

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **2006-01-05**
SEC Accession No. **0000902664-06-000010**

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FILED BY

JANA PARTNERS LLC

CIK: **1159159** | IRS No.: **000000000** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **SC 13D/A**

Business Address
*JANA PARTNERS LLC
536 PACIFIC AVENUE
SAN FRANCISCO CA 94133
2125935955*

SUBJECT COMPANY

SITEL CORP

CIK: **943820** | IRS No.: **470684333** | State of Incorporation: **MN** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-44769** | Film No.: **06513378**
SIC: **7389** Business services, nec

Mailing Address
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COMMUNICATIONS DR
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Business Address
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COMMUNICATIONS DR
OMAHA NE 68122
4106595700*

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D*
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

Under the Securities Exchange Act of 1934
(Amendment No. 3)

SITEL Corporation

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

82980K107

(CUSIP Number)

Marc Weingarten, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2000

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

January 4, 2006

(Date of Event which Requires
Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other

parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 4 Pages)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 82980K107

SCHEDULE 13D/A

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

JANA PARTNERS LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT
TO ITEM 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

7 SOLE VOTING POWER

10,676,665

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER

-0-

9 SOLE DISPOSITIVE POWER

10,676,665

10 SHARED DISPOSITIVE POWER

-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

10,676,665

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES*

[]

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

14.5%

14 TYPE OF REPORTING PERSON*

IA

* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP NO. 82980K107

SCHEDULE 13D/A

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The Schedule 13D filed on July 29, 2005 by JANA Partners LLC, a Delaware limited liability company (the "Reporting Person"), relating to the shares ("Shares") of common stock, \$0.001 par value, of SITEL Corporation (the "Issuer"), as amended by Amendment No. 1 to the Schedule 13D filed on November 23, 2005 and Amendment

No. 2 to the Schedule 13D filed on December 28, 2005, is hereby amended as set forth below by this Amendment No. 3 to the Schedule 13D.

ITEM 4. PURPOSE OF TRANSACTION.

The last three paragraphs of Item 4 of the Schedule 13D are hereby amended and restated as follows:

Following discussions between representatives of the Reporting Person and the Issuer regarding certain disagreements related to the Notice, on December 15, 2005 the Reporting Person received a letter from the Issuer regarding the sufficiency of the Reporting Person's notification in which the Issuer referred, among other matters, to a deficiency arising from the level of approval required for the removal of directors in the Reporting Person's proposed bylaw amendments. On December 19, 2005, the Reporting Person filed a complaint in the United States District Court for the District of Minnesota against the Issuer disputing any deficiency and seeking the following: (i) an order barring the Issuer from asserting any claimed deficiency in the notification not expressly asserted in its December 15 letter, or in the alternative, an order directing the Issuer to immediately provide any and all perceived deficiencies and the reasons for such beliefs; (ii) a declaration that (a) the Reporting Person has fully complied with the provisions of the Issuer's bylaws requiring timely notice, to nominate directors and of other business, in writing to the secretary of the Issuer, (b) the Reporting Person's proposed bylaw amendment does not conflict with the Minnesota Business Corporation Act, (c) the second sentence of Article II, Section 5 of the Issuer's bylaws which states that a plurality vote of shares present at a meeting where a quorum is present is required for the election of directors is invalid given that it conflicts with the Issuer's articles of incorporation and that a majority of the voting power of all shares (in person or by proxy) is needed to elect directors pursuant to Section 4.6 of the Issuer's articles of incorporation which requires that all shareholder action be approved by a majority vote of shares present at a meeting where a quorum is present and (d) the Issuer must comply with Section 4.6 of the Issuer's articles of incorporation; (iii) an order enjoining the Issuer from further attempts to use the advance notice provisions of the Issuer's bylaws to impede shareholder participation; and (iv) fees and costs. The Reporting Person provided the Issuer with a courtesy copy of the complaint and informed the Issuer that if the issues in the complaint were not resolved promptly it would serve the Issuer with the complaint.

