

Starent Networks, Corp.
Form DEFM14A
November 09, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party Other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Starent Networks, Corp.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

No fee required.

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x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

Common stock, par value \$0.001 per share, of Starent Networks, Corp.

2. Aggregate number of securities to which transaction applies:

72,015,949 shares of Starent common stock, 9,317,930 shares of Starent common stock underlying outstanding stock options and 1,006,463 shares of Starent common stock subject to settlement of restricted stock units, each outstanding as of October 9, 2009

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

The filing fee was determined based on the sum of (a) 72,015,949 shares of Starent common stock multiplied by \$35.00 per share; (b) 9,317,930 shares of Starent common stock underlying outstanding stock options with exercise prices less than \$35.00 per share multiplied by \$25.54 (which is the difference between \$35.00 per share and the weighted average exercise price per share); and (c) 1,006,463 shares of Starent common stock issuable upon settlement of restricted stock units multiplied by \$35.00 per share. The filing fee was determined by multiplying \$0.00005580 by the sum of the preceding sentence.

4. Proposed maximum aggregate value of transaction:

2,793,764,352.20

5. Total fee paid:

\$155,893

x Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

Form, Schedule or Registration Statement No.:

Filing Party:

Date Filed:

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STARENT NETWORKS, CORP.

30 International Place

Tewksbury, Massachusetts 01876

November 9, 2009

Dear Stockholder:

You are cordially invited to attend a special meeting of stockholders of Starent Networks, Corp. to be held on December 11, 2009, at 10:00 a.m., local time, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of October 12, 2009, by and among Cisco Systems, Inc., Barcelona Acquisition Corp., a wholly-owned subsidiary of Cisco, and Starent Networks, Corp., as such agreement may be amended from time to time. Pursuant to the merger agreement, Barcelona Acquisition Corp. will merge with and into Starent and Starent will become a wholly-owned subsidiary of Cisco. We are also asking that you grant the authority to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.

If the merger is completed, Starent stockholders will be entitled to receive \$35.00 in cash, without interest and less any applicable withholding taxes, for each share of Starent common stock owned by them as of the date of the merger.

Our board of directors unanimously determined that the merger agreement and the terms and conditions of the merger and the merger agreement are fair to, advisable and in the best interests of Starent and its stockholders. **Our board of directors has unanimously approved the merger agreement. Our board of directors unanimously recommends that you vote FOR the adoption of the merger agreement at the special meeting.**

Our board of directors considered a number of factors in evaluating the transaction and consulted with its legal and financial advisors. The enclosed proxy statement provides detailed information about the merger agreement and the merger. We encourage you to read this proxy statement carefully in its entirety.

Your vote is very important, regardless of the number of shares you own. The proposal to adopt the merger agreement must be approved by the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting. Therefore, if you do not return your proxy card, submit a proxy via the Internet or telephone or attend the special meeting and vote in person, it will have the same effect as if you voted AGAINST adoption of the merger agreement. Only stockholders who owned shares of Starent common stock at the close of business on November 6, 2009, the record date for the special meeting, will be entitled to vote at the special meeting. To vote your shares, you may return your proxy card, submit a proxy via the Internet or telephone or attend the special meeting and vote in person. Even if you plan to attend the meeting, **we urge you to promptly submit a proxy for your shares via the Internet or telephone or by completing, signing, dating and returning the enclosed proxy card.**

Thank you for your support of Starent.

Sincerely,

Ashraf M. Dahod

President and Chief Executive Officer

This proxy statement is dated November 9, 2009 and is being mailed to stockholders of Starent on or about November 10, 2009.

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STARENT NETWORKS, CORP.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To the Stockholders of Starent Networks, Corp.:

Starent Networks, Corp., a Delaware corporation ("Starent"), will hold a special meeting of stockholders at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, at 10:00 a.m., local time, on December 11, 2009, for the following purposes:

To consider and vote upon the adoption of the Agreement and Plan of Merger, dated as of October 12, 2009, by and among Cisco Systems, Inc., a California corporation, Barcelona Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Cisco, and Starent Networks, Corp., a Delaware corporation, as such agreement may be amended from time to time; and

To consider and vote upon the adjournment of the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.

Only record holders of Starent common stock at the close of business on November 6, 2009 are entitled to receive notice of, and will be entitled to vote at, the special meeting, including any adjournments or postponements of the special meeting.

