

STELLENT INC  
Form S-4  
February 06, 2004

Table of Contents

As filed with the Securities and Exchange Commission on February 6, 2004

Registration No. 333-

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form S-4**  
**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

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**Stellent, Inc.**

*(Exact name of registrant as specified in its charter)*

**Minnesota**

*(State or other jurisdiction of  
incorporation or organization)*

**7372**

*(Primary standard industrial  
classification code number)*

**41-1652566**

*(IRS employer identification no.)*

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**7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344  
(952) 903-2000**

*(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)*

**Gregg A. Waldon**

**Executive Vice President, Chief Financial Officer, Secretary and Treasurer  
Stellent, Inc.**

**7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344  
(952) 903-2000**

*(Name, address, including zip code, and telephone number,  
including area code, of agent for service)*

---

*Copies to:*

**Kris Sharpe  
Gordon S. Weber  
Faegre & Benson LLP  
2200 Wells Fargo Center  
90 South Seventh Street  
Minneapolis, MN 55402  
Phone: (612) 766-7000  
Fax: (612) 766-1600**

**Mark K. Ruport  
President and Chief  
Executive Officer  
Optika Inc.  
7450 Campus Drive,  
Suite 200  
Colorado Springs, CO 80920  
Phone: (719) 548-9800  
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**Jeremy W. Makarechian  
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Scott M. Davies  
Morrison & Foerster LLP  
5200 Republic Plaza  
370 Seventeenth Street  
Denver, CO 80202  
Phone: (303) 592-1500  
Fax: (303) 592-1510**

**Approximate date of commencement of proposed sale of securities to the public:** As soon as practicable after this registration statement becomes effective and all other conditions to the merger described herein have been satisfied or waived.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value \$0.01 per share, including Rights to purchase Preferred Stock(1)	Not applicable(2)	Not applicable	\$31,667,892(3)	\$4,013

(1) Rights to purchase preferred stock are initially attached to and trade with Stellent common stock. Value attributable to the rights, if any, is reflected in the market price for Stellent common stock.

(2) Pursuant to Rule 457(o), the registration fee has been calculated on the basis of the maximum aggregate offering price, and the number of shares being registered has been omitted.

(3) Computed in accordance with Rules 457(f)(1) and 457(c) under the Securities Act, based upon the number of outstanding shares of common stock of Optika Inc. and the average of the high and low sale prices of such shares as quoted on the Nasdaq SmallCap Market on February 5, 2004. The proposed maximum aggregate offering price is estimated solely to determine the registration fee.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**Table of Contents**

The information contained in this joint proxy statement/ prospectus is not complete and may be changed. Stellent may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/ prospectus is not an offer to sell these securities and Stellent is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

**PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS  
DATED FEBRUARY 1, 2004, SUBJECT TO COMPLETION**

**JOINT PROXY STATEMENT/PROSPECTUS  
Merger Proposed Your Vote Is Very Important**

Stellent, Inc. and Optika Inc. have entered into a merger agreement that provides for the merger of Optika with a subsidiary of Stellent. As a result of the merger, Optika effectively will become a wholly owned subsidiary of Stellent.

Under the merger agreement:

Each outstanding share of Optika common stock will be converted into the right to receive 0.44 of a share of Stellent common stock, subject to adjustment described below.

All outstanding shares of Optika preferred stock will be converted into the right to receive a total of \$10 million in cash and, in certain circumstances described below, shares of Stellent common stock.

Each outstanding option to acquire shares of Optika common stock will be assumed by Stellent and converted into the right to acquire shares of Stellent common stock.

If the value of 0.44 of a share of Stellent common stock, based on the average closing price of a share of Stellent common stock over a period ending shortly before the merger is consummated, is greater than \$4.00 (which is equivalent to an average closing price of approximately \$9.09 per share of Stellent common stock during such period), then:

80% of the per-share value in excess of \$4.00 will be allocated to the holders of Optika common stock.

20% of the per-share value in excess of \$4.00 will be allocated to the holders of Optika preferred stock.

This allocation will be accomplished by reducing the total number of Stellent shares to be issued to the holders of Optika common stock and by issuing those shares to the holders of Optika preferred stock. The total number of shares to be issued by Stellent will not change.

On February 1, 2004, the closing price of Stellent common stock, which trades on the Nasdaq National Market System under the symbol STEL, was \$ 11 per share. If the price of Stellent's common stock at the effective time of the merger was equal to that price, then each share of Optika preferred stock would be exchanged for \$13.664 in cash and Stellent common stock having a per-share market value of \$ 11, and each share of Optika common stock would be exchanged for Stellent common stock having a per-share value of \$ 11, each calculated in the manner described above.

Both companies have called special meetings of their shareholders to consider and vote on proposals relating to the merger. At Optika's meeting, Optika will ask its stockholders to consider and vote on the approval of the merger agreement and the merger, as well as an amendment to Optika's certificate of designation of its preferred stock. At Stellent's meeting, Stellent will ask its shareholders to consider and vote on the approval of the issuance of Stellent common stock in the merger. To complete the merger, the shareholders of each company must approve the applicable merger-related proposals.

This joint proxy statement/ prospectus gives you detailed information about Stellent, Optika, the merger and the Optika certificate of designation amendment and includes a copy of the merger agreement, Optika's amended and restated certificate of designation of its preferred stock and other important documents. We encourage you to read this entire document carefully before deciding how to vote. **In particular, you should read carefully the Risk Factors section beginning on page 21 for a description of various risks you should consider in evaluating the merger.**

Your vote is important, regardless of the number of shares you own. To vote your shares, you may use the enclosed proxy card or you may attend the meeting held by your company. In the case of Optika stockholders, if you do not vote, it will have the same effect as voting against approval of the merger agreement and the merger.

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We are very enthusiastic about the merger and join the members of the two companies' boards of directors in recommending that you vote FOR the proposal being submitted for your consideration and vote.

ROBERT F. OLSON  
*Chairman, President and Chief Executive Officer*  
Stellent, Inc.

MARK K. RUPORT  
*Chairman, President and Chief Executive Officer*  
Optika Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this joint proxy statement/ prospectus. Any representation to the contrary is a criminal offense.**

**This joint proxy statement/prospectus is dated    1    , 2004,**

**and is first being mailed to shareholders on or about    1    , 2004.**

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**TABLE OF CONTENTS**

**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**SUMMARY**

The Merger

The Companies

What Optika Stockholders Will Receive in the Merger

Ownership of Stellent Following the Merger

Reasons for the Merger

Recommendations of Boards of Directors

Opinions of Financial Advisors

Interests of Directors and Executive Officers of Optika in the Merger

The Shareholders Meetings

Voting Agreements

Optika Stock Options

Accounting Treatment

Material United States Federal Income Tax Consequences

Appraisal Rights

Regulatory Matters

Material Terms of the Merger Agreement

Federal Securities Laws Consequences: Stock Transfer Restrictions

Stock Price and Dividend Information

STELLENT, INC. SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

OPTIKA INC. SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

SUMMARY SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED

CONSOLIDATED FINANCIAL DATA

COMPARATIVE PER SHARE DATA

**RISK FACTORS**

Risks Relating to the Merger

Risks Relating to Stellent's Business

Risks Relating to Optika's Business

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

**THE STELLENT SHAREHOLDERS MEETING**

Time and Place

Matters to Be Considered

Record Date

Quorum

Vote Required

Share Ownership as of the Record Date

How to Vote by Proxy

How Proxies Will Be Voted

Treatment of Abstentions and Broker Non-Votes

How to Revoke Your Proxy

Solicitation of Proxies

No Other Business; Adjournments

**THE OPTIKA STOCKHOLDERS MEETING**

Time and Place; Matters to be Considered

Record Date; Quorum

Votes Required

Recommendation of Optika's Board of Directors

How Shares Will Be Voted; Proxies

Treatment of Abstentions and Broker Non-Votes

How to Revoke Your Proxy

Solicitation of Proxies

THE MERGER

General

Background of the Merger

Stellent's Reasons for the Merger

Recommendation of the Merger by the Stellent Board of Directors

Optika's Reasons for the Merger

Recommendation of the Merger by the Optika Board of Directors

Opinion of Financial Advisor to Stellent

Opinion of Financial Advisor to Optika

Interests of Directors and Executive Officers of Optika in the Merger

Accounting Treatment

Material United States Federal Income Tax Consequences of the Merger

Regulatory Matters

Federal Securities Laws Consequences: Stock Transfer Restrictions

THE MERGER AGREEMENT

Structure of the Merger

Closing: Effective Time

Conversion of Optika Common Stock in the Merger

Conversion of Optika Preferred Stock in the Merger

Optika Stock Options and Employee Stock Purchase Plan

Exchange of Certificates

Transfer of Shares

Representations and Warranties

Conduct of Business

Additional Agreements

Conditions to the Completion of the Merger

Termination

Expenses

Amendments

AMENDMENT TO CERTIFICATE OF DESIGNATION

General

Ranking of Preferred Stock

Dividends

Liquidation Preference

Voting Rights

Status of Converted Shares

Conversion

THE VOTING AGREEMENTS

TWCP WRITTEN CONSENT AND VOTING AGREEMENT

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Market Prices and Dividends

Post-Merger Dividend Policy

APPRAISAL RIGHTS

Stellent Shareholders

Optika Stockholders

COMPARISON OF SHAREHOLDER RIGHTS

SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT

Stellent

Optika

WHERE YOU CAN FIND MORE INFORMATION

EXPERTS

LEGAL MATTERS

SHAREHOLDER PROPOSALS FOR ANNUAL MEETINGS

Stellent

Optika

ANNEX A

ANNEX B

ANNEX C

ANNEX D

ANNEX E

ANNEX F

ANNEX G

ANNEX H

PART I

Item 1. Business

Risks Relating to the Merger

Item 2. Properties

Item 3. Legal Proceedings

Item 4. Submission of Matters to a Vote of Security Holders

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Repurchases of Equity Securities

Item 6. Selected Financial Data

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Item 8. Financial Statements and Supplementary Data

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Item 9A. Controls and Procedures

PART III

Item 10. Directors and Executive Officers of Registrant

Item 11. Executive Compensation

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Item 13. Certain Relationships and Related Transactions

Item 14. Principal Accountant Fees and Services

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

SIGNATURES

EXHIBIT INDEX

ANNEX I

ANNEX J

EMPLOYMENT AGREEMENT

RECITALS

AGREEMENT

EMPLOYMENT AGREEMENT

RECITALS

AGREEMENT

PART II

Item 20. Indemnification of Directors and Officers.



Item 21. Exhibits and Financial Statement Schedule.

Item 22. Undertakings.

SIGNATURES

POWER OF ATTORNEY

INDEX TO EXHIBITS

Opinion/Consent of Faegre & Benson LLP

Opinion/Consent of Faegre & Benson LLP-Tax Matters

Opinion/Consent of Morrison & Foerster LLP

Consent of Grant Thornton LLP

Consent of KPMG LLP

Form of Proxy of Stellent, Inc.

Form of Proxy of Optika Inc.

Consent of RBC Dain Rauscher Inc.

Consent of Revolution Partners, LLC.

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**Table of Contents**

**ADDITIONAL INFORMATION**

This joint proxy statement/ prospectus incorporates by reference important business and financial information about Stellent and Optika that is not included in or delivered with this document. See **Where You Can Find More Information** beginning on page 109.

You can obtain any of the documents incorporated by reference into this document from Stellent or Optika, respectively, or from the SEC's Web site at <http://www.sec.gov>. Documents incorporated by reference are available from Stellent or Optika, respectively, without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference into this document. You may obtain documents incorporated by reference into this document by requesting them in writing or by telephone from the applicable company as follows:

Stellent, Inc.  
7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344  
Attention: Chief Financial Officer  
Telephone number: (952) 903-2000

Optika Inc.  
7450 Campus Drive, Suite 200  
Colorado Springs, Colorado 80920  
Attention: Chief Financial Officer  
Telephone number: (719) 548-9800

**If you would like to request documents incorporated by reference, please do so by           , 2004, to receive them before your company's special meeting. Please be sure to include your complete name and address in your request. If you request any documents, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request.**

This joint proxy statement/ prospectus is accompanied by a copy of Optika's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, as filed with the SEC on February 6, 2004, which is attached as Annex H. The enclosed Form 10-K of Optika includes important business and financial information about Optika that is not included in this document. See **Where You Can Find More Information** beginning on page 109.

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**Table of Contents**

**STELLENT, INC.**

**7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344**

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
To Be Held on     1   , 2004**

A Special Meeting of Shareholders of Stellent, Inc. will be held at Stellent's headquarters at 7777 Golden Triangle Drive, Eden Prairie, Minnesota, at 1:00 a.m., Central Time, on     1   ,     1   , 2004 for the following purposes:

1. To consider and vote upon the proposed issuance of shares of Stellent common stock in the merger of Optika Inc. into STEL Sub, Inc., a wholly owned subsidiary of Stellent, under the Agreement and Plan of Merger, dated as of January 11, 2004, among Stellent, STEL Sub, and Optika, a copy of which is included as Annex A to the accompanying joint proxy statement/ prospectus.
2. To transact any other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

**The Stellent board of directors unanimously recommends that the Stellent shareholders vote FOR approval of the issuance of Stellent shares pursuant to the merger agreement.**

The Board of Directors has fixed     1   , 2004 as the record date for the meeting, and only shareholders of record at the close of business on that date are entitled to receive notice of and vote at the meeting.

Your proxy is important to ensure a quorum at the meeting. Even if you own only a few shares, and whether or not you expect to be present at the meeting, please mark, date, and sign the enclosed proxy card and return it in the accompanying postage-paid reply envelope as quickly as possible, or follow the instructions for voting by telephone or over the Internet. You may revoke your proxy at any time prior to its exercise, and returning your proxy will not affect your right to vote in person if you attend the meeting and revoke the proxy.

By Order of the Board of Directors,

GREGG A. WALDON  
*Executive Vice President, Chief  
Financial Officer and Secretary*

Eden Prairie, Minnesota  
1     , 2004

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**Table of Contents**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held on      1      , 2004**

To the Stockholders of Optika Inc.:

A special meeting of stockholders of Optika Inc. will be held at      1      , Colorado Springs, Colorado on      1      , 2004 at 1 a.m., Mountain Time, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of January 11, 2004, by and among Stellent, Inc., STEL Sub, Inc., a wholly owned subsidiary of Stellent, and Optika Inc. and the merger pursuant to which Optika will merge with and into STEL Sub on and subject to the terms contained in that agreement. A copy of the Agreement and Plan of Merger is attached as Annex A of the accompanying joint proxy statement/ prospectus;
2. To consider and vote upon a proposal to amend and restate the certificate of designation of Optika's preferred stock, as set forth in Annex I of the accompanying joint proxy statement/ prospectus, in connection with and as a condition precedent to the merger; and
3. To transact any other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

**Our board of directors has unanimously approved the merger agreement, the merger, and the amendment to the certificate of designation and recommends that you vote FOR the adoption of the merger agreement and the merger and FOR the adoption of the amendment to the certificate of designation.**

Each of the proposals is described in more detail in the accompanying joint proxy statement/ prospectus, which you should read in its entirety before voting. A copy of the merger agreement is attached as Annex A to the accompanying joint proxy statement/ prospectus and a copy of the amendment to the certificate of designation is attached as Annex I to the accompanying joint proxy statement/ prospectus.

Only stockholders of record at the close of business on      1      , 2004 are entitled to notice of the special meeting, and to vote at the special meeting and at any adjournments thereof. The stock transfer books will not be closed between the record date and the date of the meeting. A list of stockholders entitled to vote at the meeting will be available for inspection at Optika's executive offices during normal business hours, for purposes related to the meeting, for a period of ten days prior to the meeting.

All Optika stockholders are cordially invited to attend the special meeting in person. However, to ensure your representation at the special meeting, we urge you to complete, sign and return the enclosed proxy card as promptly as possible in the enclosed postage-prepaid envelope, or follow the instructions for voting by telephone or over the Internet. You may revoke your proxy in the manner described in the accompanying joint proxy statement/ prospectus at any time before it is voted at the special meeting. **If you fail to return a properly executed proxy card or to vote at the special meeting, the effect will be a vote against the proposals to adopt the merger agreement and the merger, and the amendment to the certificate of designation.**

We cannot complete the merger unless holders of shares of Optika common stock representing a majority of the shares of common stock outstanding as of      1      , 2004 vote to adopt the merger proposals.

By Order of the Board of Directors,

STEVEN M. JOHNSON  
*Chief Financial Officer,*  
*Executive Vice President and Secretary*

Colorado Springs, Colorado  
1      , 2004

**Table of Contents****TABLE OF CONTENTS**

QUESTIONS AND ANSWERS ABOUT THE MERGER	1
SUMMARY	6
The Merger	6
The Companies	6
What Optika Stockholders Will Receive in the Merger	7
Ownership of Stellent Following the Merger	7
Reasons for the Merger	7
Recommendations of Boards of Directors	8
Opinions of Financial Advisors	8
Interests of Directors and Executive Officers of Optika in the Merger	8
The Shareholders Meetings	9
Voting Agreements	10
Optika Stock Options	10
Accounting Treatment	11
Material United States Federal Income Tax Consequences	11
Appraisal Rights	11
Regulatory Matters	11
Material Terms of the Merger Agreement	12
Federal Securities Laws Consequences; Stock Transfer Restrictions	14
Stock Price and Dividend Information	14
Stellent, Inc. Summary Selected Historical Consolidated Financial Data	16
Optika Inc. Summary Selected Historical Consolidated Financial Data	18
Summary Selected Unaudited Pro Forma Condensed Combined Consolidated Financial Data	19
Comparative Per Share Data	20
RISK FACTORS	21
Risks Relating to the Merger	21
Risks Relating to Stellent's Business	26
Risks Relating to Optika's Business	30
CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS	35
THE STELLENT SHAREHOLDERS MEETING	37
Time and Place	37
Matters to Be Considered	37
Record Date	37
Quorum	37
Vote Required	37
Share Ownership as of the Record Date	37
How to Vote by Proxy	37
How Proxies Will Be Voted	38
Treatment of Abstentions and Broker Non-Votes	38
How to Revoke Your Proxy	38
Solicitation of Proxies	38
No Other Business; Adjournments	39
THE OPTIKA STOCKHOLDERS MEETING	40
Time and Place; Matters to be Considered	40
Record Date; Quorum	40
Votes Required	40
Recommendation of Optika's Board of Directors	41

**Table of Contents**

How Shares Will Be Voted; Proxies	41
Treatment of Abstentions and Broker Non-Votes	42
How to Revoke Your Proxy	42
Solicitation of Proxies	42
<b>THE MERGER</b>	<b>43</b>
General	43
What Optika Stockholders Will Receive in the Merger	43
Ownership of Stellent Following the Merger	44
Background of the Merger	44
Stellent's Reasons for the Merger	50
Recommendation of the Merger by the Stellent Board of Directors	50
Optika's Reasons for the Merger	52
Recommendation of the Merger by the Optika Board of Directors	53
Opinion of Financial Advisor to Stellent	55
Opinion of Financial Advisor to Optika	61
Interests of Directors and Executive Officers of Optika in the Merger	69
Accounting Treatment	71
Material United States Federal Income Tax Consequences of the Merger	72
Regulatory Matters	75
Federal Securities Laws Consequences; Stock Transfer Restrictions	75
<b>THE MERGER AGREEMENT</b>	<b>76</b>
Structure of the Merger	76
Closing; Effective Time	76
Conversion of Optika Common Stock in the Merger	76
Conversion of Optika Preferred Stock in the Merger	77
Optika Stock Options and Employee Stock Purchase Plan	77
Exchange of Certificates	78
Transfer of Shares	78
Representations and Warranties	78
Conduct of Business	79
Additional Agreements	81
Conditions to the Completion of the Merger	82
Termination	84
Expenses	85
Amendments	86
<b>AMENDMENT TO CERTIFICATE OF DESIGNATION</b>	<b>87</b>
General	87
Ranking of Preferred Stock	87
Dividends	87
Liquidation Preference	87
Voting Rights	87
Status of Converted Shares	87
Conversion	87
<b>THE VOTING AGREEMENTS</b>	<b>88</b>
<b>TWCP WRITTEN CONSENT AND VOTING AGREEMENT</b>	<b>89</b>
<b>STELLENT, INC. UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS</b>	<b>91</b>
<b>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</b>	<b>97</b>
Market Prices and Dividends	97

**Table of Contents**

Post-Merger Dividend Policy	97
APPRAISAL RIGHTS	98
Stellent Shareholders	98
Optika Stockholders	98
COMPARISON OF SHAREHOLDER RIGHTS	99
SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT	106
Stellent	106
Optika	108
WHERE YOU CAN FIND MORE INFORMATION	109
EXPERTS	111
LEGAL MATTERS	111
SHAREHOLDER PROPOSALS FOR ANNUAL MEETINGS	111
Stellent	111
Optika	111

**LIST OF ANNEXES**

ANNEX A	Agreement and Plan of Merger	A-1
ANNEX B	Optika Voting Agreement with Stellent Officers and Directors, as amended	B-1
ANNEX C	Stellent Voting Agreement with Certain Optika Officers and Directors	C-1
ANNEX D	Written Consent and Voting Agreement with Certain Optika Preferred Stockholders	D-1
ANNEX E	Opinion of RBC Dain Rauscher Inc	E-1
ANNEX F	Opinion of Revolution Partners, LLC	F-1
ANNEX G	Provisions of Delaware Law Governing Appraisal Rights	G-1
ANNEX H	Optika's Annual Report on Form 10-K for the fiscal year ended December 31, 2003	H-1
ANNEX I	Amended and Restated Certificate of Designation of Series A-1 Convertible Preferred Stock of Optika	I-1
ANNEX J	Mark Rupert Employment Agreement with Stellent	J-1

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: What will happen in the transaction?**

A: We are proposing to merge Optika into STEL Sub, a wholly owned subsidiary of Stellent. In the transaction, Optika effectively will become a wholly owned, direct subsidiary of Stellent. Optika stockholders will have their shares of Optika common stock converted into newly issued shares of Stellent common stock and their shares of Optika preferred stock converted into cash and, depending on the average closing price of a share of Stellent common stock over a period ending shortly before the merger is consummated, possibly newly issued shares of Stellent common stock. Stellent shareholders will retain their existing shares of Stellent common stock. We expect that, upon the completion of the transaction, approximately 1 % of the outstanding common stock of the combined company will be held by former Stellent shareholders, and approximately 1 % of the outstanding common stock of the combined company will be held by former Optika stockholders.

**Q: Are there any limits on the value of the consideration that I will receive for my shares of Optika common stock?**

A: No, there is neither a minimum nor a maximum dollar value for what you will receive in the merger for your shares.

**Q: What will holders of Optika common stock receive in the transaction?**

A: Holders of Optika common stock will receive 0.44 of a share of Stellent common stock for each share of Optika common stock, subject to adjustment based on the average closing price of a share of Stellent common stock over a period ending shortly before the merger is consummated. If the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over the relevant period, is greater than \$4.00 (which is equivalent to an average closing price of approximately \$9.09, per share, of Stellent common stock), 20% of the per-share value in excess of \$4.00 will be allocated to the holders of Optika preferred stock and 80% of the per-share value in excess of \$4.00 will be allocated to the holders of Optika common stock. The allocation will be accomplished by reducing the ratio at which each share of Optika common stock will be converted into a share of Stellent common stock. The total number of shares of Stellent common stock issued at the closing of the transaction will not change.

**Q: What will holders of Optika preferred stock receive in the transaction?**

A: Holders of Optika's preferred stock will receive an aggregate of \$10 million in cash plus, if the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than \$4.00, an amount (in the form of newly issued shares of Stellent common stock) equal to 20% of the value of the total number of outstanding shares of Optika common stock multiplied by the difference between the value of 0.44 of a share of Stellent common stock and \$4.00. Such additional amount, if any, will be allocated on a pro rata basis to the holders of the Optika preferred stock.

**Q: Does any shareholder have dissenters or appraisal rights in the transaction?**

A: Under Delaware law, holders of Optika common stock and preferred stock who comply with the governing statutory provisions are entitled to appraisal rights to receive a judicially determined fair value for their shares through the Delaware state courts instead of the merger consideration. A copy of the applicable statute is attached to this joint proxy statement/ prospectus as Annex G. Holders of Stellent common stock are not entitled to dissenters' rights in connection with the merger.

**Q: Why was the transaction structured with Optika becoming a subsidiary of Stellent?**

A: The technical form of the transaction, where Optika merges with and into STEL Sub, resulting in Optika effectively becoming a direct wholly owned subsidiary of Stellent, was chosen for a number of legal and technical reasons, none of which affected the economic substance of the transaction. Under any of the structures considered, the Stellent and Optika shareholders would own the same relative percentage ownership in the combined company as they would under the structure actually chosen.



**Table of Contents**

**Q: When are the shareholder meetings?**

A: Each company's meeting will take place on \_\_\_\_\_, 2004 at the time and location specified in each company's respective meeting notice included with this document.

**Q: Who is entitled to vote?**

A: If you owned shares of Stellent common stock at the close of business on \_\_\_\_\_, 2004, you are entitled to vote at the Stellent shareholder meeting. If you owned shares of Optika common stock or Optika preferred stock at the close of business on \_\_\_\_\_, 2004, you are entitled to vote at the Optika stockholder meeting.

**Q: What do I need to do now?**

A: After you have carefully read this entire document, please vote your Stellent or Optika shares. **Your votes are very important.** You may do this either by completing, signing, dating and mailing the enclosed proxy card or by submitting your proxy by telephone or through the Internet, as explained in this document. This will enable your shares to be represented and voted at the Stellent special meeting or the Optika special meeting.

**Q: What shareholder votes are required?**

A: *Stellent Shareholders:* Stellent shareholders are being asked to approve the issuance of Stellent shares in the merger. Approval of the share issuance requires the affirmative vote of a majority of the shares of Stellent common stock present in person or by proxy at the Stellent shareholders meeting, assuming that a quorum is present at the meeting. Stellent's board of directors unanimously recommends voting **FOR** this proposal.

*Optika Stockholders:* Optika stockholders are being asked to approve the merger agreement and the merger, and the amendment and restatement of the certificate of designation of Optika's preferred stock in connection with and as a condition precedent to the merger. The affirmative vote of the holders of at least a majority of the outstanding shares of Optika common stock and Optika preferred stock (on an as-converted-to-common-stock basis) entitled to vote at the special meeting is required to approve the merger agreement and the merger and the amendment to the certificate of designation, assuming that a quorum is present at the meeting. Optika's board of directors unanimously recommends voting **FOR** these proposals, which are frequently referred to in this document as the Optika merger proposals.

**Q: Why is my vote important?**

A: If you are a Stellent shareholder and do not vote your shares, then it will be more difficult for Stellent to obtain the necessary quorum at the Stellent shareholders meeting. If you are an Optika stockholder and do not vote your shares, that will have the same effect as a vote against the Optika merger proposals.

**Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?**

A: No. Your broker is not permitted to vote your shares without specific instructions from you. Unless you follow the directions your broker provides you regarding how to instruct your broker to vote your shares, your shares will not be voted. Please check the voting-information form used by your broker to see if it offers telephone or internet voting.

**Q: What if I fail to instruct my broker?**

A: If you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting broker non-vote will, if you are a Stellent shareholder, not be counted towards a quorum at the Stellent shareholders meeting and not have any effect in determining whether the share-issuance proposal is approved. If you are an Optika stockholder, broker non-votes will be counted for the purpose of determining the existence of a quorum but will not be voted on any of the Optika merger proposals. A broker non-vote will therefore have the same effect as a vote against the proposals.

**Table of Contents**

**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. You are invited to attend your company's shareholder meeting. If your shares are held in street name, then you are not the shareholder of record and you must ask the bank, broker, or other nominee holding your shares how you can vote in person at the meeting.

**Q: Can I change my vote?**

A: Yes.

If you are a Stellent shareholder, you may change your vote by:

delivering a written notice to any corporate officer of Stellent, before the vote on the share-issuance proposal, stating that you are revoking your proxy;

completing and signing a later-dated proxy card and returning it by mail before the Stellent shareholder meeting or by voting again by telephone or through the Internet before the deadline described in this document; or

attending the Stellent shareholders meeting and voting in person after having delivered to any corporate officer of Stellent a written notice revoking your proxy.

If you are an Optika stockholder, you may change your vote by:

delivering a written notice to Optika's corporate secretary, before the vote on the Optika merger proposals, stating that you are revoking your proxy;

completing and signing a later-dated proxy card and returning it by mail before the Optika stockholder meeting or by voting again by telephone or through the Internet before the deadline described in this document; or

attending the Optika stockholder meeting and voting in person after having delivered to Optika's corporate secretary a written notice revoking your proxy.

If your shares are held in an account at a brokerage firm or a bank, you should contact your brokerage firm or bank to change your vote.

**Q: Should I send in my stock certificates now?**

A: No. You should not send in your stock certificates at this time. Optika stockholders will need to exchange their Optika stock certificates for shares of Stellent common stock after we complete the transaction. We will send you instructions for exchanging Optika stock certificates at that time. If you hold your Optika common stock in book-entry form, we will send you instructions for exchanging your shares after we complete the transaction. Stellent shareholders will retain their current stock certificates after the transaction and should not send in their stock certificates.

**Q: When do you expect to complete the transaction?**

A: We expect to complete the transaction during April 2004. However, we cannot assure you when or if the transaction will be completed. We must first obtain the necessary approvals of our shareholders at the special meetings, and we also may be required to obtain certain regulatory approvals.

**Q: Whom should I call with questions?**

A: Shareholders of either company with any questions about the merger and related transactions should call \_\_\_\_\_, the proxy solicitors that both companies have hired, toll-free at ( \_\_\_\_\_ )

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In addition, Stellent shareholders with any questions about the merger and related transactions should call Gregg A. Waldon, Stellent's Chief Financial Officer, at (952) 903-2000.

Optika stockholders with any questions about the merger and related transactions should call Steven M. Johnson, Optika's Chief Financial Officer at (719) 548-9800.

**Table of Contents**

**Q: What are the material United States federal income tax consequences of the merger to Stellent shareholders and Optika stockholders?**

A: *Stellent shareholders:* Stellent shareholders will not recognize any gain or loss for United States federal income tax purposes as a result of the merger.

*Optika stockholders:* The merger is intended to qualify as a reorganization for United States federal income tax purposes. Assuming the merger so qualifies, an Optika common stockholder who exchanges all of such stockholder's shares of Optika common stock solely for shares of Stellent common stock pursuant to the merger generally will not recognize any gain or loss on the exchange for such purposes, except with respect to the cash, if any, that the stockholder receives in lieu of a fractional share of Stellent common stock. An Optika stockholder who receives only cash in the merger, including a stockholder who perfects his, her, or its appraisal rights, generally will recognize a taxable gain or loss equal to the difference between the cash received and the stockholder's tax basis in the stockholder's Optika stock. If an Optika preferred stockholder receives a combination of Stellent common stock and cash in the merger, the stockholder generally will recognize a taxable gain, but not loss, in the merger. Even if the merger qualifies as a reorganization as described above, Optika stockholders could be subject to potentially material adverse United States federal income tax consequences described in more detail under the heading "The Merger - Material United States Federal Income Tax Consequences of the Merger" beginning on page 72.

**Q: Does Stellent pay dividends?**

A: No. Stellent does not currently pay cash dividends on its common stock and does not anticipate paying dividends in the foreseeable future.

**Q: Where can I find more information about the companies?**

A: Both companies file reports and other information with the Securities and Exchange Commission. You can read and copy this information at the SEC's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available at the Website the SEC maintains at <http://www.sec.gov>. You can also request copies of these documents from Stellent or Optika. In addition, you can get information about our companies from our Websites located at <http://www.stellent.com> and <http://www.optika.com>. The information on our Websites is not a part of, and is not being incorporated by reference into, this joint proxy statement/prospectus.

**Q: Who can answer my questions?**

A: If you are a Stellent shareholder and have questions or want additional copies of this joint proxy statement/prospectus, please contact:

Stellent, Inc.  
7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344  
Attention: Chief Financial Officer  
Telephone number: (952) 903-2000

**Table of Contents**

If you are an Optika stockholder and have questions or want additional copies of this joint proxy statement/ prospectus, please contact:

Optika Inc.  
7450 Campus Drive, Suite 200  
Colorado Springs, Colorado 80920  
Attention: Chief Financial Officer  
Telephone number: (719) 548-9800

Stellent and Optika shareholders may also contact:

**\*[INSERT PROXY SOLICITOR INFORMATION]**

E-mail: 1

or

**Call Toll-Free (800) 1 - 1**

5

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**Table of Contents**

**SUMMARY**

*This summary highlights material information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. To better understand the merger, we urge you to read carefully this entire joint proxy statement/prospectus and the documents we refer to in this joint proxy statement/prospectus. Please see *Where You Can Find More Information* on page 109. A copy of the merger agreement itself is attached to this joint proxy statement/prospectus as Annex A. We urge you to read carefully the entire merger agreement and the other documents attached to this joint proxy statement/prospectus.*

**The Merger (See page 43.)**

Stellent and Optika have entered into a merger agreement that provides for the merger of Optika into STEL Sub, Inc., a wholly owned subsidiary of Stellent. As a result of the merger, Optika effectively will become a wholly owned subsidiary of Stellent.

**The Companies**

***Stellent, Inc.***

7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344  
(952) 903-2000

Stellent is a leading provider of content management software solutions that allow browser-based Web and wireless access to content-rich business Websites and content-supported e-business applications. Stellent's Universal Content Management architecture provides all five content management elements—Web content management, document management, collaboration, records management and digital asset management from a single technology platform and interface. The Stellent technology enables customers to rapidly deploy business Websites by automating the content contribution, conversion, management and publishing processes for these sites. The solution allows content from a wide variety of enterprise sources, including desktop applications, business applications and templates, to be automatically converted to output formats such as XML, HTML, WML, cHTML and PDF. In addition, the personalization features of Stellent's products and their compatibility with corporate security models ensure users access only the information they need. For further information, visit Stellent's Website at <http://www.stellent.com>. Information on Stellent's Website is not a part of, and is not being incorporated by reference into, this joint proxy statement/prospectus.

***Optika Inc.***

7450 Campus Drive, Suite 200  
Colorado Springs, Colorado 80920  
(719) 548-9800

Optika is a leading provider of enterprise content management, or ECM, technology, including document imaging, workflow, collaboration and records management software. Optika's Acorde family of ECM software solutions, including Acorde Context<sup>TM</sup>, Acorde Process<sup>TM</sup>, Acorde Resolve<sup>TM</sup>, Acorde Application Link<sup>TM</sup> and Acorde Records Management<sup>TM</sup>, allows companies to streamline their business processes, eliminate paper, increase operational efficiencies and effectively leverage their enterprise resource planning and line-of-business systems. Acorde provides the ability to manage compliance requirements, access and store multiple formats of business content, both digital and non-digital; automate processes across the organization and externally with partners and customers; and enable online collaboration around these paper-intensive or complex processes in real and near time. Acorde supports a wide spectrum of critical business operations, including accounts payable, accounts receivable, claims processing, expense reporting, records management and human resources. For further information, visit Optika's Website at <http://www.optika.com>. Information on Optika's Website is not a part of, and is not being incorporated by reference into, this joint proxy statement/prospectus.

**Table of Contents**

***STEL Sub, Inc.***

7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344  
(952) 903-2000

STEL Sub, Inc. is a Delaware corporation and a direct wholly owned subsidiary of Stellent. STEL Sub, Inc. was formed exclusively for the purpose of completing the merger.

**What Optika Stockholders Will Receive in the Merger (See page 43.)**

Upon completion of the merger:

each outstanding share of Optika common stock will be converted into the right to receive 0.44 of a share of Stellent common stock, subject to adjustment described below; and

all outstanding shares of Optika preferred stock will be converted into the right to receive a total of \$10 million in cash and, in certain circumstances described below, shares of Stellent common stock.

If the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than \$4.00, then:

80 percent of the per-share value in excess of \$4.00 will be allocated to the holders of Optika common stock; and

20 percent of the per-share value in excess of \$4.00 will be allocated to the holders of the Optika preferred stock.

This allocation will be accomplished by reducing the total number of Stellent shares to be issued to holders of Optika common stock and by issuing those shares to the holders of the Optika preferred stock. The total number of shares to be issued by Stellent will not change. As a result, if there is such an allocation, the exchange ratio per share of Optika common stock will be reduced to something less than 0.44 of a share of Stellent common stock for each outstanding share of Optika common stock.

**Ownership of Stellent Following the Merger (See page 44.)**

We anticipate that former Optika stockholders will own approximately 1 % of the outstanding shares of Stellent common stock following the merger.

**Reasons for the Merger (See pages 50 and 52.)**

*Stellent.* Stellent's board of directors has unanimously agreed that the merger is advisable and in the best interest of Stellent and its shareholders. In reaching its decision, the Stellent board of directors identified several reasons for, and potential benefits of, the merger to Stellent shareholders. These potential benefits include the following:

combining Stellent's strength in content management with Optika's strength in business process automation will enable Stellent to create a platform of products that encompasses content management, integrated document management, document imaging, content distribution, business process management, collaboration and record management;

combining Optika's product offering with Stellent's product offering will provide marketing opportunities by enabling customers to satisfy multiple facets of their content management and document processing needs with a single vendor;

greater entity size, marketing resources and financial strength may present improved opportunities for marketing the products of the combined company; and

combined technological resources may allow Stellent to compete more effectively by enhancing its ability to develop new products and add functionality to existing products.

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*Optika.* The Optika board of directors has unanimously agreed that the merger is advisable and in the best interests of Optika and its stockholders. In reaching its decision, the Optika board of directors



## **Table of Contents**

identified several reasons for, and potential benefits of, the merger to Optika stockholders. These potential benefits include the following:

the strategic factors cited above by Stellent;

the financial condition, results of operations, and businesses of Optika and Stellent before and after giving effect to the merger;

the near- and long-term prospects of Optika as an independent company and of the combined company;

the opportunity for Optika stockholders to participate in the potential for greater growth, operational efficiencies, financial strength, and earning power of the combined company after the merger;

industry trends toward consolidation and the advantages that might be expected to accrue to the combined company through the creation of a larger customer base, a higher market profile, greater financial strength, and broader customer offerings, which could enhance the ability of the combined company to compete in the marketplace; and

the opinion of Revolution Partners, LLC dated January 11, 2004 to the Optika board of directors to the effect that as of that date, and based upon and subject to the matters described in their opinion, the consideration to be received by the stockholders of Optika was fair, from a financial point of view, to such stockholders.

### **Recommendations of Boards of Directors (See pages 50 and 53.)**

*Stellent Shareholders.* After careful consideration, the Stellent board of directors unanimously recommends that the Stellent shareholders vote **FOR** approval of the issuance of Stellent shares pursuant to the merger agreement.

*Optika Stockholders.* The Optika board of directors believes that the merger is in the best interests of Optika and its stockholders and, after careful consideration, recommends that Optika stockholders vote **FOR** approval of the merger agreement and the merger and the amendment to the certificate of designation.

### **Opinions of Financial Advisors (See page 55.)**

*Stellent.* RBC Dain Rauscher Inc., a member of RBC Capital Markets, referred to in this joint proxy statement/prospectus as RBC, has given a written opinion, dated January 11, 2004, to the Stellent board of directors as to the fairness on that date, from a financial point of view, of the total consideration to be paid in the merger. The full text of this opinion is attached to this joint proxy statement/ prospectus as Annex E. You should read the opinion carefully in its entirety to understand the procedures followed, assumptions made, matters considered, and limitations on the review undertaken by RBC in providing its opinion. The opinion of RBC is directed to the Stellent board of directors and does not constitute a recommendation to any Stellent shareholder as to any matter relating to the merger.

*Optika.* Revolution Partners, LLC has given a written opinion, dated January 11, 2004, to the Optika board of directors as to the fairness on that date, from a financial point of view, of the consideration to be received by the holders of Optika capital stock in the merger. The full text of this opinion is attached to this joint proxy statement/ prospectus as Annex F. You should read the opinion carefully in its entirety to understand the procedures followed, assumptions made, matters considered and limitations on the review undertaken by Revolution Partners in providing its opinion. The opinion of Revolution Partners is directed to the Optika board of directors and does not constitute a recommendation to any Optika stockholder as to any matter relating to the merger.

### **Interests of Directors and Executive Officers of Optika in the Merger (See page 69.)**

In considering the recommendation of Optika's board of directors in favor of approval of the merger agreement and the merger, Optika stockholders should be aware that some of Optika's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of Optika stockholders generally. Optika's board of directors was aware of and considered these interests

**Table of Contents**

when it considered and approved the merger agreement. The interests include the potential for those individuals to obtain positions as directors or officers of Stellent, the acceleration of vesting of certain stock options, the receipt of severance and other benefits under employment agreements, and the right to continued indemnification and insurance coverage for the benefit of current and former Optika directors and officers. In particular:

Mark K. Rupert, Optika's Chairman and Chief Executive Officer, has entered into an employment agreement with Stellent effective on the closing of the merger that provides for a new grant of options to purchase shares of the combined company and new terms and conditions of his employment as Executive Vice President of Operations of the combined company, including certain change of control severance benefits; and

Alan B. Menkes, one of Optika's directors, will become a member of the board of directors of the combined company.

**The Shareholders Meetings (See page 37.)**

*Stellent Shareholders.* Stellent will hold a special meeting of its shareholders at Stellent's headquarters at 7777 Golden Triangle Drive, Eden Prairie, Minnesota, at 10 a.m., Central Time, on 11/12/2004 to vote on the share-issuance proposal. You may vote at the meeting if you owned shares of Stellent common stock at the close of business on the record date, which was 11/12/2004. At the meeting, you will be entitled to cast one vote for each share of Stellent common stock that you owned at the close of business on the record date. At the close of business on the record date there were 11,111 shares of Stellent common stock outstanding, each entitled to one vote.