On January 4, 2006, the Reporting Person and the Issuer entered into a settlement agreement pursuant to which the Reporting Person agreed to dismiss its pending litigation without prejudice to the Reporting Person no later than January 9, 2006, and pursuant to which the Issuer declared that the Notice, as amended as set forth in the agreement, would be in compliance with the applicable requirements of the Issuer's Articles of Incorporation and Bylaws. Pursuant to the agreement, the Issuer and the Reporting Person also agreed that the voting threshold required for the election of directors to the Issuer's board of directors is as set forth in the Issuer's Articles of Incorporation. A copy of this agreement is attached as Exhibit D.

The Reporting Person intends to review its investment in the Issuer on a continuing basis and may engage in further discussions with management, the Board, other shareholders of the Issuer and other relevant parties concerning the business, operations, board composition, management, strategy and future

plans of the Issuer. Depending on various factors including, without limitation, the Issuer's financial position and strategic direction, the outcome of the discussions and actions referenced above, price levels of the Shares, conditions in the securities market and general economic and industry conditions, the Reporting Person may in the future take such actions with respect to its investment in the Issuer as it deems appropriate including, without limitation, purchasing additional shares or selling some or all of its Shares, engaging in short selling of or any hedging or similar transactions with respect to the Shares, encouraging the Issuer to maximize shareholder value through one or more strategic transactions and/or otherwise changing its intention with respect to any and all matters referred to in Item 4 of Schedule 13D.

Except as set forth above, the Reporting Person has no present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a)-(j) of Item 4 of Schedule 13D.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Item 7 of the Schedule 13D is hereby supplemented as follows:

3. Exhibit D - Agreement dated January 4, 2006, by and between, SITEL Corporation and JANA Piranha Master Fund, Ltd.

CUSIP NO. 82980K107

SCHEDULE 13D/A

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SIGNATURES

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

Dated: January 5, 2006

JANA PARTNERS LLC

By: /s/ Barry Rosenstein

Name: Barry Rosenstein
Title: Managing Partner

By: /s/ Gary Claar

Name: Gary Claar
Title: Managing Director

This Agreement (the "Agreement") is entered into as of January 4th, 2006 by and between SITEL Corporation (the "Company" or "SITEL") and JANA Piranha Master Fund, Ltd. ("JANA").

WHEREAS, JANA has submitted an Advance Notice of Shareholder Business and Shareholder Nominees dated November 29, 2005 (the "Notice") pertaining to SITEL's 2006 annual meeting of shareholders (the "Annual Meeting") to SITEL's corporate secretary;

WHEREAS, the parties hereto desire to enter into this Agreement in order to resolve certain disagreements that may arise or have arisen with respect to the Notice and related matters and to provide for certain matters with respect to the Notice and related matters.

In consideration of the time and effort that can be avoided by the parties that would otherwise be required to be incurred in the absence of this Agreement, the Company and JANA agree as follows:

1. NOTICE DEFICIENCIES: SITEL hereby confirms that SITEL has reviewed the Notice for compliance with the content, timeliness and other applicable requirements of SITEL's articles of incorporation and bylaws (the "Governing Documents"), including Sections 10 and 11 of Article II of SITEL's bylaws (the "Advance Notice Provisions"), and hereby declares that the Notice complies with all such requirements, except that SITEL believes, and JANA hereby acknowledges having been notified by SITEL as of December 15, 2005 of SITEL's belief, that the Notice contains the following deficiencies: (1) the purported voting requirement for the removal of directors is incorrect, as described in Section 2 below, and (2) the purported reservation of rights on page 4 of the Notice (the "Reservation") does not comply with the Advance Notice Provisions, as described in Section 2 below. While SITEL believes that the Notice contains various other statements which are legally or factually incorrect or with which SITEL otherwise disagrees, SITEL hereby declares that SITEL does not believe that any such statements render the Notice deficient under or otherwise non-compliant with the Governing Documents.

