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CENTRA SOFTWARE INC
Form SC 13D
January 28, 2002

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

Information to be Included in Statements Filed Pursuant to Rule 13d-1(a) and
Amendments Thereto Filed Pursuant to Rule 13d-2(a)*

Centra Software, Inc.

(Name of Issuer)

Common Stock, Par Value \$0.001 Per Share

(Title of Class of Securities)

15234X103

(CUSIP Number)

David Drummond
Executive Vice President and CFO
SmartForce PLC
900 Chesapeake Drive
Redwood City, CA 94063
Telephone: (650) 817-5900

Copy to:

Steven V. Bernard
Steve L. Camahort
Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, CA 94304
Telephone: (650) 493-9300

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

January 16, 2002

(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 that 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(b) for other

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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, as amended (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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CUSIP NO. 15234X103

SCHEDULE 13D

NAME OF REPORTING PERSONS

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

SmartForce PLC

(I.R.S. Identification No. Not Applicable)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

SEC USE ONLY

3

SOURCE OF FUNDS (See Instructions)

4

OO

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2(d) or 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Republic of Ireland

SOLE VOTING POWER

7
NUMBER OF
SHARES

0

SHARED VOTING POWER

8
BENEFICIALLY
OWNED BY

3,177,361 shares of Common Stock (1)

EACH

SOLE DISPOSITIVE POWER

9
REPORTING
PERSON

0

WITH

SHARED DISPOSITIVE POWER

10

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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11 3,177,361 shares of Common Stock (1)

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
12 (See Instructions) []

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
13 12.2%

TYPE OF REPORTING PERSON (See Instructions)
14 CO

(1) 3,177,361 shares of common stock, par value \$0.001 per share (the " Centra Common Stock"), of Centra Software, Inc., a Delaware corporation ("Centra"), are subject to voting agreements entered into by SmartForce PLC, a public limited liability company organized under the laws of the Republic of Ireland ("SmartForce"), and certain stockholders of Centra ("Company Voting Agreements") (discussed in Items 3 and 4 below). SmartForce expressly disclaims beneficial ownership of any of the shares of Centra Common Stock covered by the Company Voting Agreements. Based on the number of shares of Centra Common Stock outstanding as of January 15, 2002 (as represented by Centra in the Merger Agreement discussed in Items 3 and 4), the number of shares of Centra Common Stock covered by the Company Voting Agreements represents approximately 12.2% of the outstanding Centra Common Stock.

Item 1. Security and Issuer.

The class of securities to which this Statement relates is the common stock, par value \$0.001 per share of Centra Software, Inc., a Delaware corporation, whose principal executive offices are located at 430 Bedford Street, Lexington, MA 02420.

Item 2. Identity and Background.

(a) SmartForce PLC, a public limited liability company organized under the laws of the Republic of Ireland.

(b) SmartForce's principal executive offices are located at 900 Chesapeake Drive, Redwood City, CA 94063.

(c) SmartForce is a provider of comprehensive integrated e-learning solutions that help businesses support their critical strategic business initiatives and deploy knowledge globally across their extended enterprise of employees, customers, suppliers, distributors and other business partners.

The name, business address, present principal occupation or employment, the name and principal business of any corporation or other organization in which such employment is conducted and the citizenship of each director and executive officer of SmartForce is set forth in Annex A hereto and is incorporated herein by reference.

(d) During the last five years neither SmartForce, nor to the best of SmartForce's knowledge, any of the other entities or individuals referred to in Annex A has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

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(e) During the last five years neither SmartForce nor, to the best of SmartForce's knowledge, any of the other entities or individuals referred to in Annex A was 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.

(f) SmartForce is a public limited liability company organized under the laws of the Republic of Ireland.

Item 3. Source and Amount of Funds or Other Consideration.

SmartForce, Centra and Atlantic Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of the Company ("Merger Sub"), entered into an Agreement and Plan of Merger and Reorganization, dated as of January 16, 2002 (the "Merger Agreement"). Pursuant to the Merger Agreement, Merger Sub will be merged with and into Centra with Centra continuing as the surviving corporation and a wholly-owned subsidiary of SmartForce (the "Merger"). As a result of the Merger, each issued and outstanding share of Common Stock, par value \$0.001 per share, of Centra ("Centra Common Stock") will be automatically converted into the right to receive 0.425 (the "Exchange Ratio") of a validly issued and fully paid American Depositary Share of SmartForce ("SmartForce ADSs"). Each SmartForce ADS represents one ordinary share of SmartForce. In addition, SmartForce will assume all options or other rights to purchase capital stock of Centra outstanding under Centra's existing stock option plans, excluding Centra's stock purchase plans, and each such option or other right to purchase capital stock of Centra will be or will later become exercisable for SmartForce ADSs rather than shares of Centra Common Stock, in a number adjusted

to reflect the Exchange Ratio, and at an exercise price adjusted to reflect the Exchange Ratio. The consummation of the Merger is subject to the approval of the stockholders of SmartForce and Centra, receipt of necessary approvals under United States and applicable foreign antitrust laws, SEC clearance and other customary closing conditions. The Merger is intended to be a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended.