In order for the companies to complete the merger, Stellent shareholders must approve the issuance of shares of Stellent common stock in the merger. The affirmative vote of the holders of a majority of the number of shares of Stellent common stock present in person or by proxy at the Stellent shareholders meeting is required to approve the share-issuance proposal.

As of the close of business on the record date, directors and executive officers of Stellent owned and were entitled to vote 11,111 shares of Stellent common stock. Those shares represented approximately 100% of the outstanding shares of Stellent common stock at that time. The directors and executive officers of Stellent have entered into a voting agreement with Optika under which they have agreed to vote their shares in favor of the share-issuance proposal.

*Optika Stockholders.* Optika will hold a special meeting of its stockholders at 11111, Colorado Springs, Colorado, at 10 a.m., Mountain Time, on 11/12/2004 to vote on the Optika merger proposals. You may vote at the meeting if you owned shares of Optika common stock or Optika preferred stock at the close of business on the record date, which was 11/12/2004. At the meeting, you will be entitled to cast one vote for each share of Optika common stock that you owned (or in the case of preferred stockholders, may be deemed to own on an as-converted-to-common-stock basis) at the close of business on the record date. At the close of business on the record date there were 11,111 shares of Optika common stock outstanding, each entitled to one vote (including the preferred stock on an as-converted-to-common-stock basis).

In order for the companies to complete the merger, Optika stockholders must approve each of the Optika merger proposals. The affirmative vote of the holders of at least a majority of the outstanding shares of Optika common stock and Optika preferred stock (on an as-converted-to-common-stock basis) entitled to vote at the special meeting is required to approve the Optika merger proposals, assuming that a quorum is present at the meeting.

As of the close of business on the record date, directors and executive officers of Optika owned and were entitled to vote 11,111 shares of Optika common stock. Those shares represented approximately 100% of the outstanding shares of Optika common stock at that time. The directors and executive officers of Optika have entered into a voting agreement with Stellent under which they have agreed to vote their shares in favor of the Optika merger proposals.

## **Table of Contents**

### **Voting Agreements (See page 88.)**

*Stellent.* The nine directors and executive officers of Stellent, owning, in the aggregate, approximately 1 % of the outstanding shares of Stellent common stock on the record date, have entered into a voting agreement with Optika and have delivered irrevocable proxies granting to Optika the right to vote all of the Stellent common stock owned by them in favor of the issuance of Stellent common stock in the merger. We have attached a copy of the Stellent voting agreement as Annex B to this joint proxy statement/ prospectus.

*Optika.* Eleven Optika stockholders, each a director or officer of Optika, owning, in the aggregate, approximately 1 % of the outstanding shares of Optika common stock on the record date, have entered into a voting agreement with Stellent and have delivered irrevocable proxies granting to Stellent the right to vote all of the Optika common stock owned by them in favor of the Optika merger proposals. We have attached a copy of the Optika voting agreement, as amended, as Annex C to this joint proxy statement/ prospectus.

*TWCP Written Consent and Voting Agreement.* In connection with the execution of the merger agreement, Stellent and Optika entered into a written consent and voting agreement with Thomas Weisel Capital Partners, L.P., or TWCP, and certain related entities, which hold as of the date of this joint proxy statement/ prospectus, approximately 95% of the outstanding shares of Optika's preferred stock. In that agreement, the TWCP entities agreed, among others things, to:

consent to the merger agreement, the merger and the amendment to the certificate of designation of Optika's preferred stock, subject to the right of the TWCP entities to approve any amendment to the merger agreement;

vote all of their shares of capital stock of Optika in favor of the merger agreement, the merger and the amendment to the certificate of designation (and the TWCP entities have delivered irrevocable proxies to this effect to Stellent);

exchange their shares of Optika's preferred stock for their pro rata share of \$10 million in cash and any adjustment shares of Stellent common stock, as calculated pursuant to the merger agreement;

consent to the amendment of the rights and preferences of the Optika preferred stock as set forth in the amendment to the certificate of designation, as well as the termination of the registration rights agreement and certain other agreements relating to the Optika preferred stock; and

refrain from transferring, in any way, the shares of Optika preferred stock held by them without the consent of Optika and Stellent during the term of the written consent and voting agreement, except to affiliates of the TWCP entities that will be bound by the agreement.

Pursuant to the TWCP written consent and voting agreement, Optika and Stellent have agreed, among other things, to indemnify TWCP and the other entities party to the TWCP written consent and voting agreement against any and all damages suffered by such parties arising out of or in connection with the performance by such parties of their obligations under the agreement or certain actions that may be brought in connection with the merger.

We have attached a copy of the TWCP written consent voting agreement as Annex D to this joint proxy statement/ prospectus.

### **Optika Stock Options (See page 77.)**

Upon completion of the merger, each outstanding Optika stock option will be converted into an option to purchase a number of shares of Stellent common stock that is equal to the product of the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock (as described above) multiplied by the number of shares of Optika common stock that would have been obtained before the merger upon the exercise of the option, rounded to the nearest whole share. The exercise price per share will be equal to the exercise price per share of Optika common stock subject to the option before the conversion divided by the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock, rounded to the nearest whole cent.

## **Table of Contents**

### **Accounting Treatment (See page 71.)**

The merger will be treated as a purchase for accounting purposes.

### **Material United States Federal Income Tax Consequences (See page 72.)**

The merger is intended to qualify as a reorganization for United States federal income tax purposes. Assuming the merger so qualifies, an Optika common stockholder who exchanges all of such stockholder's shares of Optika common stock solely for shares of Stellent common stock pursuant to the merger generally will not recognize any gain or loss on the exchange for such purposes, except with respect to the cash, if any, that the stockholder receives in lieu of a fractional share of Stellent common stock. An Optika stockholder who receives only cash in the merger, including a stockholder who perfects his, her, or its appraisal rights, generally will recognize a taxable gain or loss equal to the difference between the cash received and the stockholder's tax basis in the stockholder's Optika stock. If an Optika preferred stockholder receives a combination of Stellent common stock and cash in the merger, the stockholder generally will recognize a taxable gain, but not loss, in the merger.

Even if the merger qualifies as a reorganization as described above, Optika stockholders may be subject to potentially material adverse United States federal income tax consequences if the Internal Revenue Service were to successfully contend that the consideration transferred by Stellent to the Optika common and preferred stockholders should be treated not as it was actually received, but rather as it would have been received by such stockholders prior to the amendment of the certificate of designation of the Optika preferred stock, pursuant to which the stated liquidated preference of the Optika preferred stock will be terminated. We urge you to review the United States federal tax consequences to stockholders in greater detail under the heading *The Merger* Material United States Federal Income Tax Consequences of the Merger beginning on page 72, and to consult with your tax adviser to determine the specific tax consequences of the merger to you.

### **Appraisal Rights (See page 98.)**

*Stellent.* Under Minnesota law, Stellent shareholders will not have any dissenters' rights in connection with the merger.

*Optika.* Optika stockholders are entitled under Delaware law to appraisal rights in connection with the merger. To exercise appraisal rights, an Optika stockholder must:

provide written notice to Optika before the taking of the vote of the stockholders on the merger proposal in accordance with Section 262 of the Delaware General Corporation Law, stating his or her intention to exercise appraisal rights;

vote against approval of the merger proposal or abstain from voting; and

comply with the other procedures required by Section 262 of the Delaware General Corporation Law.

A copy of Section 262 of the Delaware General Corporation Law is attached to this joint proxy statement/prospectus as Annex G.

### **Regulatory Matters (See page 75.)**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, known as the HSR Act, if the amount of consideration to be paid by Stellent to the common and preferred stockholders of Optika were valued at \$50 million or more for the entire 45-day period prior to the effective date of the merger, Stellent and Optika would not be allowed to complete the merger until they had furnished information required by the HSR Act to the Antitrust Division of the United States Department of Justice and the Federal Trade Commission and the applicable HSR Act waiting period had expired or been terminated. Based on the number of shares of common stock of Optika outstanding at January 30, 2004, as long as the price of Stellent's common stock closes below approximately \$9.73 on at least one day during the 45-day period prior to the effective date of the merger Stellent and Optika would not be required to furnish certain information under the HSR Act or wait for HSR Act waiting period to expire or be terminated.

## **Table of Contents**

### **Material Terms of the Merger Agreement**

*Conversion of Optika Common Stock in the Merger (See page 76.)* Upon completion of the merger, Optika stockholders will be entitled to receive, for each share of Optika common stock, 0.44 of a share of Stellent common stock, subject to adjustment based on the average closing price of a share of Stellent common stock during the ten consecutive trading days ending on, and including, the third trading day before the closing date of the merger. If the value of 0.44 of a share of Stellent common stock, based on the average closing price during that period, is greater than \$4.00, a portion of the shares of Stellent common stock that otherwise would have been issued to holders of the Optika common stock instead will be allocated pro rata to holders of the Optika preferred stock. If any shares of Stellent common stock are allocated to the holders of the Optika preferred stock, the total number of shares so allocated, will be equal to:

the number of outstanding shares of Optika common stock multiplied by the difference between the value of 0.44 of a share of Stellent common stock and \$4.00, multiplied again by 20%; divided by

the average closing price of a share of Stellent common stock during the ten consecutive trading days ending on, and including, the third trading day before the closing date of the merger.

If any shares of Stellent common stock that otherwise would have been issued to the holders of Optika common stock are allocated to the holders of the Optika preferred stock, Optika common stockholders will be entitled to receive, for each share of Optika common stock, a portion of a share of Stellent common stock equal to:

the product of the number of outstanding shares of Optika common stock multiplied by 0.44, less the number of shares of Stellent common stock allocated to the holders of the Optika preferred stock; divided by

the number of outstanding shares of Optika common stock.

Stellent will not issue fractional shares in the merger. As a result, the total number of shares of Stellent common stock that you receive in the merger will be rounded down to the nearest whole number. You will receive a cash payment for the value of the remaining fraction of a share of Stellent common stock that you would otherwise have received, based on the average of the trading price of Stellent common stock on the Nasdaq National Market System over the period of ten trading days ending on, and including, the third trading day before the closing of the merger.

*Conversion of Optika Preferred Stock in the Merger (See page 77.)* Upon completion of the merger, holders of Optika's preferred stock will receive an aggregate of \$10 million in cash and, if the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than \$4.00, an amount (in the form of newly issued shares of Stellent common stock) equal to 20% of the value of the total number of outstanding shares of Optika common stock multiplied by the difference between the value of 0.44 of a share of Stellent common stock and \$4.00. Such additional amount, if any, will be allocated on a pro rata basis to the holders of the Optika preferred stock.

*Conditions to Completion of the Merger (See page 82.)* Stellent and Optika will not be required to complete the merger unless specified conditions are satisfied, including:

approval by Optika stockholders of the merger agreement, the merger and the amendment to the certificate of designation and approval by Stellent stockholders of the issuance of Stellent common stock in the merger;

the effectiveness of the registration statement (which includes this document) relating to the Stellent shares to be issued in the merger;

the authorization for listing on the Nasdaq National Market System, subject to official notice of issuance, of the shares of Stellent common stock to be issued in the merger;

all waiting periods, if any, under the HSR Act having expired or having been terminated and all material foreign antitrust approvals having been obtained;

**Table of Contents**

there not being an injunction prohibiting the merger, nor any litigation or administrative proceeding by any governmental, regulatory, or administrative entity pending that is reasonably likely to prohibit the merger or to have a material adverse effect on the combined company;

compliance in all material respects by Stellent and Optika with their respective agreements and obligations under the merger agreement, and the truth and correctness in all material respects of the representations made by each of them under the merger agreement, both as of the date of the merger agreement and immediately before the merger;

there not having occurred any event that, individually or in the aggregate, has had or would be reasonably likely to have a material adverse effect on Stellent or Optika;

each party receiving an opinion of the other party's counsel to the effect that the matters submitted for approval of the other party's shareholders related to the merger have been duly authorized by all necessary corporate actions of the other party; and

each party receiving an opinion of its special tax counsel to the effect that the merger will be treated as a reorganization for United States federal income tax purposes.

In addition, Stellent will not be required to complete the merger unless specified conditions are satisfied, including:

that no rights have become exercisable under Optika's rights agreement;

that holders of no more than 10% of the issued and outstanding shares of common stock of Optika have taken action to entitle them to demand payment for their shares under the appraisal rights provisions of Delaware law;

receipt by Stellent of all material consents necessary to effect the merger without the breach of any material contract of Optika or the imposition of any encumbrance on any asset of Optika; and

delivery by each of the directors of Optika to Stellent of his resignation from the board of directors of Optika effective as of the date on which the registration statement related to the options issued by Stellent to replace the Optika options assumed pursuant to the merger agreement becomes effective.

*Termination of the Merger Agreement (See page 84.)* Stellent and Optika can jointly agree to terminate the merger agreement at any time before completing the merger. In addition, either company can terminate the merger agreement if:

the merger has not been completed by May 31, 2004;

the shareholders of either party fail to approve the merger-related proposals on which they are voting;

any of the conditions set forth in the second, third, fourth or fifth bullet points of "Conditions of the Merger" above become impossible to fulfill on or before May 31, 2004;

either of the conditions set forth in the sixth or seventh bullet points of "Conditions of the Merger" above become, with respect to the other party, impossible to fulfill on or before May 31, 2004;

the other company's board of directors withdraws or adversely modifies its recommendation that its stockholders vote in favor of the proposal required to complete the merger;

the other party has materially breached any representation, warranty, covenant or agreement materially adversely affecting (or materially delaying) the consummation of the merger and the breach has not been cured within ten business days following written notice from the terminating party; or

there has been a material adverse effect on the other party that has continued unabated for five consecutive business days.

The merger agreement may also be terminated by Optika if, at any time before the Optika stockholders meeting, Optika receives an unsolicited acquisition offer from a third party, and the board of directors of Optika determines the offer is reasonably likely to be more favorable to Optika's stockholders



## **Table of Contents**

than the merger with Stellent and for which financing, to the extent required, is committed or reasonably capable of being obtained. However, before terminating the merger agreement, Optika must have, among other things, given Stellent at least five business days' notice and, during that period, a chance to propose such amendments to the terms of the merger agreement as would enable Optika's board of directors to determine that the merger with Stellent, as so amended, is at least as favorable to Optika's stockholders as the third party's offer.

*A Termination Fee and Expense Reimbursement Will Be Payable Under Certain Circumstances (See page 85.)* Optika will be obligated to pay Stellent a termination fee of \$1.6 million, plus an amount, not to exceed \$750,000, to reimburse Stellent's expenses relating to the merger, if:

Stellent terminates the agreement as a result of the Optika board of directors having withdrawn or adversely modified its recommendation of approval of the merger agreement and the merger;

Optika terminates the merger agreement in order to enter into an alternative transaction that the Optika board of directors has determined is reasonably likely to be more favorable to Optika's stockholders than the merger with Stellent, as described in the second paragraph under "Termination of the Merger Agreement" above; or

if the following conditions occur:

an alternative transaction is proposed to Optika and becomes publicly known before termination of the merger agreement;

Optika or Stellent terminates the merger agreement as a result of the merger not having been completed by May 31, 2004, or the shareholders of either company having failed to approve the proposal relating to the merger on which they are voting; and

within six months after termination, Optika completes, or enters into an agreement with respect to, an alternative transaction with a third party.

If the merger agreement is terminated by either party because the other party has materially breached any representation, warranty, covenant or agreement materially adversely affecting (or materially delaying) the consummation of the merger and the breach has not been cured within ten business days following written notice from the terminating party, the terminating party may require the other party to reimburse up to \$750,000 of the terminating party's out-of-pocket expenses incurred in connection with the merger agreement, and the terminating party may seek additional remedies.

*No Solicitation (See page 81.)* Optika has agreed not to solicit an acquisition proposal from a third party while the merger is pending. Optika has also agreed not to engage in discussions or negotiations concerning an acquisition proposal unless the Optika board of directors determines that the unsolicited proposal is reasonably likely to be more favorable to Optika's stockholders than the merger with Stellent and that any required financing is committed or reasonably capable of being obtained by the third party. In addition, Optika has agreed to keep Stellent informed about any inquiries or discussions relating to any alternative transaction that is proposed by a third party.

## **Federal Securities Laws Consequences: Stock Transfer Restrictions (See page 75.)**

All shares of Stellent common stock that Optika stockholders receive in connection with the merger will be freely transferable unless the holder is considered an affiliate of Optika or Stellent for purposes of the federal securities laws. Shares of Stellent common stock held by these affiliates may be sold only pursuant to a registration statement or an exemption under the Securities Act of 1933.

## **Stock Price and Dividend Information (See page 97.)**

Stellent's shares of common stock are listed and trade on the Nasdaq National Market System. Optika's shares of common stock are listed and trade on the Nasdaq SmallCap Market System. Stellent trades under the symbol "STEL," and Optika trades under the symbol "OPTK." The following table presents the last reported sale price for Stellent common stock and for Optika common stock on January 9, 2004, the last trading day before our announcement of the signing of the merger agreement, and on February 1, 2004, the last trading day before the printing of this document. The table also sets



**Table of Contents**

forth the value of the merger consideration Optika stockholders would have received for one share of Optika common stock and Optika preferred stock assuming the merger had taken place on those dates.

<b>Date</b>	<b>Stellent Common Stock</b>	<b>Optika Common Stock</b>	<b>Equivalent Price Per Share of Optika Common Stock</b>	<b>Equivalent Price Per Share of Optika Preferred Stock</b>
January 9, 2004	\$ 10.29	\$ 4.28	\$ 4.42	\$ 15.01
February 1, 2004	\$ 1	\$ 1	\$ 1	\$ 1

Past price performance is not necessarily indicative of future price performance. You should obtain current market quotations for shares of Optika and Stellent common stock.

Neither Stellent nor Optika has ever paid cash dividends to its shareholders. Stellent does not anticipate paying cash dividends for the foreseeable future.

**Table of Contents**

**STELLENT, INC.**

**SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

**(In thousands, except per share data)**

The tables below present summary selected historical consolidated financial data of Stellent. You should read the information set forth below in conjunction with the consolidated financial statements (including the notes thereto) and management's discussion and analysis of financial condition and results of operations in Stellent's annual report on Form 10-K for the fiscal year ended March 31, 2003 and Stellent's quarterly report on Form 10-Q for the nine months ended December 31, 2003, which are incorporated by reference into this joint proxy statement/prospectus. Please refer to the section of this joint proxy statement/prospectus entitled "Where You Can Find More Information," beginning on page 109.

The selected historical consolidated statement of operations data for the nine months ended December 31, 2003 and 2002 and the selected historical consolidated balance sheet data as of December 31, 2003 are derived from the unaudited condensed consolidated financial statements of Stellent contained in Stellent's quarterly report on Form 10-Q for the period ended December 31, 2003, which is incorporated by reference into this joint proxy statement/prospectus. The selected historical consolidated balance sheet data as of December 31, 2002 is derived from the unaudited condensed consolidated financial statements of Stellent contained in Stellent's quarterly report on Form 10-Q for the period ended December 31, 2002, which is not included in or incorporated by reference into this joint proxy statement/prospectus.

The unaudited historical consolidated results of operations data for the nine months ended December 31, 2003 are not necessarily indicative of the results to be expected for any other interim period or for the fiscal year ending March 31, 2004 as a whole. However, in the opinion of Stellent's management, the historical financial data presented reflects all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the financial condition at such date and the results of operations for such period. The historical financial data may not be indicative of Stellent's future performance.

The selected historical consolidated statement of operations data for the fiscal years ended March 31, 2003, 2002 and 2001 and the selected historical consolidated balance sheet data as of March 31, 2003 and 2002 are derived from the audited consolidated financial statements of Stellent contained in Stellent's consolidated financial statements and the related notes thereto, which are incorporated by reference in this joint proxy statement/prospectus. The selected historical consolidated statement of operations data for the years ended March 31, 2000 and 1999 and the selected historical consolidated balance sheet data as of March 31, 2001, 2000, and 1999 are derived from audited financial statements that are not included in, or incorporated by reference into, this joint proxy statement/prospectus.

**Table of Contents**

	Year Ended March 31,					Nine Months Ended December 31,	
	1999	2000	2001	2002	2003	2002	2003
<b>Historical consolidated statement of operations data:</b>							
Revenues:							
Product license	\$ 9,303	\$ 17,480	\$ 53,853	\$ 66,908	\$ 40,364	\$ 30,367	\$ 30,239
Services	2,099	4,880	12,868	21,432	25,070	18,254	24,891
Hardware integration and support	5,629						
Total revenues	\$17,031	\$ 22,360	\$ 66,721	\$ 88,340	\$ 65,434	\$ 48,621	\$ 55,130
Gross profit	\$10,390	\$ 18,252	\$ 54,932	\$ 68,977	\$ 44,916	\$ 33,299	\$ 38,128
Loss from operations	\$ (1,143)	\$ (987)	\$ (14,271)	\$ (20,331)	\$ (32,624)	\$ (26,761)	\$ (11,249)
Net income (loss)	\$ (1,359)	\$ 479	\$ (7,671)	\$ (22,298)	\$ (32,400)	\$ (25,790)	\$ (10,083)
Basic and diluted net income (loss) per share	\$ (0.12)	\$ 0.03	\$ (0.36)	\$ (1.00)	\$ (1.45)	\$ (1.15)	\$ (0.46)
Shares used in computing basic net income (loss) per common share	11,151	16,462	21,472	22,286	22,345	22,367	21,949
Shares used in computing diluted net income (loss) per share	11,151	18,057	21,472	22,286	22,345	22,367	21,949
<b>Historical consolidated balance sheet data (at end of period):</b>							
Cash, cash equivalents and marketable securities	\$ 2,177	\$133,742	\$106,510	\$ 96,158	\$ 81,169	\$ 76,970	\$ 73,328
Working capital	\$ 3,713	\$137,112	\$109,279	\$102,850	\$ 69,823	\$ 79,662	\$ 68,483
Total assets	\$ 8,464	\$147,315	\$181,586	\$165,926	\$129,709	\$137,723	\$122,550
Long-term debt	\$ 108	\$ 11	\$ 37	\$	\$	\$	\$
Total shareholders equity	\$ 4,719	\$140,970	\$167,444	\$151,987	\$112,236	\$123,406	\$104,493

**Table of Contents****OPTIKA INC.****SUMMARY SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA****(In thousands, except per share data)**

The tables below present summary selected historical consolidated financial data of Optika. You should read the information set forth below in conjunction with the consolidated financial statements (including the notes thereto) and management's discussion and analysis of financial condition and results of operations in Optika's annual report on Form 10-K for the fiscal year ended December 31, 2003, which is incorporated by reference into this joint proxy statement/prospectus and attached as Annex H.

The selected historical consolidated statement of operations data for the years ended December 31, 2003, 2002 and 2001 and the selected historical consolidated balance sheet data as of December 31, 2003 and 2002 are derived from the audited consolidated financial statements of Optika contained in Optika's consolidated financial statements, and the related notes thereto, that are incorporated by reference in this joint proxy statement/prospectus and attached as Annex H. The selected historical consolidated statement of operations data for the years ended December 31, 2000 and 1999 and the selected historical consolidated balance sheet data as of December 31, 2001, 2000 and 1999 are derived from audited financial statements that are not included in, or incorporated by reference into, this joint proxy statement/prospectus. The historical financial data may not be indicative of Optika's future performance.

	Year Ended December 31,				
	1999	2000	2001	2002	2003
<b>Historical consolidated statement of operations data:</b>					
Revenues:					
Product license	\$ 11,457	\$ 5,241	\$ 6,306	\$ 5,655	\$ 6,833
Services	10,585	10,865	10,354	12,218	13,084
Total revenues	\$ 22,042	\$ 16,106	\$ 16,660	\$ 17,873	\$ 19,917
Gross profit	\$ 16,997	\$ 10,583	\$ 12,118	\$ 13,624	\$ 15,500
Loss from operations	\$ (1,598)	\$ (13,915)	\$ (4,534)	\$ (649)	\$ (474)
Net loss	\$ (844)	\$ (16,041)	\$ (4,174)	\$ (518)	\$ (384)
Net income (loss) applicable to common stockholders	\$ (844)	\$ (22,105)	\$ 1,325	\$ (518)	\$ (384)
Basic net income (loss) per common share	\$ (0.12)	\$ (2.78)	\$ 0.16	\$ (0.06)	\$ (0.04)
Shares used in computing basic net income (loss) per common share	7,192	7,948	8,184	8,292	8,741
Diluted net loss per common share	\$ (0.12)	\$ (2.78)	\$ (0.46)	\$ (0.06)	\$ (0.04)
Shares used in computing basic and diluted net loss per share	7,192	7,948	8,984	8,292	8,741
<b>Historical consolidated balance sheet data (at end of period):</b>					
Cash, cash equivalents and short-term investments	\$ 7,182	\$ 11,704	\$ 7,696	\$ 8,408	\$ 9,082
Working capital	\$ 5,737	\$ 8,512	\$ 5,762	\$ 5,860	\$ 5,280
Total assets	\$ 18,097	\$ 18,524	\$ 13,901	\$ 13,889	\$ 17,055
Redeemable convertible preferred stock	\$	\$ 10,849	\$	\$	\$
Total stockholders' equity	\$ 11,356	\$ 769	\$ 7,395	\$ 6,988	\$ 7,934

**Table of Contents****SUMMARY SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED****CONSOLIDATED FINANCIAL DATA**

The following summary selected unaudited pro forma condensed combined consolidated financial data gives effect to the proposed merger between Stellent and Optika using the purchase method of accounting for the business combination. This data should be read in conjunction with Stellent's unaudited pro forma condensed combined consolidated financial statements and related notes thereto, which you can find beginning on page 91 of this joint proxy statement/prospectus.

There can be no assurance that Stellent and Optika will not incur charges in excess of those included in the pro forma adjustments related to the merger or that Stellent management will be successful in its effort to integrate the operations of the companies.

The summary selected unaudited pro forma condensed combined consolidated financial data is derived from the unaudited pro forma condensed combined consolidated financial statements included elsewhere in this joint proxy statement/prospectus.

The unaudited pro forma condensed combined consolidated balance sheet data of Stellent gives effect to the proposed merger as if it had occurred on December 31, 2003, and combines the unaudited historical consolidated balance sheet of Stellent as of December 31, 2003 with the audited historical consolidated balance sheet of Optika as of December 31, 2003.

The unaudited pro forma condensed combined consolidated statement of operations data of Stellent gives effect to the proposed merger as if it had occurred on April 1, 2002. The unaudited pro forma condensed combined consolidated statement of operations data of Stellent for the year ended March 31, 2003 combines the audited historical consolidated statement of operations of Stellent for the year ended March 31, 2003 with the audited historical consolidated statement of operations of Optika for the year ended December 31, 2002.

The unaudited pro forma condensed combined consolidated statement of operations data of Stellent for the nine months ended December 31, 2003 combines the unaudited historical consolidated statement of operations of Stellent for the nine months ended December 31, 2003 with the unaudited historical consolidated statement of operations of Optika for the nine months ended September 30, 2003.

The pro forma adjustments are preliminary, and revisions to the preliminary purchase price allocations may have a significant impact on the pro forma adjustments. A final valuation of the net assets to be acquired from Optika, which will be conducted by Stellent's independent valuation specialists, has not been made prior to the completion of this joint proxy statement/prospectus. The consideration of this final valuation may result in a change in the value assigned to the intangible assets acquired and to the amounts of the future amortization expense.

The unaudited pro forma condensed combined consolidated financial data is for comparative purposes only and does not purport to represent what Stellent's financial position or results of operations would actually have been had the events noted above in fact occurred on the assumed dates or to project the financial position or results of operations of Stellent for any future date or future period.

	<b>Year Ended March 31, 2003</b>	<b>Nine Months Ended December 31, 2003</b>
	(In thousands, except per share data) (Unaudited)	
<b>Pro forma condensed combined consolidated statement of operations data:</b>		
Revenues	\$ 83,307	\$ 69,480
Gross profit	\$ 57,407	\$ 48,357
Net loss	\$(35,158)	\$ (12,431)
Basic and diluted net loss per common share	\$ (1.35)	\$ (0.48)
<b>Pro forma condensed combined consolidated balance sheet data (at end of period):</b>		
Working capital		\$ 62,263
Total assets		\$ 179,425

Total shareholders equity	\$ 152,247
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**Table of Contents****COMPARATIVE PER SHARE DATA**

The following table reflects the historical net loss and book value per share of Stellent common stock and the historical net loss and book value per share of Optika common stock in comparison with unaudited pro forma net loss and book value per share after giving effect to the pending merger of Stellent and Optika. The information in the following table should be read in conjunction with the unaudited pro forma condensed combined consolidated financial statements and the Stellent historical consolidated financial statements and the Optika historical consolidated financial statements incorporated by reference or included elsewhere in this joint proxy statement/ prospectus. The pro forma information is presented for illustrative purposes only. You should not rely on the pro forma financial data as an indication of the combined financial position or results of operations of future periods or the results that actually would have been realized had the entities been a single entity during the period or as of the date presented.

The historical book value per share information presented is computed by dividing total stockholders' equity for each of Stellent or Optika by the number of shares of Stellent or Optika common stock, respectively, outstanding as of the respective balance sheet date.

The pro forma combined net loss per share information is computed by dividing the pro forma combined net loss by the sum of Stellent's weighted average common shares outstanding during each period and the number of shares of Stellent common stock to be issued in connection with the proposed merger, as if it had been consummated on April 1, 2002. The pro forma combined net loss per equivalent Optika share information is computed by multiplying Stellent pro forma condensed combined consolidated loss per share amounts by the base exchange ratio of 0.44.

The unaudited pro forma condensed combined consolidated book value per Stellent share is computed by dividing total pro forma combined stockholders' equity by the pro forma number of shares of Stellent common stock outstanding at December 31, 2003 assuming the merger had occurred on that date. Pro forma combined book value per equivalent Optika common share is computed by multiplying Stellent's pro forma combined book value per common share by the base exchange ratio of 0.44.

	<b>Year Ended March 31, 2003</b>	<b>Nine Months Ended December 31, 2003</b>
<b>Stellent historical (balance sheet data at end of period):</b>		
Basic and diluted net loss per common share	\$(1.45)	\$(0.46)
Book value per common share at the end of the period	\$ 5.14	\$ 4.71

	<b>Year Ended December 31, 2002</b>	<b>Nine Months Ended September 30, 2003</b>
<b>Optika historical (balance sheet data at end of period):</b>		
Basic and diluted net loss per common share	\$(0.06)	\$(0.08)
Book value per common share at the end of the period	\$ 0.84	\$ 0.80

**Unaudited Pro Forma Combined Per Share Data**

	<b>Year Ended March 31, 2003</b>	<b>Nine Months Ended December 31, 2003</b>
<b>Stellent and Optika pro forma combined (balance sheet date at end of period):</b>		
Pro forma basic and diluted combined net loss per common share	\$(1.35)	\$(0.48)

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Pro forma basic and diluted combined net loss per equivalent Optika common share	\$ (0.59)	\$ (0.21)
Pro forma combined book value per Stellent share		\$ 5.79
Pro forma combined book value per equivalent Optika common share		\$ 2.55

Neither Stellent nor Optika has ever paid cash dividends to its shareholders. Stellent does not anticipate paying cash dividends for the foreseeable future.



**Table of Contents**

**RISK FACTORS**

*In addition to the risks described in each company's reports on Forms 10-K and 10-Q relating to each company as an independent business, you should carefully consider the risks described below relating to the merger and to the ownership of Stellent common stock before deciding how to vote your shares. You also should consider the other information contained in, or incorporated by reference into, this joint proxy statement/prospectus. Please refer to the section of the joint proxy statement/prospectus entitled "Where You Can Find More Information" beginning on page 109. If any of the events described in these risks actually occur, the business, financial condition or prospects of Stellent or Optika, as the case may be, may be seriously harmed. In such case, the market price of Stellent common stock, or Optika common stock, as the case may be, may decline, and you may lose all or part of your investment.*

**Risks Relating to the Merger**

The merger involves risk for Stellent and Optika shareholders. Optika stockholders will be choosing to invest in Stellent common stock by voting in favor of the merger. In addition to other information included in this joint proxy statement/prospectus, including the matters addressed in the section of this joint proxy statement/prospectus "Cautionary Statement Concerning Forward-Looking Statement" beginning on page 35, you should carefully consider the following risks before deciding whether to vote in favor of the merger proposal and the amendment to the certificate of designation, in the case of Optika stockholders, or for the issuance of shares of Stellent common stock pursuant to the merger agreement, in the case of Stellent shareholders. Please refer to the section of this joint proxy statement/prospectus entitled "Where You Can Find More Information" beginning on page 109. Additional risks and uncertainties not presently known to Stellent or Optika or that are not currently believed to be important to you also may adversely affect the merger and the combined company following the merger.

***Stellent and Optika may be unable to obtain the shareholder approvals required to complete the merger.***

The closing of the merger is subject to approvals by the shareholders of Optika and Stellent, which might not be obtained. The issuance of shares of Stellent common stock pursuant to the merger agreement requires the affirmative vote of a majority of the total votes cast at the Stellent special meeting, provided a quorum is present at the meeting. Approval of the Optika merger proposals requires the affirmative vote of a majority of the outstanding shares of Optika common stock and Optika preferred stock (voting together with the Optika common stock on an as-converted-to-common-stock basis). If the requisite shareholder approvals are not obtained, the conditions of closing of the merger will not be satisfied and the closing of the merger will not occur. If the merger is not completed, the business and operations of Stellent and Optika may be harmed to the extent that customers, suppliers and others believe that the companies cannot effectively compete in the marketplace without the merger and the market prices of Stellent common stock and Optika common stock may decline.

***The number of shares that holders of Optika common stock will be entitled to receive is fixed; if the market price of Stellent's common stock declines, Optika stockholders will be entitled to receive less in value for their shares of Optika common stock.***

Upon the closing of the merger, each holder of shares of Optika common stock will be entitled to receive a fixed portion of a share of Stellent common stock for each share of Optika common stock held by such stockholder at the closing of the merger. The market value of Stellent's shares fluctuates based upon general market and economic conditions, Stellent's business and prospects and other factors, as discussed in this joint proxy statement/prospectus. Because of these fluctuations and because the total number of shares of Stellent common stock to be received as consideration by holders of Optika common stock in the merger may be decreased if shares of Stellent common stock are allocated to holders of the Optika preferred stock, as discussed in this joint proxy statement/prospectus, but will not, in any case be increased, the exact value of the consideration that holders of Optika common stock will be entitled to receive in the merger cannot be determined until the closing of the merger.

There will be no increase to the exchange ratio (except for reclassifications to reflect the effect of any stock split, reverse stock split, stock dividend, reorganization, recapitalization, reclassification or other like

**Table of Contents**

change with respect to Stellent common stock or Optika common stock), and the parties do not have the right to terminate the merger agreement based upon changes in the market price of either Stellent common stock or Optika common stock. Accordingly, if Stellent's stock price decreases, Optika's stockholders will be entitled to receive less in value for their shares of Optika common stock.

***Some of the directors and executive officers of Stellent and Optika have interests and arrangements that could have affected their decisions to support or approve the transaction.***

All Stellent officers and directors will serve in their current capacity for the combined company.

The directors and executive officers of Optika will receive continuing indemnification against liabilities and some of the directors and executive officers of Optika have Optika stock options that potentially provide them with interests in the merger, such as accelerated vesting upon completion of the merger in certain cases, that are different from, or are in addition to, your interests in the merger. An Optika director will serve on the board of directors of the combined company. In addition, Mark K. Ruport has entered into an employment agreement with Stellent that will become effective upon the consummation of the merger. Under the agreement, Mr. Ruport is entitled to receive compensation and benefits as described under the section of this joint proxy statement/prospectus *The Merger* *Interests of Directors and Executive Officers of Optika* in the Merger beginning on page 69.

***The stock prices and businesses of Stellent and Optika may be adversely affected if the merger is not completed.***

If the merger is not completed, the market prices of Stellent common stock and Optika common stock may decline. In addition, Stellent's and Optika's businesses and operations may be harmed to the extent that customers, suppliers and others believe that the companies cannot effectively compete in the marketplace without the transaction, or there is customer or employee uncertainty surrounding the future direction of the product and service offerings and strategy of Stellent or Optika on a standalone basis. Completion of the merger is subject to several closing conditions, including obtaining requisite regulatory and shareholder approvals, and Stellent and Optika may be unable to obtain such approvals on a timely basis or at all. If the transaction is not completed, Stellent and Optika would not derive the strategic benefits expected to result from the transaction. Stellent and Optika will also be required to pay significant costs incurred in connection with the transaction, including legal, accounting and financial advisory fees, and certain fees and expenses of TWCP and certain of its affiliates, whether or not the transaction is completed. Moreover, under specified circumstances described in this joint proxy statement/prospectus, Stellent may be required to pay Optika's expenses incurred in connection with the merger agreement or the merger of up to \$750,000 in connection with the termination of the merger agreement, or Optika may be required to pay Stellent a termination fee of \$1.6 million and Stellent's expenses incurred in connection with the merger agreement or the merger of up to \$750,000 pursuant to the merger agreement, in connection with the termination of the merger agreement.

***The combined company may not realize benefits from the merger because of integration and other challenges.***

Any failure of the combined company to meet the challenges involved in integrating the operations of Stellent and Optika successfully or to realize any of the anticipated benefits or synergies of the merger could seriously harm the results of the combined company. Realizing the benefits of the merger will depend in part on the ability of the combined company to overcome significant challenges, including timely, efficient and successful execution of post-merger strategies, including:

combining the operations of two companies;

integrating and managing the combined company;

retaining and assimilating the key personnel of each company;

integrating the sales channels of each company;

retaining existing customers of each company and attracting new customers;

**Table of Contents**

retaining strategic partners of each company and attracting new strategic partners; and

creating and maintaining uniform standards, controls, procedures, policies and information.

The risks related to the execution of these post-merger strategies include:

the potential disruption of the combined company's on-going business and distraction of its management;

difficulties inherent in combining product offerings, coordinating sales and marketing efforts to effectively communicate the capabilities of the combined company;

the potential need to demonstrate to customers that the merger will not result in adverse changes in customer service standards or business; and

impairment of relationships with employees, suppliers and customers as a result of any integration of new management personnel.

***Charges to earnings resulting from the application of the purchase method of accounting may adversely affect the market value of the combined company's common stock following the merger.***

In accordance with accounting principles generally accepted in the United States of America, the combined company will account for the merger using the purchase method of accounting, which will result in charges to earnings that could have a material adverse effect on the market value of Stellent common stock following the closing of the merger. Under the purchase method of accounting, the combined company will allocate the total estimated purchase price to Optika's net tangible assets, amortizable intangible assets, intangible assets with indefinite lives and in-process research and development, if any, based on their fair values as of the date of the closing of the merger, and record the excess of the purchase price over those fair values as goodwill. The portion of the estimated purchase price allocated to purchased in-process technology, if any, will be expensed by the combined company in the quarter in which the merger is completed. The combined company will incur additional depreciation and amortization expense over the useful lives of certain of the net tangible and intangible assets acquired in connection with the merger. In addition, to the extent the value of goodwill or intangible assets with indefinite lives becomes impaired, the combined company may be required to incur material charges relating to the impairment of those assets. These depreciation, amortization and potential impairment charges could have a material impact on the combined company's results of operations.

***In order to be successful, the combined company must retain and motivate key employees, which will be more difficult in light of uncertainty regarding the merger, and failure to do so could seriously harm the combined company.***

In order to be successful, the combined company must retain and motivate executives and other key employees, including those in managerial, sales and technical positions. Employees of Stellent or Optika may experience uncertainty about their future role with the combined company until or after strategies with regard to the combined company are announced or executed. In addition, a portion of Optika's employee options have exercise prices in excess of the current value of the merger consideration. These circumstances may adversely affect the combined company's ability to attract and retain key management, sales and technical personnel. The combined company also must continue to motivate employees and keep them focused on the strategies and goals of the combined company, which may be particularly difficult due to the potential distractions of the merger.

***The market price of Stellent's common stock may decline as a result of the merger.***

The market price of Stellent's common stock may decline as a result of the merger for a number of reasons, including if:

the integration of Stellent and Optika is not completed in a timely and efficient manner;

the combined company does not achieve the perceived benefits of the merger as rapidly or to the extent anticipated by financial or industry analysts;

**Table of Contents**

the effect of the merger on the combined company's financial results is not consistent with the expectations of financial or industry analysts; or

significant shareholders of Stellent or Optika decide to dispose of their stock following completion of the merger.

***Uncertainty regarding the merger and the effects of the merger could cause each company's customers or strategic partners to delay or defer decisions.***

Stellent's and/or Optika's customers and strategic partners, in response to the announcement of the merger, may delay or defer decisions regarding the license of the combined company's products and services, which could have a material adverse effect on the business of the combined company or the relevant company if the merger is not completed.

***Optika could lose an opportunity to enter into a merger or business combination with another party on more favorable terms as the merger agreement restricts Optika from soliciting such proposals.***

While the merger agreement is in effect, subject to certain limited exceptions, Optika is restricted from entering into or soliciting, initiating or encouraging any inquiries or proposals that may lead to a proposal or offer for a merger with any persons other than Stellent. As a result of the restriction, Optika may lose an opportunity to enter into a transaction with another potential partner on more favorable terms. If Optika terminates the merger agreement to enter into another transaction, Optika likely would be required to pay a termination fee to Stellent that may make an otherwise more favorable transaction less favorable. See "The Merger Agreement - Termination Fee and Expenses" of this joint proxy statement/prospectus beginning on page 85. In addition, if the merger agreement is terminated and the Optika board of directors determines that it is in the best interests of the Optika stockholders to seek a merger or business combination with another strategic partner, Optika cannot assure you that it will be able to find a partner offering terms equivalent or more attractive than the price and terms offered by Stellent.