Under Delaware law, if the merger is completed, holders of Starent common stock who do not vote in favor of adoption of the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery. In order to exercise your appraisal rights, you must submit a written demand for an appraisal prior to the stockholder vote on the merger agreement, not vote in favor of adoption of the merger agreement and comply with other Delaware law procedures explained in the accompanying proxy statement.

Your vote is important and we urge you to complete, sign, date and return your proxy card as promptly as possible by mail or by faxing the card to the attention of Jonathan M. Moulton at 978-863-3971, whether or not you expect to attend the special meeting. If you are unable to attend in person and you return your proxy card, your shares will be voted at the special meeting in accordance with your proxy. You may also submit a proxy by telephone by calling 1-800-652-8683 in the United States and 781-575-2300 from foreign countries or through the Internet at www.investorvote.com using the control number on your proxy card. If your shares are held in street name by your broker or other nominee, only that holder can vote your shares unless you obtain a valid legal proxy from such broker or nominee. You should follow the directions provided by your broker or nominee regarding how to instruct such broker or nominee to vote your shares.

The merger is described in the accompanying proxy statement, which we urge you to read carefully. A copy of the merger agreement is attached as Annex A to the proxy statement.

Tewksbury, Massachusetts

November 9, 2009

By Order of the Board of Directors,

Jonathan M. Moulton

Vice President, General Counsel and

Secretary

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YOUR VOTE IS IMPORTANT.

Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy card and return it promptly in the envelope provided or by faxing it to the attention of Jonathan M. Moulton at 978-863-3971 or submit a proxy by telephone by calling 1-800-652-8683 in the United States and 781-575-2300 from foreign countries or through the Internet at www.investorvote.com. Giving your proxy now will not affect your right to vote in person if you attend the meeting.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following Q&A is intended to address some commonly asked questions regarding the special meeting of stockholders and the merger. These questions and answers may not address all questions that may be important to you as a Starent stockholder. We urge you to read carefully the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement.

Except as otherwise specifically noted in this proxy statement, we, our, us and similar words in this proxy statement refer to Starent Networks, Corp. In addition, we refer to Starent Networks, Corp. as Starent and to Cisco Systems, Inc. as Cisco.

The Special Meeting

Q: Why am I receiving this proxy statement?

A: Our board of directors is furnishing this proxy statement in connection with the solicitation of proxies to be voted at a special meeting of stockholders, or at any adjournments or postponements of the special meeting.

Q: Where and when is the special meeting of stockholders?

A: The special meeting of our stockholders will be held on Friday, December 11, 2009 at 10:00 a.m., local time, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109.

Q: What am I being asked to vote on?

A: You are being asked to vote to adopt a merger agreement that provides for the acquisition of Starent by Cisco. The proposed acquisition would be accomplished through a merger of Barcelona Acquisition Corp., a wholly-owned subsidiary of Cisco (which we refer to as merger sub), with and into Starent. As a result of the merger, we will become a wholly-owned subsidiary of Cisco, and our common stock will cease to be listed on The NASDAQ Global Select Market, will not be publicly traded and will be deregistered under the Securities Exchange Act of 1934, as amended.

In addition, you are being asked to grant our management discretionary authority to adjourn the special meeting. If we do not receive proxies from stockholders holding a sufficient number of shares to adopt the merger agreement, we could use the additional time to solicit additional proxies in favor of adoption of the merger agreement.

Q: How does Starent's board recommend that I vote?

A: At a meeting held on October 12, 2009, our board of directors unanimously approved the merger agreement and determined that the merger agreement and the terms and conditions of the merger and the merger agreement are fair to, advisable and in the best interests of Starent and its stockholders. **Our board of directors unanimously recommends that you vote FOR the adoption of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event there are not sufficient votes in favor of adoption of the merger agreement at the time of the special meeting.**

The Proposed Merger

Q: What will I be entitled to receive pursuant to the merger?

A: As a result of the merger, our stockholders will be entitled to receive \$35.00 in cash, without interest and less any applicable withholding taxes, for each share of our common stock they own as of the date of the

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merger. For example, if you own 100 shares of our common stock, you will be entitled to receive \$3,500 in cash, less any applicable withholding taxes, in exchange for your 100 shares.

Q: What will the holders of Starent stock awards receive in the merger?