Pursuant to the Company Voting Agreement, certain holders of Centra Common Stock have agreed, severally and not jointly, to grant an irrevocable proxy to vote their shares of Centra Common Stock (plus any additional shares of Centra Common Stock or other securities acquired upon the exercise of options, warrants and other rights to acquire shares of Centra Common Stock) beneficially owned by each such stockholder (the "Company Voting Agreement Shares") at every Centra stockholders meeting and every written consent in lieu of such a meeting in favor of adoption of the Merger Agreement and the approval of other actions contemplated by the Merger Agreement. The Company Voting Agreements terminate upon the earlier to occur of (i) the termination of the Merger Agreement and (ii) the consummation of the Merger. Centra and certain holders of SmartForce ADSs have also entered into similar agreements. SmartForce did not pay additional consideration to any Company Voting Agreement stockholder in connection with the execution and delivery of the Company Voting Agreements.

References to, and descriptions of, the Merger Agreement and the form of Company Voting Agreement as set forth above in this Item 3 are qualified in their entirety by reference to the copies of the Merger Agreement and the form of Company Voting Agreement listed as Exhibits 1 and 2 to this Schedule 13D, and are incorporated in this Item 3 in their entirety where such references and descriptions appear.

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Item 4. Purpose of Transaction.

The information set forth or incorporated by reference in Item 3 is hereby incorporated by reference.

Pursuant to the Merger Agreement, the Board of Directors of SmartForce is required to take all action necessary to appoint Centra's Chairman and Chief Executive Officer, Leon Navickas, to (i) SmartForce's Board of Directors immediately after the Effective Time (as defined in the Merger Agreement) and (ii) the position of Chief Technology Officer of SmartForce effective as of the Effective Time.

References to, and descriptions of, the Merger Agreement and the form of Company Voting Agreement as set forth above in this Item 4 are qualified in their entirety by reference to the copies of the Merger Agreement and the form of Company Voting Agreement listed as Exhibits 1 and 2 to this Schedule 13D, and are incorporated in this Item 4 in their entirety where such references and descriptions appear.

Item 5. Interest in Securities of the Issuer.

The information set forth or incorporated by reference in Items 3 and 4 is hereby incorporated herein by reference.

As a result of the Company Voting Agreements, SmartForce may be deemed to be the beneficial owner of at least 3,177,361 shares of Centra Common Stock which constitutes approximately 12.2% of the issued and outstanding shares of Centra Common Stock based on the number of shares of Centra Common Stock outstanding as of January 15, 2002, (as represented by Centra in the Merger Agreement). SmartForce may be deemed to have the shared power to vote the shares with respect to those matters described in Item 3, however, SmartForce (i) is not entitled to any rights as a stockholder of Centra as to the above mentioned

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shares and (ii) disclaims any beneficial ownership of the shares of Centra Common Stock which are covered by the Company Voting Agreements.

Set forth in Annex B are the names of the stockholders of Centra that have entered into the Company Voting Agreements with SmartForce and their present principal occupation or employment, including the name, principal business and address of any corporation or other organization in which such employment is conducted, to SmartForce's knowledge. Of the Centra stockholders that have entered into the Company Voting Agreements, as of January 28, 2002, Messrs. Navickas, Barrett, D'Amore and Hult have also executed the irrevocable proxy in the form attached as Exhibit A to the Company Voting Agreement.

Other than as set forth in this Schedule 13D, as of the date hereof (i) neither SmartForce nor any subsidiary of SmartForce nor, to the best of SmartForce's knowledge, any of SmartForce's executive officers, directors or other affiliates beneficially owns any shares of Centra Common Stock, and (ii) there have been no transactions in shares of Centra Common Stock effected during the past 60 days by SmartForce or by any subsidiary of SmartForce or, to the best of SmartForce's knowledge, by any of SmartForce's executive officers, directors or other affiliates.

References to, and descriptions of, the Merger Agreement and the form of Company Voting Agreements as set forth above in this Item 5 are qualified in their entirety by reference to the copies of the Merger Agreement and the form

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of Company Voting Agreements listed as Exhibits 1 and 2 to this Schedule 13D, and are incorporated in this Item 5 in their entirety where such references and descriptions appear.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The information set forth, or incorporated by reference, in Items 3 through 5 is hereby incorporated hereby by reference.

In connection with the Merger Agreement, certain stockholders of Centra (each an "Affiliate") have each entered into an affiliate agreement with SmartForce (collectively, the "Affiliate Agreements") pursuant to which each Affiliate has agreed not to sell, transfer, or otherwise dispose of any SmartForce ADSs issued to such Affiliate in the Merger unless (i) such sale, transfer or other disposition is made in conformity with the requirements of Rule 145(d)(1) and, to the extent required by the terms of the Deposit Agreement (as defined below), Rule 144(h), or (ii) such sale, transfer or other disposition is made pursuant to an effective registration statement under the Securities Act or an appropriate exemption from registration, or (iii) Affiliate delivers to Parent a written opinion of counsel, reasonably acceptable to Parent in form and substance, that such sale, transfer or other disposition is otherwise exempt from registration under the Securities Act.