***Stellent and Optika may be unable to obtain the regulatory approvals that may be required to complete the merger or, in order to obtain such approvals, the combined company may be required to comply with material restrictions or conditions.***

The merger may be subject to review by the United States Federal Trade Commission under the HSR Act. In addition, the merger may be subject to review by the governmental authorities of various other jurisdictions under the antitrust laws of those jurisdictions.

The reviewing authorities may not permit the merger at all or may impose restrictions or conditions on the merger that may seriously harm the combined company if the merger is completed. These conditions could include a complete or partial license, divestiture, spin-off or the holding separate of assets or businesses. Stellent may refuse to complete the merger if material restrictions or conditions are required by governmental authorities. Any delay in the completion of the merger could diminish the anticipated benefits of the merger, result in additional transaction costs or result in loss of revenue or other effects associated with uncertainty about the transaction.

Stellent and Optika also may agree to restrictions or conditions imposed by antitrust authorities in order to obtain regulatory approval, and these restrictions or conditions could harm the combined company's operations. Unless required by law, no additional shareholder approval is expected to be required for any decision by Stellent and Optika, after the special meetings of Stellent shareholders and Optika stockholders, to agree to any terms and conditions necessary to resolve any regulatory objections to the merger.

In addition, during or after the statutory waiting periods, and even after the completion of the merger, governmental authorities could seek to block or challenge the merger as they deem necessary or desirable in the public interest. Moreover, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Stellent, Optika or the combined company may not prevail, or may incur significant costs, in defending or settling any action under the antitrust laws.

**Table of Contents**

***The combined company is not profitable on a pro forma basis and may not be profitable in the future.***

On a pro forma basis, the combined company had a net loss of approximately \$12.4 million for the nine months ended December 31, 2003. We cannot assure you that the combined company's revenue will increase or continue at current levels or growth rates or that the combined company will achieve profitability or generate cash from operations in future periods. In view of the rapidly evolving nature of the combined company's business and the limited histories of Stellent and Optika in producing many of their current products, period-to-period comparisons of operating results are not necessarily meaningful and you should not rely on them as indicating what the combined company's future performance will be. We expect that the combined company will continue to incur significant sales, marketing, product development and administrative expenses. As a result, the combined company will need to generate significant revenue to achieve profitability and we cannot assure you that it will achieve profitability in the future.

***The merger may be completed even though material adverse changes may result from the announcement of the merger, industry-wide changes and other causes.***

In general, either party may refuse to complete the merger if there is a material adverse change affecting the other party before the closing. However, certain types of changes will not prevent the completion of the offer or the merger, even if they would have a material adverse effect on Stellent or Optika, including:

changes or conditions generally affecting the industries or segments in which Stellent and Optika operate unless the change or condition has a materially disproportionate effect on Stellent or Optika, as the case may be;

changes in general economic, market or political conditions unless the change has a materially disproportionate effect on Stellent or Optika, as the case may be;

actual or threatened litigation by stockholders of Stellent or Optika relating to the announcement or completion of the offer or the merger (unless the offer or the merger is enjoined);

any disruption of customer, business partner, supplier or employee relationships that resulted from the announcement of the merger agreement or the completion of the merger; and

changes in Stellent's or Optika's common stock market price or trading volume, in and of themselves.

If material adverse changes occur but we must still complete the merger, Stellent's stock price may suffer. This in turn may reduce the value of the merger to Stellent's and Optika's shareholders.

***Our focus on integrating the combined companies may divert us from other potential transactions.***

Our industry has experienced recent consolidation. Even after the merger, many competitors of the combined company will have substantially more resources than it has. Management's focus on realizing the benefits of the merger for the combined companies may divert us from pursuing other potential transactions that could further increase the resources and marketing opportunities of the combined companies.

***There is a risk of potentially unfavorable United States federal income tax consequences to Optika stockholders.***

Optika stockholders may be subject to potentially material adverse United States federal income tax consequences if the Internal Revenue Service were to successfully contend that the consideration transferred by Stellent to the Optika common and preferred stockholders should be treated not as it was actually received, but rather as it would have been received by such stockholders prior to the amendment of the certificate of designation of the Optika preferred stock, pursuant to which the stated liquidation preference of the Optika preferred stock will be terminated. To review the material United States federal income tax consequences to stockholders in greater detail, see "The Merger - Material United States Federal Income Tax Consequences of the Merger" beginning on page 72.

## **Table of Contents**

### **Risks Relating to Stellent's Business**

If the merger is successfully completed, holders of Optika common stock will become holders of Stellent common stock. Stellent's business differs from Optika's business, and Stellent's results of operations, as well as the price of Stellent common stock, may be affected by factors different than those affecting Optika's results of operations and the price of Optika common stock before the merger. In this section, we means Stellent and our means Stellent's.

#### ***Fluctuations in our operating results may make it difficult to predict our future performance.***

While our products and services are not seasonal, our revenues and operating results are difficult to predict and may fluctuate significantly from quarter to quarter. If our quarterly revenues or operating results fall below the expectations of investors or securities analysts, the price of our common stock could fall substantially. A large part of our sales typically occurs in the last month of a quarter, frequently in the last week or even the last days of the quarter. If these sales were delayed from one quarter to the next for any reason, our operating results could fluctuate dramatically. In addition, our sales cycles may vary, making the timing of sales difficult to predict. Furthermore, our infrastructure costs are generally fixed. As a result, modest fluctuations in revenues between quarters may cause large fluctuations in operating results. These factors all tend to make the timing of revenues unpredictable and may lead to high period-to-period fluctuations in operating results.

Our quarterly revenues and operating results may fluctuate for several additional reasons, many of which are outside of our control, including the following:

- demand for our products and services;
- the timing of new product introductions and sales of our products and services;
- unexpected delays in introducing new products and services;
- increased expenses, whether related to sales and marketing, research and development or administration;
- changes in the rapidly evolving market for Web content management solutions;
- the mix of revenues from product licenses and services, as well as the mix of products licensed;
- the mix of services provided and whether services are provided by our staff or third-party contractors;
- the mix of domestic and international sales;
- costs related to possible acquisitions of technology or businesses;
- general economic conditions; and
- public announcements by our competitors.

#### ***Potential acquisitions may be difficult to complete or to integrate and may divert management's attention.***

We may seek to acquire or invest in businesses, products or technologies that are complementary to our business. If we identify an appropriate acquisition opportunity, we may be unable to negotiate favorable terms for that acquisition, successfully finance the acquisition or integrate the new business or products into our existing business and operations. In addition, the negotiation of potential acquisitions and the integration of acquired businesses or products may divert management time and resources from our existing business and operations. To finance acquisitions, we may use a substantial portion of our available cash or we may issue additional securities, which would cause dilution to our shareholders.



## **Table of Contents**

### ***We may not be profitable in the future.***

Our revenues may not grow in future periods and we may not achieve profitability. If we do not achieve profitability, the market price of our stock may fall. Our ability to achieve profitable operations depends upon many factors beyond our direct control. These factors include, but are not limited to:

the demand for our products;

our ability to quickly introduce new products;

the level of product and price competition;

our ability to control costs; and

general economic conditions.

### ***The intense competition in our industry may reduce our future sales and profits.***

The market for our products is highly competitive and is likely to become more competitive. We may not be able to compete successfully in our chosen marketplace, which may have a material adverse effect on our business, operating results and financial condition. Additional competition may cause pricing pressure, reduced sales and margins, or prevent our products from gaining and sustaining market acceptance. Many of our current and potential competitors have greater name recognition, access to larger customer bases, and substantially more resources than we have. Competitors with greater resources than ours may be able to respond more quickly than we can to new opportunities, changing technology, product standards or customer requirements.

### ***We depend on the continued service of our key personnel.***

We are a small company and depend greatly on the knowledge and experience of our senior management team and other key personnel. If we lose any of these key personnel, our business, operating results and financial condition could be materially adversely affected. Our success will depend in part on our ability to attract and retain additional personnel with the highly specialized expertise necessary to generate revenue and to engineer, design and support our products and services. Like other software companies, we face intense competition for qualified personnel. We may not be able to attract or retain such personnel.

### ***We have relied and expect to continue to rely on sales of our universal content management software and content component software products for our revenues.***

We currently derive all of our revenues from product licenses and services associated with our system of content management and viewing software products. The market for content management and viewing software products is new and rapidly evolving. We cannot be certain that a viable market for our products will continue or that it will be sustainable. If we do not increase employee productivity and revenues related to our existing products or generate revenues from new products and services, our business, operating results and financial condition may be materially adversely affected. We will continue to depend on revenues related to new and enhanced versions of our software products for the foreseeable future. Our success will largely depend on our ability to increase sales from existing products and generate sales from product enhancements and new products. We cannot be certain that we will be successful in upgrading and marketing our existing products or that we will be successful in developing and marketing new products and services. The market for our products is highly competitive and is subject to rapid technological change. Technological advances could make our products less attractive to customers and adversely affect our business. In addition, complex software product development involves certain inherent risks, including risks that errors may be found in a product enhancement or new product after its release, even after extensive testing, and the risk that discovered errors may not be corrected in a timely manner.

### ***Our success depends on our ability to protect our proprietary technology.***

If we are unable to protect our intellectual property, or incur significant expense in doing so, our business, operating results and financial condition may be materially adversely affected. Any steps we take to protect our intellectual property may be inadequate, time consuming and expensive. We currently have





## **Table of Contents**

one pending patent application; but, no patent has yet been issued. Without significant patent or copyright protection, we may be vulnerable to competitors who develop functionally equivalent products. We may also be subject to claims that our current products infringe on the intellectual property rights of others. Any such claim may have a material adverse effect on our business, operating results and financial condition.

We anticipate that software product developers will be increasingly subject to infringement claims due to growth in the number of products and competitors in our industry, and the overlap in functionality of products in different industries. Any infringement claim, regardless of its merit, could be time-consuming, expensive to defend, or require us to enter into royalty or licensing agreements. Such royalty or licensing agreements may not be available on commercially favorable terms, or at all.

We rely on trade secret protection, confidentiality procedures and contractual provisions to protect our proprietary information. Despite our attempts to protect our confidential and proprietary information, others may gain access to this information. Alternatively, other companies may independently develop substantially equivalent information.

### ***Our products may not be compatible with commercial Web browsers and operating systems.***

Our products utilize interfaces that are compatible with commercial Web browsers. In addition, our Stellent Content Management System is a server-based system written in Java that functions in both Windows NT and UNIX environments. We must continually modify our products to conform to commercial Web browsers and operating systems. If our products were to become incompatible with commercial Web browsers and operating systems, our business would be harmed. In addition, uncertainty related to the timing and nature of product introductions or modifications by vendors of Web browsers and operating systems may have a material adverse effect on our business, operating results and financial condition.

### ***We could be subject to product liability claims if our products fail to perform to specifications.***

If software errors or design defects in our products cause damage to customers' data and our agreements do not protect us from related product liability claims, our business, operating results and financial condition may be materially adversely affected. In addition, we could be subject to product liability claims if our security features fail to prevent unauthorized third parties from entering our customers' intranet, extranet or Internet Web sites. Our software products are complex and sophisticated and may contain design defects or software errors that are difficult to detect and correct. Errors, bugs or viruses spread by third parties may result in the loss of market acceptance or the loss of customer data. Our agreements with customers that attempt to limit our exposure to product liability claims may not be enforceable in certain jurisdictions where we operate.

### ***Future regulations could be adopted that restrict our business.***

Federal, state or foreign agencies may adopt new legislation or regulations governing the use and quality of Web content. We cannot predict if or how any future laws or regulations would impact our business and operations. Even though these laws and regulations may not apply to our business directly, they could indirectly harm us to the extent that they impact our customers and potential customers.

### ***We have been named a defendant in securities class-action lawsuits and we may in the future be named in additional litigation, which may result in substantial costs and divert management's attention and resources.***

Shareholder class-action suits have been filed naming Stellent and certain of our current and former officers and directors as co-defendants. We intend to vigorously defend ourselves against the suits and seek the suits' dismissal at the appropriate time. However, it is possible that the litigation could be resolved adversely, could result in substantial costs and/or could divert management's attention and resources, which could seriously harm our business.

More generally, securities class-action litigation has often been brought against companies following periods of volatility in the price of their securities. This risk is greater for technology companies, which

**Table of Contents**

have experienced greater-than-average stock price volatility in recent years and, as a result, have been subject to, on average, a greater number of securities class-action claims than companies in other industries. We may in the future be the target of this kind of litigation, and such litigation could also result in substantial costs and divert management's attention and resources.

***The market price of our common stock could fluctuate significantly.***

The market price of our common stock has fluctuated significantly in the past and may do so in the future. The market price of our common stock may be affected by each of the following factors, many of which are outside of our control:

- variations in quarterly operating results;
- changes in estimates by securities analysts;
- changes in market valuations of companies in our industry;
- announcements of significant events, such as major sales;
- acquisitions of businesses or losses of major customers;
- additions or departures of key personnel; and
- sales of our equity securities.

***Our performance will depend on the continuing growth and acceptance of the Web.***

Our products are designed to be used with intranets, extranets and the Internet. If the use of these methods of electronic communication does not grow, our business, operating results and financial condition may be materially adversely affected. Continued growth in the use of the Web will require ongoing and widespread interest in its capabilities for communication and commerce. Its growth will also require maintenance and expansion of the infrastructure supporting its use and the development of performance improvements, such as high speed modems. The Web infrastructure may not be able to support the demands placed on it by continued growth. The ongoing development of corporate intranets depends on continuation of the trend toward network-based computing and on the willingness of businesses to reengineer the processes used to create, store, manage and distribute their data. All of these factors are outside of our control.

***Our existing shareholders have significant influence over us.***

As of December 31, 2003, Robert F. Olson, our President, Chief Executive Officer and the Chairman of our Board of Directors, holds approximately 10.2% of our outstanding common stock. Accordingly, Mr. Olson is able to exercise significant control over our affairs. As a group, our directors and executive officers beneficially own approximately 13.3% of our common stock. These persons have significant influence over our affairs, including approval of the acquisition or disposition of assets, future issuances of common stock or other securities and the authorization of dividends on our common stock. Our directors and executive officers could use their stock ownership to delay, defer or prevent a change in control of our company, depriving shareholders of the opportunity to sell their stock at a price in excess of the prevailing market price.

***We can issue shares of preferred stock without shareholder approval, which could adversely affect the rights of common shareholders.***

Our articles of incorporation permit us to establish the rights, privileges, preferences and restrictions, including voting rights, of unissued shares of our capital stock and to issue such shares without approval from our shareholders. The rights of holders of our common stock may suffer as a result of the rights granted to holders of preferred stock that may be issued in the future. In addition, we could issue preferred stock to prevent a change in control of our company, depriving shareholders of an opportunity to sell their stock at a price in excess of the prevailing market price.

## **Table of Contents**

***Our shareholder rights plan and certain provisions of Minnesota law may make a takeover of Stellent difficult, depriving shareholders of opportunities to sell shares at above-market prices.***

Our shareholder rights plan and certain provisions of Minnesota law may have the effect of discouraging attempts to acquire Stellent without the approval of our board of directors. Consequently, our shareholders may lose opportunities to sell their stock for a price in excess of the prevailing market price.

### **Risks Relating to Optika s Business**

In this section, we means Optika and our means Optika s.

***A significant portion of our revenues has been, and we believe will continue to be, derived from a limited number of orders, and the timing of such orders and their fulfillment have caused, and are expected to continue to cause, material fluctuations in our operating results.***

A significant portion of our revenues has been, and we believe will continue to be, derived from a limited number of orders, and the timing of such orders and their fulfillment have caused, and are expected to continue to cause, material fluctuations in our operating results. Revenues are also difficult to forecast because the markets for our products are rapidly evolving, and our sales cycle and the sales cycle of our value added resellers is lengthy and varies substantially from end-user to end-user. To achieve our quarterly revenue objectives, we depend upon obtaining orders in any given quarter for shipment in that quarter. Product orders are typically shipped shortly after receipt. Consequently, order backlog at the beginning of any quarter has in the past represented only a small portion of that quarter s revenues. Furthermore, we have often recognized most of our revenues in the last month, or even in the last weeks or days, of a quarter. Accordingly, a delay in shipment near the end of a particular quarter may cause revenues in a particular quarter to fall significantly below our expectations and may materially adversely affect our operating results for such quarter. Conversely, to the extent that significant revenues occur earlier than expected, operating results for subsequent quarters may fail to keep pace with results of previous quarters or even decline. We also have recorded generally lower sales in the first quarter than in the immediately preceding fourth quarter, as a result of, among other factors, end-users purchasing and budgeting practices and our sales commission practices. To the extent that future international operations constitute a higher percentage of total revenues, we anticipate that we may also experience relatively weaker demand in the third quarter as a result of reduced sales in Europe during the summer months. Significant portions of our expenses are relatively fixed in the short term. Accordingly, if revenue levels fall below expectations, operating results are likely to be disproportionately and adversely affected. As a result of these and other factors, we believe that our quarterly operating results will vary in the future, and that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indications of future performance. Furthermore, due to all of the foregoing factors, it is likely that in some future quarter our operating results will be below the expectations of public market analysts and investors. In such event, the price of our common stock would likely decline and such decline could be significant.

***Substantially all of our current license revenue is derived from one product.***

The Optika Acorde family of products accounts for substantially all of our current license revenue. Our future financial performance will depend in general on the acceptance of our product offerings, and in particular on the successful development, introduction and customer acceptance of new and enhanced versions of our products.

***Capital market conditions could materially and adversely affect our ability to raise additional needed capital.***

Current capital market conditions have materially and adversely affected the ability of many technology companies to raise additional capital in both private and public markets. Although we believe that our existing cash balances and liquid resources will be sufficient to fund our operating activities, capital expenditures and other obligations through at least the next twelve months, if market conditions do not improve and we are not successful in generating sufficient cash flow from operations or in raising

## **Table of Contents**

additional capital when required in sufficient amounts and on terms acceptable to us, we may be required to reduce our planned expenditures and scale back the scope of our business plan.

***Our ability to compete effectively and to manage any future growth will require that we continue to attract and assimilate new personnel and to train and manage our work force.***

Most of our senior management team has joined us within the last five years. These individuals may not be able to achieve and manage growth, if any, or build an infrastructure necessary for us to operate. Our ability to compete effectively and to manage any future growth will require that we continue to assimilate new personnel and to train and manage our work force. Our future performance depends to a significant degree upon the continuing contributions of our key management, sales, marketing, customer support, and product development personnel. We have at times experienced, and continue to experience, difficulty in recruiting qualified personnel, particularly in sales, software development and customer support. We believe that there may be only a limited number of persons with the requisite skills to serve in those positions, and that it may become increasingly difficult to hire such persons. Competitors and others have in the past, and may in the future, attempt to recruit our employees. We have from time to time experienced turnover of key management, sales and technical personnel. The loss of key management, sales or technical personnel, or the failure to attract and retain key personnel, could harm our business.

***Our future results of operations will depend on the success of our marketing and distribution strategy, which relies, to a significant degree, upon third parties.***

Our future results of operations will depend on the success of our marketing and distribution strategy, which relies, to a significant degree, upon value added resellers to sell and install our software, and provide post-sales support. These relationships are usually established through formal agreements that generally do not grant exclusivity, do not prevent the distributor from carrying competing product lines and do not require the distributor to purchase any minimum dollar amount of our software. Some value added resellers may not continue to represent us or sell our products. Other value added resellers, some of which have significantly greater financial, marketing and other resources than we have, may develop or market software products that compete with our products or may otherwise discontinue their relationship with, or support of, us. Some of our value added resellers are small companies that have limited financial and other resources that could impair their ability to pay us. Selling through indirect channels may hinder our ability to forecast sales accurately, evaluate customer satisfaction or recognize emerging customer requirements. Our future results of operations also depend on the success of our continuing efforts to build a direct sales force.

***Our future performance will depend in significant part upon our ability to respond effectively to rapid technological change and changes in customer requirements.***

The markets for our products are characterized by rapid technological change, changes in customer requirements, frequent new product introductions and enhancements, and emerging industry standards. Our future performance will depend in significant part upon our ability to respond effectively to these developments. The introduction of products embodying new technologies and the emergence of new industry standards can render existing products obsolete, unmarketable or noncompetitive. We are unable to predict the future impact of such technology changes on our products. Moreover, the life cycles of our products are difficult to estimate. Our future performance will depend in significant part upon our ability to enhance current products, and to develop and introduce new products and enhancements that respond to evolving customer requirements. The inability, for technological or other reasons, to develop and introduce new products or enhancements in a timely manner in response to changing customer requirements, technological change or emerging industry standards, or maintain compatibility with heterogeneous computing environments, would have a material adverse effect on our business and results of operations.

***We rely on third-party software licenses, the loss of which could materially and adversely affect our business and financial condition.***

We license software from third parties, which is incorporated into our products. These licenses expire from time to time. These third-party software licenses may not continue to be available to us on

## **Table of Contents**

commercially reasonable terms. The loss of, or inability to maintain, any such software licenses could result in shipment delays or reductions until equivalent software could be developed, identified, licensed and integrated, which in turn could materially and adversely affect our business and financial condition. In addition, we generally do not have access to source code for the software supplied by these third parties. Certain of these third parties are small companies that do not have extensive financial and technical resources. If any of these relationships were terminated or if any of these third parties were to cease doing business, we may be forced to expend significant time and development resources to replace the licensed software.

### ***Licensing our software products requires a lengthy and complex sales cycle.***

The license of our software products is typically an executive-level decision by prospective end-users, and generally requires our value added resellers and us to engage in a lengthy and complex sales cycle (typically between six and twelve months from the initial contact date). In addition, the implementation by customers of our products may involve a significant commitment of resources by such customers over an extended period of time. For these and other reasons, the sales and customer implementation cycles are subject to a number of significant delays over which we have little or no control. Our future performance also depends upon the capital expenditure budgets of our customers and the demand by such customers for our products. Certain industries to which we sell our products, such as the financial services industry, are highly cyclical. Our operations may in the future be subject to substantial period-to-period fluctuations as a consequence of such industry patterns, domestic and foreign economic and other conditions, and other factors affecting capital spending. Such factors may have a material adverse effect on our business and results of operations.

### ***The market for our product offerings is intensely competitive.***

The market for our product offerings is intensely competitive and can be significantly affected by new product introductions and other market activities of industry participants. Our competitors offer a variety of products and services to address the electronic content management market and the emerging market for e-business solutions. Because our products are designed to operate in non-proprietary computing environments and because of low barriers to entry in the marketplace, we expect additional competition from established and emerging companies, as the market for our products continues to evolve. Current and potential competitors have established or may establish cooperative relationships among themselves or with third parties, to increase the ability of their products to address the needs of our prospective customers. In addition, several competitors have recently made, or attempted to make, acquisitions to enter the market or increase their market presence. Accordingly, new competitors or consolidation and alliances among competitors may emerge and rapidly acquire significant market share. Increased competition may result in price reductions, reduced gross margins and loss of market share.

Many of our current and potential competitors are substantially larger than we are, have significantly greater financial, technical and marketing resources and have established more extensive channels of distribution. As a result, such competitors may be able to respond more rapidly to new or emerging technologies and changes in customer requirements, or to devote greater resources to the development, promotion and sale of their products than we can. We expect our competitors to continue to improve the performance of their current products and to introduce new products or new technologies that provide added functionality and other features. Our failure to keep pace with our competitors through new product introductions or enhancements could cause a significant decline in our sales or loss of market acceptance of our products and services, result in continued intense price competition, or make our products and services or technologies obsolete or noncompetitive. To be competitive, we will be required to continue to invest significant resources in research and development, and in sales and marketing.

### ***We rely on our ability to protect our proprietary rights to the technologies used in our principal products.***

Our performance depends in part on our ability to protect our proprietary rights to the technologies used in our principal products. We rely on a combination of copyright and trademark laws, trade secrets, confidentiality provisions and other contractual provisions to protect our proprietary rights, which are

**Table of Contents**

measures that afford only limited protection. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products, or to obtain and use information that we regard as proprietary. In addition, the laws of some foreign countries do not protect our proprietary rights as fully as do the laws of the United States. Our means of protecting our proprietary rights in the United States or abroad may not be adequate, and competitors may independently develop similar technologies. Third parties may claim infringement by our products of their intellectual property rights. We expect that software product developers will increasingly be subject to infringement claims if the number of products and competitors in our industry segment grows and the functionality of products in different industry segments overlaps. Any such claims, with or without merit, and regardless of the outcome of any litigation, will be time-consuming to defend, result in costly litigation, divert management's attention and resources, cause product shipment delays, or require us to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to us, if at all. A successful claim of infringement against our products and failure or inability to license the infringed or similar technology may adversely affect our business and results of operations.

***Our inability to successfully expand our international operations in a timely manner, or at all, could materially and adversely affect our business and results of operations.***

Sales outside the United States accounted for approximately 10%, 9% and 12% of our revenues in 2003, 2002 and 2001, respectively. We have only limited experience in developing localized versions of our products and we may not be able to successfully localize, market, sell and deliver our products internationally. Our inability to successfully expand our international operations in a timely manner, or at all, could materially and adversely affect our business and results of operations. Our international revenues may be denominated in foreign currencies or the U.S. dollar. We do not currently engage in foreign currency hedging transactions; as a result, a decrease in the value of foreign currencies relative to the U.S. dollar could result in losses from transactions denominated in foreign currencies and could make our software less price-competitive.

***A successful product liability claim against us could have a material adverse effect upon our business and results of operations.***

Our license agreements typically contain provisions designed to limit our exposure to potential product liability claims. These limitations of liability provisions may not be effective under the laws of certain jurisdictions. The sale and support of our products may entail the risk of such claims, and we could be subject to such claims in the future. A successful product liability claim against us could have a material adverse effect upon our business and results of operations. Software products such as those we offer frequently contain errors or failures, especially when first introduced or when new versions are released. We have in the past released products that contained defects, and have discovered software errors in certain of our new products and enhancements after introduction. We could in the future lose or delay recognition of revenues as a result of software errors or defects, the failure of our products to meet customer specifications or otherwise. Our products are typically intended for use in applications that may be critical to a customer's business. As a result, we expect that our customers and potential customers have a greater sensitivity to product defects than the market for general software products. Despite our testing and testing by current and potential customers, errors or defects may be found in new products or releases after commencement of commercial shipments, and our products may not meet customer specifications, resulting in loss or deferral of revenues, diversion of resources, damage to our reputation, or increased service and warranty and other costs.

***We must continue to successfully integrate the people, products and business lines of our acquisitions.***

We have acquired, and we may in the future acquire, businesses, products or technologies that we believe complement or expand our existing business. For example, in May 2003, we acquired Select Technologies, Inc., a records management software company based in Boise, Idaho. Our ability to achieve favorable results in 2004 and beyond will be dependent in part upon our ability to continue to successfully integrate the people, products and business lines of our acquisitions. In addition, we will need to work with our acquired companies' customers and business partners, as well as our current customers and business

## **Table of Contents**

partners, to expand relationships based upon the broader range of products and services available from us. In some instances, we may need to discontinue relationships with business partners whose interests are no longer aligned with ours. We must accomplish the synergies we identified during the acquisition process. Failure to execute on any of these elements and accomplish the favorable financial results from the integration process could adversely affect our business and results of operations.

### ***The market price of our shares of common stock has been, and is likely to continue to be, highly volatile.***

Effective February 4, 2003, our common stock began trading on the Nasdaq SmallCap Market under the symbol OPTK. Previously, our stock was traded on the Nasdaq National Market under the same symbol. The market price of our shares of common stock has been, and is likely to continue to be, highly volatile and may be significantly affected by factors such as:

- Actual or anticipated fluctuations in our operating results;
- Announcements of technological innovations;
- New products or new contracts by us or our competitors;
- Sales of common stock by management, directors or other related parties;
- Sales of significant amounts of common stock into the market;
- Developments with respect to proprietary rights;
- Conditions and trends in the software and other technology industries;
- Adoption of new accounting standards affecting the software industry;
- Changes in financial estimates by securities analysts and others;
- General market conditions; and
- Other factors that may be unrelated to us or our performance.

In addition, the stock market has from time to time experienced significant price and volume fluctuations that have particularly affected the market prices for the common stock of technology companies. These broad market fluctuations may adversely affect the market price of our common stock. In the past, following periods of volatility in the market price of a particular company's securities, securities class-action litigation has often been brought against such company. Such litigation may be brought against us in the future. Such litigation, regardless of its outcome, would result in substantial costs and a diversion of management's attention and resources that could have a material adverse effect upon our business and results of operations.

### ***Certain provisions of our certificate of incorporation, equity incentive plans, bylaws, and Delaware law may discourage certain transactions involving a change in control of Optika.***

Certain provisions of our certificate of incorporation, equity incentive plans, bylaws, and Delaware law may discourage certain transactions involving a change in control of our company, even if such a transaction would be in the best interest of our stockholders. Our classified board of directors and the ability of the board of directors to issue blank check preferred stock without further stockholder approval, may have the effect of delaying, deferring or preventing a change in our control and may also affect the market price of our stock. We also have a stockholders rights plan under which all stockholders of record as of July 18, 2001 received one right for each share of common stock then owned by them to purchase, upon the occurrence of certain triggering events, one one-hundredth of a share of Series B preferred stock at a price of \$30, subject to adjustment. The rights are exercisable only if a person or group acquires 15% or more of our common stock in a transaction not approved by our board of directors. These provisions, and certain other provisions of our amended and restated certificate of incorporation and certain provisions of our amended and restated bylaws and of Delaware law, could delay or make more difficult a merger, tender offer or proxy contest.





**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/ prospectus contains forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934 with respect to the merger and financial condition, results of operations, plans, objectives, future performance, and business of Stellent and Optika, which are usually identified by the use of words such as will, may, anticipates, believes, estimates, expects, projects, plans, predicts, continues, intends, should, would, or similar expressions. We intend for these forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with these safe-harbor provisions.

These forward-looking statements reflect current views and expectations about the relevant company's plans, strategies, and prospects, which are based on the information currently available and on current assumptions.

Although each company believes that its plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable, it can give no assurance that the plans, intentions, or expectations will be achieved. Investors are cautioned that all forward-looking statements involve risks and uncertainties and actual results may differ materially from those discussed as a result of various factors including those factors described in the Risk Factors section of this joint proxy statement/ prospectus. Listed below and discussed elsewhere in this joint proxy statement/ prospectus are some important risks, uncertainties, and contingencies that could cause actual results, performances or achievements of Stellent, Optika, or the combined company to be materially different from the forward-looking statements made in this joint proxy statement/ prospectus. These risks, uncertainties and contingencies include, but are not limited to, the following:

the risk that the merger may not be completed due to the failure to obtain necessary shareholder approvals or other conditions to completion of the transaction not being satisfied;

the possibility that the combined company will be unable to realize the anticipated benefits and synergies of the merger;

difficulties associated with successfully integrating Stellent's and Optika's businesses and technologies and the costs associated with this integration;

the possible failure of the combined company to retain and hire key executives, technical personnel, and other employees;

difficulties associated with the combined company managing its growth and the difficulty of successfully managing a larger organization;

the possible failure of the combined company to successfully manage its changing relationships with customers, suppliers, distributors, and strategic partners;

risks relating to Stellent's and Optika's businesses and how they could affect the operations of the combined company;

the combined company's ability to maintain customer acceptance of its products by meeting shifting consumer demands and changing requirements;

government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, and taxes;

competitive factors and industry trends, technological advances achieved, and intellectual property protections obtained by competitors and the relevant company's ability to respond to those actions; and

economic factors, including inflation and fluctuations in interest rates and foreign currency exchange rates and the potential effect of these fluctuations on revenues, expenses, and resulting margins.

**Table of Contents**

In addition, events may occur in the future that we are not able to accurately predict or control and that may cause actual results to differ materially from the expectations described in the forward-looking statements.

Readers should not place undue reliance on the forward-looking statements contained in this joint proxy statement/ prospectus. These forward-looking statements speak only as of the date on which the statements were made. In evaluating forward-looking statements, you should consider these risks and uncertainties, together with the other risks described from time to time in Stellent's and Optika's reports and documents filed with the SEC.

**Neither Stellent nor Optika assumes any obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/ prospectus.**

**Table of Contents**

**THE STELLENT SHAREHOLDERS MEETING**

**Time and Place**

The special meeting of Stellent shareholders will be held on 11/11/2004 at 10:00 a.m., Central Time, at Stellent's headquarters at 7777 Golden Triangle Drive, Eden Prairie, Minnesota.

**Matters to Be Considered**

The purpose of the meeting is to consider and vote upon

the issuance of shares of Stellent common stock in the merger, as more fully discussed elsewhere in this document; and

any other and further business as may properly come before the special meeting or any adjournments or postponements of the special meeting, including potential adjournments or postponements for the purpose of soliciting additional proxies in order to approve the issuance of shares of Stellent common stock in the merger.

**The Stellent board of directors unanimously recommends that Stellent shareholders vote FOR the share-issuance proposal.**

**Record Date**

Only holders of record of Stellent common stock at the close of business on 11/11/2004 are entitled to receive notice of and vote at the Stellent shareholders meeting. As of that time, there were 1,000,000 shares of Stellent common stock entitled to vote, held by approximately 1,000 holders of record. Each share of Stellent common stock is entitled to one vote.

**Quorum**

Holders of a majority of the outstanding shares of Stellent common stock entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the meeting.

**Vote Required**

The affirmative vote of the holders of a majority of the number of shares of Stellent common stock present in person or by proxy at the meeting is required to approve the share-issuance proposal.

Votes at the meeting will be tabulated by an independent inspector of election appointed by Stellent or by Stellent's transfer agent.

**Share Ownership as of the Record Date**

As of the close of business on 11/11/2004, directors and executive officers of Stellent owned and were entitled to vote 1,000,000 shares of Stellent common stock. Those shares represented 1% percent of the outstanding shares of Stellent common stock as of that time. All of the directors and executive officers of Stellent have entered into a voting agreement with Optika in which they have agreed to vote all of their shares of Stellent common stock in favor of the issuance of shares in connection with the merger.

**How to Vote by Proxy**

## Edgar Filing: STELLENT INC - Form S-4

If your shares are registered in your name, there are three ways to vote your shares by proxy: by telephone, through the internet, or by mail.

Vote by Telephone Toll-free (800) 560-1965.

Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 1 (Central Time) on 1 , 2004.

Please have your proxy card and the last four digits of your social security number available. Follow the simple instructions the voice provides you.

Vote Through the Internet <http://www.eproxy.com/STEL/>

## **Table of Contents**

Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 1 (Central Time) on 1 , 2004.

Please have your proxy card and the last four digits of your social security number available. Follow the simple instructions to obtain your records and create an electronic ballot.

### **Vote by Mail**

Mark, sign, and date your proxy card and return it in the postage-paid envelope that we have provided or return it to Stellent, Inc. c/o Wells Fargo Shareowner Services, P.O. Box 64873, St. Paul, Minnesota 55164-0873.

If your shares are held in street name through a broker, bank, or other nominee, then you may receive a separate voting-instruction form with voting instructions, or you may need to contact your broker, bank, or other nominee to determine whether you will be able to vote electronically using the telephone or the Internet.

If you vote by telephone or through the Internet, please do not mail your proxy card.

### **How Proxies Will Be Voted**

Robert Olson and Gregg Waldon, both of whom are executive officers of Stellent, have been named as proxies in the Stellent proxy. Shares represented by proxy will be voted at the special shareholders meeting as specified in the proxy. Properly executed proxies that do not contain voting instructions will be voted **FOR** the approval of the issuance of shares in the merger. The proxies will be entitled to vote in their discretion on any other matters that may properly come before the meeting, such as adjournment.

### **Treatment of Abstentions and Broker Non-Votes**

If you submit a proxy that indicates an abstention from voting, your shares will be counted as present for purposes of determining the existence of a quorum and they will have the effect of votes against the share-issuance proposal.

Under NASD rules, if you hold your shares in street name, your bank or broker cannot vote your shares of Stellent common stock without specific instructions from you. If you do not provide instructions with your proxy, your bank or broker may deliver a proxy card expressly indicating that it is NOT voting your shares; this indication that a bank or broker is not voting your shares is referred to as a broker non-vote. Broker non-votes will not be counted for the purpose of determining the existence of a quorum and will have no effect on the determination of whether the share-issuance proposal is approved.

### **How to Revoke Your Proxy**

You may revoke your proxy and change your vote by:

delivering a written notice to any corporate officer of Stellent, before the vote on the share-issuance proposal, stating that you are revoking your proxy;

completing and signing a later-dated proxy card and returning it by mail before the Stellent shareholder meeting or by voting again by telephone or through Internet before the deadline described in this document; or

attending the Stellent shareholders meeting and voting in person after having delivered to any corporate officer of Stellent a written notice revoking your proxy.

If your shares are held in an account at a brokerage firm or a bank, you should contact your brokerage firm or bank to change your vote.

### **Solicitation of Proxies**

## Edgar Filing: STELLENT INC - Form S-4

Each of Stellent and Optika will bear its own cost of soliciting proxies from its shareholders, except that the cost of printing and mailing this document to Stellent and Optika shareholders is being shared by the companies equally.

**Table of Contents**

In addition to solicitation by mail, Stellent directors, officers, and employees may solicit proxies from shareholders by telephone, in person, or through other means. Stellent will not compensate these people for this solicitation, but we will reimburse them for reasonable out-of-pocket expenses that they have incurred in connection with this solicitation. Stellent will also arrange for brokerage firms, fiduciaries, and other custodians to send solicitation materials to the beneficial owners of shares held of record by those persons. Stellent will reimburse these brokerage firms, fiduciaries, and other custodians for their reasonable out-of-pocket expenses. Stellent has retained            to assist it in the solicitation of proxies, using the means referred to above, at an anticipated cost of \$           , plus reimbursement of out-of-pocket expenses.

**No Other Business; Adjournments**

Under Minnesota law and Stellent's bylaws, the business to be conducted at the meeting will be limited to considering and voting on the share-issuance proposal.

Adjournments may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment of up to 120 days in the aggregate may be made from time to time by the chairman or otherwise with the approval of the holders of shares representing the greater of (a) a majority of the votes present in person or by proxy at the time of the vote, whether or not a quorum exists, or (b) a majority of the minimum number of votes that would constitute a quorum, without further notice other than by an announcement made at the original meeting of the date, time, and place of the adjourned meeting.



**Table of Contents**

**THE OPTIKA STOCKHOLDERS MEETING**

**Time and Place; Matters to be Considered**

The special meeting of Optika Inc. stockholders will be held on \_\_\_\_\_, 2004 at \_\_\_\_\_ a.m., Mountain Time, at \_\_\_\_\_, in Colorado Springs, Colorado. At the meeting, Optika stockholders will be asked to consider and vote upon:

a proposal to approve the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/ prospectus, and the merger of Optika with and into a subsidiary of Stellent upon the terms and subject to the conditions of the merger agreement;

a proposal to amend and restate the certificate of designation of Optika's preferred stock in connection with and as a condition precedent to the merger, as described in Annex I to this joint proxy statement/ prospectus; and

to transact any other and further business as may properly come before the special meeting or any adjournments or postponements of the special meeting, including potential adjournments or postponements for the purpose of soliciting additional proxies in order to approve the merger agreement and merger, and the amendment to the certificate of designation.

If the merger is consummated, Optika will effectively become a wholly owned subsidiary of Stellent.

**The matters to be considered at the special meeting are of great importance to the stockholders of Optika. Accordingly, you are urged to read and carefully consider the information presented in this joint proxy statement/ prospectus, and to complete, date, sign and promptly return your proxy via mail, telephone or the Internet, as described below.**

**Record Date; Quorum**

Only holders of record of Optika common stock and preferred stock at the close of business on \_\_\_\_\_, 2004 are entitled to receive notice of and vote at the special meeting of Optika stockholders or any adjournments or postponements of the special meeting. As of that date, there were \_\_\_\_\_ shares of Optika common stock outstanding held by approximately \_\_\_\_\_ holders of record, and 731,851 shares of Optika preferred stock outstanding (representing 1,097,777 shares of common stock on an as-converted-to-common-stock basis). Each common share is entitled to one vote and each preferred share is entitled to one vote per share of common stock represented by such preferred share on an as-converted-to-common-stock basis. Holders of at least a majority of the outstanding voting power of shares of Optika capital stock (consisting of shares of Optika common stock and Optika preferred stock on an as-converted-to-common-stock basis) entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Optika meeting. Abstentions and broker non-votes count as being present to establish a quorum. If a quorum is not present at the Optika special meeting, we expect that the meeting will be adjourned or postponed to solicit additional proxies.

**Votes Required**

The affirmative vote of the holders of at least a majority of the outstanding voting power of shares of Optika capital stock entitled to vote at the special meeting is required to approve the Optika merger proposals. **If you abstain or fail to vote your shares on a proposal, it will have the same effect as voting against the proposal.**

On \_\_\_\_\_, 2004, directors and executive officers of Optika owned and were entitled to vote \_\_\_\_\_ shares of Optika common stock. These shares represented approximately \_\_\_\_\_ % of the outstanding voting power of shares of Optika capital stock on the record date. Eleven directors and officers of Optika have agreed to vote any Optika shares owned by them on the record date for the approval of the Optika merger proposals. On \_\_\_\_\_, 2004, TWCP and its affiliates owned 695,258 shares of Optika preferred stock and were entitled to vote 1,042,887 shares of Optika common stock on an as-converted-to-common-stock basis. These shares represented approximately \_\_\_\_\_ % of the outstanding voting power of shares of Optika capital stock on the record date. TWCP and each of its affiliates has agreed to vote their shares of Optika capital stock for the approval of the Optika merger proposals. Consequently, holders

## **Table of Contents**

of approximately 1 % of the outstanding voting power of shares of Optika capital stock who are not party to a voting agreement must vote in favor of the Optika merger proposals in order for stockholder approval to be obtained.

