

Edgar Filing: MITEL NETWORKS CORP - Form SC 13D

MITEL NETWORKS CORP  
Form SC 13D  
July 14, 2005

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

Mitel Networks Corporation

-----  
(Name of Issuer)

Common Shares, No Par Value

-----  
(Title of Class of Securities)

N/A

-----  
(CUSIP Number)

Jose Medeiros  
President and Chief Operating Officer  
Wesley Clover Corporation  
555 Legget Drive  
Tower B, Suite 534  
Kanata, Ontario, Canada K2K 2X3  
(613) 271-6305

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

With copy to:  
Riccardo Leofanti, Esq.  
Skadden, Arps, Slate, Meagher & Flom LLP  
222 Bay Street, P. O. Box 258  
Toronto, Ontario, Canada M5K 1J5  
(416) 777-4700

November 1, 2002

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(Date of Event which Requires Filing of this Statement)

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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 .

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subsequent class of securities, and for any subsequent amendment containing information



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94,555,169

(11) Aggregate Amount Beneficially Owned by Each Reporting Person  
135,493,762

(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)  
85.6%

(14) Type of Reporting Person (See Instructions)  
IN

CUSIP No. - N/A

13D

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(1) Name of Reporting Persons. IRS Identification Nos. of Above Persons (Entities Only)  
Wesley Clover Corporation

(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)  
WC

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

(6) Citizenship or Place of Organization  
Canada

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Number of Shares Beneficially Owned by Each Reporting Person With	(7)	Sole Voting Power	0
	(8)	Shared Voting Power	94,555,169
	(9)	Sole Dispositive Power	0
	(10)	Shared Dispositive Power	94,555,169

(11) Aggregate Amount Beneficially Owned by Each Reporting Person  
94,555,169

(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)  
80.6%

(14) Type of Reporting Person (See Instructions)  
CO

CUSIP No. - N/A

13D

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(1) Name of Reporting Persons. IRS Identification Nos. of Above  
Persons (Entities Only)  
Celtic Tech Jet Limited

(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)

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

-----  
(6) Citizenship or Place of Organization  
Canada

-----  
Number of  
Shares Beneficially  
Owned  
by Each  
Reporting  
Person With

(7) Sole Voting Power

None

-----  
(8) Shared Voting Power

4,555,169

-----  
(9) Sole Dispositive Power

None

-----  
(10) Shared Dispositive Power

4,555,169

-----  
(11) Aggregate Amount Beneficially Owned by Each Reporting Person  
4,555,169

-----  
(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)  
3.9%

-----  
(14) Type of Reporting Person (See Instructions)  
CO

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This Schedule 13D is being filed on behalf of Dr. Terence H. Matthews ("Dr. Matthews"), Wesley Clover Corporation ("Wesley Clover") and Celtic Tech Jet Limited ("Celtic" and, together with Dr. Matthews and Wesley Clover, the "Reporting Persons") relating to the common shares, without par value (the "Common Shares"), of Mitel Networks Corporation, a corporation existing under the laws of Canada (the "Issuer").

Item 1. Security and Issuer  
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This Schedule 13D relates to the Common Shares of the Issuer. The address of the principal executive offices of the Issuer is 350 Legget Drive, Ottawa, Ontario, Canada, K2K 2W7.

### Item 2. Identity and Background

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This statement is filed by the Reporting Persons.

Dr. Matthews' business address is 350 Legget Drive, Ottawa, Ontario, Canada, K2K 2W7. Dr. Matthews is Chairman of both the Issuer and of March Networks Corporation, a Canadian corporation. Dr. Matthews is a citizen of Canada.

Wesley Clover, a corporation existing under the laws of Newfoundland, is a holding company that is primarily engaged in the business of investing in securities. Wesley Clover's principal business and principal office address is c/o Deloitte & Touche, Fort William Bldg., 10 Factory Lane, St. John's, Newfoundland, A1C 6H5. The name, citizenship, present principal occupation or employment and business address of each director and executive officer of Wesley Clover is set forth below:

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List of Directors  
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Name	Citizenship	Present Occupation	Business Address
Tom Hallett	Canadian	Retired	8 Burns Place St. John's, Newfoundland A1A 2B6
Tom Healy	Canadian	Pharmacist	16 St. Andrews Place St. John's Newfoundland A1A 2B5
Jose Medeiros	Canadian	President (Wesley Clover)	555 Legget Dr. Suite 534 Kanata, Ontario K2K 2X3
Simon Gibson	British	Chief Executive Officer (Wesley Clover)	c/o Celtic Manor Coldra Woods City of Newport Gwent NP18 1HQ

