

Friday, Oct. 9, 2009

## **NewsWatch: Ciena plans \$521M acquisition of Nortel**

Taking what its CEO calls "a tremendous opportunity," networking equipment provider Ciena Corp. of Linthicum has agreed to purchase substantially all of the optical networking and carrier assets of Nortel's Metro Ethernet Networks business for \$390 million in cash and 10 million shares of common stock, for a total value of about \$521 million.

The assets to be acquired generated about \$1.36 billion in revenue for Nortel in 2008 and \$556 million in the first six months of 2009, according to Ciena information.

"We think this is a tremendous opportunity, one that fits naturally with our strategy," Ciena CEO Gary Smith said in a webcast Wednesday.

Ciena said it expects to offer jobs to 2,000 affected Nortel employees. The deal is contingent on approval in Nortel's bankruptcy proceedings and regulatory approval.

### **United BioSource lands \$125M infusion**

United BioSource has received a \$125 million equity investment from private equity firm Berkshire Partners of Boston. The Bethesda company helps bioscience firms gather and analyze data to develop and commercialize their products.

"With this additional capital investment, we are well positioned to continue our targeted growth strategy recognizing that over the last six years, a steady and accelerating momentum has been building among regulators, payers, physicians and patients for new requirements and standards that go beyond [Food and Drug Administration] approval and the traditional drug development process," said CEO Ethan Leder in a statement.

### **Sandy Spring projects \$34.5M for loan losses**

Sandy Spring Bank of Olney expects to record a third-quarter provision for loan losses of about \$34.5 million, increasing the allowance for loan and lease losses to 2.7 percent of outstanding loans and leases from 2.4 percent on June 30.

Net charge-offs — the amount of loans written off as uncollectible — of \$29.8 million are expected in the third quarter, versus \$12.1 million in the second quarter.

"This reserve increase generally reflects a move into the next logical phase of working through problem credits to prepare for ultimate resolution," said CEO Daniel J. Schrider in a statement.

### **Constellation to build solar plant at stadium**

A subsidiary of Constellation Energy of Baltimore will build a 525-kilowatt photovoltaic solar power system at Patriot Place, the 1.3 million-square-foot entertainment, retail and dining complex next to the New England Patriots' Gillette Stadium in Foxborough, Mass.

The system will supply about 30 percent of Patriot Place's electricity, according to Constellation information. Construction is to begin in late October and will include about 2,800 crystalline photovoltaic panels on seven rooftops.

The system will generate more than 12 million kilowatt hours of electricity over 20 years, the company said, and will prevent the release of more than 8,800 metric tons of carbon dioxide into the atmosphere.

Under a 20-year power purchase agreement, Constellation Energy's Projects & Services Group will own the energy assets and sell the electricity to Patriot Place.

### **Waldorf firm sauces headed to Giant shelves**

Sauces and spice mixes made by Waldorf-based Lefty's Spices are on their way to 130 Giant Food stores in Maryland and Pennsylvania, hitting shelves this week in Maryland, according to Giant representatives.

"Our buyers liked the quality of the product, liked obviously the taste, and for us they helped us fill a niche on our shelves," said James Sturgis, director of supplier diversity for the Landover-based segment of the Giant chain. "One, we like doing business with local products with a local following. Given they've had the restaurant for a while now and built a reputation and brand."

Giant will try Lefty's "fish 'n' chicken" spice mix and one flavor of barbecue sauce in 50 stores in Maryland, Virginia, Delaware and Washington, D.C., possibly expanding the line into all 181 local stores if it does well, Sturgis said.

Agreements with other retailers, including Food Lion, Shoppers' Food Warehouse and 10 local Wal-Mart stores are in the pipeline, with Lefty's seasonings expected to be available by New Year's, according to Lefty's Spices CEO Walter Nash Jr.

### **Military spending bill targets bleeding, paralysis**

A Rockville company and Baltimore nonprofit research institute would get millions of dollars under a Pentagon spending bill that cleared the Senate, 93-7, this week, according to Sen. Benjamin L. Cardin (D) of Pikesville, who requested the items.

STB Lifesaving Technologies would receive \$3 million to help pay for clinical trials and regulatory testing of its bandage designed to stop severe arterial and venous bleeding. The Kennedy-Krieger Institute would receive \$2 million for its International Center for Spinal Cord Injury, which is developing a therapy technique that stimulates normal movements to help regenerate cells and help patients' bodies "remember" how to move.