### **Recommendation of Optika's Board of Directors**

**The Optika board of directors has unanimously approved the merger agreement, the merger, and the amendment to the certificate of designation and recommends that you vote FOR the adoption of the merger agreement and the merger and FOR the adoption of the amendment to the certificate of designation.**

In considering the recommendation of the Optika board of directors with respect to the Optika merger proposals, you should be aware that some of the directors and officers of Optika have interests in the merger that are different from, or are in addition to, the interests of Optika stockholders generally. Please see the section entitled Interests of Directors and Executive Officers of Optika in the Merger on page \*[ ] of this proxy statement/ prospectus.

### **How Shares Will Be Voted; Proxies**

If you are a record holder of shares of Optika common stock or Optika preferred stock, in order for your shares to be included in the vote, you must vote your shares in person or by proxy. There are three ways to vote your shares by proxy: by telephone, through the Internet or by mail.

Vote by Telephone Toll-free ( 1 ) 1 .

Use any touch-tone telephone to vote your proxy, 24 hours a day, 7 days a week, until 1 (Mountain Time) on 1 , 2004.

Have your proxy card in hand when you call and follow the simple instructions provided.

Vote Through the Internet <http://www.proxyvote.com>

Use the Internet to vote your proxy, 24 hours a day, 7 days a week, until 1 (Mountain Time) on 1 , 2004.

Have your proxy card in hand when you access the Web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

Vote by Mail

Mark, sign, and date the enclosed proxy card and return it in the postage-paid envelope provided.

Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must bring to the meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares. Brokers who hold shares of Optika common stock in street name for customers who are the beneficial owners of those shares may not give a proxy to vote those shares without specific instructions from those customers.

Mark K. Rupert and Steven M. Johnson, both of whom have been named as proxies in the Optika proxy, are directors and/or executive officers of Optika. Shares represented by a proxy will be voted at the special meeting as specified in the proxy. Properly executed proxies that do not contain voting instructions will be voted **FOR** each of the Optika merger proposals to be considered at the special meeting, and the proxy holder may vote the proxy in its discretion as to any other matter which may properly come before the meeting. Only shares affirmatively voted for the adoption of the Optika merger proposals, including properly executed proxies that do not contain voting instructions, will be counted as votes in favor of the adoption of the Optika merger proposals. The persons named as proxies by an Optika stockholder may propose and vote for one or more adjournments of its special meeting, including adjournments to permit further solicitations of proxies. No proxy voted against the proposal to adopt the merger agreement will be voted in favor of any such adjournment or postponement. Optika does not expect that any matter other than the Optika merger proposals will be brought before its special meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their judgment.



## **Table of Contents**

### **Treatment of Abstentions and Broker Non-Votes**

If you submit a proxy that indicates an abstention from voting on any of the proposals being submitted to stockholders for a vote, your shares will be counted as present for purposes of determining the existence of a quorum, but they will not be voted on the proposal or proposals as to which you are abstaining from voting. An abstention from voting on a proposal will have the same effect as a vote against the proposal.

Under NASD rules, your broker cannot vote your shares of Optika common stock without specific instructions from you. If you do not provide instructions with your proxy, your bank or broker may deliver a proxy card expressly indicating that it is not voting your shares; this indication that a broker is not voting your shares is referred to as a broker non-vote. Broker non-votes will be counted for the purpose of determining the existence of a quorum but will not be voted on any of the proposals. A broker non-vote will therefore have the same effect as a vote against the proposals.

### **How to Revoke Your Proxy**

You may revoke or change your proxy at any time before the meeting by filing with Steven M. Johnson, Optika's corporate secretary, at Optika's principal executive offices, Optika Inc., 7450 Campus Drive, Suite 200, Colorado Springs, Colorado 80920, a notice of revocation or another signed proxy with a later date or by voting again by telephone or through the Internet before the deadline described in this document. Mere attendance at the special meeting will not in and of itself revoke a proxy, unless you actually vote in person at the meeting. Stockholders that have instructed a broker to vote their shares must follow directions received from their broker in order to change their vote, revoke their proxy or vote at the special meeting.

### **Solicitation of Proxies**

Each of Optika and Stellent will bear the cost of soliciting proxies from its own stockholders, except that the cost of printing and mailing this joint proxy statement/prospectus to each company's stockholders is being shared by the companies equally. In addition to solicitation by mail, Optika's directors, officers, and employees may solicit proxies from stockholders by telephone, in person, or through other means. Optika will not compensate these people for this solicitation, but Optika will reimburse them for reasonable out-of-pocket expenses they have incurred in connection with this solicitation. Optika will also arrange for brokerage firms, fiduciaries, and other custodians to send solicitation materials to the beneficial owners of shares held of record by those persons. Optika will reimburse these brokerage firms, fiduciaries, and other custodians for their reasonable out-of-pocket expenses. Optika has retained            to assist it in the solicitation of proxies, using the means referred to above, at an anticipated cost of \$        1 , plus reimbursement of out-of-pocket expenses.

**Table of Contents**

**THE MERGER**

*This section of the joint proxy statement/prospectus describes the material aspects of the proposed merger and the related transactions, but it may not contain all of the information that is important for you to know. For a more complete understanding of the merger, you should carefully read this entire joint proxy statement/prospectus, the Annexes and the other documents incorporated by reference into this joint proxy statement/prospectus. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled "Where You Can Find More Information" beginning on page 109 of this joint proxy statement/prospectus.*

**General**

The Stellent board of directors and the Optika board of directors each have approved, each by unanimous vote, the merger agreement pursuant to which the businesses of Stellent and Optika will be combined. At the effective time of the merger, Optika will merge with and into STEL Sub, Inc., a newly formed, wholly owned subsidiary of Stellent, with STEL Sub, Inc. surviving the merger and continuing as a wholly owned subsidiary of Stellent under the name Optika Inc.

**What Optika Stockholders Will Receive in the Merger**

Upon completion of the merger:

each outstanding share of Optika common stock will be converted into the right to receive 0.44 of a share of Stellent common stock, subject to adjustment described below; and

all outstanding shares of Optika preferred stock will be converted into the right to receive a total of \$10 million in cash and, in certain circumstances described below, shares of Stellent common stock.

If the value of 0.44 of a share of Stellent common stock, based on the average Stellent closing price over a period ending shortly before the merger is consummated, is greater than \$4.00, then:

80 percent of the per-share value in excess of \$4.00 will be allocated to the holders of Optika common stock; and

20 percent of the per-share value in excess of \$4.00 will be allocated to the holders of the Optika preferred stock.

This allocation will be accomplished by reducing the total number of Stellent shares to be issued to holders of Optika common stock and by issuing those shares to the holders of the Optika preferred stock. The total number of shares to be issued by Stellent will not change. As a result, if there is such an allocation, the exchange ratio per share of Optika common stock will be reduced to something less than 0.44 of a share of Stellent common stock for each outstanding share of Optika common stock.

Also upon completion of the merger, each outstanding Optika stock option will be converted into an option to purchase a number of shares of Stellent common stock that is equal to the product of the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock (as described above) multiplied by the number of shares of Optika common stock that would have been obtained before the merger upon the exercise of the option, rounded to the nearest whole share. The exercise price per share will be equal to the exercise price per share of Optika common stock subject to the option before the conversion divided by the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock, rounded to the nearest whole cent.

Promptly upon completion of the merger, Stellent's exchange agent will mail to each Optika stockholder of record a letter of transmittal containing instructions on how to surrender Optika stock certificates in exchange for Stellent stock certificates. Upon surrendering their Optika common stock, the letter of transmittal and any other documents required by the exchange agent, the holders of Optika stock certificates will be entitled to receive a certificate representing that number of whole shares of Stellent common stock which that holder has the right to receive and cash in lieu of any fractional share of Stellent common and stock.

## **Table of Contents**

*Holders of Optika common stock should not send in their certificates until they receive a letter of transmittal from the exchange agent.*

### **Ownership of Stellent Following the Merger**

We anticipate that former Optika stockholders will own approximately 1 % of the outstanding shares of Stellent common stock following the merger.

### **Background of the Merger**

The Optika board of directors has from time to time considered the desirability of exploring strategic alternatives with potential business partners. Among the reasons for this were:

the relatively small size of Optika;

its needs for expansion in certain key business areas, including direct sales and marketing, would be difficult for Optika to achieve on a stand-alone basis;

a trend of increasing consolidation in its industry resulting in larger, better-financed competitors with increasingly broad and deep product lines and increasing demands by customers for fewer suppliers of more comprehensive solutions;

the instability of the financial markets and the anticipated difficulty that Optika would have in raising outside capital; and

the potential dilution and liquidation preference associated with the Optika preferred stock.

On August 28, 2003, Robert F. Olson, Chairman and Chief Executive Officer of Stellent, called Mark K. Rupert, Chairman and Chief Executive Officer of Optika, to express Stellent's interest in exploring a potential business combination between the two companies. Mr. Rupert and Mr. Olson agreed to meet at Stellent's Minneapolis headquarters the following week.

On September 3, 2003, Mr. Olson and Mr. Rupert met at Stellent's headquarters in Minneapolis for strategic discussions regarding the possibility of a business combination between the two companies. Daniel P. Ryan, Executive Vice President of Marketing and Business Development of Stellent, also participated in the meetings. The parties agreed that further discussions were warranted.

On September 18, 2003, Mr. Rupert, Steven M. Johnson, Chief Financial Officer and Executive Vice President of Optika, Mr. Olson, Mr. Ryan and representatives of RBC held a teleconference. During the teleconference, Mr. Rupert provided the group with an overview of Optika's business. At the conclusion of this teleconference, both parties agreed that further discussions under a confidentiality agreement were warranted.

On September 21, 2003, Stellent and Optika entered into a confidentiality agreement pursuant to which each of them agreed to treat confidentially certain information provided by the other in connection with determining whether a transaction between them would be desirable. Stellent and Optika thereafter exchanged confidential information relating to their business and strategic initiatives.

On October 9, 2003, Frank A. Radichel, Vice President of Research and Development of Stellent, Mr. Rupert, William J. Kearney, Vice President of Strategic Relationships of Optika, and Randall S. Weakly, Vice President of Research and Development of Optika, met at Optika's offices in Colorado Springs, Colorado. During the meeting, Mr. Weakly and Mr. Kearney provided Mr. Radichel with an overview of Optika's technology and its software architecture.

On October 14, 2003, Mr. Rupert, Mr. Olson and Mr. Ryan had a brief teleconference to discuss the announcement of EMC Corporation acquiring Documentum, Inc. The parties agreed that this was further evidence of the current opportunity for consolidation of the content management software market.

On October 15, 2003, the Optika board of directors held a regularly scheduled meeting in Colorado Springs, Colorado. The meeting was also attended by members of Optika's senior management, and representatives of E\*Law Group, Optika's legal counsel, and Revolution Partners, an investment banking firm. At the meeting, senior management briefed the Optika board of directors regarding the status of the ongoing

exchange of information between Stellent and Optika, as well as ongoing discussions with other

**Table of Contents**

third parties that had expressed recent interest in exploring a potential business combination with Optika. After reviewing a detailed presentation by Revolution Partners, Optika's board of directors unanimously authorized the retention of Revolution Partners to act as Optika's investment banker and assist management in identifying and considering strategic transactions involving Optika. Optika's board of directors also unanimously authorized Revolution Partners to negotiate with TWCP, which is, together with its affiliates, the principal holder of Optika's preferred stock, as the approval of the holders of a majority of the preferred stock would be necessary for Optika to consummate a transaction with Stellent where less than the stated liquidation preference would be paid to holders of Optika's preferred stock.

On October 16, 2003, Optika entered into an engagement letter with Revolution Partners.

On October 20, 2003 representatives of RBC provided representatives of Revolution Partners with a preliminary due diligence request list for Optika.

On October 22, 2003, representatives of Revolution Partners met with representatives of TWCP at TWCP's offices in New York, New York to update TWCP on the status of Optika's strategic discussions through that date, and to discuss the consideration that would be paid to holders of the Optika preferred stock in connection with a proposed transaction with Stellent.

On October 23, 2003, Mr. Rupert, Mr. Johnson, Patrick M. Donovan, Director of Finance of Optika, representatives of RBC, representatives of Revolution Partners and Mr. Olson met at Optika's Colorado Springs headquarters to review Optika's initial response to Stellent's preliminary due diligence request. Optika management also made a presentation regarding Optika's operations, sales processes and finances. Mr. Rupert and Mr. Olson held further discussions regarding their visions for a combined company and how the combined company would be managed.

On October 30, 2003, Mr. Rupert and Mr. Olson talked telephonically. They both reiterated their desire to pursue a combination. Mr. Olson informed Mr. Rupert that a non-binding term sheet would be delivered to Optika's representatives within a few days.

On November 3, 2003, representatives of RBC provided representatives of Revolution Partners with a preliminary proposed non-binding term sheet for Stellent to acquire Optika, which included the financial terms of the proposed transaction.

On November 4, 2003, representatives of Revolution Partners discussed the terms of the Stellent term sheet with representatives of TWCP. In that meeting, TWCP (as holder, together with certain of its affiliates, of a majority of the Optika preferred stock) indicated that the implied consideration proposed to be paid to the holders of Optika preferred stock in the Stellent term sheet would likely not be sufficient to induce TWCP and certain of its affiliates to consent to the proposed transaction.

On November 4, 2003, Mr. Rupert and Mr. Johnson, along with representatives of Revolution Partners and Optika's legal counsel, met telephonically with the Optika board of directors to present and discuss the initial proposal from Stellent. The Optika board of directors unanimously authorized senior management and Revolution Partners to continue negotiations with Stellent to improve both the financial and non-financial terms of the proposal. The Optika board of directors also directed Revolution Partners to contact a number of other companies that senior management had identified as potential acquirers to determine whether any of such parties had a serious interest in making a proposal to acquire Optika. The Optika board of directors also directed Revolution Partners to accelerate its discussions with TWCP.

On November 12, 2003, at a regularly scheduled meeting, Stellent's board of directors discussed a possible transaction with Optika. Officers of Stellent, representatives of RBC and representatives of Faegre & Benson LLP, Stellent's legal counsel, attended the meeting. Stellent's officers summarized Optika's business and explained the strategic and marketing benefits of a potential transaction. Representatives of RBC presented initial valuation analyses of Optika. Stellent's board of directors unanimously authorized Stellent's management to continue its discussions with Optika regarding a potential acquisition of Optika. In addition, Stellent's board of directors unanimously ratified the selection of RBC as Stellent's financial advisor in the transaction and authorized Stellent's management to enter into an engagement letter with RBC.



**Table of Contents**

On November 14, 2003, after continued discussions among Stellent, Optika, RBC and Revolution Partners, representatives of RBC provided representatives of Revolution Partners with a revised proposal pursuant to which Stellent would acquire Optika, and which included financial terms of the proposed transaction.

On November 14, 2003, and again on November 20, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika's legal counsel, met telephonically with the Optika board of directors to discuss the status of ongoing negotiations between Optika and Stellent regarding the terms of Stellent's revised proposal, as well as the status of Revolution Partners' discussions with other potential acquirers and TWCP. The Optika board of directors unanimously authorized senior management and Revolution Partners to continue negotiations with Stellent to improve both the financial and non-financial terms of the proposal, and to determine whether the terms of the revised proposal would be acceptable to TWCP.

On November 17, 2003, representatives of Revolution Partners and TWCP continued their negotiations. TWCP (as holder, together with certain of its affiliates, of a majority of the Optika preferred stock) advised Revolution Partners that the consideration proposed to be paid to the holders of Optika's preferred stock set forth in Stellent's November 14 proposal would not likely be sufficient to induce TWCP and certain of its affiliates to consent to the proposed transaction.

On November 24, 2003, at a special telephonic meeting, Stellent's management provided its board of directors with a report on the status of the possible transaction with Optika. Officers of Stellent, representatives of RBC and representatives of Stellent's legal counsel participated on the call. Representatives of RBC presented revised analyses regarding the valuation of Optika and a potential transaction. Stellent's board of directors unanimously authorized Stellent's management to continue its discussions with Optika regarding a potential acquisition of Optika, to express to Optika an indication of interest in acquiring Optika on terms consistent with the valuation analyses presented to the board of directors and to enter into an agreement for mutual due diligence and exclusive negotiations between Stellent and Optika.

On November 24, 2003, representatives of RBC provided representatives of Revolution Partners with a revised proposal pursuant to which Stellent would acquire Optika. The basic terms of the revised proposal were that each share of Optika common stock outstanding as of the closing date of the merger would be exchanged for a fixed fraction of a share of Stellent common stock. The fixed exchange ratio would be determined based on the average price of Stellent's common stock during a period shortly prior to announcement of the merger, subject to a minimum and a maximum exchange ratio. Based on the proposal, and the trading price of Stellent's common stock at the time, if the price of Stellent's common stock remained constant, the fixed exchange ratio would result in 0.43 of a share of Stellent common stock being issued in exchange for each outstanding share of Optika common stock. The merger agreement would provide for a cash payment of \$10 million to the holders of Optika's preferred stock and the assumption of all Optika stock options by Stellent in accordance with the exchange ratio. The closing prices of Optika common stock and Stellent common stock on November 24, 2003 were \$4.00 and \$9.39, respectively.

On November 25, 2003, representatives of Revolution Partners discussed the terms of the most recent Stellent proposal with representatives of TWCP. In that meeting, TWCP (as holder, together with certain of its affiliates, of a majority of the Optika preferred stock) indicated that the consideration to be paid to the holders of Optika's preferred stock was generally acceptable to it in circumstances where the common stockholders would otherwise receive \$4.00 per share or less at closing, but that the preferred stockholders should also receive 20% of any consideration to the Optika common stockholders in excess of \$4.00 per share. Revolution Partners conveyed this position to RBC.

On November 26, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika's legal counsel, met telephonically with the Optika board of directors to present and discuss the most recent proposal from Stellent. Revolution Partners advised the Optika board of directors of the conditions under which TWCP had indicated that it would consent to the revised Stellent proposal. Revolution Partners also advised the Optika board of directors that, despite making a number of contacts

**Table of Contents**

with potential third-party acquirers, there were no third parties that were reasonably likely to make an offer that would be superior to the one proposed by Stellent or within a time frame that would not jeopardize the board of directors' ability to accept the Stellent offer. The Optika board of directors also considered the absence of price protection in the Stellent proposal and the adequacy of the proposed exchange ratio. Representatives from Revolution Partners and Optika's legal counsel advised the board of directors that they had discussed with RBC and Stellent's legal counsel the possibility of including in the merger agreement a price-protection provision to ensure that the value of the merger would remain the same in the event of fluctuations within defined parameters in the price of Stellent stock, commonly known as a collar provision, or a clause allowing Optika to "walk away" if the consideration to be received by the Optika common stockholders fell below a predetermined price at closing, and that Stellent had expressed an unwillingness to proceed with a transaction that included such provisions.

On November 28, 2003, representatives of RBC provided representatives of Revolution Partners with a revised draft of a preliminary term sheet pursuant to which Stellent would acquire Optika. The basic terms of the deal were unchanged from the term sheet provided on November 26, 2003, except that the revised term sheet provided that any consideration received by the holders of Optika's common stock in excess of \$4.00 per share would be allocated 20% to the holders of Optika's preferred stock and 80% to the holders of Optika's common stock. The total number of shares of common stock that Stellent would issue in the transaction for the outstanding shares of Optika common stock did not change. The closing prices of Optika common stock and Stellent common stock on November 28, 2003 were \$4.35 and \$9.87, respectively.

On December 1, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika's legal counsel, met telephonically with the Optika board of directors to present and discuss the revised proposal from Stellent. The Optika board of directors reviewed the financial and legal terms of the Stellent proposal in detail with senior management and representatives from Revolution Partners and Optika's legal counsel.

On December 2, 2003, Mr. Ruport and Mr. Johnson, along with representatives of Revolution Partners and Optika's legal counsel, met telephonically with the Optika board of directors. The Optika board of directors unanimously authorized senior management to enter into a non-binding letter of intent, including exclusive negotiation provisions with Stellent through December 22, 2003, and a term sheet with Stellent, and to proceed expeditiously to negotiate a definitive merger agreement with Stellent and complete financial and legal due diligence on Stellent. The Optika board of directors also unanimously authorized management to enter into a binding agreement with TWCP and certain of its affiliates pursuant to which TWCP and certain of its affiliates would consent to the proposed merger. On that date, management of Optika and Stellent executed the non-binding letter of intent and term sheet.

From December 2, 2003 through December 3, 2003, Mr. Olson, Gregg A. Waldon, Executive Vice President, Chief Financial Officer, Secretary and Treasurer of Stellent, representatives of Stellent's legal counsel and representatives from RBC performed legal and financial due diligence on Optika in Colorado Springs, Colorado.

On December 5, 2003, TWCP and Optika entered into a letter of intent pursuant to which TWCP agreed to enter into an agreement to consent to the proposed merger on the condition that, among other things, the consideration to be paid to the holders of Optika's preferred stock and the common stock would be as set forth in the Stellent term sheet approved by the Optika board of directors. This letter of intent would automatically terminate in the event that a definitive merger agreement was not executed on or before January 8, 2004.

From December 8, 2003 through December 9, 2003, Mr. Ruport, Mr. Johnson, Mr. Donovan, representatives of Optika's legal counsel and representatives from Revolution Partners and KPMG LLP, Optika's independent accountants, performed legal and financial due diligence on Stellent in Minneapolis, Minnesota.

From December 9, 2003 through December 10, 2003, representatives of Grant Thornton, Stellent's independent accountants, performed financial due diligence on Optika in Denver, Colorado.

**Table of Contents**

The companies and their legal representatives thereafter engaged in additional due diligence exchanges, which included interviews of persons responsible for the financial affairs of Stellent and Optika, respectively, as well as due diligence regarding strategic, management, legal, financial, accounting and business issues.

On December 10, 2003, counsel for Stellent provided counsel for Optika with a first draft of a proposed form of merger agreement, in accordance with the terms of the non-binding term sheet executed by the parties.

Between December 10, 2003 and December 22, 2003, the parties continued their respective due diligence investigations and exchanged comments on the merger agreement and certain ancillary documents circulated by counsel to Stellent, including a proposed voting agreement to be entered into by TWCP at the time the merger agreement was executed, pursuant to which TWCP would agree to vote all of its shares of capital stock of Optika in favor of the merger and deliver an irrevocable proxy to Stellent in favor of the merger agreement and the merger.

On December 22, 2003, the exclusivity period in the letter of intent expired, but the parties orally agreed to continue working on the proposed merger agreement.

On January 2, 2004, senior management of Optika and Stellent exchanged preliminary summary financial information related to the quarter ended December 31. In connection with these discussions, Optika's management noted that, based on the method of determining the base exchange ratio set forth in the term sheet and the recent relative prices of Optika's and Stellent's stock, the value of the consideration to be received by Optika's stockholders in the proposed transaction was likely to be at a discount to the market price of Optika's common stock. The closing prices of Optika common stock and Stellent common stock on January 2, 2004 were \$4.67 and \$10.029, respectively.

Between January 2, 2004 and January 5, 2004, the parties continued to discuss potential ways to reduce the likelihood that the consideration in the proposed transaction would represent a discount to the market price of Optika's common stock and other open legal and business issues in the merger agreement.

On January 5, 2004, management of both companies and their respective financial advisors discussed the issue of adjusting the fixed base exchange ratio contemplated by the letter of intent and the value of the per share consideration that would be issued to holders of Optika common stock. Based on the trading price of Stellent's common stock at the time, the base exchange ratio determined in accordance with the term sheet would have been 0.40 of a share of Stellent common stock for each outstanding share of Optika common stock. Based on the prices of the common stock of Stellent and Optika at the time, and the allocation of consideration between the holders of Optika's common stock and Optika's preferred stock, the value of the consideration to be offered under the term sheet for outstanding shares of Optika's common stock would have represented a discount to the market price of Optika's common stock. The parties agreed to recommend to their respective boards of directors that the exchange ratio be adjusted to be 0.44 of a share of Stellent common stock in exchange for each outstanding share of Optika common stock. The adjustment to allocate 20% of the value of 0.44 of a share of Stellent common stock in excess of \$4.00 to the holders of the Optika preferred stock would remain unchanged. The closing prices of Optika common stock and Stellent common stock on January 5, 2004 were \$4.35 and \$10.18, respectively.

On January 6, 2004, at a special telephonic meeting, Stellent's management provided its board of directors with an update regarding the possible transaction with Optika. Officers of Stellent, representatives of RBC and representatives of Stellent's legal counsel participated on the call. Representatives of RBC reviewed the trading history of Optika's common stock and Stellent's common stock since the meeting of Stellent's board of directors on November 24, 2003. Representatives of RBC presented financial analyses of a merger with Optika at a fixed exchange ratio of 0.44 shares of Stellent common stock for each outstanding share of Optika common stock, and \$10 million in cash to the holders of Optika's preferred stock. Stellent's management reviewed the terms of Mr. Rupert's employment agreement with Optika and presented terms of a proposed employment agreement between Mr. Rupert and Stellent, to become effective upon the closing of a merger with Optika. Stellent's board of directors unanimously authorized Stellent's management to continue its discussions with Optika regarding a potential acquisition of Optika

**Table of Contents**

on terms consistent with the term sheet delivered to Optika, but with an exchange ratio of 0.44 of a share of Stellent common stock for each share of Optika common stock. Stellent's board of directors also unanimously authorized Stellent's management to create STEL Sub, Inc.

On January 7, 2004, the expiration date of the letter of intent between Optika and TWCP was extended from January 8, 2004 to January 14, 2004.

On January 10, 2004, a proposed form of merger agreement and related ancillary agreements were forwarded by Optika's legal counsel to the Optika board of directors for review and consideration. In addition, Revolution Partners forwarded a copy of its financial presentation to the Optika board of directors for review and consideration.

On January 10, 2004, a proposed form of merger agreement and related ancillary agreements were forwarded to the Stellent board of directors for review and consideration. In addition, RBC forwarded a draft copy of its financial presentation to the Stellent board of directors for review and consideration.

On January 11, 2004, the boards of directors of each of Stellent and Optika held separate special telephonic meetings to consider the proposed merger. Officers of Stellent, representatives of RBC and representatives of Stellent's legal counsel participated in the Stellent board of directors meeting. Stellent's officers discussed with its board of directors the strategic rationale for a combination of the two companies and the results of Stellent's due diligence investigation of Optika. Representatives of Stellent's legal counsel then discussed with the board of directors the proposed terms of the merger agreement and the ancillary agreements and the board's fiduciary duties in considering approval of the proposed merger. RBC then presented its financial analysis to the Stellent board of directors relating to the proposed merger and delivered both an oral and written opinion to the board of directors that, based upon and subject to the matters described in the opinion, the consideration proposed to be issued in the merger was fair, from a financial point of view, to Stellent. After deliberations, the Stellent board of directors unanimously approved the proposed merger, declared it to be advisable and in the best interest of Stellent's shareholders, and resolved to recommend that Stellent's shareholders vote in favor of the issuance of shares of Stellent common stock in the merger, and authorized senior management to proceed with the transaction.

Members of Optika's management, Optika's legal counsel, and representatives of Revolution Partners participated in the meeting of the Optika board of directors. Optika's officers discussed with the board Stellent's and Optika's separate and pro forma combined financial and business information, the strategic rationale for a combination of the two companies, and the results of Optika's due diligence investigation of Stellent. Revolution Partners then presented its financial analysis to the Optika board relating to the proposed merger and delivered both an oral and written opinion to the board that, based upon and subject to the matters described in the opinion, the consideration proposed to be issued in the merger was fair, from a financial point of view, to Optika's stockholders. Optika's legal counsel then discussed with the board the proposed terms of the merger agreement and the ancillary agreements referred to therein, the proposed amendment and restatement of the certificate of designation of Optika's preferred stock and the board's fiduciary duties in considering approval of the proposed merger and related proposals. After deliberations, the Optika board of directors unanimously approved the proposed merger, declared it to be advisable and in the best interest of Optika's stockholders, and resolved to recommend that Optika's stockholders vote in favor of the merger and the proposed amendment and restatement of the certificate of designation of the preferred stock effective upon the closing of the merger, and authorized senior management to proceed with the transaction. The Optika board of directors also unanimously authorized an amendment to the Optika rights agreement, exempting the transactions contemplated by the merger agreement from the rights agreement. The closing price of Optika common stock and Stellent common stock on January 9, 2004, the last trading day prior to January 11, was \$4.279 and \$10.29, respectively.

On January 11, 2004, the parties executed the merger agreement and various related agreements, including voting agreements whereby certain directors and executive officers of each company and TWCP and certain of its affiliates agreed to vote all of their shares of capital stock in favor of the merger. The transaction was announced through a joint press release preceding the opening of the market on January 12, 2004.

## **Table of Contents**

### **Stellent's Reasons for the Merger**

Stellent's board of directors has unanimously approved the merger agreement and the issuance of shares of Stellent common stock pursuant to the terms of the merger agreement. In reaching its decision, the Stellent board of directors identified several reasons for, and potential benefits of, the merger to Stellent shareholders. These potential benefits include the following:

combining Stellent's strength in content management with Optika's strength in business process automation will enable Stellent to create a platform of products that encompasses content management, integrated document management, document imaging, content distribution, business process management, collaboration and record management;

combining Optika's product offering with Stellent's product offering will provide marketing opportunities by enabling customers to satisfy multiple facets of their content management and document processing needs with a single vendor;

greater entity size and marketing resources may present improved opportunities for marketing the products of the combined company;

combined technological resources may allow Stellent to compete more effectively by enhancing its ability to develop new products and add functionality to existing products;

the combined and, in large part, non-overlapping customer base of the two companies may present new sales opportunities;

the particular strength that Optika has in the manufacturing, retail, distribution, state and local government and financial services markets could enable Stellent to better serve these markets;

the opportunity to leverage Stellent's existing international sales and marketing infrastructure to expand the distribution of Optika's products;

the ability to eliminate, as combined companies, Optika's expenses of being a public reporting company;

Stellent's expectation that the transaction would be immediately accretive on a pro forma basis, excluding the effects of non-cash or non-recurring charges related primarily to expenses such as amortization of intangible assets and acquisition costs; and

the increased float of Stellent common stock resulting from the merger may afford shareholders of the combined companies an opportunity to benefit from greater trading liquidity and may, with the greater size of the combined companies, increase research coverage.

### **Recommendation of the Merger by the Stellent Board of Directors**

At a meeting held on January 11, 2004, the Stellent board of directors unanimously:

determined that the merger is advisable and in the best interests of Stellent and its shareholders;

approved the merger agreement, the merger and the cash payment and issuance of Stellent common stock in the merger;

directed that the issuance of Stellent common stock in the merger be presented for approval by Stellent shareholders at the Stellent special meeting; and

resolved to recommend that the Stellent shareholders approve the issuance of Stellent common stock in the merger.

In the course of reaching its unanimous decision to approve the merger agreement, Stellent's board of directors consulted with Stellent's senior management, legal counsel and financial advisor, and reviewed a significant amount of information and considered the following factors:

the strategic reasons for the merger (described in the section of this joint proxy statement/ prospectus entitled "Stellent's Reasons for the Merger" beginning on page 50);

general market conditions and the competitive environment for Stellent's products and services;



**Table of Contents**

the potential benefits to Stellent shareholders as a result of growth opportunities following the acquisition;

financial market conditions, historical market prices, volatility and trading information with respect to Stellent's common stock and Optika's common stock;

historical and current information about Stellent's and Optika's businesses, prospects, financial performance and condition, operations, technology, management and competitive position, including public reports concerning results of operations during the most recent fiscal year and fiscal quarter of each company filed with the SEC, analyst estimates, market data and management's knowledge of the industry;

the opinion of RBC Dain Rauscher Inc. dated January 11, 2004 that, as of that date, the consideration to be paid in the merger was fair to Stellent from a financial point of view. A copy of the RBC opinion is attached to this proxy statement as Annex D. This written opinion should be read in its entirety for a description of the procedures followed, assumptions and qualifications made, matters considered and limitations of the review undertaken by RBC (described in the section of this joint proxy statement/prospectus entitled "Opinion of Financial Advisor to Stellent" beginning on page 55);

the potential impact of the merger on Stellent's customers;

the fact that the shareholders of Stellent will have the opportunity to vote upon the issuance of Stellent common stock in the merger;

the likelihood that Stellent and Optika will be able to complete the transaction;

reports from Stellent's management, legal advisors and financial advisors about the results of the due diligence investigation of Optika;

the terms and conditions of the merger agreement, including:

the prohibition on Optika's ability to solicit an alternative acquisition proposal and the limitations on Optika's ability to engage in negotiations with, provide any confidential information or data to, and otherwise have certain discussions with any person relating to an alternative acquisition proposal,

the conditions to each party's obligation to effect the merger,

the definition of "material adverse effect," and

the limited ability of Optika to terminate the merger agreement;

Stellent's prospects going forward without the combination with Optika; and

the potential for other third parties to enter into strategic relationships with or to acquire Optika.

In reaching its determination, the Stellent board of directors believes that the factors described above generally figured positively with respect to the acquisition, as advantages or opportunities to be derived from the merger, except for the last three factors above, which figured both positively and negatively. The Stellent board of directors also considered the following potentially negative factors in its deliberations concerning the merger:

the possibility that the merger might not be consummated and the effect of a public announcement of the merger on:

Stellent's revenues and other operating results,

Stellent's ability to attract and retain key management, marketing and technical personnel, and

customer relationships;

the risk that the potential benefits sought in the merger might not be realized;

the substantial expenses to be incurred in connection with the merger, including costs of integrating the businesses and transaction expenses arising from the merger;



## Table of Contents

the risk that key technical and management personnel might not remain employed by the combined company and key customers might terminate their relationships with the combined company;

various other risks associated with the merger and the business of Optika described in the section of this joint proxy statement/ prospectus entitled Risk Factors beginning on page 21.

The above discussion of the material factors is not intended to be exhaustive, but does set forth the principal factors considered by the Stellent board of directors. After due consideration, the Stellent board of directors unanimously concluded that the potential benefits of the merger outweighed the risks associated with the merger.

In view of the wide variety of factors considered by the Stellent board of directors in connection with the evaluation of the merger and the complexity of these matters, the Stellent board of directors did not consider it practical to quantify, rank or otherwise assign relative weights to the foregoing factors, and it did not attempt to do so. Rather, the Stellent board of directors made its recommendation based on the totality of the information presented to it, and the investigation conducted by it. The Stellent board of directors considered all these factors and determined that these factors, as a whole, supported the conclusions and recommendations described above.

Taking into account all of the material facts, matters and information, including those described above, the Stellent board of directors believes that the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Stellent and its shareholders. **The Stellent board of directors unanimously recommends that the Stellent shareholders vote FOR approval of the issuance of Stellent shares pursuant to the merger agreement.**

## **Optika's Reasons for the Merger**

In unanimously approving the merger agreement and the merger and in recommending that Optika's stockholders approve the Optika merger proposals, the Optika board consulted with Optika's management, as well as its financial and legal advisors, and considered a number of factors. The material factors considered by the Optika board of directors in approving and recommending adoption of the Optika merger proposals are described below.

combining Stellent's strength in content management with Optika's strength in business process automation will enable the combined company to create a platform of products that encompasses content management, integrated document management, document imaging, content distribution, business process management, collaboration and record management;

combining Optika's product offering with Stellent's product offering will provide marketing opportunities for the combined company by enabling customers to satisfy multiple facets of their content management and document processing needs with a single vendor;

greater entity size and marketing resources may present improved opportunities for marketing the products of the combined company;

combined technological resources may allow the combined company to compete more effectively by enhancing its ability to develop new products and add functionality to existing products;

the combined and, in large part, non-overlapping customer base of the two companies may present new sales opportunities;

the opportunity to leverage Stellent's existing international sales and marketing infrastructure to expand the distribution of Optika's products;

through the receipt of Stellent common stock in the merger, Optika's stockholders will have the opportunity to participate in the potential for the greater growth, operational efficiencies, financial strength, and earning power of the combined company after the merger without the liquidation preference of the Optika preferred stock; and

the increased float of Stellent common stock resulting from the merger may afford shareholders of the combined companies an opportunity to benefit from greater trading liquidity and may, with the greater size of the combined companies, increase research coverage.

**Table of Contents**

**Recommendation of the Merger by the Optika Board of Directors**

At a meeting held on January 11, 2004, the Optika board of directors unanimously:

determined that the merger is advisable, fair to and in the best interests of Optika and its stockholders;

approved the merger agreement, the merger and the amendment to the certificate of designation;

directed that the merger and the amendment to the certificate of designation be presented for approval by Optika stockholders at the Optika special meeting; and

resolved to recommend that the Optika stockholders approve the Optika merger proposals.

In the course of reaching its unanimous decision to approve the Optika merger proposals, Optika's board of directors consulted with Optika's senior management, legal counsel and financial advisor, and reviewed a significant amount of information and considered the following factors:

the strategic reasons for the merger (described in the section of this joint proxy statement/ prospectus entitled "Optika's Reasons for the Merger" beginning on page 52);

general market conditions and the competitive environment for Optika's products and services;

the near- and long-term prospects of Optika as an independent company;

financial market conditions, historical market prices, volatility and trading information with respect to Stellent's common stock and Optika's common stock;

historical and current information about Stellent's and Optika's businesses, prospects, financial performance and condition, operations, technology, management and competitive position, including public reports concerning results of operations during the most recent fiscal year and fiscal quarter of each company filed with the SEC, analyst estimates, market data and management's knowledge of the industry;

the consideration to be received by Optika's stockholders in the merger and the relationship between the market value of Stellent common stock to be issued in exchange for shares of Optika common stock and the market value of Optika common stock;

data involving a comparison of comparable merger transactions;

the fact that representatives of Revolution Partners, on behalf of Optika, had solicited interest in a possible acquisition of Optika from third parties that Optika senior management and representatives of Revolution Partners believed were likely to have an interest in a potential transaction and that Optika had not received any offers from any of such other parties;

the fact that the holders of a majority of the Optika preferred stock had agreed to enter into the TWCP written consent and voting agreement to facilitate the transaction and to accept the consideration set forth in the merger agreement;

the oral and written opinion of Revolution Partners, LLC that, as of January 11, 2004, the consideration to be paid in the merger was fair to the stockholders of Optika from a financial point of view. A copy of the Revolution Partners opinion is attached to this proxy statement as Annex F. This written opinion should be read in its entirety for a description of the procedures followed, assumptions and qualifications made, matters considered and limitations of the review undertaken by Revolution Partners (described in the section of this joint proxy statement/ prospectus entitled "Opinion of Financial Advisor to Optika" beginning on page 61);

the potential impact of the merger on Optika's customers, employees and strategic partners;

the fact that the stockholders of Optika will have the opportunity to vote upon the merger and the amendment to the certificate of designation;

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the likelihood that Stellent and Optika will be able to complete the transaction;

reports from Optika's management, legal advisors and financial advisors about the results of the due diligence investigation of Stellent;

53

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**Table of Contents**

the terms and conditions of the merger agreement, including:

the ability of the Optika board of directors, under the merger agreement, to respond to unsolicited requests for nonpublic information, to participate in discussions and negotiations with unsolicited potential third-party acquirors under certain circumstances, and to terminate the merger agreement under certain circumstances in order to accept third-party offers, subject to the payment of a termination fee,

the conditions to each party's obligation to effect the merger,

the representations and warranties made by Stellent, and

the limited ability of Stellent to terminate the merger agreement;

the parties' intent to treat the merger as a reorganization for United States federal income tax purposes; and

the fact that Delaware law entitles Optika stockholders who do not vote in favor of the merger and who file a written objection with Optika to obtain the fair value of their shares, as determined by a Delaware court, if the merger is completed.

In reaching its determination, the Optika board of directors believes that the factors described above generally figured positively with respect to the merger, as advantages or opportunities to be derived from the merger. The Optika board of directors also considered the following potentially negative factors in its deliberations concerning the merger:

the possibility that the merger might not be consummated and the effect of a public announcement of the merger on:

Optika's revenues and other operating results,

Optika's ability to attract and retain key management, sales and technical personnel, and

customer and strategic partner relationships;

the risk that the potential benefits sought in the merger might not be realized;

the substantial expenses to be incurred in connection with the merger, including costs of integrating the businesses and transaction expenses arising from the merger;

the risk that key technical and management personnel might not remain employed by the combined company and key customers and business partners might terminate their relationships with the combined company;

that a termination fee of \$1.6 million and up to a \$750,000 expense reimbursement required to be paid by Optika under the merger agreement under certain circumstances might discourage a third party from seeking to acquire Optika;

risks associated with fluctuations in Stellent's common stock price due to the fixed exchange ratio;

risks associated with an unfavorable outcome to various shareholder litigation proceedings presently pending against certain current and former officers and directors of Stellent;

risks associated with the treatment of the transaction for United States federal income tax purposes to Optika's stockholders as described in the section of this joint proxy statement/prospectus entitled "Material United States Federal Income Tax Consequences of the Merger" beginning on page 72;

the fact that the sole consideration to be received by the holders of the Optika common stock was Stellent common stock, which was subject to market risk, while the consideration to be received by the holders of the preferred stock would consist primarily of cash, which was not subject to market risk; and

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various other risks associated with the merger and the business of Stellent described in the section of this joint proxy statement/ prospectus entitled "Risk Factors" beginning on page 21.

The above discussion of the material factors is not intended to be exhaustive, but does set forth the principal factors considered by the Optika board of directors. After due consideration, the Optika board of

## **Table of Contents**

directors unanimously concluded that the potential benefits of the merger outweighed the risks associated with the merger.