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 List of Officers  
 -----

Name	Citizenship	Present Occupation	Business Address
Jose Medeiros	Canadian	President (Wesley Clover)	555 Legget Dr. Suite 534 Kanata, Ontario K2K 2X3
Paul Chiarelli	Canadian	Secretary, Treasurer (Wesley Clover)	555 Legget Dr. Suite 534 Kanata, Ontario K2K 2X3
Tom Hallett	Canadian	Asst. Secretary (Wesley Clover)	8 Burns Place St. John's, Newfoundland A1A 2B6
Simon Gibson	British	Chief Executive Officer (Wesley Clover)	c/o Celtic Manor Coldra Woods City of Newport Gwent NP18 1HQ

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Celtic, a corporation existing under the laws of Canada, is a full-service executive aviation charter company. Celtic's principal business and principal office address is 555 Legget Drive, Suite 534, Kanata, Ontario, Canada, K2K 2X3. The name, citizenship, present principal occupation or employment and business address of each director and executive officer of Celtic is set forth below:

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 List of Directors  
 -----

Name	Citizenship	Present Occupation	Business Address
Terence H. Matthews	Canadian	Chairman of the Board (Mitel Networks Corporation)	350 Legget Drive Kanata, Ontario K2K 2W7

-----  
 List of Officers  
 -----

Name	Citizenship	Present Occupation	Business Address
Jose Medeiros	Canadian	President (Celtic)	555 Legget Dr. Suite 534 Kanata, Ontario

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K2K 2X3

Paul Chiarelli	Canadian	Secretary, Treasurer (Celtic)	555 Legget Dr. Suite 534 Kanata, Ontario K2K 2X3
Chris Steele	Canadian	VP Operations (Celtic)	555 Legget Dr. Suite 534 Kanata, Ontario K2K 2X3

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Dr. Matthews owns 100% of the issued and outstanding voting shares of Wesley Clover. Wesley Clover owns 100% of the issued and outstanding voting shares of Celtic.

None of the Reporting Persons nor any of their directors or executive officers has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

None of the Reporting Persons nor any of their directors or executive officers has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Pursuant to Rule 13d-3 under the Act, by reason of his relationship with Wesley Clover, Dr. Matthews may be deemed the beneficial owner of all of the Common Shares beneficially owned by Wesley Clover and Celtic. Dr. Matthews, Wesley Clover and Celtic may be regarded as a group for purposes of Rule 13d-5 under the Act.

Item 3. Source and Amount of Funds or Other Consideration

The Issuer was formed by Zarlink Semiconductor Inc. ("Zarlink") in order to reorganize its communications systems division in contemplation of the sale of that business to companies controlled by Dr. Matthews. In a series of related transactions, dated February 16, 2001 and March 27, 2001, the Issuer acquired substantially all of the assets and subsidiaries of the communications systems division of Zarlink and as a consequence of these transactions, Mitel Systems Corporation, a corporation wholly owned by Dr. Matthews, became the owner of 90,000,000 Common Shares. On June 30, 2004, Mitel Systems Corporation transferred these 90,000,000 Common Shares to Wesley Clover for an aggregate purchase price of CDN\$90,000,000. Wesley Clover used its general working capital to purchase these Common Shares from Mitel Systems Corporation.

On October 3, 2003, the Issuer issued 20,448,875 Common Shares at their then fair value of CDN\$2.00 per common share to Wesley Clover upon the conversion of CDN\$40,897,750 of promissory notes previously issued by the Issuer in favor of Wesley Clover during 2002 and 2003. In connection with an

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equity financing transaction completed by the Issuer on April 23, 2004, the Issuer exchanged the 20,448,875 Common Shares on a one-for-two basis for an aggregate of 40,897,750 Class B Convertible Preferred Shares (the "Series B Shares") of the Issuer at their then fair value of CDN\$1.00 per Series B

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Share. On May 4, 2005, Wesley Clover transferred these 40,897,750 Series B Shares to Dr. Matthews for an aggregate purchase price of CDN\$40,897,750. Dr. Matthews used his personal funds to purchase the Series B Shares from Wesley Clover. The Series B Shares are convertible into Common Shares at the option of the holder.