### **Sequella receives \$694K grant**

Sequella Inc. of Rockville, which focuses on treating infectious diseases, has received a \$694,000 grant supplement as part of the American Recovery and Reinvestment Act of 2009.

Sequella will use the stimulus money to help manufacture its lead candidate, SQ109, a possible tuberculosis treatment, and provide drug supplies to continue research on how it works.

### **Broadsoft to acquire California company**

Broadsoft Inc. of Gaithersburg, which provides voice over Internet protocol systems, intends to acquire privately held Packet Island of Cupertino, Calif., which provides quality of service assessment and monitoring tools for VoIP and video networks and services.

The acquisition enables BroadSoft to address the "critical need in the market of ensuring" quality of service and quality of experience for real-time communications, the company said in a statement.

### **Potomac facility sued for \$10M after closure**

Two residents of AAA Warmcare, an assisted living group home in Potomac that was shut down by the state, have filed a \$10 million lawsuit against the facility and its owner.

The state Department of Health and Mental Hygiene suspended the facility's license after conducting an unannounced investigation of the eight-bed site on Aug. 5, according to an agency report. The report alleged that an elderly woman with end-stage Alzheimer's disease — one of the residents who filed the lawsuit — had tape and a rag tied over her mouth and was tied to her wheelchair numerous times.

The residents have since been removed from the 1,800-square-foot home. Montgomery County police are investigating elder abuse.

The lawsuit, filed by Raymond and Elizabeth Tully of Potomac, brings up further allegations. The Tullys, a married couple in their 80s, filed the suit in Montgomery County Circuit Court, according to William Askinazi, who is representing the couple. The Tullys had lived in the home since 2008, Askinazi said.

A lawyer who represents AAA Warmcare, Benjamin Vaughan, couldn't be reached for comment.

### **Web services company wins \$4M DOT deal**

Aquilent of Laurel, a Web-based services provider serving mainly government agencies, has won a federal Department of Transportation contract worth more than \$4 million.

Aquilent will provide Web and content management systems for dot.gov, including requirements analysis, information architecture, usability testing, visual design and branding services to help improve the visibility and usability of the Web site. Aquilent will also assist with overall Web strategy, according to company information.

### **\$610M contract means 100-plus jobs in Hagerstown**

More than 100 new employees will be hired by Sierra Nevada Corp. in Hagerstown as part of a new \$610 million contract the company recently won from U.S. Customs and Border Protection to provide Beechcraft aircraft outfitted with electronics, radio communications suites, sensor equipment and other technology.

The contract is estimated to bring the facility's current \$60 million payroll to about \$75 million, according to William Shaver, executive vice president with Sierra Nevada, whose headquarters are in Sparks, Nev.

### **SMECO to cut power rates in 2010**

Electric rates are expected to fall 6.5 percent next year for the 147,000 business and residential customers of the Southern Maryland Electric Cooperative.

The rate of 15 cents per kilowatt hour for customers is expected to fall to 14 cents. SMECO's costs reached an all-time high at \$100 per megawatt hour in 2008. Rates are now forecast to decrease over the next three years.

"You'll start to see our price come down. That's the value of having a portfolio" of diversified sources, said CFO Sonja Cox.

The Maryland Public Service Commission recently approved a new transmission line for SMECO, which should complete a loop of increased power in Southern Maryland.

### **Merger activity down in debt collection sector**

Year-to-date merger and acquisition activity in the debt collection/accounts receivable management industry is down from last year, mirroring overall merger and acquisition trends, according to advisory firm Kaulkin Ginsberg of Rockville.

There were 29 announced transactions with a total value of \$190.3 million through the first three quarters, compared with 29 deals valued at \$1.8 billion a year ago.

The recession is to blame, according to Kaulkin Ginsberg information. A decline in liquidation rates across most market segments over the past year, combined with the continued difficulty of buyers to secure financing, has hampered deal activity for the year.

### **Stem cell commission requests applications**

The Maryland Stem Cell Commission has issued three requests for applications for funding projects, the fourth round from the Maryland Stem Cell Research Fund, which has a current operational budget of \$12.4 million for fiscal 2010.

The grants will fund basic and translational research with human stem cells of all types.