A: Upon the closing of the merger, outstanding Starent stock awards under Starent's 2000 Stock Incentive Plan will be assumed by Cisco with the same terms and conditions (including vesting), except that Cisco shares will be substituted for Starent shares and the applicable share numbers and option exercise prices will be appropriately adjusted. Stock awards under Starent's 2000 Stock Incentive Plan will be subject to up to 25% acceleration upon the closing of the merger, other than awards held by our executive officers who have executed benefit waivers. Stock awards under Starent's 2007 Stock Incentive Plan that are held by employees who will be continuing in employment after the merger is completed will be assumed in the same manner; however, no employee awards under that plan will be subject to acceleration. All vested stock awards under Starent's 2007 Stock Incentive Plan held by other persons will be cancelled in the merger, and such persons will be entitled to receive a cash payment from Cisco in an amount equal to the number of shares outstanding under the awards as of the closing date multiplied by an amount equal to \$35.00 less any applicable exercise price. All unvested stock awards under Starent's 2007 Stock Incentive Plan held by such other persons will be cancelled and terminated in the merger. See "The Merger Treatment of Options Outstanding Under Our Stock Plans" and "Treatment of Restricted Shares and Restricted Stock Units Outstanding Under Our Stock Plans" beginning on page 49.

Q: What regulatory approvals and filings are needed to complete the merger?

A: The merger is subject to compliance with the applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act. See "The Merger Regulatory Matters" beginning on page 53.

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible and currently expect to consummate the merger in the first half of calendar year 2010. In addition to obtaining stockholder approval, we must satisfy all other closing conditions, including the receipt of regulatory approvals.

Q: What rights do I have if I oppose the merger?

A: Our stockholders are entitled to appraisal rights under Delaware law by following the requirements specified in Section 262 of the General Corporation Law of the State of Delaware. A copy of Section 262 is attached as Annex D to this proxy statement. See "The Merger Appraisal Rights" beginning on page 45.

Q: Do any of Starent's directors or officers have interests in the merger that may differ from those of Starent stockholders?

A: Cisco has entered into employment agreements with six of our executive officers, which, effective upon closing of the merger, will provide that each of these executive officers will be employed by Cisco for a period of at least one year in the case of three executive officers, and at least two years in the case of the other three executive officers, following closing of the merger. The employment agreements with Cisco provide for a grant to each executive officer of restricted stock units for shares of Cisco common stock and certain other payments and benefits. In addition, another of our executive officers currently has an executive retention agreement with us that provides him with equity compensation acceleration and severance benefits if his employment with us is terminated under certain conditions in connection with the merger or if his employment is terminated within one year of the closing of the merger under certain circumstances. All Starent stock

options, restricted stock units and shares of restricted stock held by non-employee members of

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our board of directors will accelerate in full in connection with the merger. See "The Merger" Interests of Starent's Executive Officers and Directors in the Merger beginning on page 37 for a description of these agreements as well as a description of other rights of our directors and executive officers that come into effect in connection with the merger.

Q: What factors did the Starent board of directors consider in making its recommendation?

A: In making its recommendation, our board of directors took into account, among other things, the \$35.00 per share cash consideration to be received by holders of our common stock pursuant to the merger not only in relation to the market price as of signing and historical market prices of our common stock, but also in relation to our board of directors' assessment of the business, competitive position and prospects of Starent, and the terms and conditions of the merger agreement, including our ability to furnish information to, and conduct negotiations with, a third party should we receive an alternative proposal, and terminate the merger agreement to accept a superior offer.

Q: Will the merger be taxable to me?

A: Yes. The receipt of cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes, and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. Generally, for U.S. federal income tax purposes, a U.S. stockholder will recognize gain or loss equal to the difference between the amount of cash received by the stockholder in the merger and the stockholder's adjusted tax basis in the shares of our common stock converted into cash in the merger. If you are a non-U.S. holder, the merger will generally not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States, but may be a taxable transaction to you under non-U.S. federal income tax laws, and you are encouraged to seek tax advice regarding such matters. Because individual circumstances may differ, we recommend that you consult your own tax advisor to determine the particular tax effects to you. See "The Merger" Material United States Federal Income Tax Consequences of the Merger beginning on page 51.

Voting and Proxy Procedures

Q: Who is entitled to vote at the special meeting?

A: Only stockholders of record as of the close of business on November 6, 2009 are entitled to receive notice of the special meeting and to vote the shares of our common stock that they held at that time at the special meeting, or at any adjournments or postponements of the special meeting.

Q: What vote is required to adopt the merger agreement?

A: Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting.

As of November 6, 2009, the record date for determining who is entitled to vote at the special meeting, there were 72,123,138 shares of our common stock issued and outstanding. Under voting agreements dated October 12, 2009, certain of our directors and certain funds and/or trusts affiliated with certain directors who are owners of approximately 18.9% of our outstanding shares of common stock have agreed to vote the shares of our common stock over which they exercise voting control for the adoption of the merger agreement.