In view of the wide variety of factors considered by the Optika board of directors in connection with the evaluation of the merger and the complexity of these matters, the Optika board of directors did not consider it practical to quantify, rank or otherwise assign relative weights to the foregoing factors, and it did not attempt to do so. Rather, the Optika board of directors made its recommendation based on the totality of the information presented to it, and the investigation conducted by it. The Optika board of directors considered all these factors and determined that these factors, as a whole, supported the conclusions and recommendations described above.

Taking into account all of the material facts, matters and information, including those described above, the Optika board of directors believes that the merger and the transactions contemplated by the merger agreement are advisable, fair to, and in the best interests of, Optika and its stockholders. **The Optika board of directors unanimously recommends that the Optika stockholders vote FOR approval of the merger agreement and the merger and FOR the approval of the amendment to the certificate of designation.**

In considering the recommendation of the Optika board of directors with respect to the Optika merger proposals, you should be aware that certain directors and officers of Optika have certain interests in the merger that are different from, and in addition to, the interests of Optika stockholders generally. These interests are discussed in more detail in the section entitled Interests of Directors and Executive Officers of Optika in the Merger on page 69 of this joint proxy statement/prospectus.

### **Opinion of Financial Advisor to Stellent**

Pursuant to an engagement letter dated as of October 17, 2003, RBC was retained by Stellent to furnish an opinion as to the fairness, from a financial point of view, of the total consideration to be paid pursuant to the terms of the proposed merger agreement.

On January 11, 2004, RBC rendered its opinion to Stellent's board of directors, that, as of such date and based on the procedures followed, factors considered and assumptions made by RBC and certain other limitations, the total consideration to be paid was fair, from a financial point of view, to Stellent. A copy of RBC's written opinion is attached as Annex E to this document and is incorporated into this document by reference. Stellent shareholders are urged to read the opinion of RBC carefully and in its entirety.

RBC's opinion was provided for the information and assistance of Stellent's board of directors in connection with its consideration of the merger. RBC's opinion does not constitute a recommendation to any shareholder as to how such shareholder should vote with respect to the merger. RBC's opinion related solely to the total consideration to be paid. RBC did not review, nor did its opinion in any way address, other merger terms or arrangements, including, without limitation, the financial or other terms of any employment or non-competition agreement with Optika management or any break-up or termination fee. Further, RBC's opinion did not address, nor should it be construed to address, the relative merits of the underlying decision by Stellent to engage in the merger compared to any alternative business strategies or transaction in which Stellent might engage. RBC was not authorized to, and did not solicit any other potential participants relative to a business combination with Stellent. RBC was not engaged as an agent or fiduciary of Stellent's shareholders or any other third party.

In rendering its opinion, RBC assumed and relied upon the accuracy and completeness of the financial, legal, tax, operating and other information provided by Stellent and Optika (including, without limitation, the financial statements and related notes thereto of Stellent and Optika, as well as other publicly available information with respect to Stellent and Optika). RBC did not assume responsibility for independently verifying and did not independently verify this information. With respect to the data and discussions relating to the business prospects and financial outlook of Stellent and Optika, upon advice of Stellent, RBC assumed that such data was reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Stellent and Optika as to the future financial performance of Stellent and Optika, respectively, and that Stellent and Optika will perform substantially in accordance with such financial data and estimates. RBC expressed no opinion as to such financial data and

**Table of Contents**

estimates or the assumptions on which they were based. RBC was not provided sufficient long-term projections on Optika's business; thus, RBC could not prepare a discounted cash flow analysis as a means to value Optika.

RBC did not assume responsibility for, and did not perform, any independent evaluation or appraisal of any of the respective assets or liabilities of Stellent or Optika, nor was RBC furnished with any evaluations or appraisals. RBC expressed no opinion regarding the liquidation value of any entity. RBC did not assume any obligation to conduct, and did not conduct, any physical inspection of the property or facilities of Stellent or Optika. Additionally, RBC was not asked to and did not consider the possible effects of any litigation or other contingent matters.

RBC's opinion speaks only as of the date of such opinion, and is based on market conditions as they existed as of January 9, 2004 (the last trading day preceding the finalization of the analysis) and the information supplied to RBC as of the date of its opinion, and is without regard to market, economic, financial, legal or other circumstances or events of any kind or nature which may exist or occur after such date. RBC has not undertaken to reaffirm or revise its opinion or otherwise comment upon events occurring after the date of the opinion and RBC does not have any obligation to update, revise or reaffirm its opinion. RBC expressed no opinion as to the price at which shares of Stellent common stock have traded or at which such shares may trade following the announcement or consummation of the merger.

For purposes of its opinion, RBC assumed that the merger will qualify as a reorganization for United States federal income tax purposes. RBC assumed that the executed Agreement will be in all material respects identical to the last draft reviewed by RBC. RBC also assumed that the merger will be consummated pursuant to the terms of the Agreement, without amendments thereto and without waiver by any party of any material conditions or obligations thereunder.

In arriving at its opinion, RBC:

reviewed and analyzed the financial terms of a draft dated as of January 11, 2004 of the Agreement;

reviewed and analyzed certain publicly available financial and other data with respect to Stellent and Optika and certain other historical operating data relating to Stellent and Optika made available to RBC from published sources and from the internal records of Stellent and Optika;

conducted discussions with members of the senior management of Optika with respect to the business prospects and financial outlook of Optika independently and as combined;

conducted discussions with members of the senior management of Stellent with respect to the business prospects and financial outlook of Stellent independently and as combined;

received and reviewed financial forecasts prepared by Optika's management on the potential future performance of Optika as a stand alone entity;

reviewed publicly available materials and analysts' reports with respect to the business and financial outlook of Stellent;

reviewed the reported prices and trading activity for Stellent common stock and Optika common stock;

compared the implied historical exchange ratios between Stellent's common stock and Optika's common stock with the Base Exchange Factor and Common Stock Conversion Factor, as defined in the Agreement; and

reviewed selected market valuation metrics of Optika, Stellent and other comparable publicly traded companies and their securities.

In arriving at its opinion, in addition to reviewing the matters listed above, RBC performed the following analyses:

reviewed the financial terms and valuation metrics, to the extent publicly available, of certain comparable merger transactions with those stated or implied by the Agreement;

**Table of Contents**

compared selected valuation metrics of comparable publicly traded companies with those implied by the Agreement;

compared the premiums implied by the Common Stock Per Share Consideration and Common Stock Conversion Factor with those paid in selected precedent transactions;

compared the relative contribution to selected income statement items for each of Stellent and Optika with their pro forma ownership in the combined company; and

considered the projected pro forma effect of the merger on the combined company's earnings per share.

In addition, RBC conducted such other analyses and examinations and considered such other financial, economic and market criteria as RBC deemed necessary in arriving at its opinion.

In delivering its opinion to the Stellent board of directors, RBC prepared and delivered to Stellent's board of directors written materials containing various analyses and other information material to the opinion. The following is a summary of these materials, including information presented in tabular format. To understand fully the summary of the financial analyses used by RBC, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analysis.

**Transaction Overview**

Giving effect to the Base Exchange Factor of 0.44, the implied value of the consideration offered to common and preferred shareholders of Optika was determined to be \$42.3 million in Stellent common stock, \$6.6 million in options valued using the treasury stock method of accounting (based on the closing price for Stellent common stock on January 9, 2004) and \$10 million in cash consideration to Optika preferred shareholders for a total consideration of \$58.8 million. RBC calculated the implied enterprise value of Optika, including the estimated value of the new Stellent options, to be approximately \$49.6 million. Based on the Base Exchange Factor, the common shares issued to current holders of Optika common shares would represent 15.6% of the Stellent common shares outstanding on a pro forma combined basis. Taking into account common shares, options and other dilutive securities on a fully diluted basis using the treasury stock method of accounting, per the Base Exchange Factor, new securities issued by Stellent would represent 16.5% on a pro forma combined basis.

**Historical Trading Analysis**

RBC compared Optika's price performance to the Nasdaq and to a group of publicly traded content infrastructure companies over selected periods. RBC also reviewed the historical implied exchange ratio (as defined by Optika's closing price per share divided by Stellent's closing price per share) over selected time periods. RBC provided summaries of the average stock trading history of Optika common stock price and the average implied exchange ratios including:

	<b>Optika Share Price</b>	<b>Implied Average Historic Exchange Ratio</b>
Closing price on January 9, 2004	\$4.28	0.416
One week average	4.36	0.426
One month average	4.61	0.457
Three month average	4.17	0.432
Six month average	3.13	0.352
One year average	2.20	0.307
52 week high	5.11	
52 week low	0.98	

**Precedent Transaction Analysis**

RBC compared (i) implied enterprise values to revenue multiples, (ii) equity values to net income and (iii) equity values to tangible book value multiples relating to the proposed merger of Stellent and





**Table of Contents**

Optika with multiples of operating data from eight selected merger and acquisition precedent transactions. These precedent transactions involved companies in the content infrastructure market that were completed since January 1, 2002 where the target's last twelve months revenue was greater than \$10 million, which RBC deemed comparable to the transaction between Stellent and Optika. Financial data regarding the precedent transactions was taken from SEC filings, press releases, public databases, RBC institutional research and other Wall Street sources. The selected precedent transactions were as follows: Open Text Corp.'s acquisition of IXOS Software AG; EMC Corp.'s acquisition of Documentum, Inc.; Vignette Corp.'s acquisition of Intraspect Software, Inc.; Open Text Corp.'s acquisition of Gauss Interprise AG; Interwoven, Inc.'s acquisition of iManage, Inc.; Vignette Corp.'s acquisition of Epicentric Inc.; Documentum, Inc.'s acquisition of eRoom Technology, Inc.; and Standard Register's acquisition of InSystems Technologies, Inc. The following presents the resulting selected transaction multiples:

	Comparable Companies				Optika(1)
	Low	Median	Mean	High	
Enterprise value to last twelve months revenue	0.6x	2.2x	2.5x	6.1x	2.5x
Equity value to last twelve months net income	NM	NM	NM	NM	NM
Equity value to tangible book value	3.9x	6.8x	7.6x	12.0x	NM

- (1) Enterprise values based on the value implied by the total consideration and per share amounts based on the Common Stock Conversion Factor.

**Comparable Company Analysis**

RBC analyzed selected valuation metrics implied by the total consideration relative to corresponding metrics observed in a selected group of publicly traded companies in the content infrastructure market that RBC deemed for purposes of its analysis to be comparable to Optika. The group of comparable companies for Optika included: FileNet Corp., Open Text Corp., Verity, Inc., Vignette Corp., Interwoven, Inc., Hummingbird Ltd., Plumtree Software, Inc., and Captiva Software Corp. In this analysis, RBC compared the (i) enterprise value of Optika, expressed as a multiple of estimated revenue in calendar year 2003 and 2004, to the low, median, mean and high multiples of enterprise values of the comparable companies implied by the public trading price of their common stock, expressed as a multiple of the same operating data, (ii) share price of Optika expressed as a multiple of net income per share in estimated net income per share in calendar year 2003 and 2004, to the low, median, mean and high multiples of share prices of the comparable companies, expressed as a multiple of the same operating data, and (iii) equity value of Optika, expressed as a multiple of tangible book value, to the low, median, mean and high multiples of equity values of the comparable companies, expressed as a multiple of the same operating data. Multiples of future revenue and net income data for Optika were based on projections provided by the management of Optika and, for the comparable companies, from publicly available research analyst estimates. The following table presents the resulting selected valuation data:

	Comparable Companies				Optika(1)
	Low	Median	Mean	High	
Enterprise value to estimated 2003 revenue	1.6x	2.8x	3.1x	5.1x	2.5x
Enterprise value to estimated 2004 revenue	1.5x	2.6x	2.7x	3.9x	2.1x
Share price to estimated 2003 net income per share	19.9x	39.7x	42.7x	75.4x	NM
Share price to estimated 2004 net income per share	16.6x	34.8x	45.1x	88.3x	44.1x
Equity value to tangible book value	2.7x	5.1x	6.9x	21.5x	NM

- (1) Enterprise values based on the value implied by the total consideration and per share amounts based on the Common Stock Conversion Factor.

**Table of Contents****Premiums Paid Analysis**

*Stock Price Premiums:* RBC conducted an analysis of stock price premiums in 25 selected acquisitions of publicly traded businesses in the software and services industries from 2002 through 2003, having transaction values between \$10 million and \$100 million, which RBC considered reasonably comparable to the transaction. RBC compared the proposed Common Stock Per Share Consideration to Optika's stock price one day prior, one week prior, one month prior and one week average and one month average prior to public announcement.

As presented below, the low, median, mean and high results for these transactions are compared to the implied premium for Optika over a corresponding time period:

	Implied Premiums (Discount)				
	Comparable Companies				
	Low	Median	Mean	High	Optika(1)
Spot premium, one day prior to announcement	(19.5)%	30.7%	50.2%	243.8%	3.3%
Spot premium, one week prior to announcement	(26.8)%	36.5%	61.0%	261.4%	(5.3)%
Spot premium, one month prior to announcement	(42.0)%	44.2%	73.1%	298.0%	(8.6)%
Average premium, one week prior to announcement	(24.2)%	29.6%	53.9%	254.3%	1.5%
Average premium, one month prior to announcement	(32.9)%	40.6%	58.6%	225.0%	(4.1)%

(1) Based on the value implied by the Common Stock Conversion Factor.

*Exchange Ratio Premiums:* RBC conducted an analysis of exchange ratio premiums paid for eight acquisitions of publicly traded businesses that included stock consideration in the software and services industries from 2002 through 2003, having transaction values between \$10 million and \$100 million, which RBC considered reasonably comparable to the transaction. RBC compared the proposed Common Stock Conversion Factor to the implied exchange ratios one day prior, one week prior, one month prior and one week average and one month average prior to public announcement. Whereas the stock price premiums described above take into account the historical changes in only Optika's stock price, the exchange ratio premiums take into account changes in the historical implied exchange ratio, which is derived from the historical stock prices of both Stellent and Optika.

The low, median, mean and high results for the comparable transactions are compared to the implied premiums of Optika as follows:

	Implied Premiums (Discount)				
	Comparable Companies				
	Low	Median	Mean	High	Optika(1)
One day before announcement	5.2%	25.5%	38.2%	147.3%	3.3%
One week before announcement	(9.5)%	17.8%	33.9%	143.9%	(7.7)%
One month before announcement	(34.6)%	14.8%	43.4%	246.4%	(10.8)%
Average of one week before announcement	(4.7)%	18.1%	34.3%	145.6%	0.8%
Average of one month before announcement	(23.9)%	13.5%	27.6%	145.6%	(5.9)%

(1) Based on the value implied by the Common Stock Conversion Factor.

**Pro Forma Analyses**

*Contribution Analysis:* RBC analyzed the relative contribution of each of Optika and Stellent in terms of various financial statement metrics relative to the pro forma metrics for the combined company for the full calendar years 2002, 2003 and 2004. The financial statement categories

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included revenue, gross profit, earnings before interest and taxes, and net income. RBC observed that, based upon the stock consideration payable pursuant to the Agreement, Optika stockholders (on a fully-diluted basis using the

**Table of Contents**

treasury stock method of accounting) will receive 16.5% of the shares of the combined company. The following is a summary of this analysis for calendar years 2002, 2003 and 2004:

	Calendar Year 2002		Estimated Calendar Year 2003		Estimated Calendar Year 2004	
	Stellent	Optika	Stellent(1)	Optika(2)	Stellent(3)	Optika(2)
Revenue	77.8%	22.2%	78.3%	21.7%	78.4%	21.6%
Gross Profit	76.3%	23.7%	76.7%	23.3%	77.6%	22.4%
Earnings before interest and taxes	NM	NM	NM	NM	NM	NM
Net Income	NM	NM	NM	NM	34.4%	65.6%

- (1) Estimated data per Stellent management and SEC filings.
- (2) Estimated data per Optika management and SEC filings.
- (3) Source: Published RBC research.

*Accretion/ Dilution:* RBC analyzed the pro forma effects resulting from the proposed transaction on the projected earnings per share of the combined company for 2004 using quarterly profit and loss estimates provided by Optika management and estimates for Stellent provided by publicly available research which Stellent management confirmed was appropriate for this analysis. For purposes of this analysis, RBC assumed that the transaction would close on March 31, 2004. In addition, based on Stellent management estimates, RBC included adjustments to the pro forma combined model to account for lost interest income due to cash costs associated with the transaction. Based on this analysis, excluding the impact of one-time and non-cash items, the transaction would not delay Stellent's profitability and would be accretive to pro forma earnings for calendar year 2004 relative to the projected stand-alone earnings per share of Stellent.

**Other Considerations**

The preparation of a fairness opinion is a complex process that involves the application of subjective business judgment in determining the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not necessarily susceptible to partial consideration of the analyses or summary description. RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses and of the factors considered, without considering all factors and analyses, could create an incomplete or misleading view of the processes underlying its opinion.

In view of the wide variety of factors considered in connection with its evaluation of the fairness of the total consideration to be paid from a financial point of view, RBC did not find it practicable to assign relative weights to the factors considered in reaching its opinion. No single company or transaction used in the above analyses as a comparison is identical to Stellent or Optika or the proposed merger. The analyses were prepared solely for purposes of RBC providing an opinion as to the fairness of the total consideration to be paid, from a financial point of view, to Stellent and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold, which are inherently subject to uncertainty.

In connection with its analyses, RBC made, and was provided by Stellent's management, numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond Stellent's or Optika's control. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, and are based upon numerous factors or events beyond the control of Stellent, Optika, or their advisors, none of Stellent, Optika, RBC, or any other person assumes responsibility if future results or actual values are materially different from these forecasts or assumptions.

Stellent selected RBC to render its opinion based on RBC's experience in mergers and acquisitions and in securities valuation generally. RBC is a nationally recognized investment banking firm and is

## **Table of Contents**

regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, corporate restructurings, underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. RBC provides research coverage on Stellent's common stock. In both 1999 and 2000, RBC acted as the lead manager of the Stellent's two common stock public offerings. In 1999, RBC acted as financial advisor to Stellent in its acquisition InfoAccess, Inc. and in 2000, RBC acted as financial advisor to Stellent in its acquisition of the Information Exchange Division of INSO Corporation. In 2002, RBC assisted Stellent in its implementation of its shareholder rights plan. In the ordinary course of business, RBC acts as a market maker and broker in the publicly traded securities of Stellent and receives customary compensation in connection therewith. RBC and its affiliates also actively trade securities of Stellent for their own accounts or the accounts of their customers and, accordingly, may from time to time hold a long or short position in those securities. In its capacity as a broker of publicly traded securities, RBC may, for its own account or for the accounts of its customers, hold a long or short position in the securities of Optika.

Pursuant to the engagement letter, Stellent is to pay RBC a customary, nonrefundable fee upon the rendering of its opinion. Payment of this fee to RBC was not contingent upon the closing of the merger. Whether or not the transaction closes, Stellent has agreed to reimburse RBC for its out-of-pocket expenses and to indemnify RBC against certain liabilities relating to or arising out of services performed by RBC in connection with the merger. The terms of the engagement letter were negotiated at arm's-length between Stellent and RBC, and Stellent's board of directors was aware of this fee arrangement at the time of its approval of the merger agreement.

### **Opinion of Financial Advisor to Optika**

Revolution Partners, LLC has acted as financial advisor to Optika in connection with the merger pursuant to an engagement letter dated as of October 16, 2003.

On January 11, 2004, Revolution Partners rendered its opinion to Optika's board of directors that, as of such date and based on the procedures followed, factors considered and assumptions made by Revolution Partners and certain other limitations, the consideration to be paid was fair, from a financial point of view, to the stockholders of Optika. A copy of Revolution Partners' written opinion is attached as Annex F to this document and is incorporated into this document by reference. Optika stockholders are urged to read the opinion of Revolution Partners carefully and in its entirety.

Revolution Partners' opinion was provided for the information and assistance of Optika's board of directors in connection with its consideration of the merger. Revolution Partners' opinion does not constitute a recommendation to any Optika stockholder as to how such stockholder should vote with respect to the merger. Revolution Partners' opinion addresses only the fairness of the consideration to be received by stockholders of Optika from a financial point of view. Revolution Partners did not review, nor did its opinion in any way address, other merger terms or arrangements, including, without limitation, the financial or other terms of any employment or non-competition agreement with Optika management or any break-up or termination fee. Further, Revolution Partners' opinion did not address, nor should it be construed to address, the relative merits of the underlying decision by Optika to engage in the merger compared to any alternative business strategies or transaction in which Optika might engage. Revolution Partners was not engaged as an agent or fiduciary of Optika's stockholders or any other third party. In furnishing its opinion, Revolution Partners did not admit that it is an expert within the meaning of the term "expert" as used in the Securities Act of 1933, nor did it admit that its opinion constitutes a report or valuation within the meaning of the Securities Act of 1933. Revolution Partners' opinion includes statements to this effect.

In rendering its opinion, Revolution Partners assumed and relied upon the accuracy and completeness of the financial, legal, tax, operating and other information provided by Optika and Stellent (including, without limitation, the financial statements and related notes thereto of Optika and Stellent, as well as other publicly available information with respect to Optika and Stellent). Revolution Partners did not assume responsibility for independently verifying and did not independently verify this information. With respect to the data and discussions relating to the business prospects and financial outlook of Optika and

**Table of Contents**

Stellent, upon advice of Optika, Revolution Partners assumed that such data was reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Optika and Stellent as to the future financial performance of Optika and Stellent, respectively, and that Optika and Stellent will perform substantially in accordance with such financial data and estimates. Revolution Partners expressed no opinion as to such financial data and estimates or the assumptions on which they were based.

Revolution Partners did not assume responsibility for, and did not perform, any independent evaluation or appraisal of any of the respective assets or liabilities of Stellent or Optika, nor was Revolution Partners furnished with any evaluations or appraisals. Revolution Partners expressed no opinion regarding the liquidation value of any entity. Revolution Partners did not assume any obligation to conduct, and did not conduct, any physical inspection of the property or facilities of Stellent or Optika. Additionally, Revolution Partners was not asked to and did not consider the possible effects of any litigation or other contingent matters.

Revolution Partners' opinion speaks only as of the date of such opinion, and is based on market conditions as they existed as of January 9, 2004 (the last trading day preceding the finalization of the analysis) and the information supplied to Revolution Partners as of the date of its opinion, and is without regard to market, economic, financial, legal or other circumstances or events of any kind or nature which may exist or occur after such date. Revolution Partners has not undertaken to reaffirm or revise its opinion or otherwise comment upon events occurring after the date of the opinion and Revolution Partners does not have any obligation to update, revise or reaffirm its opinion. Revolution Partners expressed no opinion as to the price at which shares of Optika common stock have traded or at which such shares may trade following the announcement or consummation of the merger.

For purposes of its opinion, Revolution Partners assumed that the merger will qualify as a reorganization for United States federal income tax purposes. Revolution Partners assumed that the executed Agreement will be in all material respects identical to the last draft reviewed by Revolution Partners. Revolution Partners also assumed that the merger will be consummated pursuant to the terms of the Agreement, without amendments thereto and without waiver by any party of any material conditions or obligations thereunder. Revolution Partners assumed that there have been no material changes in Optika's or Stellent's assets, financial condition, results of operations, business or prospects since the respective dates of their last financial statements made available to Revolution Partners, and that the merger will be consummated in a manner that complies in all material respects with the applicable provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and all other applicable federal and state statutes, rules and regulations.

In arriving at its opinion, Revolution Partners:

reviewed and analyzed the financial terms of a draft merger agreement dated as of January 10, 2004;

reviewed and analyzed certain publicly available financial and other data with respect to Optika and Stellent and certain other historical operating data relating to Optika and Stellent made available to Revolution Partners from published sources and from the internal records of Optika and Stellent, including in the case of Optika and Stellent, preliminary results for the quarter ended December 31, 2003;

conducted discussions with members of the senior management of Optika with respect to the business prospects and financial outlook of Optika independently and as combined;

conducted discussions with members of the senior management of Stellent with respect to the business prospects and financial outlook of Stellent independently and as combined;

received and reviewed financial forecasts prepared by Optika's management on the potential future performance of Optika as a stand alone entity;

**Table of Contents**

reviewed publicly available materials and analysts' reports with respect to the business and financial outlook of Stellent and certain financial forecasts prepared by Stellent's management on the potential future performance of Stellent as a stand alone entity;

reviewed the reported prices and trading activity for Stellent common stock and Optika common stock;

compared the implied historical exchange ratios between Stellent's common stock and Optika's common stock with the Base Exchange Factor and Common Stock Conversion Factor, as defined in the merger agreement; and

reviewed selected market valuation metrics of Optika, Stellent and other comparable publicly-traded companies and their securities.

In arriving at its opinion, in addition to reviewing the matters listed above, Revolution Partners performed the following analyses:

reviewed the financial terms and valuation metrics, to the extent publicly available, of certain comparable merger transactions with those stated or implied by the merger agreement;

compared selected valuation metrics of comparable publicly-traded companies with those implied by the merger agreement;

compared the premiums implied by the Common Stock Per Share Consideration and Common Stock Conversion Factor, as defined in the merger agreement, with those paid in selected precedent transactions;

participated in discussions and negotiations among representatives of Optika and Stellent and their financial and legal advisors;

participated in discussions among Optika, Thomas Weisel Capital Partners, L.P. and its legal counsel regarding the consideration to be received by the holders of Optika's preferred stock; and

compared the relative contribution to selected income statement items for each of Optika and Stellent with their pro forma ownership in the combined company.

In addition, Revolution Partners conducted such other analyses and examinations and considered such other financial, economic and market criteria as Revolution Partners deemed necessary in arriving at its opinion.

The following represents a brief summary of the material financial analyses performed by Revolution Partners in connection with providing its opinion to the board of directors of Optika. Some of the summaries of financial analyses performed by Revolution Partners include information presented in tabular format. In order to fully understand the financial analyses performed by Revolution Partners, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data set forth in the tables without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by Revolution Partners.

Additionally, Revolution Partners noted that Optika has preferred stock with a preferred liquidation preference, and thus the consideration to be received by the holders of Optika preferred stock and the holders of Optika common stock in the merger would be divided up between them based on the liquidation preference of the Optika preferred stock or, in this case, upon a preferred liquidation preference that was acceptable to a majority of the holders of the Optika preferred stock. Revolution Partners was not asked to, and did not, evaluate the consideration to be received by any particular class of Optika's securities but rather, opined on the fairness of the consideration received by the common and preferred stockholders in the aggregate.



**Table of Contents****Comparable Company Valuation Analyses Enterprise Content Management Companies**

Based on public and other available information, Revolution Partners calculated the enterprise value of Optika, (i) as a multiple of estimated revenue for calendar year 2003 for companies in the enterprise content management software industry with enterprise values of less than \$200 million, and (ii) as a multiple of estimated revenue for calendar years 2003 and 2004 for companies in the enterprise content management software industry with enterprise values of greater than \$250 million and less than \$1 billion. Revolution Partners defined enterprise value as equity market value plus total debt, less net cash and cash equivalents. For purposes of calculating net cash, Revolution Partners assumed an estimated \$3 million in transaction related costs. Revolution Partners believes that the following 14 companies listed below have operations similar to some of the operations of Optika, but noted that none of these companies has the same management, composition, size or combination of businesses as Optika. Revolution Partners noted, however, that the smaller capitalization comparable companies in the enterprise content management software industry were most similar to Optika in terms of annual revenue, cash reserves, market capitalization and average trading volumes.

*Optika Comparable Companies Smaller Capitalization:*

Mobius  
Stellent  
Optio  
Document Sciences  
INSCI  
Omtool

The following table sets forth the multiples indicated by this analysis and the enterprise values implied by the proposed merger:

	Valuation Range			Implied Enterprise Value Range		
	Low	Median	High	Low	Median	High
2003	0.4x	0.9x	2.2x	\$7.9	\$17.8	\$43.4

Revolution Partners noted that the enterprise value to be received by the stockholders of Optika in connection with the merger, \$52.9 million as of January 11, 2004, is higher than the range indicated by this analysis. Revolution Partners was not able to perform any analysis using estimated 2004 revenue numbers provided by Optika management due to insufficient market data for the smaller capitalization comparable companies.

*Optika Comparable Companies Larger Capitalization:*

Ascential  
FileNet  
Open Text  
Verity  
Interwoven  
Vignette  
Hummingbird  
Dicom

**Table of Contents**

The following table sets forth the multiples indicated by this analysis and the enterprise values implied by the proposed merger:

	Valuation Range			Implied Enterprise Value Range		
	Low	Median	High	Low	Median	High
2003	0.9x	3.4x	5.9x	\$ 17.8	\$ 67.1	\$ 116.5
2004	2.4x	3.1x	4.0x	\$ 55.7	\$ 72.1	\$ 92.8

Revolution Partners noted that the enterprise value to be received by the stockholders of Optika in connection with the merger, \$52.9 million as of January 11, 2004, with respect to 2003 estimated revenue is within the range indicated by this analysis. Revolution Partners performed a similar analysis using estimated 2004 revenue numbers provided to Revolution Partners by Optika management. Revolution Partners noted that the enterprise value with respect to 2004 estimated revenue fell below the range indicated by this analysis. Revolution noted this fact, but as discussed below, the comparable companies analysis was just one of several analyses used by Revolution Partners to reach its fairness determination. No company used in the comparable company analyses is identical to Optika or Stellent, and the larger capitalization comparable companies typically have greater revenue, higher cash reserves, greater market capitalization and larger average trading volumes than Optika or Stellent. Accordingly, an analysis of the results of the foregoing is not mathematical, rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies to which Optika and Stellent are being compared.

While the comparable company valuation analysis compared Optika to 14 public companies in the enterprise content management software industry, Revolution Partners did not include every company that could be deemed to be a participant in this same industry, or in the specific sectors of this industry.

**Comparable Company Valuation Analysis – Micro-Cap Technology Companies.**

Based on public and other available information, Revolution Partners calculated the enterprise value as a multiple of revenue for the last 12 months, or LTM, for all Nasdaq traded companies with market capitalizations of less than \$100 million. Revolution Partners believes that these companies have similar market and trading statistics as Optika, but noted that none of these companies has the same management, composition, size or combination of businesses as Optika.

The following table sets forth the multiples indicated by this analysis and the enterprise value implied by the proposed merger:

	Median Multiple	Implied Enterprise Value
2003	1.3x	\$ 25.7M

Revolution Partners noted that the enterprise value to be received by the stockholders of Optika in connection with the merger, \$52.9 million as of January 11, 2004, is higher than the value indicated by this analysis. Revolution Partners was not able to perform any analysis using estimated 2004 revenue numbers provided by Optika management due to insufficient market data for the Micro-Cap technology comparable companies.

**Comparable Transactions Analysis**

Based on public and other available information, Revolution Partners calculated enterprise value as a multiple of LTM, and for the next 12 months, or NTM, for 16 transactions in particularly comparable

**Table of Contents**

acquisitions of enterprise content management software companies that have been announced since January 1, 2003:

<b>Announcement Date</b>	<b>Name of Acquiror</b>	<b>Name of Target Company</b>
10/21/03	Open Text	IXOS
10/14/03	EMC	Documentum
9/16/03	Xpedite (PTEK)	MediaLinq (CAPA)
9/15/03	Vignette	Intraspect
9/2/03	ZixCorp	Elron Software
8/27/03	Open Text	Gauss
8/6/03	Interwoven	iManage
7/1/03	Hummingbird	Valid Information Systems
4/1/03	FileNet	Shana
3/26/03	Hummingbird	Key Automation
3/17/03	Stellent	Active IQ
3/12/03	Hummingbird	LegalKEY
3/3/03	Kinkos	ImageX
2/26/03	Open Text	Corechange
2/18/03	Tumbleweed	Valicert
1/9/03	Open Text	Eloquent

The following table sets forth the multiples indicated by this analysis and the enterprise values implied by the proposed merger:

	<b>Valuation Range</b>			<b>Implied Enterprise Value Range</b>		
	<b>Low</b>	<b>Median</b>	<b>High</b>	<b>Low</b>	<b>Median</b>	<b>High</b>
2003	0.1x	1.3x	5.5x	\$2.0	\$25.7	\$108.6
2004	0.1x	1.3x	4.9x	\$2.3	\$30.2	\$113.7

Revolution Partners observed that the enterprise value of the consideration to be received by the stockholders of Optika in connection with the merger, \$52.9 million as of January 11, 2004, with respect to 2003 and 2004 estimated revenue was within the ranges indicated by comparable transactions. Revolution Partners noted that the comparable transactions analysis was just one of several analyses used by Revolution Partners to reach its fairness determination. No transaction used in the comparable transactions analysis is identical to the merger. Accordingly, an analysis of the results of the foregoing is not mathematical, rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the constituent companies and other factors that could affect the value of the transactions to which the merger is being compared.

**Premiums Analysis**

Revolution Partners calculated the premiums paid in 20 transactions involving acquired technology companies with enterprise values of less than \$100 million, which Revolution Partners considered reasonably comparable to the transaction, over the share price of the acquired company as of one trading day, 4-week trading day and 12-week trading day prior to the announcement of the acquisition offer.

The following table shows the premiums paid over the share price of the acquired company with respect to these comparable acquisition transactions:

	<b>Optika Stock Price</b>	<b>Median Premiums Paid</b>	<b>Implied Per Share Value</b>
1 Day (1/9/03)	\$4.28	23.4%	\$5.28
4-week spot	\$4.92	42.3%	\$7.00

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12-week spot	\$3.85	57.7%	\$6.07
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**Table of Contents**

Revolution Partners noted that the per share value of the consideration to be received by the common stockholders of Optika in connection with the merger, \$4.42 as of January 11, 2004, fell below the per share value indicated by this analysis. Revolution noted this fact, but also noted that this analysis fails to account for the estimated \$10.9 million in cash and securities paid to the holders of Optika's preferred stock (assuming the transaction was completed on January 11, 2004 based on the Optika common stock price as of that date). Revolution Partners calculated that, if the total per share consideration to be received by Optika's preferred and common stockholders was paid to such shareholders on an as if converted basis, converting all 731,851 shares of Optika preferred stock into 731,851 shares of Optika common stock, without accounting for the preferred stock liquidation preference, the per share value to be received by such shareholders would have been approximately \$5.00 per share. Revolution Partners noted, as discussed below, that the premiums paid analysis was just one of several analyses used by Revolution Partners to reach its fairness determination. No company used in the premiums paid analysis is identical to Optika or Stellent. Accordingly, an analysis of the results of the foregoing is not mathematical, rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies to which Optika and Stellent are being compared.

***Contribution Analysis***

Based on public and other available information, Revolution Partners reviewed the estimated contribution of each of Optika and Stellent to estimated total revenues for the combined company for the twelve month period beginning April 1, 2004, which corresponds to Stellent's fiscal year 2005. Revolution Partners then compared these contributions to the pro forma share ownership of the combined company to be owned by the stockholders of Optika as of January 11, 2004, assuming consummation of the merger as described in the merger agreement. This analysis indicated an implied percentage revenue contribution for Optika of approximately 21% of the combined company, as compared to the pro forma share ownership by the stockholders of Optika of approximately 16.5% in the combined company as of January 11, 2004, based on the exchange ratio. Revolution Partners noted that this percentage ownership is lower than the percentage ownership suggested by this analysis. Revolution Partners further noted, however, that the contribution analysis did not include the cash payment of \$10 million to Optika's preferred stockholders because it did not have an effect on equity ownership. Revolution Partners observed that if the \$10 million cash payment to be paid to Optika's preferred stockholders was issued in the form of additional shares of Stellent common stock based on the exchange ratio, the pro forma share ownership by all Optika stockholders would be 19.3% of the combined company.

Revolution Partners noted that with respect to this revenue contribution analysis, the implied enterprise value for Optika was \$43.3 million, calculated as 21% of Stellent's enterprise value as of January 9, 2004. Revolution Partners observed that the enterprise value of the consideration to be received by the stockholders of Optika in connection with the merger, \$52.9 million, exceeded the value suggested by this analysis.

***Discounted Cash Flow***

Revolution Partners performed an analysis of the implied present value of Optika on a standalone basis based on Optika's projected future equity value using the calendar year 2004 estimates from Optika's management, assuming annual growth rates of 20% to extrapolate estimates through 2007. Revolution Partners also used an illustrative discount rate of 15%, which reflected an estimate of the average expected rate of return for growth companies, and a terminal revenue multiple of 1.3x based on the Comparable Transaction Analysis described above. Revolution Partners observed the following:

Present Value of Free Cash Flows	\$ 8.5M
Present Value of Terminal Value	\$29.9M
	<hr/>
Enterprise Value	\$38.4M

Revolution Partners noted that with respect to this discounted cash flow analysis, the implied enterprise value for Optika was \$38.4 million. Revolution Partners observed that the enterprise value of the

**Table of Contents**

consideration to be received by the stockholders of Optika in connection with the merger, \$52.9 million, exceeded the implied enterprise value suggested by this analysis.

***Other Considerations***

The preparation of a fairness opinion is a complex process that involves the application of subjective business judgment in determining the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not necessarily susceptible to partial consideration of the analyses or summary description. Revolution Partners believes that its analyses must be considered as a whole and that selecting portions of the analyses and of the factors considered, without considering all factors and analyses, could create an incomplete or misleading view of the processes underlying its opinion.

In view of the wide variety of factors considered in connection with its evaluation of the fairness of the consideration to be paid from a financial point of view, Revolution Partners did not find it practicable to assign relative weights to the factors considered in reaching its opinion. No single company or transaction used in the above analyses as a comparison is identical to Optika or Stellent or the proposed merger. In addition, Revolution Partners may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that this analysis was given greater weight than any other analysis. Accordingly, the ranges of valuations resulting from any particular analysis described above should not be taken to be the view of Revolution Partners with respect to the actual value of Optika. The analyses were prepared solely for purposes of Revolution Partners providing an opinion as to the fairness of the consideration to be received by the stockholders of Optika, from a financial point of view, and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold, which are inherently subject to uncertainty.

In connection with its analyses, Revolution Partners made, and was provided by Optika's management, numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond Optika's or Stellent's control. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, and are based upon numerous factors or events beyond the control of Optika, Stellent, or their advisors, none of Optika, Stellent, Revolution Partners, or any other person assumes any responsibility if future results or actual values are materially different from these forecasts or assumptions.

As described above, Revolution Partners' opinion and presentation were among the many factors that the board of directors of Optika took into consideration in making its determination to approve, and to recommend that Optika's stockholders approve, the merger agreement and the merger.

Pursuant to the terms of the aforementioned engagement letter, Optika agreed to pay to Revolution Partners a customary financial advisory fee, a substantial portion of which will be received upon the consummation of the merger. The board of directors of Optika was aware of this fee structure and took it into account in considering Revolution Partners' opinion and in approving the merger. Optika is to pay Revolution Partners a customary, nonrefundable fee upon the rendering of its opinion. Optika has also agreed to reimburse Revolution Partners for its reasonable out-of-pocket expenses and to indemnify Revolution Partners, its affiliates, and their respective, directors, officers, agents, consultants, employees and controlling persons against specific liabilities, including liabilities under the federal securities laws.

Optika selected Revolution Partners to act as its financial advisor in connection with the merger based on Revolution Partners' experience, expertise and reputation, and its familiarity with Optika's business. Revolution Partners is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, private placements and valuations for corporate and other purposes.

**Table of Contents**

**Interests of Directors and Executive Officers of Optika in the Merger**

In considering the recommendations of the Optika board of directors regarding the Optika merger proposals, Optika stockholders should be aware that the directors and officers of Optika have interests in the merger that differ from those of other stockholders of Optika, as described below. The Optika board of directors was aware of these matters and considered them in approving the Optika merger proposals and recommending that the Optika stockholders approve the merger and the merger agreement, and the amendment to the certificate of designation.

***Voting Agreements***

In connection with the merger agreement, each of the directors and officers of Optika entered into a voting agreement with Stellent and STEL Sub, Inc. in which he has agreed, among other things, to vote all shares of Optika common stock beneficially owned by him in favor of, among other things, the merger agreement and the merger, and the amendment to the certificate of designation, and against other acquisition proposals.

***Management Employment Agreements***

Mr. Rupert, the Chairman of the Board and Chief Executive Officer of Optika, entered into an employment agreement with Optika on October 15, 2003, which provides that, if he is involuntarily terminated without cause within an eighteen month period following a change of control of Optika, he would be entitled to receive severance payments equal to the greater of (i) \$672,000 or (ii) 33 months of his then-current base salary, 70% of which would be payable on the date his employment terminated and 30% of which would be payable on the first anniversary of his termination date. In addition, Mr. Rupert would be entitled to continuing health benefits paid by Optika during the twelve-month period following the termination date and he would be treated as in service to Optika during such period so any and all stock options held by him would continue to vest and would not have to be exercised. Mr. Rupert is subject to a noncompetition and nonsolicitation agreement for the twelve-month period following the termination of his employment under circumstances where he would be entitled to receive the foregoing compensation. A change in control under Mr. Rupert's employment agreement includes the consummation of a merger or consolidation with another company, and would include the proposed merger between Stellent and Optika described in this document.