References to, and descriptions of, the Affiliate Agreements as set forth above in this Item 6 are qualified in their entirety by reference to the copies of the form of Affiliate Agreement filed as Exhibit C to the Merger Agreement, filed as Exhibit 1 to this Schedule 13D, and are incorporated in this Item 6 in their entirety where such references and descriptions appear.

References to, and descriptions of, the Merger Agreement and the form of Company Voting Agreements as set forth above in this Item 6 are qualified in their entirety by reference to the copies of the Merger Agreement and the form of Company Voting Agreements listed as Exhibits 1 and 2 to this Schedule 13D, and are incorporated in this Item 6 in their entirety where such references and descriptions appear.

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Item 7. Material to be Filed as Exhibits.

| Exhibit | Description |
|---------|--|
| ----- | ----- |
| 1. | Agreement and Plan of Merger and Reorganization, dated as of January 16, 2002, by and among SmartForce PLC, Centra Software, Inc., and Atlantic Acquisition Corp., together with exhibits thereto. |
| 2. | Form of Voting Agreement, between SmartForce PLC and certain stockholders of Centra Software, Inc. |

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SIGNATURE

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.

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Dated: January 28, 2002

SMARTFORCE PLC

By: /s/ David C. Drummond

 Name: David C. Drummond
 Title: Executive Vice President of
 Finance and Chief Financial
 Officer

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ANNEX A

Set forth below is the name, citizenship, current business address, and the present principal occupation or employment of each director and executive officer of SmartForce PLC. Unless otherwise indicated, each person identified below is employed by SmartForce PLC. The principal address of SmartForce PLC, and unless otherwise indicated below, the current business address for each individual listed below is 900 Chesapeake Drive, Redwood City, CA 94063.

| Name and Business Address | Present Principal Occupation or Employment | Ci |
|---|---|-------|
| ----- | ----- | ----- |
| Gregory M. Priest | Chairman, Chief Executive Officer | Un |
| David C. Drummond | Executive Vice President, Chief Financial Officer and Director | Un |
| Thomas F. McKeagney | Executive Vice President, Research and Development | Ir |
| Jeffrey N. Newton | Executive Vice President, Global Sales | Un |
| Ronald C. Conway Angel Investors, L.P. 76 Adam Way Atherton, CA 94027 | Founder and Managing Partner, Angel Investors, L.P. | Un |
| John M. Grillos meVC Draper Fisher Jurvetson Fund I 400 Seaport Court, #105 Redwood City, CA 94063 | Chief Executive Officer, meVC Draper Fisher Jurvetson Fund I | Un |
| Patrick J. McDonagh Riverdeep Interactive Learning Ltd. Styne House 3rd Floor Upper Hatch Street Dublin 2 Ireland | Chairman, Riverdeep Group PLC | Ir |
| James S. Kryzwicki Divine, Inc. 1301 North Elston Avenue | Senior Vice President and General Manager, Enterprise Content, Divine, Inc. | Un |

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Chicago, IL 60622

Ferdinand von-Prondzynski
Dublin City University
Dublin 9
Ireland

President, Dublin City University

In

ANNEX B

Set forth below is the name, current business address, and the present principal occupation or employment of each Centra Software, Inc. stockholder that entered into a voting agreement with SmartForce PLC. Unless otherwise indicated, each person identified below is employed by Centra Software, Inc. Except as indicated below, the business address of each such person is c/o Centra Software, Inc., 430 Bedford Street, Lexington, MA 02420.

| Name and Business Address | Present Principal Occupation or Employment |
|--|---|
| Leon Navickas | Chief Executive Officer and Chairman |
| Stephen A. Johnson | Chief Financial Officer and Treasurer |
| Steven N. Lesser | Senior Vice President, Worldwide Sales |
| Joseph M. Gruttadauria | Senior Vice President, Professional Services |
| David Barrett Polaris Venture Partners 1000 Winter Street Suite 3350 Waltham, MA 02451 | General Partner, Polaris Venture Partners |
| Richard D'Amore North Bridge Venture Partners 950 Winter Street Suite 4600 Waltham, MA 02451 | General Partner, North Bridge Venture Partners |
| Robert E. Hult NMS Communications Corp. 100 Crossing Boulevard Framingham, MA 01702 | Senior Vice President Finance and Operations, Chief Financial Officer and Treasurer, NMS Communications Corp. |

EXHIBIT INDEX

1. Agreement and Plan of Merger and Reorganization, dated as of January 16, 2002, by and among SmartForce PLC, Centra Software, Inc., and Atlantic Acquisition Corp., together with exhibits thereto.
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of Centra Software, Inc.