Q: If my broker holds my shares in street name, will my broker vote my shares for me?

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- A:** Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares following the procedure provided by your broker. Without instructions, your shares will not be voted, which will have the same effect as if you voted **AGAINST** adoption of the merger agreement.

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Q: What do I need to do now?

A: We urge you to read this proxy statement carefully and consider how the merger affects you. Then mail your completed, dated and signed proxy card in the enclosed return envelope as soon as possible, or submit a proxy via the Internet or telephone, so that your shares can be voted at the special meeting of our stockholders. **Please do not send your stock certificates with your proxy card.**

Q: May I vote in person?

A: Yes. If your shares are registered in your name, you may attend the special meeting and vote your shares in person, rather than signing and returning your proxy card or submitting a proxy via the Internet or telephone. If your shares are held in street name, you must obtain a proxy from your broker or other nominee in order to attend the special meeting and vote in person. Even if you plan to attend the special meeting in person, we urge you to complete, sign, date and return the enclosed proxy or submit a proxy via the Internet or telephone to ensure that your shares will be represented at the special meeting.

Q: May I submit a proxy via the Internet or telephone?

A: If your shares are registered in your name, you may cause your shares to be voted by returning a signed proxy card or vote in person at the special meeting. Additionally, you may submit a proxy authorizing the voting of your shares via the Internet at www.investorvote.com or telephonically by calling 1-800-652-8683. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy via the Internet or telephone.

If your shares are held in street name through a broker or other nominee, you may provide voting instructions by completing and returning the voting form provided by your broker or nominee, or via the Internet or telephone through your broker or nominee if such a service is provided. To provide voting instructions via the Internet or telephone through your broker or nominee, you should follow the instructions on the voting form provided by your broker or nominee.

Q: What happens if I do not return my proxy card, submit a proxy via the Internet or telephone or attend the special meeting and vote in person?

A: The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting. Therefore, if you do not return your proxy card, submit a proxy via the Internet or telephone, or attend the special meeting and vote in person, it will have the same effect as if you voted AGAINST adoption of the merger agreement. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned to solicit additional proxies. If a quorum is present in person or represented by proxy at the special meeting, approval of the proposal to adjourn the special meeting, if necessary to solicit additional proxies, requires the affirmative vote of a majority of the votes cast on the matter by holders of our common stock present, in person or represented by proxy, at the special meeting and, therefore, if you do not vote in person or by proxy, it will have no effect on the outcome of such proposal to adjourn.

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. You may change your vote at any time before your proxy card is voted at the special meeting. *If you have sent a proxy directly to Starent, you may revoke your proxy by:*

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delivering a written revocation of the proxy or a later dated, signed proxy card, to our corporate secretary at our corporate offices at 30 International Place, Tewksbury, Massachusetts 01876, or by fax to the attention of Jonathan M. Moulton, Secretary, at 978-863-3971, on or before the business day prior to the special meeting;

delivering a new, later dated proxy by telephone or via the Internet until immediately prior to the special meeting;

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delivering a written revocation or a later dated, signed proxy card to us at the special meeting prior to the taking of the vote on the matters to be considered at the special meeting; or

attending the special meeting and voting in person.

If you have instructed a broker or other nominee to vote your shares, you may revoke your proxy only by following the directions received from your broker or nominee to change those instructions.

Revocation of the proxy will not affect any vote previously taken. Attendance at the special meeting will not in itself constitute the revocation of a proxy; you must vote in person at the special meeting to revoke a previously delivered proxy.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return (or submit via the Internet or telephone with respect to) each proxy card and voting instruction card that you receive.

Q: What happens if I sell my shares of Starent common stock before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting and the date the merger is expected to be completed. If you transfer your shares of our common stock after the record date but before the special meeting, you will retain your right to vote at the special meeting, but will transfer the right to receive the merger consideration.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, you will receive written instructions for exchanging your shares of our common stock for the merger consideration of \$35.00 in cash, without interest and less any applicable withholding taxes, for each share of our common stock you hold.

Q: Who can help answer my questions?

A: If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger, including the procedures for voting your shares, you should contact:
Starent Networks, Corp.