2. (a) AMENDMENT OF VOTING REQUIREMENT IN JANA'S PROPOSAL 1. JANA acknowledges that SITEL and its Minnesota counsel have informed JANA that SITEL and such counsel believe that the voting threshold embodied in the proposed amendment to Section 3, Article III of the Company's Bylaws set forth in Proposal 1 of the Notice does not comply with the applicable requirements of the Minnesota Business Corporation Act (the "MBCA"). Without prejudice to either party's position on the merits of such analysis, the parties agree that an amendment to Proposal 1 of the Notice by JANA received in writing by SITEL on or before the close of business on January 31, 2006 as set forth in paragraph (c) below amending the voting threshold required for the removal of directors to provide that such removal may not be effected without the approval of at least a

majority of the voting power of the outstanding shares shall not be deemed to have materially altered the Notice and therefore JANA shall still be deemed to have given notice of its intent to bring such business before the Annual Meeting in accordance with the timeliness and other applicable requirements of the Advance Notice Provisions and neither SITEL nor its representatives (including any Chairman of the Annual Meeting) shall at any point otherwise deem such amendment as rendering the Notice non-compliant with the Governing Documents

with respect to timeliness or in any other respect. In the absence of such amendment, SITEL reserves the right to assert the unenforceability and challenge the enforceability of such voting threshold.

(b) REMOVAL OF PURPORTED RESERVATION. JANA acknowledges that SITEL has informed JANA that SITEL believes that the Reservation does not comply with the Advance Notice Provisions. Without prejudice to either party's position on the merits of such statement, the parties agree that an amendment to the Notice by JANA received in writing by SITEL on or before the close of business on January 31, 2006 as set forth in paragraph (c) below deleting the Reservation shall not be deemed to have materially altered the Notice and therefore JANA shall still be deemed to have given notice of its intent to bring the business described in the Notice (other than the matters covered by the Reservation) before the Annual Meeting in accordance with the timeliness and other applicable requirements of the Advance Notice Provisions and neither SITEL nor its representatives (including any Chairman of the Annual Meeting) shall otherwise deem such amendment as rendering the Notice non-compliant with the Governing Documents with respect to timeliness or in any other respect. In the absence of such amendment, SITEL reserves the right to challenge the Notice, insofar as it relates to the Reservation and the matters covered thereby, as being deficient under and non-compliant with the Advance Notice Provisions and for any other reason.

(c) DECLARATION REGARDING AMENDED NOTICE. Attached as Annex A to this Agreement is the form of amendment to the Notice reflecting the amendments permitted by the preceding paragraphs (a) and (b). SITEL hereby declares that it has reviewed the Notice together with such amendments for compliance with the applicable requirements of the Governing Documents, including the Advance Notice Provisions, and hereby declares (with continuing force and effect) the Notice as so amended will be in compliance with the content, timeliness and other applicable requirements of the Governing Documents and agrees neither it nor its representatives (including any chairman of the Annual Meeting) will declare otherwise, provided that JANA delivers to SITEL an amendment to the Notice in the form of Annex A on or before the close of business on January 31, 2006.

3. VOTE REQUIREMENT FOR ELECTION OF DIRECTORS. The parties acknowledge and agree that the voting threshold required for the election of directors to SITEL's Board of Directors is as set forth in Article 4.6 of SITEL's articles of incorporation.

4. EQUITABLE RELIEF; DISMISSAL OF PENDING LITIGATION. (a) The parties

agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of Minnesota, without bond or other security being required, this being in addition to any other remedy to which they are entitled at law or in equity. The parties further agree that the sole appropriate venue for any future potential disputes relating or with respect to the Annual Meeting or the Notice shall be a court of the United States located in the State of Minnesota to the extent such court has jurisdiction over such matters.

(b) This Agreement shall terminate, shall be null and void and shall be of no further force or effect if JANA shall not have delivered to SITEL not later than the close of business on January 9, 2006, proof that JANA has caused the proceeding entitled JANA PARTNERS LLC & JANA PIRANHA MASTER FUND, LTD. V. SITEL CORPORATION, No. 0:05-dv-2927 (D. Minn., filed Dec. 19, 2005) to be dismissed and discontinued in all respects, provided that such dismissal and discontinuance may be without prejudice to JANA. The parties hereby further agree that neither party nor its representatives will bring any action related to performance of either party's obligations under the December 12, 2005 letter agreement between the parties (the "Letter Agreement") (except for the portions of the Letter Agreement relating to Rule 14a-8 under the Securities Exchange Act of 1934, as amended).

5. SEVERABILITY; RESERVATION OF RIGHTS. (a) If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the agreements contemplated hereby are implemented to the extent possible.

(b) Except as expressly provided herein, each party expressly reserves all of its rights.