In connection with the execution of the merger agreement, Mr. Rupert entered into a new employment agreement with Stellent, effective upon the closing of the merger, that amends, supercedes and replaces the Optika employment agreement in all respects. We have attached a copy of Mr. Rupert's employment agreement as Annex J and we encourage you to read it in its entirety. Under the Stellent employment agreement, Mr. Rupert will serve as Executive Vice President of Operations of Stellent. The salary and benefits provided to Mr. Rupert under the Stellent employment agreement are substantially similar to the Optika employment agreement, except that at the effective time of the merger Mr. Rupert will receive a grant of (i) options to purchase 200,000 shares of Stellent common stock that will vest ratably over a three-year period and (ii) options to purchase 50,000 shares of Stellent common stock that will vest one year following the effective time of the merger if certain performance objectives are achieved or, if not achieved, on the ninth anniversary of the effective date of the merger. During the initial twelve months of the Stellent employment agreement, Mr. Rupert will receive no severance payments if he voluntarily terminates his employment with Stellent. After twelve months, but prior to the eighteen month anniversary of the Stellent employment agreement, Mr. Rupert may terminate his employment with Stellent and receive, as a severance payment from Stellent, a lump sum amount equivalent to his monthly base salary for 33 months less the number of months he was actually employed by Stellent. In addition, Mr. Rupert would be entitled to continuing health benefits paid by Stellent during the twelve-month period following the termination date and any and all stock options held by him at the time of the merger will become fully vested, and could be exercised during the twelve-month period following the termination date, during which time any additional grants of Stellent options at or subsequent to the effective time of the merger would continue to vest. If at any time during the eighteen-month term of the Stellent employment agreement, Mr. Rupert terminates his employment with Stellent with good reason (defined in

**Table of Contents**

the Stellent employment agreement as (i) any material diminution in Mr. Ruport's duties, responsibilities or authority, (ii) any material reduction in his level of compensation or (iii) any request or requirement that he relocate outside of Colorado Springs), or Stellent terminates Mr. Ruport's employment without cause, Mr. Ruport would receive from Stellent, as a severance payment, a lump sum amount equivalent to his monthly base salary for 33 months and the other severance benefits that he otherwise would have been entitled to receive if he had terminated his employment with Stellent after twelve months, but prior to the eighteen-month anniversary of the Stellent employment agreement. Following the eighteen-month term of the new Stellent employment agreement, Stellent is required to make a good faith offer to enter into a new employment agreement with Mr. Ruport with terms substantially similar to those employment agreements currently existing with other members of Stellent's management team. The failure to offer Mr. Ruport continued employment under such an agreement would also permit Mr. Ruport to terminate his employment with Stellent and receive the severance pay and other severance benefits that he otherwise would have been entitled to receive if he had terminated his employment with Stellent after twelve months, but prior to the eighteen-month anniversary of the Stellent employment agreement. Mr. Ruport will receive no severance payments if Stellent terminates his employment for cause at any time during the term of the Stellent employment agreement. Mr. Ruport will be subject to a non-competition and non-solicitation agreement for the twelve-month period following his termination under circumstances where he is eligible to receive the aforementioned severance payments, and Stellent may elect to impose a twelve-month non-competition period on Mr. Ruport in circumstances where he is not entitled to receive any severance payments by paying him an additional \$50,000.

Mr. Johnson, the Executive Vice President, Chief Financial Officer and Secretary of Optika, entered into an employment agreement with Optika on October 15, 2003 similar in all material respects to Mr. Ruport's employment agreement with Optika, except that upon the involuntary termination of his employment following a change in control of Optika, Mr. Johnson will be entitled to receive the greater of (i) \$448,000 or (ii) 33 months of his then-current base salary. As in the case of Mr. Ruport, Mr. Johnson would be entitled to continuing health benefits paid by Optika during the twelve month period following the termination date and he would be treated as "in service" to Optika during such period so any and all stock options held by him at the time of the merger will become fully vested, and would not have to be exercised. Mr. Johnson will be subject to a non-competition and non-solicitation agreement for the twelve-month period following the termination of his employment under circumstances where he is eligible to receive the aforementioned severance benefits. Mr. Johnson is expected to resign from the combined company following an as yet undetermined transition period under circumstances that would entitle him to receive all of the severance benefits provided by his employment agreement with Optika.

***Acceleration of Stock Options***

Under the Optika 1994 Stock Option/ Stock Issuance Plan, the Optika 2000 Non-Officer Stock Incentive Plan, and the Optika 2003 Equity Incentive Plan, if any option holder is involuntarily terminated other than for "misconduct" (as such term is defined under the terms of the applicable plan) within an eighteen-month period following the closing of the merger, the awards granted to that individual under the plan are accelerated in full and becomes 100% vested. As a result of the operation of these provisions, as well as provisions in the 1994 plan governing the automatic vesting upon a change of control with respect to formula stock option grants to Optika's non-employee directors, all options issued to the non-employee directors of Optika are expected to vest in full at or within a short period of time following the effective time of the merger since, according to the terms of the merger agreement, none of such individuals will remain as continuing directors of Optika.

***Post-Merger Board Membership***

As of the effective time of the merger, it is expected that Alan B. Menkes will be appointed to serve on the board of directors of Stellent. Mr. Menkes will be eligible to receive non-employee director compensation in the same manner as the other outside directors of Stellent.



## **Table of Contents**

### ***Indemnification***

The merger agreement provides that, after the effective time of the merger, to the extent not covered by insurance and as permitted by law, Stellent shall, or shall cause the surviving corporation to, indemnify and hold harmless persons who were directors or officers of Optika prior to the effective time of the merger against all liabilities or losses arising out of or in connection with any claim, demand, action, suit, proceeding or investigation based or arising in whole or in part out of the fact that the person was a director or officer of Optika (whether or not relating to any matter existing or occurring at or prior to the effective time of the merger and whether or not asserted or claimed prior to, at or after the effective time of the merger), including, to the extent not prohibited by law, indemnification for negligent acts or omissions by an indemnified person. In addition, Stellent has agreed to cause the surviving corporation to fulfill and honor all obligations of Optika under any indemnification agreements between Optika and its directors and officers and the indemnification provisions of Optika's certificate of incorporation and bylaws as in effect immediately before the merger. Stellent also agreed not to permit the surviving corporation to merge or consolidate with any other person unless the surviving corporation will ensure that the surviving or resulting entity assumes the indemnification obligations in the merger agreement.

Stellent has agreed to maintain in effect, or cause the surviving corporation to maintain in effect, for a period of six years after the effective time of the merger if available, directors' and officers' liability insurance covering those persons who are covered by Optika's directors' and officers' liability insurance policy as of immediately prior to the effective time of the merger on terms no less favorable to those persons than those of Optika's existing directors' and officers' liability insurance policy. However, neither Stellent nor the surviving corporation, as the case may be, is required to expend an amount in excess of \$850,000 in the aggregate over the duration of the six-year tail period.

### ***Transfers Under Rule 144***

The issuance of Stellent common stock in connection with the merger will increase the number of shares of Stellent's outstanding common stock and is expected to result in greater share trading volume, which will affect the Rule 144 volume limitations that apply to affiliates of the combined company and former affiliates of Optika. This increase in the number of shares of Stellent's outstanding common stock may facilitate broader transfers of shares by affiliates.

As a result of these interests, Optika's directors and officers may have reasons for voting to adopt the merger agreement and approve the merger, and the required certificate amendment, that are not the same as your interests. Optika stockholders should consider whether these interests may have influenced these directors and officers to support or recommend the offer and the merger, and the amendment to the certificate of designation.

### **Accounting Treatment**

The merger will be accounted for as a purchase for financial reporting purposes. After the completion of the merger, the results of operations of Optika will be included in the consolidated financial statements of Stellent. The purchase price will be allocated to the acquired assets and liabilities based on their fair values. Any excess of cost over the fair value of the net tangible and identifiable intangible assets of Optika acquired will be recorded as goodwill. No amortization expense will be recognized for the goodwill generated as a result of the merger, although such goodwill will be subject to periodic reviews for impairment. A final determination of the intangible asset lives and required purchase accounting adjustments, including the allocation of the purchase price to the assets acquired and liabilities assumed based on their respective fair values, has not yet been made. Accordingly, the purchase accounting adjustments made in connection with the development of the unaudited pro forma financial information appearing elsewhere in this joint proxy statement/prospectus are preliminary and have been made solely for purposes of developing the unaudited pro forma financial information. For financial reporting purposes, the results of operations of Optika will be included in Stellent's statement of operations following the effective time of the merger and Stellent's historical statements of operations will not be restated.

**Table of Contents**

**Material United States Federal Income Tax Consequences of the Merger**

The following discussion summarizes the material United States federal income tax consequences of the merger to holders of Optika common stock and preferred stock, who are referred to as holders, and to Stellent and Optika. The discussion is based on the current provisions of the Internal Revenue Code, permanent and temporary Treasury regulations, interpretive rulings of the Internal Revenue Service and court decisions, all of which are subject to change at any time, possibly with retroactive effect. Any such change could affect the continuing validity of this summary.

Holders should be aware that this discussion does not deal with all United States federal income tax considerations that may be relevant to them in light of their particular circumstances. For example, the discussion may not be applicable to insurance companies, tax-exempt organizations, financial institutions, mutual funds or those who are not United States persons for United States federal income tax purposes. Others with special considerations include those who are subject to the alternative minimum tax provisions of the Internal Revenue Code, who acquired their shares in connection with stock options or in other compensatory transactions, who hold shares in a hedging transaction or as part of a straddle or conversion transaction, who have a functional currency other than the United States dollar, who are dealers in securities, who are traders in securities that elect to use a mark-to-market method of accounting, who hold Optika stock options to be assumed by Stellent in the merger, who hold Optika common stock or preferred stock as qualified small business stock under the Internal Revenue Code or who are members of a partnership for United States federal income tax purposes that holds Optika common stock or preferred stock. In addition, the following discussion does not address the tax consequences of the merger under foreign, state, local and other tax laws. This discussion assumes that the Optika common stock or preferred stock is a capital asset in the hands of the holder. Furthermore, this discussion assumes that a holder holds either Optika common stock or preferred stock, but not both.

**Accordingly, holders are urged to consult their own tax advisers with respect to the specific tax consequences of the merger to them, in view of their particular circumstances.**

Neither Stellent nor Optika will request a ruling from the Internal Revenue Service in connection with the merger. The merger agreement provides that the obligation of Optika and Stellent to complete the merger is subject to the receipt of a written opinion from their respective special tax counsel generally to the effect that the merger will constitute a reorganization under Section 368(a) of the Internal Revenue Code. The condition regarding the receipt of the tax opinions may be waived, but neither Optika nor Stellent has any current intention to do so.

The tax opinions will not bind the Internal Revenue Service or any court, and the Internal Revenue Service may assert a contrary position, which could be sustained. The tax opinions will be subject to assumptions and qualifications, including the truth and accuracy of representations made by Optika and Stellent in certificates to be delivered to special tax counsel.

Subject to the limitations and qualifications referred to in this section and assuming that the merger will constitute a reorganization under Section 368(a) of the Internal Revenue Code, the merger generally will result in the following United States federal income tax consequences:

A holder of Optika common stock generally will not recognize gain or loss with respect to shares of Stellent common stock received in the merger.

The tax basis of the Stellent common stock, including any fractional share that is deemed to be issued, received by a holder of Optika common stock will be equal to the tax basis of the Optika common stock surrendered in the merger.

A holder of Optika preferred stock receiving solely cash in the merger generally will recognize a gain or loss equal to the difference between the cash received in the merger and such holder's tax basis in such holder's Optika preferred stock.

If a holder of Optika preferred stock receives not only cash but also shares of Stellent common stock in the merger, the holder generally will recognize gain, but not loss, equal to the lesser of the gain realized or the cash received in the merger, other than cash received in lieu of a fractional

**Table of Contents**

share. The gain realized will equal the excess of the fair market value of the total consideration received over such holder's tax basis in such holder's Optika preferred stock.

The tax basis of any Stellent common stock received by a holder of Optika preferred stock, including any fractional share that is deemed to be issued, will be equal to the tax basis of the Optika preferred stock surrendered in the merger, decreased by the cash received in the merger and increased by the amount of gain recognized as a result of the merger.

The holding period of the Stellent common stock received by a holder will include the holding period for the Optika common stock or preferred stock exchanged therefor.

A holder who receives cash in lieu of a fractional share of Stellent common stock will be treated as having received such fractional share in the merger and then as having received cash in exchange for a redemption of such fractional share. As a result, the holder generally will recognize a gain or loss equal to the difference between the amount of cash received in lieu of the fractional share and the holder's tax basis in the fractional share treated as having been redeemed.

If a holder acquired different blocks of Optika common stock or preferred stock at different times and at different prices, any gain or loss the holder recognizes will be determined separately with respect to each block of Optika common stock or preferred stock, and the cash and Stellent common stock the holder receives will be allocated pro rata to each such block of stock.

A holder who perfects appraisal rights generally will recognize gain or loss equal to the difference between the amount of cash received, other than any amounts treated as interest, and the holder's tax basis in such holder's common stock or preferred stock.

In general, the gain or loss recognized by a holder in the merger described above will be capital gain or loss, and long-term capital gain or loss if such holder has held his, her or its Optika common stock or preferred stock for more than one year on the effective date of the merger. However, to the extent of applicable current and accumulated earnings and profits, if any, the gain could be treated as ordinary dividend income, generally taxed to individuals at a maximum United States federal income tax rate of 15%, rather than as capital gain if (i) such holder is a significant holder of Stellent common stock or (ii) if taking into account certain constructive ownership rules, such holder's percentage ownership in Stellent after the merger is not less than what the holder's percentage ownership would have been if the holder received Stellent common stock rather than cash in the merger. This could happen, for example, because of the holder's purchase of additional shares of Stellent common stock, a purchase of Stellent common stock by a person related to the holder, or a share repurchase by Stellent from other Stellent shareholders. In addition, other factors, such as the number of Optika stockholders who perfect appraisal rights, may also affect the determination of whether a holder's gain is taxed as ordinary dividend income. Because the possibility of dividend treatment may depend upon each holder's particular circumstances, including the application of certain constructive ownership rules, each holder should consult the holder's own tax advisers regarding the potential tax consequences of the merger to the holder.

Certain noncorporate holders may be subject to backup withholding at a 28% rate on reportable payments received in exchange for Optika common stock or preferred stock. Backup withholding generally will not apply, however, to a holder who furnishes a correct taxpayer identification number and certifies, under penalties of perjury, that such number is correct and that he or she is not subject to backup withholding on the substitute Internal Revenue Service Form W-9 included in the enclosed letter of transmittal, or is otherwise exempt from backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a holder's United States federal income liability, provided such holder provides the required information to the Internal Revenue Service.

Gain or loss generally will not be recognized by Stellent, STEL Sub, or Optika as a result of the merger.

Notwithstanding the foregoing, there is a risk, based on Internal Revenue Service Revenue Ruling 73-233, 1973-1 C.B. 179, and Revenue Ruling 79-10, 1979-1 C.B. 140, that even if the Internal Revenue

**Table of Contents**

Service agrees that the merger qualifies as a reorganization under Section 368(a) of the Internal Revenue Code, the Internal Revenue Service will contend that the consideration that is paid pursuant to the merger should not be allocated as it is actually paid to the holders, but rather should be allocated to each holder in accordance with his, her or its interests in Optika prior to the adoption of the amendment to the certificate of designation of the Optika preferred stock, pursuant to which the stated liquidation preference of the Optika preferred stock will be terminated. Under this theory, the amounts received by the holders of Optika common stock would be considered to have been received in two separate transactions. In the first transaction, the holders of Optika common stock would be deemed to have received their pro rata share of the merger consideration to which they would have been entitled prior to the adoption of the amendment, and in the second transaction, the holders of Optika common stock would be treated as having received from the holders of the Optika preferred stock the merger consideration that they actually receive that is in excess of such pro rata share. Based on the terms of the merger agreement, under this theory, a maximum of \$12.5 million worth of shares of Stellent common stock, in the aggregate, could be treated as having been received by the holders of Optika common stock from the holders of the preferred stock and as constituting income. Such income would presumably be treated as ordinary income taxable at ordinary income tax rates, rather than capital gain.

Also, under this theory, the holders of the Optika preferred stock may be deemed to have received shares of Stellent common stock in the merger with a maximum value of \$12.5 million and as having transferred such shares to the holders of the Optika common stock. If the holders of the Optika preferred stock receive only cash in the merger, the deemed receipt of Stellent common stock under this theory generally should not result in adverse United States federal income tax consequences to them. By contrast, if the holders of the Optika preferred stock actually receive both Stellent common stock and cash in the merger, the holders may be treated, under this theory, as disposing of the additional shares of Stellent common stock deemed received to the holders of Optika common stock at the fair market value of such stock. As a result, a holder of Optika preferred stock may recognize gain or loss on the deemed disposition equal to the difference between the fair market value on the effective date of such holder's portion of such Stellent common stock and the holder's tax basis in such portion, although the holder may also be permitted to increase his, her or its tax basis in the Optika common stock actually received in the merger by such fair market value.

It is not certain that the Internal Revenue Service would take the positions described above or that if it did, it would prevail. Holders are urged to consult with their tax advisers regarding this matter.

If the merger fails to qualify as a reorganization under Section 368(a) of the Internal Revenue Code, each holder would recognize a taxable gain or loss with respect to his, her or its Optika common stock or preferred stock surrendered equal to the difference between the holder's tax basis in such shares and the sum of the cash, if any, and the fair market value, as of the effective date of the merger, of the Stellent common stock, if any, received in exchange for Optika stock. In general, such gain or loss would be capital gain or loss. However, if the treatment described above, based on Internal Revenue Service Revenue Ruling 73-233, 1973-1 C.B. 179, and Revenue Ruling 79-10, 1979-1 C.B. 140, were to apply, the portion of the merger consideration that the holders of Stellent common stock were deemed to receive from the holders of Optika preferred stock would presumably constitute ordinary income taxable at ordinary income tax rates, and not capital gain. A holder's aggregate tax basis in the Stellent common stock actually received would equal its fair market value on the effective date and the holder's holding period for that stock would begin on the day after the effective date of the merger. In addition, Optika would be treated as if it had made a taxable sale or exchange of its assets.

Each holder who participates in the merger will be required to incorporate in the holder's federal income tax return for the taxable year that includes the effective date of the merger a complete statement of facts relating to the merger and to retain permanent records showing the holder's tax basis in the Optika common stock or preferred stock exchanged in the merger and the amount of Stellent common stock and cash received therefor.

**The preceding discussion is not a complete analysis of all potential tax effects relevant to the merger. Holders are urged to consult their own tax advisers as to the specific tax consequences of the**

**Table of Contents**

**merger to them, including tax return reporting requirements, the applicability and effect of federal, state, local, and other tax laws, and the effects of any changes in the tax laws.**

**Regulatory Matters**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, known as the HSR Act, if the amount of consideration to be paid by Stellent to the common and preferred stockholders of Optika were valued at \$50 million or more for the entire 45-day period prior to the effective date of the merger, Stellent and Optika would not be allowed to complete the merger until they had furnished information required by the HSR Act to the Antitrust Division of the United States Department of Justice and the Federal Trade Commission and the applicable HSR Act waiting period had expired or been terminated. At any time before or after the effective time of the merger, and notwithstanding that the waiting period has terminated or the merger may have been consummated, the Federal Trade Commission, the Antitrust Division or any state could take such action under the applicable antitrust or competition laws as it deems necessary or desirable. This action could include seeking to enjoin the completion of the merger. Private parties may also institute legal actions under the antitrust laws under some circumstances. Based on the number of shares of common stock of Optika outstanding at January 30, 2004, as long as the price of Stellent's common stock closes below approximately \$9.73 on at least one day during the 45-day period prior to the effective date of the merger Stellent and Optika would not be required to furnish information under the HSR Act or wait for HSR Act waiting period to expire or be terminated.

**Federal Securities Laws Consequences; Stock Transfer Restrictions**

All shares of Stellent common stock received by Optika stockholders in the merger are registered under the Securities Act and will be freely tradable without restriction by people who will not be affiliates of Stellent after the merger or who were not affiliates of Optika on the date of the Optika stockholders meeting. Any of these affiliates may resell the Stellent common stock received by him in the merger only if the shares are registered for resale under the Securities Act or an exemption from registration under the Securities Act is available. Those people may be permitted to effect resales under the safe-harbor provisions of Rule 145 under the Securities Act, or Rule 144 in the case of persons who become affiliates of Stellent, or as otherwise permitted under the Securities Act. People who may be deemed to be affiliates of Optika or Stellent generally include individuals or entities that control, are controlled by, or are under common control with, Optika or Stellent, as applicable, and may include some officers and all directors of that party as well as principal shareholders of Optika or Stellent, as applicable. We recommend that any of those people obtain advice of securities counsel before making any resale.

The merger agreement provides that,

on or before the date of the Optika stockholders meeting, Optika will deliver to Stellent a letter identifying all people who may be deemed to be affiliates of Optika for purposes of Rule 145 under the Securities Act; and

on or before the date of the Optika stockholders meeting, Optika will use reasonable best efforts to cause each of its affiliates to deliver a written agreement to the effect that the affiliate will not offer or sell or otherwise dispose of any shares of Stellent common stock received in the merger in violation of the Securities Act or the rules and regulations under the Securities Act.

This joint proxy statement/ prospectus does not cover resales of Stellent common stock received by any person who may be deemed to be an affiliate of Stellent or Optika.

**Table of Contents****THE MERGER AGREEMENT**

The following is a summary of the material terms of the merger agreement. The complete text of the merger agreement is incorporated by reference and attached as Annex A to this joint proxy statement/ prospectus. We encourage you to read the merger agreement in its entirety. In the event of any discrepancy between the terms of the merger agreement and the following summary, the merger agreement will control.

**Structure of the Merger**

Under the merger agreement, Optika will merge with and into STEL Sub, Inc., a wholly owned subsidiary of Stellent. As a result of the merger, Optika effectively will become a wholly owned subsidiary of Stellent.

**Closing; Effective Time**

The merger will become effective when we file a certificate of merger with the Secretary of State of the State of Delaware. However, we may agree to a later effective time and specify that time in the certificate of merger. We expect to file the certificates of merger and to complete the merger shortly after the shareholders meetings of Stellent and Optika, assuming the shareholders of both companies approve the merger and the other conditions in the merger agreement are satisfied or waived. See Conditions to the Completion of the Merger on page 82 for a discussion of these conditions.

**Conversion of Optika Common Stock in the Merger**

Upon completion of the merger, Optika common stockholders who do not perfect appraisal rights under Delaware law will be entitled to receive for each share of Optika common stock, 0.44 of a share of Stellent common stock, subject to adjustment based on the average closing price of a share of Stellent common stock during the ten consecutive trading days ending on, and including, the third trading day before the closing date of the merger. If the value of 0.44 of a share of Stellent common stock, based on the average closing price during that period, is greater than \$4.00, a portion of the shares of Stellent common stock that otherwise would have been issued to holders of Optika common stock instead will be allocated to holders of the Optika preferred stock. If any shares of Stellent common stock are allocated to the holders of the Optika preferred stock, the total number of shares so allocated, will be equal to:

the number of outstanding shares of Optika common stock multiplied by the difference between the value of 0.44 of a share of Stellent common stock and \$4.00, multiplied again by 20%; divided by

the average closing price of a share of Stellent common stock during the ten consecutive trading days ending on, and including, the third trading day before the closing date of the merger.

For example, if the 10-day average closing price for Stellent common stock for the relevant period were \$12.00, the value of 0.44 of a share of Stellent common stock would be \$5.28 for purposes of calculating the allocation of Stellent common stock to holders of the Optika preferred stock. If there were 9.3 million shares of Optika common stock outstanding at the effective time of the merger, the total number of shares of Stellent common stock allocated to the holders of the Optika preferred stock would be determined as follows:

$9,300,000 \times (\$5.28 - \$4.00) \times 0.2$	=	$\$2,380,800$	=	$198,400$ shares of Stellent common stock
$\$12.00$		$\$12.00$		

Based on the calculation above, 198,400 shares of Stellent common stock that otherwise would have been issued to the holders of Optika common stock instead would be allocated to the holders of the Optika preferred stock.

If any shares of Stellent common stock that otherwise would have been issued to the holders of Optika common stock are allocated to the holders of the Optika preferred stock, Optika stockholders who



**Table of Contents**

do not perfect appraisal rights under Delaware law will be entitled to receive for each share of Optika common stock, a portion of a share of Stellent common stock equal to:

the product of the number of outstanding shares of Optika common stock multiplied by 0.44, less the number of shares of Stellent common stock allocated to the holders of the Optika preferred stock; divided by

the number of outstanding shares of Optika common stock.

For example, if, based on the assumptions in the earlier example above, 198,400 shares of Stellent common stock were allocated to the holders of the Optika preferred stock and there were 9.3 million shares of Optika common stock outstanding at the effective time of the merger, Optika common stockholders would be entitled to receive 0.41867 of a share of Stellent common stock for each share of Optika common stock, calculated as follows:

$(9,300,000 \times 0.44) - 198,400$	=	$3,893,600$	=	0.41867 of a share of Stellent common stock
$9,300,000$		$9,300,000$		

**Conversion of Optika Preferred Stock in the Merger**

Upon completion of the merger, holders of the Optika preferred stock who do not perfect appraisal rights under Delaware law will be entitled to receive for each share of the Optika preferred stock, \$13.664 in cash (assuming that there continues to be 731,851 shares of Optika preferred stock outstanding as of the effective time of the merger), and in some cases, shares or a portion of a share of Stellent common stock. If the value of 0.44 of a share of Stellent common stock, based on the average closing price of a share of Stellent common stock during the ten consecutive trading days ending on, and including, the third trading day before the closing date of the merger, is greater than \$4.00, a portion of the shares of Stellent common stock that otherwise would have been issued to holders of Optika common stock instead will be allocated to holders of the Optika preferred stock, as described under [Conversion of Optika Common Stock in the Merger](#) above.

If any shares of Stellent common stock that otherwise would have been issued to the holders of Optika common stock are allocated to the holders of the Optika preferred stock, holders of the Optika preferred stock who do not perfect appraisal rights under Delaware law will be entitled to receive for each share of Optika preferred stock, in addition to \$13.664 in cash, shares, or a portion of a share, of Stellent common stock equal to:

the number of shares of Stellent common stock allocated to the holders of the Optika preferred stock (determined as described under [Conversion of Optika Common Stock in the Merger](#) above); divided by

the number of outstanding shares of the Optika preferred stock.

For example, if, based on assumptions and calculations described under [Conversion of Optika Common Stock in the Merger](#) above, 198,400 shares of Stellent common stock were to be allocated to the holders of the Optika preferred stock, and there were 731,851 shares of Optika preferred stock outstanding at the effective time of the merger, holders of those shares would be entitled to receive, in addition to \$13.664 in cash per share, 0.27109 of a share of Stellent common stock for each share of Optika preferred stock.

**Optika Stock Options and Employee Stock Purchase Plan**

Upon completion of the merger, each outstanding Optika stock option will be converted into an option to purchase a number of shares of Stellent common stock that is equal to the product of the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock (as described under [Conversion of Optika Common Stock in the Merger](#) above) multiplied by the number of shares of Optika common stock that would have been obtained before the merger upon the exercise of the option, rounded to the nearest whole share. The exercise price per share will be equal to the exercise price per share of Optika common stock subject to the option before the conversion divided by the ratio at which each outstanding share of Optika common stock will be converted into Stellent common stock,



## **Table of Contents**

rounded to the nearest whole cent. The conversion of incentive stock options will be effected in a manner that is consistent with section 424(a) of the Internal Revenue Code. The other terms of each outstanding Optika option will continue to apply.

Stellent has agreed to file a registration statement on Form S-8 for the shares of Optika common stock issuable with respect to the converted Optika stock options within five business days after the effective time of the merger, and Stellent will maintain the effectiveness of the registration statement for so long as any such converted Optika stock options remain outstanding.

Immediately prior to the completion of the merger, each outstanding purchase right under the Optika 2000 Employee Stock Purchase Plan will automatically be exercised as provided by that plan. The plan will terminate in its entirety upon completion of the merger and there will be no further rights to purchase shares of Optika common stock or Stellent common stock under the plan.

## **Exchange of Certificates**

Promptly upon completion of the merger, Stellent's exchange agent will mail to each Optika stockholder of record a letter of transmittal containing instructions on how to surrender Optika stock certificates in exchange for Stellent stock certificates.

Holders of Optika common stock should not send in their certificates until they receive a letter of transmittal from the exchange agent.

If any Optika stock certificate is lost, stolen or destroyed, an Optika stockholder must provide an appropriate affidavit of that fact. Stellent may require an Optika stockholder to deliver a bond as indemnity against any claim that may be made against Stellent with respect to any lost, stolen or destroyed certificate.

Stellent will not issue any fractional shares in the merger. Instead of issuing fractional shares of Stellent common stock, the holders of shares of Optika capital stock who would otherwise have been entitled to a fraction of a share of Stellent common stock pursuant to the merger agreement will receive cash in an amount equal to the product of the fractional interest of Stellent common stock the Optika stockholder would have been entitled to receive multiplied by the market value of a share of Stellent common stock. No interest will be paid or accrued on cash in lieu of fractional shares, if any. Optika and Stellent currently estimate that not more than \$50,000 in the aggregate will likely be paid to holders of Optika capital stock in lieu of fractional shares.

If, after twelve months from the effective time of the merger, a holder of shares of Optika common stock has not surrendered the stock certificates representing such shares to the exchange agent, then the holder of stock certificates representing Optika common stock may look only to Stellent to receive its shares of Stellent common stock, cash in lieu of fractional shares and any unpaid dividends and distributions on shares of Stellent common stock.

None of Stellent, STEL Sub, Optika or the exchange agent will be liable to any holder of a certificate formerly representing shares of Optika common stock for Stellent common stock, cash in lieu of fractional shares properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

## **Transfer of Shares**

The stock transfer books of Optika will be closed immediately upon the completion of the merger and no transfers of shares of Optika common stock will be made or recorded on the stock transfer books after the completion of the merger.

## **Representations and Warranties**

The merger agreement contains customary reciprocal representations and warranties by each of us to the other relating to:

corporate organization, standing, and qualification;

capitalization;



**Table of Contents**

authorization, execution, and enforceability of the merger agreement;

whether entering into the merger agreement will conflict with our charter or bylaws, require consents or governmental approvals, or violate any laws, regulations or existing agreements;

documents filed by each of us with the SEC, including financial statements, and the disclosure of liabilities;

the accuracy of information supplied by the parties in connection with the registration statement and this joint proxy statement/ prospectus;

the absence of material changes or events;

tax matters;

owned property;

material contracts;

intellectual property matters;

litigation;

compliance with applicable laws, and permitting and licensing requirements;

brokers and finders fees with respect to the merger;

employee benefit plans;

environmental matters;

insurance;

opinions of financial advisors;

related-party transactions;

the voting agreements entered into in connection with the merger;

approval of the merger by our boards of directors;

in the case of Optika, the amendment of its rights agreement to exempt the merger;

in the case of Optika, its bank accounts; and

in the case of Optika, the employment and non-compete agreement between Stellent and Mark K. Rupert.

The representations and warranties contained in the merger agreement are subject to materiality qualifications in many respects, and they do not survive the merger.

**Conduct of Business**

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During the period from the date of the merger agreement to the consummation of the merger, each of us must comply with agreements relating to the conduct of our respective businesses, except as otherwise permitted by the merger agreement or as consented to by the other party.

Each of us has agreed that we will:

use our reasonable best efforts to preserve our assets, technology, and business organizations and to maintain our respective rights and franchises;

use our reasonable best efforts to keep available the services of our officers and key employees;

use our reasonable best efforts to maintain our existing relationships with customers, suppliers, and others having significant business relationships with us; and

conduct our business and operations in the ordinary and usual course consistent with past practice.

**Table of Contents**

The merger agreement prohibits each of us, except as otherwise permitted by the merger agreement or as consented to by the other party, from taking specific actions, including:

making any changes in our equity capital structure;

purchasing any shares of our capital stock, with specific permitted exceptions, or any options to purchase our capital stock or any securities convertible into our capital stock;

declaring any dividend or making any other distribution with respect to shares of our capital stock;

amending our organizational documents;

leasing, encumbering or otherwise disposing of our assets, except in the ordinary course of business consistent with past practice;

changing or modifying existing accounting methods, principles, or practices, other than as required by generally accepted accounting principles; or

taking or omitting to take actions that would be reasonably likely to result in any of the conditions to the merger not being satisfied, or preventing, materially delaying, or materially impeding the consummation of the merger, with specified permitted exceptions.

In addition, Optika is prohibited from taking the following actions, except as permitted by the merger agreement or as consented to by Stellent:

issuing shares of Optika capital stock or options to purchase its capital stock or securities convertible into its capital stock, with specified permitted exceptions, or designating any class or series of capital stock from its authorized but undesignated preferred stock;

purchasing capital assets or making capital expenditures, with specified permitted exceptions;

purchasing any business or the stock of any corporation, or merging or consolidating with any person;

incurring, assuming, or guaranteeing indebtedness for money borrowed, with specified permitted exceptions;

entering into new benefit plans or programs or severance or employment agreements;

granting increases in compensation or benefits to employees, officers, or directors, except as required by existing agreements or in the ordinary course of business consistent with past practice;

entering into or negotiating collective bargaining agreements, except as required by law;

entering into or adversely modifying material contracts;

paying or satisfying any material claims, with specified permitted exceptions;

releasing, granting, or transferring rights of material value, other than in the ordinary course of business consistent with past practice;

entering into agreements or arrangements with affiliates, other than Optika's wholly owned subsidiaries;

relinquishing material contractual or other rights or claims, with specified permitted exceptions; or

knowingly disposing of or permitting to lapse any of Optika's material proprietary rights, with specified permitted exceptions.

Also, Stellent is prohibited from taking the following actions, except as permitted by the merger agreement or as consented to by Optika:

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purchasing any material business or a material amount of assets or stock of any corporation, or merging or consolidating with any person;

knowingly taking any action that would result in a failure to maintain trading of Stellent's common stock on the Nasdaq National Market; or

## **Table of Contents**

issuing or entering into an agreement to issue, a material amount of debt or equity securities in any transaction that would be reasonably likely to materially delay the closing of the merger.

Each of us has also agreed that we will not, other than in the ordinary course of business consistent with past practice, make any material tax election or settle or compromise any tax liability, and that we will notify each other of any request to extend the time to file any of our tax returns.

In addition, we have each agreed to use reasonable efforts to obtain any third-party consents necessary to consummate the merger, and to notify each other of the failure to obtain any necessary consents.

## **Additional Agreements**

*Board of Directors Covenant to Recommend* Optika has agreed that its board of directors will recommend approval of the merger agreement, the merger and the amendment to the certificate of designation, by the Optika stockholders and will use its reasonable best efforts to solicit proxies in connection with the Optika stockholders meeting in favor of the Optika merger proposals. However, Optika's board need not recommend approval of the Optika merger proposals nor need it solicit those proxies if Optika has received a superior acquisition proposal and the board determines that it wishes to recommend approval of the superior acquisition proposal. The concept of a superior acquisition proposal is explained below under *No Solicitation*.

Stellent has agreed that its board of directors will recommend approval by shareholders of Stellent of the issuance of common stock in the merger and will use its reasonable best efforts to solicit proxies in connection with the Stellent shareholders meeting in favor of approval of the stock issuance.

*No Solicitation.* Optika may not, and may not permit any of its officers, directors, financial advisors, or other agents or representatives to, take any action to solicit any third-party acquisition offer. In the merger agreement, we define a third-party acquisition offer as any offer to:

acquire any shares of capital stock of Optika or its subsidiaries;

merge or consolidate with Optika or any of its subsidiaries; or

otherwise acquire, except to the extent not prohibited by the merger agreement, any significant portion of the assets of Optika and its subsidiaries, taken as whole.

If Optika receives such a third-party acquisition offer, Optika and its officers, directors, financial advisors, or other agents or representatives, may, directly or indirectly:

engage in discussions or negotiations concerning the offer;

disclose non-public financial information, or any confidential or proprietary trade or business information, relating to Optika;

afford access to its properties, books or records; or

otherwise cooperate in any way with any person or group that it has reason to believe is considering a third-party acquisition offer; only if Optika has received from the offeror an executed confidentiality agreement that is no less favorable to Optika than the Mutual Non-Disclosure Agreement dated September 21, 2003, between Optika and Stellent, and Optika must provide to Stellent all information provided to the offeror on a substantially concurrent basis and, before entering into discussions with such an offeror, the Optika board determines in good faith, after consulting with its outside legal counsel and financial advisor, that the offer is reasonably likely to be more favorable to Optika's stockholders than the merger with Stellent and that financing, to the extent required, is committed or, in the good-faith judgment of Optika's board, is reasonably capable of being obtained by the offeror. We sometimes refer to a third-party acquisition offer that meets this requirement as a superior acquisition proposal.

Optika also has agreed to advise Stellent promptly of any third-party acquisition offer or any inquiry or request for information that Optika reasonably believes could lead to or contemplates a third-party acquisition offer and the terms and conditions of any offer, including the identity of the person making the





## **Table of Contents**

offer, request or inquiry. Optika is required to keep Stellent informed in all material respects of the status and details of any third-party acquisition offer.

Optika also has agreed not to release any party from, or waive any provision of, any standstill agreement or any confidentiality agreement between it and another person who has made, or who is reasonably likely to make, a third-party acquisition offer, unless its board of directors determines in good faith, after consultation with its outside legal counsel, that the action is necessary for it to comply with its fiduciary duties under Delaware law. Optika is not required to refuse a request from any person who has signed a standstill agreement with Optika to make a third-party acquisition offer to the Chief Executive Officer or the board of directors of Optika if the board of directors determines in good faith, after consultation with its outside legal counsel, that the action is necessary for it to comply with its fiduciary duties under Delaware law.

*Employee Benefit Arrangements.* Stellent has agreed that, following the consummation of the merger, for purposes of determining eligibility, vesting, and entitlement to vacation and severance benefits for employees actively employed full time by Optika or its subsidiaries before the merger, all active Optika employees employed full time by Stellent or its subsidiaries after the merger will receive credit for all pre-merger service with Optika or any subsidiary under any compensation, severance, welfare, pension, benefit, or savings plan of the surviving company, Stellent, or any of its subsidiaries.

*Indemnification and Insurance.* Stellent has agreed that all rights to indemnification, expense advancements, and exculpation existing in favor of present or former directors, officers, or employees of Optika or any of its subsidiaries under the charter, bylaws, or similar organizational documents of Optika or any of its subsidiaries or by law as in effect on the date of the merger agreement will continue in effect for a period of at least six years after the effective time of the merger. Stellent has also agreed, for at least six years following the merger, to cause the surviving company to maintain in effect either:

the current policy of directors and officers liability insurance maintained by Optika with respect to claims arising from facts or events that occurred at or before the merger; or

a run-off policy or endorsement with respect to the current policy maintained by Optika for claims asserted within six years after the merger arising from facts or events that occurred at or before the merger.

However, if the amount of the insurance coverage required to maintain the current Optika policy exceeds \$850,000 in total for the six-year period after the effective date of the merger, Stellent is required to maintain or provide only the most advantageous policies obtainable for a total premium equal to \$850,000 for the six-year period after the effective date of the merger. In each case, the policy will name as insureds all present and former directors and officers of Optika and its subsidiaries.

*Satisfaction of Conditions to the Merger; Notification.* Each of us has agreed to use our reasonable efforts to take all actions necessary or advisable under applicable laws and regulations to complete the merger, including using reasonable efforts to cause the conditions precedent set forth under Conditions to the Completion of the Merger below to be satisfied.

*Listing of Stellent Common Stock.* Stellent is required to prepare and submit a listing application with respect to the shares of Stellent common stock to be issued in connection with the merger and to use reasonable efforts to obtain approval for the listing of those shares of Stellent common stock on the Nasdaq National Market System.

*Governance.* Stellent has agreed that, at the closing of the merger, it will appoint Alan B. Menkes as a member of the board of directors of Stellent.

## **Conditions to the Completion of the Merger**

We are required to complete the merger only if the following conditions are met:

Optika stockholders have approved the merger agreement, the merger and the amendment to the certificate of designation, and Stellent shareholders have approved the issuance of Stellent common stock in the merger;

**Table of Contents**

the registration statement, of which this joint proxy statement/ prospectus is a part, is effective under the Securities Act;

the shares of Stellent common stock to be issued in the merger are authorized for listing on the Nasdaq National Market System, subject to official notice of issuance;

all waiting periods, if any, under the HSR Act have expired or been terminated and all material foreign antitrust approvals, if any, have been obtained;

there is no pending litigation or administrative proceeding by any governmental, regulatory or administrative entity requesting an injunction, writ, order, judgment, or decree that is reasonably likely to result in an order that restrains or prohibits the completion of the merger or would have a material adverse effect on the combined company if the merger is completed; and

there is no injunction, writ, order, judgment, or decree directing that any of the transactions contemplated by the merger agreement not be completed.

The conditions described above may be waived by both Stellent and Optika together, to the extent permitted under applicable law.

In addition, the obligations of each party to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of the other party contained in the merger agreement are true and correct in all material respects both as of the date of the merger agreement and immediately before the merger, as if made on the date of the merger;

all obligations and agreements required to be performed and complied with by the other party on or before the date of the merger have been performed and complied with in all material respects;

neither the other party nor any of its subsidiaries having, since the date of the merger agreement, suffered any business interruption, damage or destruction of its properties, or other event that would be reasonably likely to have a material adverse effect on that party and its subsidiaries, taken as a whole;

each party receives an opinion of its counsel to the effect that the matters submitted for approval of the other party's shareholders related to the merger have been duly authorized by all necessary corporate action of the other party; and

each party receives an opinion of counsel to the effect that the merger will be treated as a reorganization for federal income tax purposes.

These conditions may be waived by either Stellent or Optika, as applicable.

Also, the obligations of Stellent to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

no rights have become exercisable under Optika's stockholder rights agreement;

holders of no more than 10% of the issued and outstanding shares of common stock of Optika have taken action to entitle them to demand payment for their shares under the appraisal rights provisions of Delaware law;

Stellent has received all material consents necessary to effect the merger without the breach of any material contract of Optika or the imposition of any encumbrance on any asset of Optika; and

each of the directors of Optika has delivered to Stellent his resignation from the board of directors of the surviving corporation effective as of the date on which the registration statement related to the options issued by Stellent to replace the Optika options assumed pursuant to the merger agreement becomes effective.