Attn: Investor Relations

30 International Place

Tewksbury, Massachusetts 01876

(978) 863-3743

or

Innisfree M&A Incorporated

Banks and Brokers Please Call Collect: (212) 750-5833

Stockholders Please Call: (888) 750-5834

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosures in this proxy statement. Any representation to the contrary is a criminal offense.

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FORWARD-LOOKING INFORMATION

This proxy statement contains forward-looking statements, as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our current expectations, assumptions, beliefs, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as anticipate, believe, estimate, expect, intend, project, should and similar expressions. Factors that may affect those forward-looking statements include, among other things:

the risk that the merger may not be consummated in a timely manner, if at all,

the risk that the merger agreement may be terminated in circumstances that require us to pay Cisco a termination fee of \$63.5 million,

risks regarding a loss of or a substantial decrease in purchases by our major customers,

risks related to diverting management's attention from our ongoing business operations,

risks regarding employee retention, and

other risks detailed in our current filings with the Securities and Exchange Commission, or SEC, including our most recent filings on Form 10-K or Form 10-Q, which discuss these and other important risk factors concerning our operations.

We caution you that reliance on any forward-looking statement involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances.

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SUMMARY

This summary highlights selected information from this proxy statement and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement. See **Where You Can Find More Information** on page 74. The merger agreement is attached as Annex A to this proxy statement. We encourage you to read the merger agreement, which is the legal document governing the merger.

The Companies (page 16)

Starent Networks, Corp.

30 International Place

Tewksbury, Massachusetts 01876

Telephone: (978) 851-1100

Incorporated in August 2000, Starent Networks, Corp. is a leading provider of infrastructure solutions that enable mobile operators to deliver multimedia services to their subscribers. Starent has created solutions that provide mobile operators with the functions and services needed for access, mobility management and call control in their networks. Through integrated intelligence and high performance capabilities, Starent's solutions also enhance subscriber management, billing and session policy enforcement. Starent's products are capable of supporting a wide range of mobile wireless networks, such as CDMA2000, UMTS/HSPA, LTE, WiFi, and WiMAX. Starent's products have been deployed by over 100 mobile operators in 45 countries.

Cisco Systems, Inc.

170 West Tasman Drive

San Jose, California 95134

Telephone: (408) 526-4000

Incorporated in California in 1984, Cisco Systems, Inc. designs, manufactures, and sells Internet Protocol-based networking and other products related to the communications and information technology industry and provides services associated with these products and their use. Cisco's products are installed at enterprise businesses, public institutions, telecommunications companies, commercial businesses and personal residences. Cisco provides a broad line of products for transporting data, voice, and video within buildings, across campuses, and around the world.

Barcelona Acquisition Corp.

170 West Tasman Drive

San Jose, California 95134

Telephone: (408) 526-4000

Incorporated on October 6, 2009, Barcelona Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Cisco, was organized solely for the purpose of entering into the merger agreement with Starent and completing the merger. Barcelona Acquisition Corp. has not conducted any business operations.

Merger Consideration (page 49)

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If the merger is completed, you will be entitled to receive \$35.00 in cash, without interest and less any applicable withholding taxes, in exchange for each share of Starent common stock that you own as of the date of the merger and for which you have not properly exercised appraisal rights.

After the merger is completed, you will have the right to receive the merger consideration, but you will no longer have any rights as a Starent stockholder and will have no rights as a Cisco stockholder as a result of the

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merger. Starent stockholders will receive the merger consideration after surrendering their Starent shares in accordance with the instructions contained in the letter of transmittal to be sent to our stockholders shortly after closing of the merger.

Treatment of Stock Awards Outstanding Under Our Stock Plans (page 49)

At the effective time of the merger, shares of our outstanding common stock that are restricted, not fully vested or subject to repurchase rights will be converted into unvested cash merger consideration that remains subject to the same restrictions, vesting arrangements and repurchase rights following the effective time of the merger. This unvested cash merger consideration payable upon conversion of such restricted shares of common stock in the merger will be paid to the holder of such shares if and only to the extent the holder satisfies the vesting terms or other restrictions. The vesting of restricted shares granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers (whose awards will not automatically accelerate in connection with the merger). The specific amount of acceleration is set forth in the individual restricted stock agreements.