On November 1, 2002, the Issuer issued 4,555,169 Common Shares to Mitel Knowledge Corporation, a corporation wholly owned by Dr. Matthews, at a price of CDN\$2.75 per share in consideration for the purchase of intellectual property. On November 1, 2004, Mitel Knowledge Corporation was dissolved pursuant to a Certificate of Dissolution filed with Industry Canada and all of its assets (including the 4,555,169 Common Shares) were assumed by Celtic.

#### Item 4. Purpose of Transaction

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The Reporting Persons have acquired the Common Shares and Series B Shares of the Issuer for investment purposes. In that connection, the Reporting Persons may have their representatives meet with management, directors or other shareholders of the Issuer from time to time to discuss the affairs of the Issuer. The Reporting Persons intend to monitor the business and affairs of the Issuer, including its financial performance, and depending upon these factors, market conditions and other factors, the Reporting Persons may acquire additional securities of the Issuer as they deem appropriate. Alternatively, the Reporting Persons may dispose of some or all of the Common Shares and Series B Shares in privately negotiated transactions or otherwise.

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

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(a) As of the date hereof, the Reporting Persons beneficially own the aggregate number and percentage of outstanding Common Shares set forth below:

Reporting Person	Aggregate Number of Shares Beneficially Owned	Percentage of Outstanding Common Shares (1)
Dr. Matthews	135,493,762 (2) (3)	85.6%
Wesley Clover	94,555,169	80.6%
Celtic	4,555,169	3.9%

(1) Calculated based on the aggregate of 117,265,172 Common Shares outstanding as of June 22, 2005. For purposes of computing Dr. Matthews' percentage ownership, the number of outstanding Common Shares is deemed to include all securities that are convertible into Common Shares within 60 days pursuant to Rule 13d-3 of the Act.

(2) Pursuant to Rule 13d-3 under the Act, by reason of his relationship with Wesley Clover as described in Item 2, Dr. Matthews may be deemed the beneficial owner of all of the Common Shares beneficially owned by Wesley Clover and Celtic.

(3) Calculated based on the (i) 90,000,000 Common Shares owned by Wesley Clover, (ii) 4,555,169 Common Shares owned by Celtic, (iii) 40,843 Common Shares subject to options held by Dr. Matthews that are currently exercisable or exercisable within 60 days, and (iv) 40,897,750 Series B Shares owned by Dr. Matthews that are convertible into Common Shares at the option of the holder.

(b) Dr. Matthews  
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Pursuant to the regulations promulgated under Section 13(d) of the Exchange Act, Dr. Matthews may be deemed to have shared power to vote or direct the vote and shared power to dispose or to direct the disposition of 94,555,169 Common Shares, which include all of the Common Shares directly owned by Wesley Clover and Celtic.

Dr. Matthews has the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of 40,897,750 Common Shares.

Wesley Clover  
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Wesley Clover has shared power to vote or direct the vote and shared power to dispose or to direct the disposition of 94,555,169 Common Shares.

Wesley Clover does not have the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of any Common Shares.

Celtic  
-----

Celtic has shared power to vote or direct the vote and shared power to dispose or to direct the disposition of 4,555,169 Common Shares.

Celtic does not have the sole power to vote or direct the vote and sole power to dispose or to direct the disposition of any Common Shares.

(c) During the last 60 days there were no transactions in the Common Shares effected by the Reporting Persons, nor any of their directors or executive officers, general partners or members.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With  
Respect to Securities of the Issuer  
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Pursuant to Rule 13d-1(k) promulgated under the Act, the Reporting Persons have entered into an agreement, attached hereto as Exhibit 1, with

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respect to the joint filing of this statement, and any amendment or amendments hereto.

### Shareholders Agreement

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The Shareholders Agreement (attached to this Schedule as Exhibit 2) contains provisions relating to the entitlement of the shareholders to appoint two directors to the board of directors of the Issuer, and various other provisions respecting the management of the Issuer and dealings with the securities of the Issuer held by the shareholders which are parties to the Shareholders Agreement. The Issuer also agrees to provide holders of at least 5% of the Common Shares, on an as-if converted basis, certain pre-emptive rights in connection with any future issuance of new securities of the Issuer on a pro rata basis. The Shareholders Agreement also contains put rights in favour of certain of the other shareholders if the Issuer has not completed an initial public offering by September 1, 2006.