Any of these conditions may be waived by Stellent.

For purposes of the merger agreement, a material adverse effect means, with respect to Optika or Stellent, as applicable, a material adverse effect upon the business, assets, results of operations, prospects,

**Table of Contents**

or financial condition of that party and its subsidiaries taken as a whole, or on that party's ability to complete the merger, other than any such effect resulting from:

any change, event, occurrence, or condition generally applicable to the industry in which the party and its subsidiaries operate;

general economic or market conditions;

the public announcement of the merger agreement; or

any disruption of customer, business partner, supplier or employee relationships that result from the announcement of the merger agreement or the consummation of the merger.

**Termination**

We may agree in writing to terminate the merger agreement at any time without completing the merger, even after the shareholders of both companies have approved it. In addition, either of us may terminate the merger agreement if:

the merger has not been completed by May 31, 2004, provided that the failure to complete the merger is not due to the terminating party's failure to comply in all material respects with its obligations under the merger agreement;

any of the conditions set forth above in the first paragraph of the section entitled "Conditions to the Completion of the Merger" become impossible to fulfill on or before May 31, 2004, provided that the condition has not been waived pursuant to the merger agreement and that the failure to fulfill the condition is not due to the terminating party's failure to comply in all material respects with its obligations under the merger agreement;

any of the conditions set forth above in the third paragraph of the section entitled "Conditions to the Completion of the Merger" become, with respect to the other party, impossible to fulfill on or before May 31, 2004, provided that the condition has not been waived pursuant to the merger agreement and that the failure to fulfill the condition is not due to the terminating party's failure to comply in all material respects with its obligations under the merger agreement;

the shareholders of either party fail to approve the merger-related proposals on which they are voting;

the other party's board of directors withdraws or adversely modifies its recommendation that its shareholders vote in favor of the merger-related proposals on which they are voting;

the other party has materially breached any representation, warranty, covenant or agreement materially adversely affecting (or materially delaying) the consummation of the merger and the breach has not been cured within ten business days following written notice from the terminating party; or

there has been a material adverse effect on the other party that has continued unabated for five consecutive business days.

Stellent may terminate the merger agreement if any of the conditions set forth above in the fifth paragraph of the section entitled "Conditions to the Completion of the Merger" become impossible to fulfill on or before May 31, 2004, provided that the condition has not been waived pursuant to the merger agreement and that the failure to fulfill the condition is not due to Stellent's failure to comply in all material respects with its obligations under the merger agreement.

Optika may terminate the merger agreement if, at any time before the Optika special stockholders meeting, the board of directors of Optika approves a transaction other than the merger that it determines is a superior acquisition proposal. However, before terminating the agreement:

Optika must have complied with the provisions of the merger agreement relating to not soliciting alternative proposals to acquire Optika discussed under "Additional Agreements - No Solicitation," above;

## **Table of Contents**

Optika's board must have determined in good faith, after consultation with its outside legal counsel and financial advisors, that consideration of the superior acquisition proposal and termination of the merger agreement is necessary to comply with its fiduciary duties; and

Optika must have provided Stellent with five business days' prior notice of its intention to enter into an alternative transaction, during which time Stellent may make any adjustments to the terms and conditions of the merger agreement that would enable Optika to proceed with the merger.

The notice of termination will not be effective if Stellent submits to Optika, within this five-day period, a legally binding offer to enter into an amendment to the merger agreement within the five-day period, unless the Optika board of directors determines in good faith, after consultation with its advisors, that Stellent's proposed amendment is not as favorable to Optika's stockholders as the alternative transaction.

*Termination Fee and Expenses.* Optika has agreed that it will pay Stellent a \$1.6 million termination fee and reimburse up to \$750,000 of Stellent's out-of-pocket expenses incurred in connection with the merger agreement if:

Stellent terminates the agreement as a result of the Optika board of directors having withdrawn or adversely modified its recommendation of approval of the merger agreement and the merger;

Optika terminates the merger agreement in order to enter into an alternative transaction under the circumstances described in the second paragraph under "Termination," above; or

if the following conditions occur:

an alternative transaction is proposed to Optika and becomes publicly known before the termination of the merger agreement,

either party terminates the merger agreement as a result of the merger not having been completed by May 31, 2004, the conditions to the completion of the merger become impossible to fulfill on or before May 31, 2004 (with limited exceptions), or the shareholders of either party having failed to approve merger agreement and the merger, and

within six months after termination, Optika enters into an agreement with respect to or completes an alternative transaction with a third-party.

For purposes of determining whether a termination fee will apply, an alternative transaction means:

a transaction in which any third party acquires at least 50% of the outstanding shares of Optika common stock, either by tender offer, exchange offer, or otherwise;

a merger or other business combination in which stockholders other than stockholders of Optika own at least 50% of the surviving entity immediately after the merger; or

any transaction in which a third party acquires assets of Optika having a fair market value equal to at least 50% of all of the assets of Optika and its subsidiaries, taken as a whole.

If the merger agreement is terminated by either party because the other party has materially breached any representation, warranty, covenant or agreement materially adversely affecting (or materially delaying) the consummation of the merger and the breach has not been cured within ten business days following written notice from the terminating party, the terminating party may require the other party to reimburse up to \$750,000 of the terminating party's out-of-pocket expenses incurred in connection with the merger agreement, and the terminating party may seek additional remedies.

## **Expenses**

Whether or not the merger is completed, Optika and Stellent will each pay its own costs and expenses incurred in connection with the merger agreement and the merger, except:

expenses (excluding legal, accounting, and other advisors' fees and expenses) incurred in connection with the filing and printing of the registration statement and the mailing of this joint proxy statement/prospectus will be shared equally by Optika and Stellent with the exception of HSR Act filing fees and expenses which, if any, will be borne entirely by Stellent; and



**Table of Contents**

as otherwise provided in the merger agreement, including the termination provisions described above.

**Amendments**

We may amend the merger agreement at any time before the merger. However, after the Optika stockholders meeting, the amount and form of consideration to be received by Optika stockholders may not be decreased or altered from that provided in the merger agreement without the approval of the Optika stockholders.

**Table of Contents**

**AMENDMENT TO CERTIFICATE OF DESIGNATION**

*The following is a summary of the proposed amendments to the certificate of designation of the Optika preferred stock. Annex I to this joint proxy statement/ prospectus contains the complete text of the amended and restated certificate of designation of the Optika preferred stock, as proposed to be amended by the amendment to the certificate of designation. We urge you to read Annex I in its entirety.*

**General**

The following discussion describes the amendments to the amended and restated certificate of designation of the Optika preferred stock that are being proposed for approval by the Optika stockholders. The purpose of the amendment to the certificate of designation is to ensure that, as of the effective time of the merger, the sole consideration to which the holders of the Optika preferred stock are entitled to receive is as set forth in the merger agreement and as described in this joint proxy statement/ prospectus. In order for the merger to occur, the Optika stockholders must approve the amendment described in this section, sometimes referred to as the amendment to the certificate of designation. Holders of a majority of the Optika preferred stock have already consented to the approval of this proposal as described below under TWCP Written Consent and Voting Agreement.

**Ranking of Preferred Stock**

The amendment to the certificate of designation will cause the Optika preferred stock to rank equal with the common stock with respect to rights upon liquidation, dissolution or winding up.

**Dividends**

The amendment to the certificate of designation will prohibit the payment of any dividends or distributions on any shares of the Optika preferred stock.

**Liquidation Preference**

The amendment to the certificate of designation will cause the Optika preferred stock to have no liquidation preference.

**Voting Rights**

The amendment to the certificate of designation will cause the Optika preferred stock to have no right to vote on any matters to be submitted for stockholder approval, except as required by Delaware law.

**Status of Converted Shares**

The amendment to the certificate of designation will cause all shares of Optika preferred stock that have been converted, purchased, or otherwise acquired by Optika to be retired and cancelled.

**Conversion**

The amendment to the certificate of designation will cause each share of the Optika preferred stock to be convertible at any time and from time to time at the option of the holder into one share of Optika common stock and the procedures for such conversion.





**Table of Contents**

**THE VOTING AGREEMENTS**

*The following is a summary of the material provisions of the voting agreements. The complete text of the voting agreements is incorporated by reference and attached as Annexes B and C to this joint proxy statement/prospectus. We encourage you to read the voting agreements in their entirety.*

As an inducement to Optika to enter into the merger agreement, each of the nine directors and executive officers of Stellent have entered into a voting agreement with Optika under which they have agreed to vote all of the shares of Stellent common stock owned by them in favor of the issuance of Stellent common stock in connection with the merger. These Stellent shareholders own a total of 1 shares of Stellent common stock, representing approximately 1% of the Stellent common stock outstanding as of February 1, 2004.

In addition, as an inducement to Stellent to enter into the merger agreement, eleven Optika stockholders, each a director or officer of Optika, have entered into a voting agreement with Stellent under which they have agreed to vote all of the shares of Optika common stock owned by them in favor of the merger agreement, the merger and the amendment to the certificate of designation. Thomas Weisel Capital Partners, L.P., and certain of its affiliates, in their capacities as holders of Optika preferred stock, also have entered into a written consent and voting agreement under which they have agreed to vote all of the shares of Optika capital stock owned by them in favor of the merger agreement, the merger and the amendment to the certificate of designation. These Optika stockholders own shares of capital stock of Optika equivalent to 1 shares of common stock of Optika for voting purposes (on an as-converted-to-common-stock basis), representing approximately 1% of the voting power of shares of the Optika capital stock outstanding as of February 1, 2004.

Each of these shareholders has agreed that, during the term of the voting agreement, at each meeting of his company's shareholders convened to consider and vote upon the merger-related proposals, the shareholder will vote, to the extent not voted by the person or persons appointed under the proxy granted pursuant to the voting agreement, all shares of capital stock of the company owned of record by the shareholder at the record date in favor of the merger-related proposals. These shareholders have also agreed not to transfer or encumber any of the shares owned by them unless they give the other company prior written notice and the intended transferee agrees in writing to be bound by the voting agreement (or in the case of TWCP, the written consent and voting agreement, without the prior written consent of Optika and Stellent, except if such transfers are to affiliates).

Pursuant to the voting agreements, each of the shareholders granted an irrevocable proxy to certain executive officers of the other company, the power to vote, at any time before the termination of the voting agreement, all shares of common stock owned by the shareholder in accordance with the voting agreement.

**Table of Contents**

**TWCP WRITTEN CONSENT AND VOTING AGREEMENT**

*The following is a summary of the material provisions of the TWCP written consent and voting agreement. The complete text of the TWCP written consent and voting agreement is incorporated by reference and attached as Annex D to this joint proxy statement/prospectus. We encourage you to read the written consent and voting agreement in its entirety.*

In connection with the execution of the merger agreement, Stellent and Optika entered into a written consent and voting agreement with Thomas Weisel Capital Partners, L.P., or TWCP, and certain related entities, which hold as of the date of the joint proxy statement/prospectus approximately 95% of the outstanding shares of Optika's preferred stock. In that agreement, the TWCP entities agreed, among other things, to:

consent to the merger agreement, the merger and the amendment to the certificate of designation, in each case, in accordance with the certificate of designation of the Optika preferred stock, subject to the right of the TWCP entities to approve any amendment to the merger agreement;

vote all of their shares of capital stock of Optika in favor of the merger agreement, the merger and the amendment to the certificate of designation (and the TWCP entities have delivered irrevocable proxies to this effect to Stellent);

exchange their shares of Optika's preferred stock for their pro rata share of \$10 million in cash plus any adjustment shares of Stellent common stock, as calculated pursuant to the merger agreement;

consent to the amendment of the rights and preferences of the Optika preferred stock as set forth in the amendment to the certificate of designation, as well as the termination of the registration rights agreement and certain other agreements relating to the Optika preferred stock; and

refrain from transferring, in any way, the shares of Optika preferred stock held by them without the consent of the Optika and Stellent during the term of the written consent and voting agreement, except to affiliates of the TWCP entities.

The written consent and voting agreement also contains certain representations and warranties of the TWCP entities made to Optika and Stellent as to authority, title and non-contravention. In addition, the TWCP entities have agreed to a non-solicitation clause with respect to any third-party acquisition offer, as described in the merger agreement.

Pursuant to the written consent and voting agreement:

Optika and Stellent have given certain representations and warranties to the TWCP entities;

each of Optika, Stellent and STEL Sub have agreed to indemnify the TWCP entities and their affiliates against any damages suffered by such persons or arising out of:

the performance by such persons of their obligations under the written consent and voting agreement; and

any action, suit or proceeding brought by any stockholder of Optika in connection with the merger; and

Optika has agreed to reimburse the TWCP entities for their fees and expenses incurred in connection with their participation in the negotiation of the merger, regardless of whether the merger agreement is terminated, up to \$100,000 plus 50% of any such fees and expenses in excess of \$100,000, up to a maximum of \$175,000.

**Table of Contents**

Subject to the survival of certain provisions of the written consent and voting agreement, the agreement will terminate automatically upon the earliest to occur of:

the effective time of the merger;

the termination of the merger agreement;

an amendment to the merger agreement made without the consent of TWCP; or

the date on which any representation and warranty made in the written consent and voting agreement by Optika and Stellent becomes untrue in any material respect.

**Table of Contents**

**STELLENT, INC.**

**UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS**

The following unaudited pro forma condensed combined balance sheet combines the December 31, 2003 unaudited consolidated condensed combined balance sheet of Stellent with the December 31, 2003 audited balance sheet of Optika after giving effect to the terms of the merger agreement, under the assumptions set forth in the accompanying notes.

The following unaudited pro forma condensed combined statement of operations for the year ended March 31, 2003 reflect the audited consolidated results of operations of Stellent for the year ended March 31, 2003 with those of Optika for the year ended December 31, 2002 after giving effect to the terms of the merger agreement, under the assumptions set forth in the accompanying notes. In addition, the following unaudited pro forma condensed combined statement of operations for the nine months ended December 31, 2003 reflect the pro forma consolidated results of operations of Stellent for the nine months ended December 31, 2003 with those of Optika for the nine months ended September 30, 2003 after giving effect to the terms of the merger agreement, under the assumptions set forth in the accompanying notes. The pro forma statements of operations give effect to the merger as if it occurred at the beginning of the periods presented.

The pro forma unaudited condensed combined financial statements should be read in conjunction with the accompanying explanatory notes, the merger agreement, the historical financial statements and the related notes of Stellent and Optika previously filed and incorporated by reference into this document.

The pro forma adjustments are preliminary, and revisions to the preliminary purchase price allocations and financing of the transactions may have a significant impact on the pro forma adjustments. A final valuation of the net assets to be acquired from Optika, which will be conducted by Stellent's independent valuation specialists, has not been made prior to the completion of this prospectus. The consideration of this final valuation may result in a change in the value assigned to the intangible assets acquired and to the amounts of the future amortization expense.

The unaudited condensed pro forma combined financial data is for comparative purposes only and does not purport to represent what Stellent's financial position or results of operations would actually have been had the events noted above in fact occurred on the assumed dates or to project the financial position or results of operations of Stellent for any future date or future period. The unaudited condensed pro forma combined financial data should be read in conjunction with the notes hereto and other information included elsewhere in this prospectus.

**Table of Contents****STELLENT, INC.****UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED BALANCE SHEET****December 31, 2003**

	<b>Historical</b>		<b>Pro Forma</b>	
	<b>Stellent</b>	<b>Optika</b>	<b>Adjustments</b>	<b>Combined</b>
<b>(In thousands)</b>				
<b>(Unaudited)</b>				
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash, restricted cash, cash equivalents, and short-term marketable securities	\$ 62,215	\$ 9,182	\$(11,500)(a)	\$ 59,897
Accounts receivable, net	18,067	4,696		22,763
Prepaid royalties	2,005			2,005
Prepaid expenses and other current assets	4,253	523		4,776
<b>Total current assets</b>	<b>86,540</b>	<b>14,401</b>	<b>(11,500)</b>	<b>89,441</b>
<b>Other assets:</b>				
Long-term marketable securities	11,113			11,113
Property and equipment, net	4,537	683		5,220
Prepaid royalties, net of current	526			526
Goodwill	14,735	1,166	45,220(b)	61,121
Acquired intangible assets, net	2,716	584	6,100(b)	9,400
Investments and notes in other companies	1,136			1,136
Other	1,247	221		1,468
<b>Total other assets</b>	<b>36,010</b>	<b>2,654</b>	<b>51,320</b>	<b>89,984</b>
<b>Total assets</b>	<b>\$ 122,550</b>	<b>\$ 17,055</b>	<b>\$ 39,820</b>	<b>\$ 179,425</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 2,162	\$ 510	\$	\$ 2,672
Deferred revenues	9,154	6,358		15,512
Accrued expenses and other	6,741	2,253		8,994
<b>Total current liabilities</b>	<b>18,057</b>	<b>9,121</b>		<b>27,178</b>
<b>Shareholders equity:</b>				
Common stock	222	9	(9)(c)	263
Preferred stock		5,199	(5,199)(c)	
Additional paid-in capital	189,256	30,491	(30,491)(c)	239,125
Unearned compensation			49,869 (d)	
Accumulated deficit	(84,985)	(27,765)	(2,156)(e)	(2,156)
			27,765 (c)	(84,985)
<b>Total shareholders equity</b>	<b>104,493</b>	<b>7,934</b>	<b>39,820</b>	<b>152,247</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 122,550</b>	<b>\$ 17,055</b>	<b>\$ 39,820</b>	<b>\$ 179,425</b>



**Table of Contents****STELLENT, INC.****UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED****STATEMENT OF OPERATIONS****Year Ended March 31, 2003**

	Historical		Pro Forma	
	Stellent	Optika	Adjustments	Combined
(In thousands, except per share data) (Unaudited)				
<b>Revenues:</b>				
Product licenses	\$ 40,364	\$ 5,655	\$	\$ 46,019
Services	25,070	12,218		37,288
Total revenues	65,434	17,873		83,307
<b>Cost of revenues:</b>				
Product licenses	6,480	575		7,055
Amortization of capitalized software from acquisitions	1,892		1,133(f)	3,025
Services	12,146	3,674		15,820
Total cost of revenues	20,518	4,249	1,133	25,900
Gross profit	44,916	13,624	(1,133)	57,407
<b>Operating expenses:</b>				
Sales and marketing	38,343	7,533		45,876
General and administrative	11,301	1,612		12,913
Research and development	15,766	5,128		20,894
Acquisition and related costs	1,127			1,127
Amortization of acquired intangible assets, unearned compensation and other	6,635		1,107(f)	7,742
Restructuring charges	4,368			4,368
Total operating expenses	77,540	14,273	1,107	92,920
Operating loss	(32,624)	(649)	(2,240)	(35,513)
<b>Other income (expense):</b>				
Interest and other income, net	1,957	131		2,088
Investment impairment	(1,733)			(1,733)
Total other income (expense)	224	131		355
Net loss	\$ (32,400)	\$ (518)	\$ (2,240)	\$ (35,158)
Net loss per common share basic and diluted	\$ (1.45)	\$ (0.06)		\$ (1.35)
Weighted average shares outstanding				
Basic and diluted	22,345	8,292	(g)	25,993





**Table of Contents****STELLENT, INC.****UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED****STATEMENT OF OPERATIONS**  
**Nine Months Ended December 31, 2003**

	Historical		Pro Forma	
	Stellent	Optika	Adjustments	Combined
(In thousands, except per share data) (Unaudited)				
<b>Revenues:</b>				
Product licenses	\$ 30,239	\$ 4,750	\$	\$ 34,989
Services	24,891	9,600		34,491
<b>Total revenues</b>	<b>55,130</b>	<b>14,350</b>		<b>69,480</b>
<b>Cost of revenues:</b>				
Product licenses	3,392	547		3,939
Amortization of capitalized software from acquisitions	1,205		850(f)	2,055
Services	12,405	2,724		15,129
<b>Total cost of revenues</b>	<b>17,002</b>	<b>3,271</b>	<b>850</b>	<b>21,123</b>
<b>Gross profit</b>	<b>38,128</b>	<b>11,079</b>	<b>(850)</b>	<b>48,357</b>
<b>Operating expenses:</b>				
Sales and marketing	29,905	6,860		36,765
General and administrative	6,929	1,369		8,298
Research and development	9,843	3,563		13,406
Amortization of acquired intangible assets, unearned compensation and other	1,888		835(f)	2,723
Restructuring charges	812			812
<b>Total operating expenses</b>	<b>49,377</b>	<b>11,792</b>	<b>835</b>	<b>62,004</b>
<b>Operating loss</b>	<b>(11,249)</b>	<b>(713)</b>	<b>(1,685)</b>	<b>(13,647)</b>
<b>Other income:</b>				
Interest and other income, net	778	50		828
Investment gain on sale	388			388
<b>Total other income</b>	<b>1,166</b>	<b>50</b>		<b>1,216</b>
<b>Net loss</b>	<b>\$(10,083)</b>	<b>\$ (663)</b>	<b>\$(1,685)</b>	<b>\$(12,431)</b>
<b>Net loss per common share basic and diluted</b>	<b>\$ (0.46)</b>	<b>\$ (0.08)</b>		<b>\$ (0.48)</b>
<b>Weighted average shares outstanding</b>				
Basic and diluted	21,949	8,601	(g)	25,733



**Table of Contents****STELLENT, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED****CONSOLIDATED FINANCIAL STATEMENTS****(Unaudited)****(In thousands, except share and per share data)****1. Purchase Price**

The unaudited Pro Forma Condensed Combined Consolidated Financial Statements reflect an estimated purchase price of approximately \$61 million. The preliminary fair value of the approximately 4.1 million shares of Stellent common stock assumed to be issued in the transaction was determined using an average price of \$9.96, which was the average of the closing prices two days before and after the terms of the merger were agreed and announced. The estimated purchase price also includes Stellent's assumption of Optika's outstanding stock options, which are recorded at their fair value as if converted to Stellent options at the exchange ratio contemplated in the merger agreement. The estimated direct acquisition costs include accounting, legal and investment banker fees. The final purchase price is dependent, among other things, on the actual shares issued, the actual Optika options assumed and the final Stellent merger costs. The estimated total purchase price is as follows:

Cash	\$ 10,000
Value of shares anticipated to be issued by Stellent	40,910
Fair value of Optika option plan assumed by Stellent	9,000
Stellent estimated direct acquisition costs	1,500
	<hr/>
Total estimated purchase price	\$61,410
	<hr/>

The above estimated purchase price calculation does not include an estimated \$2 million of costs incurred by Optika in connection with the merger. These estimated costs include accounting, legal and investment banker fees as well as continuation coverage on the directors and officers insurance policy of Optika.

**2. Purchase Price Allocation**

Under the purchase method of accounting, the total estimated purchase price would be allocated to Optika's net tangible and identifiable intangible assets based upon their estimated fair values as of the date of completion of the merger. The excess of the purchase price over the net tangible and identifiable intangible assets will be recorded as goodwill. Based upon the estimated purchase price and preliminary valuation, the following represents the preliminary allocation of the aggregate purchase price to the acquired net assets of Optika as of January 11, 2004:

Net tangible assets	\$ 7,934
Goodwill	45,220
Identifiable intangible assets	6,100
Unearned compensation	2,156
	<hr/>
Total estimated purchase price	\$61,410
	<hr/>

The preliminary allocation of the purchase price was based upon a preliminary valuation, as described below, and management's estimates and assumptions are subject to change upon the finalization of the valuation. The unaudited pro forma condensed combined consolidated statements of operations do not reflect the amortization of goodwill acquired in the merger consistent with the guidance in Statement of Financial Accounting Standards No. 142 *Goodwill and Other Intangible Assets*, Stellent's management



**Table of Contents****STELLENT, INC.****NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED****CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

valued the identifiable intangible assets to be acquired using a preliminary appraisal. Identifiable intangible assets consist of:

	<u>Fair Value</u>	<u>Estimated Useful Life</u>	<u>Estimated Annual Amortization</u>
Developed software	\$3,400	3 years	\$1,133
Contractual customer relationships	2,700	10 years	270
	<u>\$6,100</u>		<u>\$1,403</u>

**3. Pro Forma Adjustments**

The following pro forma adjustments are based on preliminary estimates which may change as additional information is obtained:

- (a) To record cash paid by Stellent in the merger as part of purchase price and for direct acquisition costs
- (b) To record goodwill and identifiable intangible assets in the proposed merger
- (c) To eliminate Optika's stockholders' equity accounts
- (d) To record stockholders' equity for the approximately 4.1 million shares issued by Stellent in the merger valued at \$9.96 per share and assumption of the Optika option plan
- (e) To record unearned compensation for unvested Optika stock options assumed
- (f) To record amortization of intangible assets and compensation costs
- (g) Basic and diluted shares outstanding assume the conversion of the Optika weighted average shares for the period at the 0.44 conversion ratio.

**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION****Market Prices and Dividends**

Stellent's common stock is listed on the Nasdaq National Market System under the symbol STEL, and Optika's common stock is listed on the Nasdaq SmallCap Market System under the symbol OPTK. The table below sets forth, for the calendar periods indicated, the high and low sale prices of Optika's common stock and Stellent's common stock as reported on the Nasdaq SmallCap Market System and the National Market System, respectively, in each case based on published financial sources. Neither company has ever paid dividends on its common stock.

	Stellent Common Stock		Optika Common Stock	
	High	Low	High	Low
Fiscal Year Ended March 31, 2002:				
First Quarter	\$42.90	\$14.75	\$1.45	\$0.93
Second Quarter	\$38.02	\$13.33	\$1.30	\$0.72
Third Quarter	\$31.65	\$13.24	\$1.29	\$0.69
Fourth Quarter	\$34.72	\$9.51	\$2.74	\$1.00
Fiscal Year Ended March 31, 2003:				
First Quarter	\$8.85	\$3.94	\$2.34	\$1.47
Second Quarter	\$5.50	\$3.32	\$1.68	\$0.85
Third Quarter	\$5.85	\$3.14	\$1.20	\$0.64
Fourth Quarter	\$5.82	\$3.75	\$1.53	\$0.98
Fiscal Year Ended March 31, 2004:				
First Quarter	\$6.22	\$3.75	\$1.58	\$1.09
Second Quarter	\$9.19	\$5.63	\$2.62	\$1.42
Third Quarter	\$10.75	\$8.49	\$5.11	\$2.08
Fourth Quarter (through February 1, 2004)	\$1	\$1	\$1	\$1

On January 9, 2004, the last trading day before the public announcement of the execution of the merger agreement, the closing price of Stellent common stock was \$10.29 per share, and the closing price of Optika common stock was \$4.28 per share. On February 1, 2004, the last trading date before the printing of this joint proxy statement/ prospectus, the closing price of Stellent common stock was \$1 per share, and the closing stock price of Optika common stock was \$1 per share. You should obtain current market quotations before making any decisions with respect to the merger.

**Post-Merger Dividend Policy**

Stellent has never declared or paid any cash dividends on its common stock and does not anticipate declaring or paying dividends on its common stock in the foreseeable future.

**Table of Contents**

**APPRAISAL RIGHTS**

*The following includes a summary of the material provisions of dissenters' appraisal rights under Delaware law. The complete text of Section 262 of the Delaware General Corporation Law which addresses appraisal rights is incorporated by reference and attached as Annex G to this joint proxy statement/prospectus. We encourage you to read Annex G in its entirety.*

**Stellent Shareholders**

Under Minnesota law, Stellent's shareholders will not have any appraisal rights in connection with the merger.

**Optika Stockholders**

Under Delaware law, dissenters' appraisal rights are available to a corporation's stockholders in connection with certain mergers and consolidations. Under Delaware law, any Optika stockholder who does not wish to accept the consideration provided for in the merger agreement has the right to demand appraisal of, and to be paid the fair market value for, his or her shares of Optika common stock or preferred stock, as the case may be, as determined by a Delaware court. The value of the Optika common stock or preferred stock for this purpose will exclude any element of value arising from the consummation of the merger.

In order for any Optika stockholder to exercise his or her right to an appraisal, the stockholder must deliver to Optika a written demand for an appraisal of his or her shares of Stellent common stock as provided by Section 262 of the Delaware General Corporation Law.

Optika stockholders should particularly note the following:

simply voting against the approval and adoption of the merger agreement will not be considered a demand for appraisal rights;

any Optika stockholder who fails to send a written demand to Steven M. Johnson, Optika's corporate secretary, at Optika Inc., 7450 Campus Drive, Suite 200, Colorado Springs, Colorado 80920, within the time frames and otherwise meeting the requirements set forth in Section 262 of the Delaware General Corporation Law, will lose his or her right to an appraisal; and

stockholders who vote for the approval and adoption of the merger agreement will not have appraisal rights.

**Table of Contents****COMPARISON OF SHAREHOLDER RIGHTS**

The following table describes the rights of Optika stockholders under Delaware law and Optika's certificate of incorporation and bylaws before the merger and compares them to the rights of Stellent shareholders under Minnesota law and Stellent's articles of incorporation and bylaws, which will govern Optika stockholders who receive Stellent common stock in the merger. You might regard as important other differences that we do not include here. You should refer to the documents and statutes we mention in this section if you want more information. This summary is qualified in its entirety by reference to Delaware and Minnesota law and the governing corporate instruments of Optika and Stellent.

	<b>Optika Stockholder Rights</b>	<b>Stellent Shareholder Rights</b>
<i>General:</i>	The rights of Optika stockholders are governed by Delaware law and Optika's certificate of incorporation and bylaws.	The rights of Stellent shareholders are governed by Minnesota law and Stellent's articles of incorporation bylaws.
<i>Authorized Capital Stock:</i>	The authorized capital stock of Optika consists of 25 million shares of common stock and 2 million shares of preferred stock.	The authorized capital stock of Stellent consists of 90 million shares of common stock and 10 million shares of preferred stock.
<i>Voting Stock:</i>	The outstanding voting securities of Optika are shares of common stock and Series A-1 convertible preferred stock.	The outstanding voting securities of Stellent are shares of common stock.
<i>Number of Directors:</i>	Optika's bylaws provide that the number of directors is fixed by resolution of the board of directors, and is currently fixed at eight directors. The holders of Optika's preferred stock are entitled to designate one member of Optika's board of directors.	Stellent's bylaws set the number of directors at five. The shareholders may increase or decrease the number, and the board of directors may only increase the number.
<i>Classification of Board of Directors:</i>	Optika's certificate of incorporation provides that Optika's board of directors is divided into three classes, with the terms of office of one class of directors expiring each year, resulting in each class serving a staggered three-year term.	Stellent does not have a classified board. Each director is elected to serve a term that expires at the next regular annual meeting of shareholders and when a successor is elected and has qualified (or at the time the director dies, resigns, or is removed or disqualified).
<i>Removal of Directors:</i>	Under Delaware law, stockholders may remove a director by action of holders of a majority of shares entitled to vote on the election of directors. If a corporation has a classified board of directors, as Optika does, then stockholders may remove a director whose term is not up for reelection only (i) for cause or (ii) without cause by amendment of the certificate incorporation to remove the classified board of directors provisions.	Minnesota law allows the removal of a director from office, with or without cause, by the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote at an election of directors. If a director has been appointed to fill a vacancy and the shareholders have not subsequently elected directors, then the board may remove that director by majority vote of those directors present at a meeting.



**Table of Contents**

	<b>Optika Stockholder Rights</b>	<b>Stellent Shareholder Rights</b>
<i>Vote Required for Certain Shareholder Actions:</i>	Under Delaware law, the approval of a merger, consolidation, or a sale of all or substantially all of a corporation's assets requires the affirmative vote of a majority of the voting power represented by the outstanding stock entitled to vote on the matter. Under Optika's certificate of incorporation, Optika may not take certain extraordinary corporate actions without the consent of holders of a majority of Optika's preferred stock, including entering into any change of control where the holders of the preferred stock would not receive an amount equal to the stated liquidation preference of the preferred stock.	Under Minnesota law, the approval of a merger, share exchange, or a sale of all or substantially all of a corporation's assets requires the affirmative vote of a majority of the voting power represented by the outstanding stock entitled to vote on the matter.
<i>Shareholder Action by Written Consent:</i>	Optika's certificate of incorporation does not permit stockholders to take action by written consent without a meeting.	Minnesota law permits shareholder approval to be obtained by written action without a meeting only by unanimous consent.
<i>Amendment of Charter:</i>	Under Delaware law, the board of directors must approve any amendment to the certificate of incorporation. The amendment must also be approved by the affirmative vote of a majority of the outstanding voting stock entitled to vote on the amendment and a majority of the outstanding stock of any class of shares entitled to vote on the amendment as a class. A class of stock is entitled to class-voting rights if the amendment would increase or decrease the number of authorized shares of the class, increase or decrease the par value of the shares of the class, or alter the powers, preferences, or special rights of the shares of the class so as to affect them adversely. Under Optika's certificate of incorporation, certain changes to the certificate of incorporation affecting the Optika preferred stock must be approved by holders of a majority of the outstanding shares of that stock.	Under Minnesota law, a resolution to amend the articles of incorporation may be brought by a majority of the board of directors or by shareholders holding 3% or more of the voting power of all voting shares. An amendment to the articles must be approved by the affirmative vote of a majority of the voting power of the shares present and entitled to vote on the matter at a meeting at which a quorum is present. Under Minnesota law, holders of each class or series of stock are entitled to class- or series-voting rights in connection with certain amendments to the articles of incorporation and certain transactions that would have the same effect as such amendments.

**Table of Contents**

	<b>Optika Stockholder Rights</b>	<b>Stellent Shareholder Rights</b>
<i>Amendment of Bylaws:</i>	Under Delaware law and Optika's certificate of incorporation, Optika's board of directors may amend, alter, or repeal the bylaws. Optika's stockholders may also amend, alter, or repeal the bylaws by the affirmative vote of a majority of the voting power of the shares present and entitled to vote at a meeting at which a quorum is present.	Minnesota law provides that, unless reserved by the articles to shareholders, the power to adopt, amend, or repeal a corporation's bylaws is vested in the board of directors. The power of the board of directors is subject to the right of shareholders holding 3% or more of the voting power of the outstanding shares to propose a resolution to adopt, amend, or repeal the bylaws, which must be approved by the affirmative vote of the holders of a majority of the shares present and entitled to vote at a meeting at which a quorum is present. Only the shareholders may adopt, amend, or repeal bylaws fixing a quorum for meetings of shareholders, prescribing procedures for removing directors or filling vacancies in the board of directors, or fixing the number of directors or their classifications, qualifications, or terms of office.
<i>Dividends and Repurchase of Shares:</i>	Under Delaware law, a corporation may pay dividends out of surplus or, if there is no surplus, out of net profits for the current year or the prior year. A corporation may not repurchase its own shares if the capital of the corporation is impaired or if the repurchase would impair the capital of the corporation. Under Optika's certificate of incorporation, Optika may not pay dividends with respect to, or repurchase any shares of, common stock if Optika is in default with respect of any of its obligations to the holders of the Optika preferred stock.	Under Minnesota law, a corporation may generally pay dividends or acquire its own shares if the corporation will be able to pay its debts in the ordinary course of business after paying the dividend or repurchasing the shares. The ability of a corporation to pay dividends or acquire its own shares is also subject to a restriction providing that all amounts payable to any shares having a preference for that kind of distribution must have been paid.

**Table of Contents**

	<u>Optika Stockholder Rights</u>	<u>Stellent Shareholder Rights</u>
<i>Limitation of Liability of Directors and Officers:</i>	<p>Optika’s certificate of incorporation provides that, to the fullest extent permitted by Delaware law, Optika’s directors have no personal liability to either Optika or its stockholders for monetary damages for breach of fiduciary duty. Delaware law prohibits this limitation of liability in respect of:</p> <ul style="list-style-type: none"> <li>a breach of the director’s duty of loyalty to the corporation or its shareholders;</li> <li>acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;</li> <li>payment of unlawful dividends or unlawful stock purchases or redemptions;</li> <li>any transaction in which the director derived an improper personal benefit; and</li> <li>any act or omission occurring before the date when the provision in the certificate of incorporation eliminating or limiting liability became effective.</li> </ul>	<p>Stellent’s articles of incorporation provide that, to the fullest extent permitted by Minnesota law, Stellent’s directors have no personal liability to either Stellent or its shareholders for monetary damages for breach of fiduciary duty. Minnesota law prohibits this limitation of liability in respect of:</p> <ul style="list-style-type: none"> <li>a breach of the director’s duty of loyalty to the corporation or its shareholders;</li> <li>acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;</li> <li>payment of unlawful dividends or unlawful stock purchases or redemptions;</li> <li>any transaction in which the director derived an improper personal benefit;</li> <li>certain violations of the Minnesota securities laws; and</li> <li>any act or omission occurring before the date when the provision in the articles of incorporation eliminating or limiting liability became effective.</li> </ul>
<i>Shareholder Rights Plan:</i>	<p>Optika has adopted a shareholder rights plan that generally is triggered if a shareholder acquires, or announces a tender offer to acquire, 15% or more of Optika’s common stock.</p>	<p>Stellent has adopted a shareholder rights plan that generally is triggered if a shareholder acquires, or announces a tender offer to acquire, 15% or more of Stellent’s common stock.</p>

**Table of Contents**

	<b>Optika Stockholder Rights</b>	<b>Stellent Shareholder Rights</b>
<i>Dissenters Appraisal Rights:</i>	<p>Under Delaware law, the rights of dissenting shareholders to obtain a judicial appraisal of the fair value of their shares arises in connection with certain mergers and consolidations. Appraisal rights do not arise when a corporation is the surviving corporation in a merger and no vote of its stockholders is required to complete the merger.</p> <p>In addition, no appraisal rights are given to holders of shares of class of stock that is either (a) listed on a national securities exchange or designated as a national-market-system security by the NASD or (b) held of record by more than 2,000 stockholders, unless the holders are required in the merger to accept for their shares anything other than (1) shares of the surviving corporation, (2) shares of stock of another corporation of the kind described either (a) or (b) above, (3) cash instead of fractional shares, or (4) any combination of (1) through (3).</p> <p>Appraisal rights are not available under Delaware law in connection with a sale of all or substantially all the assets of a corporation.</p>	<p>Under Minnesota law, dissenters' rights are available in connection with:</p> <ul style="list-style-type: none"> <li>an amendment to the articles that materially and adversely affects the rights or preferences of shares held by the dissenting shareholder in the context of preferential, redemption, preemptive, or voting rights;</li> <li>a plan of merger or exchange; or</li> <li>disposition of all or substantially all of a corporation's property and assets other than in the usual and regular course of business (other than a disposition for cash on terms requiring pro rata distribution of the net proceeds to shareholders within one year).</li> </ul> <p>Dissenters' rights are not available under Minnesota law to a shareholder of a (a) surviving corporation with respect to a merger if the shareholder's shares are not entitled to be voted on the merger and the shareholder's shares are not canceled or exchanged in the merger or (b) corporation that will acquire shares in a plan of exchange or a shareholder whose shares will be acquired in a plan of exchange if the shareholder was not entitled to vote on the plan of exchange and the shareholder's shares are not exchanged.</p>

**Table of Contents**

	<b>Optika Stockholder Rights</b>	<b>Stellent Shareholder Rights</b>
<i>Anti-Takeover Statutes:</i>	<p>Delaware law provides that, if a person acquires 15% or more of the stock of a corporation, that person may not engage in certain business-combination transactions with the corporation for a period of three years, unless one of the following three exceptions applies:</p> <p style="padding-left: 40px;">the board of directors approved the acquisition of stock or the transaction before the time that the person crossed the 15% level;</p> <p style="padding-left: 40px;">upon consummation of the transaction in which the person crossed the 15% level, the person became the holder of at least 85% of the voting stock, excluding voting stock held by employee directors and certain employee stock plans; or</p> <p style="padding-left: 40px;">the transaction is approved by the board of directors and by the affirmative vote of two-thirds of the outstanding voting stock that is not owned by the 15% shareholder.</p>	<p>Stellent is subject to the following provisions of Minnesota law that may have anti-takeover effects:</p> <p style="padding-left: 40px;">a control-share-acquisition statute, which provides that a person acquiring 20% or more of the voting power of a corporation may not vote those shares in excess of the 20% level unless and until approved by holders of (a) a majority of the voting power of the corporation's shares, including those held by the acquiring person and (b) a majority of the voting power of the corporation's shares held by disinterested shareholders;</p> <p style="padding-left: 40px;">a provision that prohibits business-combination transactions with a shareholder for four years after the shareholder acquires 10% of the voting power of the corporation unless, before the share acquisition, the transaction or share acquisition receives the majority approval of a committee consisting of one or more disinterested directors;</p> <p style="padding-left: 40px;">a provision that prohibits corporations from purchasing any voting shares owned for less than two years from a greater-than-5% shareholder for more than the market value of those shares, unless the transaction has been approved by a majority of the voting power of all shares entitled to vote or unless the corporation makes an offer of at least equal value per share to all holders of shares of the class or series of stock held by the greater-than-5% shareholder and to all holders of any class or series into which those securities may be converted; and</p>

**Table of Contents**

	<u>Optika Stockholder Rights</u>	<u>Stellent Shareholder Rights</u>
		a fair price provision, which provides that no person may acquire shares of a Minnesota corporation within two years following the person's last purchase of shares in a takeover offer, unless the shareholders are given a reasonable opportunity to dispose of their shares to the person on terms substantially equivalent to those provided in the takeover offer. The provision does not apply if the acquisition is approved by a committee consisting of disinterested directors before the person acquires any shares in the takeover offer.
<i>Annual Meeting Proposals:</i>	Optika's bylaws provide that at any annual meeting the only business to be conducted (including shareholder nominations for director) must have been brought before the meeting by the board or by any shareholder who provided notice to the corporation not less than 20 nor more than 60 days before the date of the meeting.	Stellent's bylaws provide that at any annual meeting the only business to be conducted (including shareholder nominations for director) must have been brought before the meeting by the board or by any shareholder who provided notice to the corporation at least 90 days before the first anniversary date of the prior year's annual meeting. If the date of the annual meeting is more than 30 days before or after the anniversary date, then the notice must be provided not less than 90 days before the meeting or, if later, 10 days after public announcement of the meeting date.
<i>Special Meetings:</i>	Optika's bylaws provide that a special meeting of shareholders may be called by the president or demanded by stockholders owning 50% of Optika's voting stock.	Minnesota law provides that a special meeting of shareholders may be called at any time by the chief executive officer, the chief financial officer, by two or more directors, by a person authorized in the articles or by-laws of the corporation, or by shareholders holding 10% or more of the voting power of all shares entitled to vote (except that a special meeting called by shareholders for the purpose of considering any action to directly or indirectly facilitate or effect a business combination must be called by 25% or more of the voting power of all shares entitled to vote).