At the effective time of the merger, all of our outstanding stock options and restricted stock units, whether vested or unvested, held by our employees and our subsidiaries' employees who continue employment with Starent, Cisco, or their subsidiaries and all other outstanding options granted under our 2000 Stock Incentive Plan (collectively, "rollover awards") will be assumed by Cisco with the same terms and conditions (including vesting). With respect to rollover awards consisting of options ("rollover options"), Cisco shares will be substituted for Starent shares and the applicable share numbers and option exercise prices will be appropriately adjusted, and with respect to rollover awards consisting of restricted stock units ("rollover restricted stock units"), Cisco shares will be substituted for Starent shares underlying the restricted stock units and the applicable share numbers will be appropriately adjusted. In the case of three of our executive officers who have entered into employment agreements with Cisco, new vesting restrictions will be placed on a portion of their rollover awards immediately prior to the effective time of the merger.

The merger will not terminate any rollover awards. The vesting of rollover options granted under our 2000 Stock Incentive Plan will be accelerated with respect to up to 25% of the original number of shares subject to such awards upon the closing of the merger, other than awards held by our non-employee directors (whose awards will accelerate in full in connection with the merger) and executive officers who have executed benefit waivers in connection with their employment agreements with Cisco. The specific amount of acceleration is set forth in individual stock option agreements.

At the effective time of the merger, all of our outstanding vested stock options granted under our 2007 Stock Incentive Plan held by any person other than our employees and our subsidiary's employees who continue employment with Starent, Cisco, or their subsidiaries will be cancelled in the merger and converted into the right to receive a cash payment from Cisco in an amount equal to the number of shares under such cancelled options multiplied by \$35.00 less the applicable exercise price. Any outstanding unvested stock options granted under our 2007 Stock Incentive Plan held by such other persons at the effective time of the merger will be cancelled and terminated. At the effective time of the merger, all outstanding restricted stock units under our 2007 Stock Incentive Plan that are held by persons who are not continuing employees and that have not yet been settled will be cancelled and terminated.

At the effective time of the merger, stock awards granted to non-employee members of our board of directors under either our 2000 or 2007 Stock Incentive Plan will accelerate in full in accordance with their terms.

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Market Prices and Dividend Data (page 12)

Our common stock is quoted on The NASDAQ Global Select Market under the symbol STAR. On October 12, 2009, the last full trading day before the public announcement of the merger, the closing price for our common stock was \$29.03 per share and on November 6, 2009, the latest practicable trading day before the printing of this proxy statement, the closing price for our common stock was \$33.85 per share.

Material United States Federal Income Tax Consequences of the Merger (page 51)

The conversion of shares of our common stock into the right to receive \$35.00 per share cash merger consideration will be a taxable transaction to our stockholders for U.S. federal income tax purposes. See The Merger Material United States Federal Income Tax Consequences of the Merger beginning on page 51.

Tax matters can be complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. We strongly recommend that you consult your own tax advisor to fully understand the tax consequences of the merger to you.

Reasons for the Merger and Recommendation of Starent's Board of Directors (page 23)

Our board of directors unanimously recommends that you vote FOR adoption of the merger agreement and FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies. At a meeting of our board of directors on October 12, 2009, after consultation with financial and legal advisors, our board of directors unanimously determined that the merger agreement and the merger are advisable and in the best interests of Starent and its stockholders and unanimously approved the merger agreement.

In the course of reaching its decision, our board of directors consulted with our senior management, financial advisor and legal counsel, reviewed a significant amount of information and considered a number of factors, including, among others, the consideration to be received in the merger, the prospects of Starent as an independent entity, the terms of the merger agreement and other agreements executed in connection with the merger, the risks of announcing and completing the merger and the interests that certain officers and directors may have with respect to the merger. Our board of directors did not quantify or otherwise attempt to assign relative weights to these various factors, but considered all such factors in the aggregate in reaching its determination and recommendation.

Opinion of Our Financial Advisor (page 26)

Goldman, Sachs & Co., or Goldman Sachs, delivered its opinion to our board of directors that, as of October 12, 2009 and based upon and subject to the factors and assumptions set forth therein, the \$35.00 per share in cash to be paid to the holders of shares (other than any shares the consideration for which will be or become subject to vesting or similar requirements) of our common stock pursuant to the merger agreement was fair from a financial point of view to such holders.

The full text of the written opinion of Goldman Sachs, dated October 12, 2009, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, is attached as Annex C. Goldman Sachs provided its opinion for the information and assistance of our board of directors in connection with its consideration of the transaction. Goldman Sachs's opinion is not a recommendation as to how any holder of our common stock should vote with respect to the transaction or any other matter. Pursuant to an engagement letter between Goldman Sachs and us, we agreed to pay Goldman Sachs a transaction fee of approximately \$20 million, a principal portion of which is payable upon consummation of the transaction.

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