### Registration Rights Agreement

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The Issuer entered into the Registration Rights Agreement (attached to this Schedule as Exhibit 3) with certain shareholders pursuant to which it covenanted to make certain arrangements with respect to the registration and/or the qualification for distribution of the shares held by such shareholders under the applicable securities laws of the United States and/or Canada.

There are no other contracts, arrangements, understandings or relationships between the Reporting Persons or between such persons and any other person with respect to any securities of the Issuer.

### Item 7. Material to be Filed as Exhibits

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- Exhibit 1: Joint Filing Agreement, dated as of July 14, 2005, among Dr. Terence H. Matthews, Wesley Clover Corporation and Celtic Tech Jet Limited.
- Exhibit 2: Shareholders Agreement between Mitel Networks Corporation, Mitel Knowledge Corporation, Power Technology Investment Corporation, Zarlink Semiconductor Inc., Mitel Systems Corporation (now Wesley Clover), Wesley Clover, EdgeStone, and Dr. Matthews, dated April 23, 2004. (1)
- Exhibit 3: Registration Rights Agreement between Mitel Networks Corporation, Mitel Knowledge Corporation, Power Technology Investment Corporation, Zarlink Semiconductor Inc., EdgeStone, Mitel Systems (now Wesley Clover) and Wesley Clover, dated April 23, 2004. (1)

(1) Incorporated by Reference to an exhibit to a Schedule 13D (Mitel Networks as issuer) filed on May 3, 2004 by EdgeStone Capital Equity Fund II-A, L.P.; EdgeStone Capital Equity Fund II-US, L.P.; EdgeStone Capital Equity Fund II-US-Inst., L.P.; National Bank Financial & Co. Inc.; EdgeStone Capital Equity Fund II-A GP, L.P.; EdgeStone Capital Equity Fund II US GP, L.P.;

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EdgeStone Capital Equity Fund II-US-Inst. GP, L.P.; EdgeStone Capital Equity Fund II-A GP, Inc.; EdgeStone Capital Equity Fund II-US Main GP, Inc.; EdgeStone Capital Equity Fund II-US-Inst. GP, Inc.; Samuel L. Duboc; Gilbert S. Palter; Bryan W. Kerdman; Sandra Cowan; and EdgeStone Capital Equity Fund II-B GP, Inc.

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

Dated: July 14, 2005

By: /s/ Dr. Terence H. Matthews  
-----

Dr. Terence H. Matthews

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

Dated: July 14, 2005

WESLEY CLOVER CORPORATION

By: /s/ Jose Medeiros  
-----

Name: Jose Medeiros  
Title: President and Chief  
Operating Officer

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

Dated: July 14, 2005

CELTIC TECH JET LIMITED

By: /s/ Jose Medeiros  
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Name: Jose Medeiros  
Title: President

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EXHIBIT 1

JOINT FILING AGREEMENT

This confirms the agreement by and between the undersigned that the Statement on Schedule 13D (the "Statement") filed on or about this date with respect to the beneficial ownership by the undersigned of the Common Shares, no par value, of Mitel Networks Corporation, is being filed on behalf of each of the undersigned.

Each of the undersigned hereby acknowledges that pursuant to Rule 13d-1(k) promulgated under the Securities and Exchange Act of 1934, as amended, each person on whose behalf the Statement is filed is individually eligible to use the schedule on which the information is filed, each person on whose behalf the Statement is filed is responsible for the timely filing of such Statement and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; and that such person is not responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate.

Each of the undersigned agrees that Wesley Clover Corporation shall be authorized to receive notices and communications on behalf of the undersigned relating to the Statement.

This Agreement may be executed in two or more counterparts by each of the undersigned, each of which, taken together, shall constitute one and the same instrument.

Dated: July 14, 2005

By: /s/ Dr. Terence H. Matthews  
-----  
Dr. Terence H. Matthews

Dated: July 14, 2005

WESLEY CLOVER CORPORATION  
By: /s/ Jose Medeiros  
-----  
Name: Jose Medeiros  
Title: President and Chief  
Operating Officer

Dated: July 14, 2005

CELTIC TECH JET LIMITED  
By: /s/ Jose Medeiros  
-----  
Name: Jose Medeiros  
Title: President