorporated herein by reference.

(b) *Purchases.*

The information set forth in the section of the Offer to Exchange under the caption "The Offer" titled "Interests of directors and named executive officers; transactions and arrangements concerning the options" is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Arrangements.

(e) *Agreements Involving the Subject Company's Securities.*

The information set forth in section of the Offer to Exchange under the caption "The Offer" titled "Interests of directors and named executive officers; transactions and arrangements concerning the options" is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) *Purposes.*

The information set forth in the section of the Offer to Exchange under the caption "Summary Term Sheet and Questions and Answers" and the section under the caption "The Offer" titled "Purposes of the offer" is incorporated herein by reference.

(b) *Use of Securities Acquired.*

The information set forth in the sections of the Offer to Exchange under the caption The Offer titled Acceptance of options for exchange and issuance of new options and restricted stock units and Status of options acquired by us in the offer; accounting consequences of the offer is incorporated herein by reference.

(c) *Plans.*

The information set forth in the section of the Offer to Exchange under the caption The Offer titled Purposes of the offer is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a) *Source of Funds.*

The information set forth in the section of the Offer to Exchange under the caption The Offer titled Source and amount of consideration; terms of new options and restricted stock units is incorporated herein by reference.

(b) *Conditions.*

The information set forth in the section of the Offer to Exchange under the caption Conditions of the offer is incorporated herein by reference.

(d) *Borrowed Funds.*

Not applicable.

Item 8. Interest in Securities of the Subject Company.

(a) *Securities Ownership.*

The information set forth in the section of the Offer to Exchange under the caption The Offer titled Interests of directors and named executive officers; transactions and arrangements concerning the options is incorporated herein by reference.

(b) *Securities Transactions.*

The information set forth in the section of the Offer to Exchange under the caption The Offer titled Interests of directors and named executive officers; transactions and arrangements concerning the options is incorporated herein by reference.

Item 9. Person/Assets, Retained, Employed, Compensated or Used.

(a) *Solicitations or Recommendations.*

Not applicable.

Item 10. Financial Statements.

(a) **Financial Information.**

The information set forth in Schedule B to the Offer to Exchange and in the sections of the Offer to Exchange under the captions The Offer titled Information concerning Lattice, The Offer titled Financial statements and The Offer titled Additional information and in Item 8 of the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2007 and in Part I of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 27, 2008 is incorporated herein by reference. The Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q can also be accessed electronically on the Securities and Exchange Commission's website at <http://www.sec.gov>.

(b) **Pro Forma Information.**

Not applicable.

Item 11. Additional Information.

(a) **Agreements, Regulatory Requirements and Legal Proceedings.**

The information set forth in the sections of the Offer to Exchange under the caption The Offer titled Interests of directors and named executive officers; transactions and arrangements concerning the options and Legal matters; regulatory approvals is incorporated herein by reference.

(b) **Other Material Information.**

Not applicable.

Item 12. Exhibits.

- (a)(1)(A) Offer to Exchange Certain Outstanding Options for New Options or Restricted Stock Units, dated December 22, 2008.
- (a)(1)(B) Cover Letter to all eligible employees from Byron Milstead, Corporate Vice President and General Counsel, dated December 22, 2008.
- (a)(1)(C) Election Form.
- (a)(1)(D) Withdrawal Form.
- (a)(1)(E) Form of Confirmation E-Mail of receipt of election or withdrawal form.
- (a)(1)(F) Forms of Reminder E-Mails.
- (a)(1)(G) Registrant's 1996 Stock Incentive Plan, as amended (*incorporated herein by reference to Exhibit (d)(1) to the Company's Schedule TO, filed on February 13, 2003, File No. 005-40545*).
- (a)(1)(H) Form of Stock Option Agreement in connection with the Registrant's 1996 Stock Incentive Plan, as amended (*incorporated herein by reference to Exhibit (d)(2) to the Company's Schedule TO, filed on February 13, 2003, File No. 005-40545*).

- (a)(1)(I) Form of restricted stock unit agreement in connection with the Registrant's 1996 Stock Incentive Plan, as amended.
- (a)(1)(J) Registrant's 2001 Stock Plan, as amended (*incorporated herein by reference to Exhibit (d)(3) to the Company's Schedule TO, filed on February 13, 2003, File No. 005-40545*).
- (a)(1)(K) Form of Stock Option Agreement in connection with the Registrant's 2001 Stock Plan, as amended (*incorporated herein by reference to Exhibit (d)(4) to the Company's Schedule TO, filed on February 13, 2003, File No. 005-40545*).
- (a)(1)(L) Form of restricted stock unit agreement in connection with the Registrant's 2001 Stock Plan, as amended.
- (a)(1)(M) Form of Amendment to Stock Option Agreements in connection with the Registrant's 1996 Stock Incentive Plan, as amended, and the Registrant's 2001 Stock Plan, as amended (*incorporated herein by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K, filed on December 12, 2005, File No. 000-18032*).
- (b) Not applicable.
- (d) Not applicable.
- (g) Not applicable.
- (h) Not applicable.

Item 13. Information Required by Schedule 13E-3.

- (a) Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Schedule TO is true, complete and correct.

LATTICE SEMICONDUCTOR CORPORATION

/s/ Byron Milstead
Byron Milstead
Corporate Vice President and General Counsel

Date: December 22, 2008

INDEX TO EXHIBITS

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(b)	Not applicable.
(d)	Not applicable.
(g)	Not applicable.
(h)	Not applicable.