6. MISCELLANEOUS. This Agreement shall be governed by and construed in accordance with the laws of the state of New York. Any waiver or amendment of this Agreement must be in writing signed by the parties hereto. This Agreement shall inure to the benefit of any be binding upon, each party and that party's respective successors and assigns. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements with respect to the matters which are the subject hereof (except for the portions of the Letter Agreement relating to Rule 14a-8 under the Securities Exchange Act of 1934, as amended).

This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

[Rest of page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed or caused this Agreement to be executed as of the date first written above.

SITEL CORPORATION

By: /s/ James F. Lynch

Name: James F. Lynch
Title: CEO

JANA PIRANHA MASTER FUND, LTD.

By: JANA Partners LLC, its Investment Manager

By: /s/ Barry Rosenstein

Name: Barry Rosenstein
Title: Managing Partner

ANNEX A

JANA PIRANHA MASTER FUND, LTD.

January 31, 2006

Corporate Secretary
SITEL Corporation
7277 World Communications Drive
Omaha, NE 68122

Re: AMENDMENT TO THE ADVANCE NOTICE OF SHAREHOLDER BUSINESS AND
SHAREHOLDER NOMINEES

JANA Piranha Master Fund, Ltd., a Cayman Islands exempted company, hereby submits the following amendments to the notice (the "Notice") delivered to SITEL Corporation (the "Company") on November 29, 2005.

Proposal 1 of the Notice and the accompanying lead-in to Proposal 1 is hereby amended to read as follows:

PROPOSAL 1: A proposal to amend and restate Sections 3 and 4 of Article III of the Bylaws to permit shareholders to remove directors with or without cause by the vote of a majority of the voting power of the outstanding shares, and to fill the vacancies so created, which proposal will be in substantially the following form: RESOLVED, that Sections 3 and 4 of Article III of the Bylaws are hereby amended and restated in their entirety as follows:

Section 3. Resignation or Removal. Any director may resign at any time upon written notice to the corporation. Any director, or the entire board of directors, may be removed from office at any time, with or without cause, only at a regular meeting of the shareholders or at any special meeting of the shareholders called for such purpose, if a quorum is present (in person or by proxy), upon the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote at an election of directors. Notwithstanding the foregoing, any director who was an employee of the corporation at the time such director was elected may be removed from office at the election of a majority of the remaining directors if such director ceases, for any reason, to be an employee of the corporation.

Section 4. Vacancies. Any vacancies in the board of directors for any reason and any newly created directorships resulting by reason of any increase in the number of directors may be filled either by: (1) the board of directors, acting by a majority of the remaining directors then in office, although less than a quorum, or by a sole remaining director or (2) the shareholders at any annual or special meeting, if a quorum is present (in person or by proxy), by the affirmative vote of the holders of at least a majority of the voting power of the shares present (in person or by proxy) at the meeting and entitled to vote generally in the election of directors, voting together as a single class. Any directors so appointed shall hold office until the next election of the class for which such directors have been chosen and, in either instance, until their successors are elected and qualified or their earlier resignation or removal. Notwithstanding the foregoing provisions of this Section 4, a vacancy occurring as a result of the removal of any director with or without cause by the shareholders shall be filled exclusively by the shareholders at any annual or special meeting, including the meeting at which such directors were removed, if

a quorum is present (in person or by proxy), by the affirmative vote of the holders of at least a majority of the voting power of the shares present (in person or by proxy) at the meeting and entitled to vote generally in the election of directors, voting together as a single class.

PROPOSAL 2: Provided that Proposal 1 is approved by the requisite shareholder vote, a proposal to remove two directors, in substantially the following form: RESOLVED, that James F. Lynch and Rohit M. Desai (or any successors thereto) are hereby removed without cause as directors of the Company.

The following language is hereby deleted from the Notice: "The Shareholder reserves the right to nominate additional nominees in the event the Company, by the appropriate corporate action, has increased or increases the number of directors to be elected at the Meeting and reserves the right to make modifications to the foregoing proposals in the event that the composition of the board of directors has changed prior to the Meeting."

The Notice is hereby amended to replace "(or any replacement thereof)" in each instance that it appears with "(or any successor thereto)".

Very truly yours,

JANA PIRANHA MASTER FUND, LTD.

By: JANA Partners LLC, its investment manager

By: /s/ Barry Rosenstein

Name: Barry Rosenstein

Title: Managing Partner