**Table of Contents****SECURITY OWNERSHIP OF BENEFICIAL****OWNERS AND MANAGEMENT****Stellent**

The following table sets forth, as of January 30, 2004, the beneficial ownership of Stellent common stock by each director and executive officer of Stellent, by all directors and executive officers as a group, and by each shareholder who is known by Stellent to own beneficially more than 5% of the outstanding Stellent common stock. On January 30, 2004, there were 22,196,514 shares of Stellent common stock outstanding. Unless otherwise indicated in a footnote below, the listed beneficial owner has sole voting power and investment power with respect to such shares and the mailing address for each person listed in the table is 7777 Golden Triangle Drive, Eden Prairie, Minnesota 55344.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Outstanding Shares
<b><i>Directors and executive officers:</i></b>		
Robert F. Olson(1)	2,255,764	10.2%
David S. Batt(2)	52,256	*
Frank A. Radichel(3)	129,813	*
Daniel P. Ryan(4)	184,477	*
Gregg A. Waldon(5)	232,810	1.0%
Kenneth H. Holec(6)	166,980	*
Philip E. Soran(7)	20,000	*
Raymond A. Tucker(8)	69,999	*
Steven C. Waldron(9)	86,655	*
All directors and executive officers as a group (9 persons)(10)	3,198,764	13.9%
<b><i>Other beneficial owners:</i></b>		
Becker Capital Management, Inc.(11)	2,109,900	9.5%
SAFECO Common Stock Trust(12)	1,409,003	6.3%
SAFECO Asset Management Company(12)	2,207,503	9.9%
SAFECO Corporation(12)	2,207,503	9.9%
Optika Inc.(13)	3,198,764	13.9%

\* Less than one percent

- (1) Includes 85,714 shares owned by Mr. Olson's spouse, of which Mr. Olson disclaims beneficial ownership.
- (2) Includes 50,000 shares covered by options that are exercisable within 60 days of January 30, 2004.
- (3) Includes 109,563 shares covered by currently exercisable options and 20,000 shares covered by options that are exercisable within 60 days of January 30, 2004.
- (4) Includes 146,664 shares covered by currently exercisable options and 27,813 shares covered by options that are exercisable within 60 days of January 30, 2004.
- (5) Includes 194,997 shares covered by currently exercisable options and 27,813 shares covered by options that are exercisable within 60 days of January 30, 2004.
- (6) Includes 71,665 shares covered by currently exercisable options, 5,000 shares covered by options that are exercisable within 60 days of January 30, 2004, 875 shares owned by Mr. Holec's spouse and 9,440 shares owned by Mr. Holec's children.
- (7) Includes 15,000 shares covered by currently exercisable options and 5,000 shares covered by options that are exercisable within 60 days of January 30, 2004.

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- (8) Includes 54,999 shares covered by currently exercisable options and 5,000 shares covered by options that are exercisable within 60 days of January 30, 2004.
- (9) Includes 81,665 shares covered by currently exercisable options and 5,000 shares covered by options that are exercisable within 60 days of January 30, 2004.



**Table of Contents**

- (10) Includes the shares issuable upon the exercise of the options described in the footnotes above.
- (11) Based on information reported to Stellent on June 30, 2003. The principal business address of Becker Capital Management, Inc. is 1211 SW 5th Avenue, Suite 2185, Portland, Oregon 97204. Becker Capital Management, Inc. has sole voting and investment power with respect to all of the shares.
- (12) Based on information reported to the Commission in a Schedule 13G filed by SAFECO Common Stock Trust, SAFECO Asset Management Company and SAFECO Corporation on July 9, 2003. The principal business address of SAFECO Common Stock Trust is 4854 154th Place NE, Redmond, Washington 98052. The principal business address of SAFECO Asset Management Company is 601 Union Street, Suite 2500, Seattle, Washington 98101. The principal business address of SAFECO Corporation is Safeco Plaza, Seattle, Washington 98185.

Each of SAFECO Asset Management Company and SAFECO Corporation share beneficial ownership over the same 1,409,003 shares listed as beneficially owned by SAFECO Common Stock Trust, which 1,409,003 shares are included in the 2,207,503 shares listed as beneficially owned by each of SAFECO Asset Management Company and SAFECO Corporation. Each of SAFECO Common Stock Trust, SAFECO Asset Management Company and SAFECO Corporation has shared voting power and shared investment power with respect to all of the shares listed above next to their respective names. Both SAFECO Asset Management Company and SAFECO Corporation disclaim beneficial ownership of all of the shares.

- (13) The principal business address of Optika Inc. is 7450 Campus Drive, Suite 200, Colorado Springs, Colorado 80920. Optika Inc. is deemed to have beneficial ownership of such shares as a result of a voting agreement entered into on January 11, 2004, as amended January 27, 2004, with certain of our officers and directors in connection with the proposed merger. The shares listed as beneficially owned by Optika are the same as the shares listed as beneficially owned by all directors and executive officers of Stellent, as a group.

**Table of Contents****Optika**

The following table sets forth, as of January 30, 2004, the beneficial ownership of Optika common stock by each director and executive officer of Optika, by all directors and executive officers as a group, and by each stockholder who is known by Optika to own beneficially more than 5% of the outstanding Optika common stock. On January 30, 2004, there were 9,341,561 shares of Optika common stock outstanding and an additional 1,042,887 shares of Optika common stock issuable upon conversion of Optika's outstanding preferred stock. The shares of Optika preferred stock are deemed outstanding for computing the percentage of the person holding such shares, but are not deemed outstanding for computing the percentage of any other person. Unless otherwise indicated in a footnote below, the listed beneficial owner has sole voting power and investment power with respect to such shares and the mailing address for each person listed in the table is 7450 Campus Drive, Suite 200, Colorado Springs, Colorado 80920.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Outstanding Shares
<b>Directors and executive officers:</b>		
Mark K. Ruport(1)	560,636	5.7%
Steven M. Johnson(2)	272,285	2.8%
Randall S. Weakly(3)	52,500	*
Christopher J. Ryan(4)	51,916	*
James A. Franklin(5)	42,250	*
Edwin C. Winder(6)	101,000	1.1%
James T. Rothe Ph.D.(7)	77,000	*
Alan B. Menkes(8)	17,500	*
All directors and executive officers as a group (10 persons)(9)	1,253,187	12.0%
<b>Other beneficial owners:</b>		
Thomas Weisel Capital Partners, L.P.(10)	1,042,887	10.0%
Stellent, Inc.(11)	2,316,324	20.2%
Baldwin Brothers, Inc.(12)	500,758	5.4%

\* Less than one percent.

- (1) Includes 503,136 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days of January 30, 2004.
- (2) Includes 242,585 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days of January 30, 2004.
- (3) Includes 48,000 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days of January 30, 2004.
- (4) Includes 46,916 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days of January 30, 2004.
- (5) Includes 42,250 shares of common stock issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days of January 30, 2004.
- (6) Includes 20,000 shares of common stock issuable upon exercise of options granted by Optika that are currently exercisable or will become exercisable within 60 days of January 30, 2004, 10,000 of which shares are unvested and subject to a repurchase right of Optika.
- (7) Includes 70,000 shares of common stock issuable upon exercise of options granted by Optika that are currently exercisable or will become exercisable within 60 days of January 30, 2004, 25,000 of which shares are unvested and subject to a repurchase right of Optika.
- (8)

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Includes 57,500 shares of common stock issuable upon exercise of options granted by Optika that are currently exercisable or will become exercisable within 60 days of January 30, 2004, 2,500 of which shares are unvested and subject to a repurchase right of Optika.

108

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**Table of Contents**

- (9) Includes 1,068,387 shares of common stock issuable upon exercise of options granted by Optika that are currently exercisable or will become exercisable within 60 days of January 30, 2004, 37,500 of which shares are unvested and subject to a repurchase right of Optika.
- (10) Assuming conversion of all shares of Optika preferred stock owned by Thomas Weisel Capital Partners, L.P. and certain of its affiliates (referred to herein as TWCP) which in the aggregate are immediately convertible into 1,042,887 shares of common stock as reported on a Schedule 13D filed with the Securities and Exchange Commission on January 13, 2004. Voting and investment power with respect to the securities reported are shared among certain entities affiliated with TWCP. The business address for TWCP is One Montgomery Street, Suite 3700, San Francisco, California 94104.
- (11) Stellent, Inc. is deemed to have beneficial ownership of such shares as a result of the voting agreements entered into on January 11, 2004 with certain of Optika's officers and directors in connection with the proposed merger. The principal business address of Stellent, Inc. is 7777 Golden Triangle Drive, Eden Prairie, Minnesota 55344.
- (12) As reported on a Schedule 13F filed with the Securities and Exchange Commission on November 7, 2003. The principal business address of Baldwin Brothers, Inc. is 3 Barnabas Road, Boston, Massachusetts 02738.

**WHERE YOU CAN FIND MORE INFORMATION**

Stellent and Optika file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or information that Stellent and Optika file with the SEC at the SEC's public reference room in Washington, D.C. located at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a Website that contains reports, proxy statements and other information regarding issuers, including Stellent and Optika, who file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Stellent filed a registration statement on Form S-4 to register with the SEC the shares of Stellent common stock to be issued to Optika stockholders in the merger. This joint proxy statement/ prospectus is a part of that registration statement and constitutes a prospectus of Stellent and a proxy statement of Stellent for the Stellent special meeting of shareholders, as well as a proxy statement of Optika for the Optika special meeting of stockholders.

As allowed by SEC rules, this joint proxy statement/ prospectus does not contain all the information you can find in the Stellent registration statement or the exhibits to the registration statement.

The SEC allows Stellent to incorporate by reference information into this joint proxy statement/ prospectus, which means that Stellent may disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this joint proxy statement/ prospectus. This joint proxy statement/ prospectus incorporates by reference the documents set forth below that Stellent has previously filed with the SEC. These documents contain important information about Stellent and its financial condition.

**Stellent SEC Filings (File No. 0-19817)**

Annual Report on Form 10-K for the year ended March 31, 2003

Proxy Statement on Schedule 14A filed on July 22, 2003

Quarterly Reports on Form 10-Q for period ended June 30, 2003

Quarterly Reports on Form 10-Q for period ended September 30, 2003

Quarterly Reports on Form 10-Q for period ended December 31, 2003

Current Report on Form 8-K filed on January 16, 2004

Description of Stellent's Common Stock as set forth in the Registration Statement on Form 8-A filed on January 28, 1992, including any amendments or reports filed with the SEC for the purpose of updating such description



**Table of Contents**

Description of Stellent's preferred share purchase rights as set forth in the Registration Statement on Form 8-A filed on June 3, 2002, including any amendments or reports filed with the SEC for the purpose of updating such description

All additional documents that Stellent files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this joint proxy statement/ prospectus and prior to the date of the Stellent and Optika special meetings or the earlier termination of the merger agreement shall also be deemed to be incorporated by reference into this joint proxy statement/ prospectus.

You can obtain any of the documents incorporated by reference through Stellent, the SEC or the SEC's Website as described above. Documents incorporated by reference are available from Stellent without charge, excluding all exhibits unless Stellent has specifically incorporated by reference an exhibit in this joint proxy statement/ prospectus. You may obtain documents incorporated by reference in this proxy statement/ prospectus by requesting them in writing or by telephone from Stellent at the following address:

Stellent, Inc.  
7777 Golden Triangle Drive  
Eden Prairie, Minnesota 55344  
Attention: Chief Financial Officer  
(952) 903-2000

If you would like to request documents from Stellent, please do so by      1     , 2004 to receive them before the special meetings of shareholders of Stellent and Optika. If you request any incorporated documents from Stellent, Stellent will mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.

Similarly, the SEC allows Optika to incorporate by reference information into this joint proxy statement/ prospectus. The information incorporated by reference by Optika is deemed to be part of this joint proxy statement/ prospectus. This joint proxy statement/ prospectus incorporates by reference the documents set forth below that Optika has previously filed with the SEC. These documents contain important information about Optika and its financial condition.

**Optika SEC Filings (File No. 0-28672)**

Annual Report on Form 10-K for the year ended December 31, 2003

Current Report on Form 8-K filed on January 12, 2004 (only with respect to Items 5 and 7)

Description of Optika's Common Stock as set forth in the Registration Statement on Form 8-A filed on July 19, 1996, including any amendments or reports filed with the SEC for the purpose of updating such description

Description of Optika's Series B Preferred Stock as set forth in the Registration Statement on Form 8-A filed on July 18, 2001, including any amendments or reports filed with the SEC for the purpose of updating such description

You can obtain any of the Optika documents incorporated by reference into this joint proxy statement/ prospectus from Optika, the SEC or the SEC's Website as described above. Documents incorporated by reference are available from Optika without charge, excluding all exhibits unless Optika has specifically incorporated by reference an exhibit in this joint proxy statement/ prospectus. You may obtain documents incorporated by reference in this proxy statement/ prospectus by requesting them in writing or by telephone from Optika at the following address:

Optika Inc.  
7450 Campus Drive, Suite 200  
Colorado Springs, Colorado 80920  
Attention: Chief Financial Officer  
(719) 548-9800

## **Table of Contents**

If you would like to request documents from Optika, please do so by      1     , 2004 to receive them before the special meetings of shareholders of Stellent and Optika. If you request any incorporated documents from Optika, Optika will mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.

As allowed by the SEC, a copy of Optika's Annual Report on Form 10-K for the year ended December 31, 2003, as filed with the SEC on February 6, 2004, is attached to this joint proxy statement/ prospectus as Annex H. The attached 10-K of Optika includes important business and financial information about Optika that is not included in this document.

Stellent has supplied all information contained or incorporated by reference in this joint proxy statement/ prospectus relating to Stellent. Optika has supplied all information contained or incorporated by reference in this joint proxy statement/ prospectus relating to Optika.

You should rely only on the information contained or incorporated by reference in this joint proxy statement/ prospectus to vote on the merger. Neither company has authorized anyone to provide you with information that is different from what is contained in this joint proxy statement/ prospectus. This joint proxy statement/ prospectus is dated      1     , 2004 and is being first mailed to shareholders on      1     , 2004. You should not assume that the information contained in this joint proxy statement/ prospectus is accurate as of any date other than that date, and neither the mailing of this joint proxy statement/ prospectus to the shareholders nor the issuance of Stellent shares in the merger shall create any implication to the contrary.

## **EXPERTS**

The audited consolidated financial statements of Stellent incorporated by reference in this joint proxy statement/ prospectus have been audited by Grant Thornton LLP, independent certified public accountants, to the extent and for the periods set forth in their report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of Grant Thornton LLP as experts in auditing and accounting.

The consolidated financial statements of Optika Inc. as of December 31, 2002 and 2003 and for each of the years in the three-year period ended December 31, 2003 have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

## **LEGAL MATTERS**

The validity of the shares of Stellent common stock to be issued in the merger will be passed upon for Stellent by Faegre & Benson LLP, Minneapolis, Minnesota. Tax consequences of the merger will be passed upon for Stellent by Faegre & Benson LLP and for Optika by Morrison & Foerster, LLP.

## **SHAREHOLDER PROPOSALS FOR ANNUAL MEETINGS**

### **Stellent**

*Stellent.* Any shareholder proposals intended to be presented at the 2004 Annual Meeting of Shareholders and desired to be included in Stellent's Proxy Statement for that meeting must be received by Stellent at its principal executive office no later than March 30, 2004 in order to be included in such proxy statement. Any other shareholder proposal intended to be presented at Stellent's 2004 Annual Meeting of Shareholders must be received by Stellent at its principal executive office on or before May 29, 2004.

### **Optika**

Due to the contemplated completion of the merger, Optika does not currently expect to hold a 2004 annual meeting of stockholders. If the merger is not completed and an annual meeting is held, stockholder proposals for inclusion in proxy materials for the meeting must be received at Optika's principal executive offices a reasonable time before Optika begins to print and mail its proxy materials, pursuant to Rule 14a-8 of the

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Securities Exchange Act of 1934, and must otherwise comply with the requirements of Optika's certificate of incorporation and bylaws and applicable law.



**Table of Contents**

ANNEX A

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**AGREEMENT AND PLAN OF MERGER**

**among  
STELLENT, INC.,  
STEL SUB, INC.  
and  
OPTIKA INC.  
Dated as of January 11, 2004**

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A-1

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**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
ARTICLE I THE MERGER	A-5
SECTION 1.1 The Merger	A-5
SECTION 1.2 Closing	A-5
SECTION 1.3 Effective Time of the Merger	A-5
SECTION 1.4 Effects of the Merger	A-5
SECTION 1.5 Directors and Officers	A-6
SECTION 1.6 Intent to Qualify as Reorganization	A-6
ARTICLE II EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE CONSTITUENT CORPORATIONS; EXCHANGE OF CERTIFICATES	A-6
SECTION 2.1 Certain Definitions	A-6
SECTION 2.2 Manner of Converting Shares	A-7
SECTION 2.3 Exchange of Certificates	A-8
ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY	A-12
SECTION 3.1 Organization, Standing, Qualification	A-12
SECTION 3.2 Capitalization	A-13
SECTION 3.3 Authorization and Execution	A-14
SECTION 3.4 No Conflicts	A-14
SECTION 3.5 SEC Reports; Financial Statements; No Undisclosed Liabilities	A-14
SECTION 3.6 Registration Statement; Joint Proxy Statement	A-16
SECTION 3.7 Absence of Certain Changes or Events	A-16
SECTION 3.8 Tax Matters	A-17
SECTION 3.9 Owned Property	A-18
SECTION 3.10 Material Contracts	A-18
SECTION 3.11 Intellectual Property	A-19
SECTION 3.12 Litigation	A-23
SECTION 3.13 Permits, Licenses, Authorizations; Compliance with Laws	A-23
SECTION 3.14 No Brokers or Finders	A-24
SECTION 3.15 Benefit Plans	A-24
SECTION 3.16 Environmental Matters	A-26
SECTION 3.17 Insurance	A-27
SECTION 3.18 Amendment to Company Rights Agreement	A-27
SECTION 3.19 Opinion of Financial Adviser	A-27
SECTION 3.20 Related-Party Transactions	A-27
SECTION 3.21 Bank Accounts	A-28
SECTION 3.22 Voting Agreements	A-28
SECTION 3.23 Employee Non-Compete	A-28
SECTION 3.24 Board Approval	A-28
SECTION 3.25 Material Misstatements or Omissions	A-28
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER AND BUYER SUBSIDIARY	A-28
SECTION 4.1 Organization, Standing, Qualification	A-28
SECTION 4.2 Capitalization	A-29
SECTION 4.3 Authorization and Execution	A-29
SECTION 4.4 No Conflicts	A-30
SECTION 4.5 SEC Reports; Financial Statements; No Undisclosed Liabilities	A-30
SECTION 4.6 Registration Statement; Joint Proxy Statement	A-31

**Table of Contents**

	<b>Page</b>	
SECTION 4.7	Absence of Certain Changes or Events	A-32
SECTION 4.8	Tax Matters	A-33
SECTION 4.9	Owned Property	A-34
SECTION 4.10	Material Contracts	A-34
SECTION 4.11	Intellectual Property	A-35
SECTION 4.12	Litigation	A-37
SECTION 4.13	Permits, Licenses, Authorizations; Compliance with Laws	A-37
SECTION 4.14	No Brokers or Finders	A-37
SECTION 4.15	Benefit Plans	A-37
SECTION 4.16	Environmental Matters	A-40
SECTION 4.17	Insurance	A-40
SECTION 4.18	Opinion of Financial Adviser	A-40
SECTION 4.19	Related-Party Transactions	A-40
SECTION 4.20	Voting Agreements	A-40
SECTION 4.21	Board Approval	A-41
SECTION 4.22	Material Misstatements or Omissions	A-41
<b>ARTICLE V</b>	<b>OPERATION OF BUSINESS OF THE COMPANY UNTIL EFFECTIVE TIME</b>	A-41
SECTION 5.1	Preservation of Business	A-41
SECTION 5.2	Ordinary Course	A-41
SECTION 5.3	Negative Covenants of the Company	A-41
SECTION 5.4	Tax Covenant	A-43
SECTION 5.5	Third-Party Consents	A-43
<b>ARTICLE VI</b>	<b>OPERATION OF BUSINESS OF BUYER UNTIL EFFECTIVE TIME</b>	A-43
SECTION 6.1	Preservation of Business	A-43
SECTION 6.2	Ordinary Course	A-43
SECTION 6.3	Negative Covenants of Buyer	A-43
SECTION 6.4	Tax Covenant	A-44
SECTION 6.5	Third-Party Consents	A-44
<b>ARTICLE VII</b>	<b>ADDITIONAL AGREEMENTS</b>	A-44
SECTION 7.1	Shareholders Meetings; Registration Statement and Joint Proxy Statement	A-44
SECTION 7.2	No Shopping	A-47
SECTION 7.3	Access to Information	A-48
SECTION 7.4	Amendment of the Company's Employee Plans	A-48
SECTION 7.5	Certain Resignations	A-48
SECTION 7.6	Confidentiality Agreements	A-48
SECTION 7.7	Employee Benefits	A-48
SECTION 7.8	Indemnification	A-48
SECTION 7.9	Directors and Officers Liability Insurance	A-49
SECTION 7.10	Cooperation	A-49
SECTION 7.11	Satisfaction of Conditions to the Merger; Notification; Additions to and Modification of Disclosure Schedules	A-49
SECTION 7.12	Rule 145 Affiliates	A-50
SECTION 7.13	Listing of Buyer Common Stock	A-50
SECTION 7.14	Section 16 Matters	A-50
SECTION 7.15	HSR Act Filings	A-51
SECTION 7.16	Tax-Free Reorganization	A-51
SECTION 7.17	Buyer Board of Directors	A-52

**Table of Contents**

	<u>Page</u>
ARTICLE VIII CONDITIONS PRECEDENT	A-52
SECTION 8.1 Conditions to Each Party's Obligation to Effect the Merger	A-52
SECTION 8.2 Conditions to the Obligations of Buyer and Buyer Subsidiary	A-52
SECTION 8.3 Conditions to Obligation of the Company	A-53
ARTICLE IX TERMINATION AND AMENDMENT	A-54
SECTION 9.1 Termination	A-54
SECTION 9.2 Procedure and Effect of Termination	A-55
SECTION 9.3 Termination Fee; Expenses	A-56
ARTICLE X GENERAL PROVISIONS	A-57
SECTION 10.1 Termination of Representations and Warranties	A-57
SECTION 10.2 Amendment and Modification	A-57
SECTION 10.3 Waiver of Compliance; Consents	A-57
SECTION 10.4 Expenses	A-57
SECTION 10.5 Press Releases and Public Announcements	A-57
SECTION 10.6 Additional Agreements	A-58
SECTION 10.7 Notices	A-58
SECTION 10.8 Assignment	A-58
SECTION 10.9 Rules of Interpretation	A-59
SECTION 10.10 Governing Law	A-59
SECTION 10.11 Counterparts	A-59
SECTION 10.12 Headings; Internal References	A-59
SECTION 10.13 Entire Agreement	A-59
SECTION 10.14 Severability	A-60
SECTION 10.15 Equitable Remedies	A-60
SECTION 10.16 Disclosure Schedules	A-60

**Exhibits**

Exhibit A	Illustrative examples of the calculation of the Common Stock Per Share Consideration and Preferred Stock Per Share Consideration
Exhibit B	Preferred Share Voting Agreement
Exhibit C	Company Stockholder Agreement
Exhibit D	Mark K. Rupert Employment and Non-compete Agreement
Exhibit E	Buyer Stockholder Agreement
Exhibit F	Amended and Restated Certificate of Designation of Series A-1 Convertible Preferred Stock
Exhibit G	Form of Affiliate Letter
Exhibit H	Form of Rule 145 Letter

**Table of Contents**

**AGREEMENT AND PLAN OF MERGER**

This AGREEMENT AND PLAN OF MERGER (this Agreement) among Stellent, Inc., a Minnesota corporation (Buyer), STEL Sub, Inc., a Delaware corporation formed and wholly owned by Buyer (Buyer Subsidiary), and Optika Inc., a Delaware corporation (the Company and, together with Buyer Subsidiary, sometimes referred to as the Constituent Corporations) is dated as of January 11, 2004.

WHEREAS, the respective Boards of Directors of the Company, Buyer and Buyer Subsidiary have determined that it is advisable and in the best interests of their respective shareholders to consummate, and have approved, the merger of the Company with and into Buyer Subsidiary (the Merger) and the other transactions contemplated by this Agreement;

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and, with respect to the Merger, each of Buyer, Buyer Subsidiary and the Company will be a party to a reorganization within the meaning of Section 368(b) of the Code; and

WHEREAS, the Company, Buyer and Buyer Subsidiary desire to make certain representations, warranties and agreements in connection with, and to prescribe various conditions to, the Merger.

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants and agreements set forth in this Agreement, the parties, intending to be legally bound, agree as follows:

ARTICLE I

THE MERGER

SECTION 1.1 *The Merger.* Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time (defined in Section 1.3), the Company shall be merged with and into Buyer Subsidiary in accordance with the laws of the State of Delaware. Buyer Subsidiary shall be the surviving corporation in the Merger. Throughout this Agreement, the term Surviving Corporation shall refer to Buyer Subsidiary in its capacity as the surviving corporation in the Merger. The effects and the consequences of the Merger shall be as set forth in Section 1.4.

SECTION 1.2 *Closing.* The closing of the Merger (the Closing) will take place at 10:00 a.m. (Central Time), on the business day following the date on which the last of the closing conditions set forth in Article VIII have been met or waived in accordance with this Agreement (other than those that by their terms cannot be satisfied until the time of the Closing), or on such other date or at such other time as is agreed to in writing by the parties (the date of the Closing is referred to as the Closing Date). The Closing shall take place at the offices of Faegre & Benson LLP, 90 South Seventh Street, Minneapolis, Minnesota 55402-3901, or at such other location as is agreed to in writing by the parties.

SECTION 1.3 *Effective Time of the Merger.* Subject to the provisions of this Agreement, an appropriate officer of Buyer Subsidiary shall execute and acknowledge a duly prepared certificate of merger, which shall be filed with the Secretary of State of the State of Delaware (the Certificate of Merger). The Certificate of Merger shall be filed as soon as practicable on the Closing Date following the Closing. The Merger shall become effective upon the filing of the Certificate of Merger with the Secretary of State of the State of Delaware in accordance with Section 251 of the Delaware General Corporation Law (the DGCL) or at such time thereafter as is agreed by the parties and provided in the Certificate of Merger (the date and time the Merger becomes effective is referred to as the Effective Time).

SECTION 1.4 *Effects of the Merger.* At the Effective Time:

(a) The Company shall be merged with and into Buyer Subsidiary, the separate corporate existence of the Company shall cease, and Buyer Subsidiary shall be the Surviving Corporation;

**Table of Contents**

(b) the Certificate of Incorporation and the Bylaws of Buyer Subsidiary shall be the Certificate of Incorporation and the Bylaws of the Surviving Corporation until thereafter amended as provided by law or by the Certificate of Incorporation or the Bylaws of the Surviving Corporation; and

(c) the Merger shall have all the effects prescribed in Sections 259 and 261 of the DGCL.

SECTION 1.5 *Directors and Officers.* As of the Effective Time, the directors of the Company immediately prior to the Effective Time shall be the directors of the Surviving Corporation, and the officers of Buyer Subsidiary immediately prior to the Effective Time shall be the officers of the Surviving Corporation, in each case until the earlier of the resignation or removal of such person or until his or her successor is duly elected or appointed and qualified, as the case may be.

SECTION 1.6 *Intent to Qualify as Reorganization.* The parties intend that the Merger qualify as a reorganization under Section 368(a) of the Code.

ARTICLE II

EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE  
CONSTITUENT CORPORATIONS; EXCHANGE OF CERTIFICATES

SECTION 2.1 *Certain Definitions.*

As used in this Agreement, the following terms have the following definitions:

(a) Adjustment Shares means (i) if the Base Per Share Value is less than or equal to \$4.00, 0, or (ii) if the Base Per Share Value is greater than \$4.00, an aggregate number of shares (rounded to the nearest whole share) of Buyer Common Stock equal to:

$$\frac{\text{Number of Outstanding Company Common Shares} \times (\text{Base Per Share Value} - \$4.00) \times 0.2}{\text{Buyer's Average Price}}$$

(b) Base Exchange Factor means 0.44;

(c) Base Per Share Value means Buyer's Average Price multiplied by the Base Exchange Factor;

(d) Buyer Common Stock means the common stock, par value \$0.01 per share, of Buyer;

(e) Buyer's Average Price means the average per-share closing price of Buyer Common Stock on the Nasdaq National Market System during the period of ten consecutive trading days ending on, and including, the third trading day before the Closing Date;

(f) Cash Consideration Per Share means \$13.664 per share of Company Series A-1 Preferred Stock;

(g) Common Stock Conversion Factor means the number (rounded to five decimal places) equal to the following ratio:

$$\frac{(\text{Outstanding Company Common Shares} \times \text{Base Exchange Factor}) - \text{Adjustment Shares}}{\text{Outstanding Company Common Shares}}$$

(h) Common Stock Per Share Consideration means a fraction of a share of Buyer Common Stock in an amount equal one share of Buyer Common Stock multiplied by the Common Stock Conversion Factor;

Exhibit A sets forth illustrative examples of the calculation of the Common Stock Per Share Consideration.

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(i) **Company Common Stock** means common stock, par value \$0.001 per share, of the Company, including the associated **Company Right**;

(j) **Company Right** means the right to purchase one one-hundredth of a share of Company Series B Preferred Stock of the Company issued pursuant to the Company Rights Agreement;

A-6

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**Table of Contents**

(k) **Company Rights Agreement** means the Amended and Restated Rights Agreement, dated as of July 29, 2002, between the Company and Computershare Trust Company, Inc., as Rights Agent;

(l) **Company Series A-1 Preferred Stock** means the Series A-1 Preferred Stock, par value \$0.001 per share, of the Company;

(m) **Company Series B Preferred Stock** means Series B Preferred Stock, par value \$0.001 per share, of the Company;

(n) **Dissenting Share** means an outstanding share of capital stock of the Company the holder or beneficial owner of which has properly asserted the right, if any, to appraisal of such share in accordance with Section 262 of the DGCL, and has not effectively withdrawn or lost such right as of the Effective Time;

(o) **Excluded Common Shares** means (i) shares of Company Common Stock held of record immediately before the Effective Time by Buyer, Buyer Subsidiary or any direct or indirect wholly owned Subsidiary of Buyer or shares of Company Common Stock that are owned by the Company or any Subsidiary of the Company and in each case not held on behalf of third parties and (ii) shares of Company Common Stock that are Dissenting Shares;

(p) **Excluded Preferred Shares** means (i) Preferred Shares held of record immediately before the Effective Time by Buyer, Buyer Subsidiary or any direct or indirect wholly owned subsidiary of Buyer or shares of Company Common Stock that are owned by the Company or any Subsidiary of the Company and in each case not held on behalf of third parties and (ii) shares of Company Series A-1 Preferred Stock that are Dissenting Shares;

(q) **Outstanding Company Common Share** means a share of Company Common Stock other than Excluded Common Shares, issued and outstanding immediately prior to the Effective Time;

(r) **Outstanding Preferred Share** means a Preferred Share, other than Excluded Preferred Shares, issued and outstanding immediately prior to the Effective Time;

(s) **Preferred Share** means a share of Company Series A-1 Preferred Stock;

(t) **Preferred Stock Per Share Consideration** means (i) the Cash Consideration Per Share and (ii) in the event that there are any Adjustment Shares, a fraction of a share of Buyer Common Stock in an amount equal to the following ratio (rounded to five decimal places):

Adjustment Shares

---

(Outstanding Preferred Shares + Shares of Company Series A-1 Preferred Stock that are Dissenting Shares)

Exhibit A sets forth illustrative examples of the calculation of the Preferred Stock Per Share Consideration; and

(u) **Subsidiary** means, with respect to any corporation or other entity, any corporation or other entity in which the first entity owns, directly or indirectly, fifty percent or more of the securities or other ownership interests having by their terms ordinary voting power to elect at least a majority of the board of directors or other persons performing similar functions.

**SECTION 2.2 Manner of Converting Shares.** As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of capital stock of the Constituent Corporations, the shares of capital stock of the Constituent Corporations shall be converted or cancelled as follows:

(a) **Buyer Subsidiary's Common Stock.** Each share of common stock of Buyer Subsidiary issued and outstanding immediately prior to the Effective Time shall remain outstanding as one share of common stock of the Surviving Corporation and shall not be converted into any other securities or cash in the Merger. The certificates for such shares shall not be surrendered or in any way modified by reason of the Merger. No stock of Buyer Subsidiary will be issued in the Merger.



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(b) Conversion of Company Common Stock. Subject to the other provisions of this Section 2.2, each Outstanding Company Common Share shall, by virtue of the Merger and without any action on

A-7

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**Table of Contents**

the part of the holder thereof, be converted into the right to receive the Common Stock Per Share Consideration.

(c) Conversion of Company Series A-1 Preferred Stock. Subject to the other provisions of this Section 2.2, each Outstanding Preferred Share shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive the Preferred Stock Per Share Consideration.

(d) Anti-Dilution Provisions. If Buyer changes (or establishes a record date for changing) the number of shares of Buyer Common Stock issued and outstanding prior to the Effective Time as a result of a stock split, stock dividend, stock combination, recapitalization, reclassification, reorganization or similar transaction with respect to the outstanding Buyer Common Stock and the record date therefor or the effective time thereof shall be prior to the Effective Time, the Base Exchange Factor, the Base Per Share Value and the number of Adjustment Shares, if any, shall be adjusted appropriately so as to provide the holders of the Company Common Stock and the Company Series A-1 Preferred Stock with the same economic consideration as they would have received as contemplated by this Agreement prior to such transaction. If, between the date of this Agreement and the Effective Time, Buyer shall merge or consolidate with or into any other corporation, or enter into any agreement to merge or consolidate with or into any other corporation, and the terms of that transaction provide that Buyer Common Stock shall be converted into or exchanged for the shares of any other corporation or entity, then provision shall be made so that stockholders of the Company who would be entitled to receive shares of Buyer Common Stock pursuant to this Agreement shall be entitled to receive, in lieu of each share of Buyer Common Stock issuable to that stockholder as provided in this Agreement, the same kind and amount of securities or assets as shall be distributable upon that merger or consolidation with respect to one share of Buyer Common Stock. Nothing stated in this Section 2.2(d) shall permit Buyer to take any action that is not permitted under Section 6.3 hereof without the written consent of the Company.

(e) Dissenting Shares. Notwithstanding any provision of this Agreement to the contrary, each Dissenting Share shall not be converted into or represent a right to receive the Common Stock Per Share Consideration or the Preferred Stock Per Share Consideration, and the holder thereof shall be entitled only to those rights as are granted by the DGCL. If, after the Effective Time, a holder or beneficial owner of Dissenting Shares withdraws or effectively loses the right to appraisal, such Dissenting Shares shall be deemed to be converted into, as of the Effective Time, the right to receive the Common Stock Per Share Consideration or the Preferred Stock Per Share Consideration, as applicable, without interest thereon, upon surrender, in accordance with Section 2.3 of the certificates previously constituting Dissenting Shares. The Company shall give Buyer (i) prompt notice upon receipt by the Company of any notice of intent to assert the right to appraisal of any shares of capital stock of the Company and of withdrawals of any of those notices of intent and any other instruments provided pursuant to the DGCL and received by the Company that relate to any such demand for appraisal and (ii) the opportunity to participate, at Buyer's expense, in all negotiations and proceedings with respect to the exercise of appraisal rights under the DGCL. The Company shall not, except with the prior written consent of Buyer, voluntarily make any payment with respect to any exercise of appraisal rights or settle or offer to settle any demands for fair value of Dissenting Shares under Section 262 of the DGCL. Any payments made in respect of Dissenting Shares shall be made by the Surviving Corporation.

SECTION 2.3 *Exchange of Certificates.*

(a) Deposit with Exchange Agent. As soon as practicable after the Effective Time, Buyer and the Surviving Corporation jointly and severally agree to deposit with Wells Fargo Bank Minnesota, N.A., transfer agent for Buyer Common Stock, or such other paying and exchange agent (which shall be a commercial bank or trust company) as Buyer may appoint (which shall be reasonably acceptable to the Company) (the Exchange Agent ) an amount of cash and certificates representing the shares of Buyer Common Stock required to effect the conversion of Outstanding Company Common Shares, Outstanding Preferred Shares and the Dissenting Shares (presuming that they will lose the right to dissent) into Buyer

**Table of Contents**

Common Stock and cash in accordance with Section 2.2. Buyer and the Surviving Corporation jointly and severally agree promptly to deposit with the Exchange Agent additional amounts of cash, if any, needed from time to time by the Exchange Agent to make payments for fractional shares of Buyer Common Stock (the Fractional Shares ) or Dissenting Shares and to effect the conversion of the Outstanding Company Common Shares and Outstanding Preferred Shares, which payments shall be made by the Exchange Agent. The cash and Buyer Common Stock deposited with the Exchange Agent pursuant to this Section 2.3(a) may not be used for any other purpose, except as provided in this Agreement. All cash deposited with the Exchange Agent pursuant to this Section 2.3(a) shall be invested in obligations of or guaranteed by the United States of America, in commercial paper obligations receiving the highest rating from either Moody's Investors Service, Inc. or Standard & Poor's Corporation, or in certificates of deposit, bank repurchase agreements or bankers' acceptances of commercial banks with capital, surplus and undivided profits exceeding \$50 million. Any net profit resulting from, or interest or income produced by, such investments shall be distributed to Buyer by the Exchange Agent upon Buyer's request.

(b) Company Common Stock Exchange and Payment Procedures. Upon surrender of a certificate representing shares of Company Common Stock (a Common Stock Certificate ) for cancellation to the Exchange Agent or to another agent or agents as may be appointed by Buyer for that purpose, together with a letter of transmittal, duly executed, the holder of the Common Stock Certificate (other than a Common Stock Certificate representing Dissenting Shares) shall be entitled to receive in exchange therefor (x) a certificate representing that number of shares of Buyer Common Stock ( Buyer Shares ) into which the shares of Company Common Stock previously represented by the Common Stock Certificate are converted in accordance with Section 2.2(b), and (y) any cash in lieu of Fractional Shares that the holder has the right to receive pursuant to Section 2.3(f) (with respect to any person receiving the same, the consideration referred to in clauses (x) and (y) above are referred to collectively, as the Common Stock Consideration ). If the Common Stock Consideration is to be delivered to any person who is not the person in whose name the Common Stock Certificate surrendered in exchange therefor is registered in the transfer records of the Company, the Common Stock Consideration may be delivered to a transferee if the Common Stock Certificate is presented to the Exchange Agent, accompanied by all documents reasonably required to evidence and effect that transfer and by evidence reasonably satisfactory to the Exchange Agent that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.3, each Common Stock Certificate (other than a Common Stock Certificate representing Excluded Common Shares, which shall be canceled) shall be deemed at any time after the Effective Time to represent only the right to receive upon surrender the Common Stock Consideration contemplated by this Section 2.3. No interest will be paid or will accrue on any cash payable to holders of the Common Stock Certificates pursuant to provisions of this Article II.

(c) Company Series A-1 Preferred Stock Exchange and Payment Procedures. Upon surrender of a certificate representing shares of Company Series A-1 Preferred Stock (a Preferred Stock Certificate ) for cancellation to the Exchange Agent or to another agent or agents as may be appointed by Buyer for that purpose, together with a letter of transmittal, duly executed, the holder of the Preferred Stock Certificate (other than a Preferred Stock Certificate representing Dissenting Shares) shall be entitled to receive in exchange therefor (x) cash to which that holder is entitled in accordance with Section 2.2(c), (y) a certificate representing that number of Buyer Shares, if any, into which the shares of Company Series A-1 Preferred Stock previously represented by the Preferred Stock Certificate are converted in accordance with Section 2.2(c), and (z) any cash in lieu of Fractional Shares that the holder has the right to receive pursuant to Section 2.3(f) (with respect to any person receiving the same, the cash and the Buyer Shares described in clauses (x), (y) and (z) above being referred to collectively, as the Preferred Stock Consideration ). If the Preferred Stock Consideration is to be delivered to any person who is not the person in whose name the Preferred Stock Certificate surrendered in exchange therefor is registered in the transfer records of the Company, the Preferred Stock Consideration may be delivered to a transferee if the Preferred Stock Certificate is presented to the Exchange Agent, accompanied by all documents reasonably required to evidence and effect that transfer and by evidence reasonably satisfactory to the Exchange Agent that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.3, each Preferred Stock Certificate (other than a Preferred Stock

**Table of Contents**

Certificate representing Excluded Preferred Shares, which shall be canceled) shall be deemed at any time after the Effective Time to represent only the right to receive upon surrender the aggregate Preferred Stock Consideration contemplated by this Section 2.3. No interest will be paid or will accrue on any cash payable to holders of the Preferred Stock Certificates pursuant to provisions of this Article II.

(d) Distributions w