

NET2PHONE INC  
Form SC 13E3/A  
February 24, 2006

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Schedule 13E-3**

**Rule 13e-3 Transaction Statement**

**(Pursuant to Section 13(e) of the Securities Act of 1934)**

**(Amendment No. 10)**

**NET2PHONE, INC.**

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(Name of the Issuer)

**NET2PHONE, INC.**

**NTOP ACQUISITION, INC.**

**IDT CORPORATION**

**HOWARD S. JONAS**

**JAMES A. COURTER**

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(Names of Persons Filing Statement)

**Common Stock, par value \$0.01 per share**

**Class A Common Stock, par value \$0.01 per share**

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(Titles of Classes of Securities)

**64108N10**

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(CUSIP Number of Class of Securities)

<b>Ira A. Greenstein</b>	<b>James R. Mellor</b>
<b>President</b>	<b>Chairman of the Independent Committee</b>
<b>IDT Corporation</b>	<b>of the Board of Directors</b>
<b>520 Broad Street</b>	<b>Net2Phone, Inc.</b>
<b>Newark, New Jersey 07102</b>	<b>520 Broad Street</b>
<b>(973) 438-1000</b>	<b>Newark, New Jersey 07102</b>
	<b>(973) 438-3111</b>

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(Name, Address and Telephone Numbers of Person Authorized to Receive Notices and Communications on Behalf of Persons Filing Statement)

*Copies to:*

<b>Joyce Mason, Esq.</b>	<b>Abbe L. Dienstag, Esq.</b>
<b>General Counsel</b>	<b>Kramer Levin Naftalis &amp; Frankel LLP</b>
<b>IDT Corporation</b>	<b>1177 Avenue of the Americas</b>
<b>520 Broad Street</b>	<b>New York, New York 10036</b>
<b>Newark, New Jersey 07102</b>	<b>(212) 715-9100</b>
<b>(973) 438-1000</b>	

**Stephen Fraidin, Esq.**  
**Andrew E. Nagel, Esq.**  
**Kirkland & Ellis LLP**  
**153 East 53<sup>rd</sup> Street**  
**New York, New York 10022**  
**(212) 446-4800**

This statement is filed in connection with (check the appropriate box):

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- a. The filing of solicitation materials or an information statement subject to Regulation 14A (§ § 240.14a-1 through 240.14b-2), Regulation 14C (§ § 240.14c-1 through 240.14c-101) or Rule 13e-3(c) (§ 240.13e-3(c)) under the Securities Act of 1934 ( the Act ).
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

**CALCULATION OF FILING FEE**

<b>Transaction Valuation*</b>	<b>Amount of Filing Fee*</b>
<b>\$94,605,978.90</b>	<b>\$10,122.84</b>

\* Estimated solely for purposes of calculating the amount of the filing fee. This calculation assumes the purchase of 46,149,258 shares of the common stock, par value \$0.01 per share (the Shares ), of Net2Phone, Inc. ( Net2Phone ), including Shares issuable upon exercise of vested stock options and upon conversion of shares of the class A common stock, par value \$0.01 per share ( Class A Common Stock ), of Net2Phone, at a price per Share of \$2.05 in cash. Such number of Shares represents 48,890,306 Shares outstanding and Shares issuable upon exercise of vested stock options and upon conversion of the shares of Class A Common Stock, in each case not already beneficially owned by IDT Corporation ( IDT ), as of November 1, 2005, less the 2,773,798 Shares already beneficially owned by IDT. The amount of the filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory No. 6 for fiscal year 2005 equals \$107.00 per \$1,000,000.00 of the value of the transaction.

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

**Amount Previously Paid:** \$10,863.54

**Form or Registration Number:** Schedule TO/13E-3 (SEC File No. 005-56655)

**Filing Parties:** NTOP Acquisition, Inc. and IDT Corporation.

**Date Filed:** November 10, 2005

**Amendment No. 10 to Schedule 13E-3**

This Amendment No. 10 (this Amendment No. 10 ) is being filed by the filing persons listed on the cover page hereof and amends and supplements the Schedule 13E-3 Transaction Statement (the Initial Schedule 13E-3 ) initially filed with the Securities and Exchange Commission on November 10, 2005 by IDT Corporation, a Delaware corporation ( IDT ), and NTOP Acquisition, Inc., a Delaware corporation and wholly-owned subsidiary of IDT ( NTOP Acquisition ), as amended (the Initial Schedule 13E-3, as so amended, is referred to as the Schedule 13E-3 ). This Amendment No. 10 relates to the acquisition by NTOP Acquisition of all of the outstanding shares (the Shares ) of common stock, par value \$0.01 per share, and Class A common stock, par value \$0.01 per share, of Net2Phone, Inc., a Delaware corporation ( Net2Phone ), not already beneficially owned by IDT.

Concurrently with the filing of this Schedule 13E-3, Net2Phone is filing with the Securities and Exchange Commission a Consent Solicitation Statement (the Consent Solicitation Statement ) pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, relating to the solicitation by Net2Phone of written consents from its stockholders to approve and adopt the Agreement and Plan of Merger, dated as of February 17, 2006 (the Merger Agreement ), among IDT, NTOP Acquisition and Net2Phone, and the transactions contemplated thereby, including the Merger of NTOP Acquisition with and into Net2Phone (the Merger ). If Net2Phone's stockholders adopt the Merger Agreement and approve the Merger, the Shares (other than the Shares beneficially owned by IDT and any Shares with respect to which appraisal rights have been properly perfected under Delaware law) will be converted into the right to receive \$2.05 in cash without interest. As a result of the Merger, Net2Phone will cease to be a publicly traded company and will become a wholly-owned subsidiary of IDT. The information set forth in the Consent Solicitation Statement, a copy of which is attached as Exhibit (a)(1)(xi) to this Schedule 13E-3, including all schedules and annexes thereto, is hereby incorporated by reference in response to items 1 through 16 of the Schedule 13E-3, and is supplemented by the information specifically provided herein.

ITEM 4.

Item 4 of the Schedule 13E-3 is hereby amended and supplemented by adding the following thereto:

The information set forth in the Consent Solicitation Statement under the captions Introduction, Questions and Answers about the Merger and Consent Solicitation, Special Factors Purposes and Reasons for the Merger; Consideration of Alternatives; Structure of the Merger, Effects of the Merger, The Merger Certain Federal Income Tax Consequences, Accounting Treatment and Appraisal Rights is incorporated herein by reference.

ITEM 5.

Item 5 of the Schedule 13E-3 is hereby amended and supplemented by adding the following thereto:

The information set forth in the Consent Solicitation Statement under the captions Introduction, Questions and Answers about the Merger and Consent Solicitation, Special Factors Purposes and Reasons for the Merger; Consideration of Alternatives; Structure of the Merger and Effects of the Merger is incorporated herein by reference.

ITEM 6.

Item 6 of the Schedule 13E-3 is hereby amended and supplemented by adding the following thereto:

The information set forth in the Consent Solicitation Statement under the captions Special Factors Purposes and Reasons for the Merger; Consideration of Alternatives; Structure of the Merger and Plans for the Company is incorporated herein by reference.

ITEM 8

Item 8 of the Schedule 13E-3 is hereby amended and supplemented by adding the following thereto:

The information set forth in the Consent Solicitation Statement under the captions Special Factors Recommendation of the Independent Committee and Our Board of Directors, Reasons For the Independent Committee's Determination; Fairness of the Merger and Reasons For the Board of Director's Determination; Fairness of the Merger is incorporated herein by reference.

ITEM 10.

Item 10 of the Schedule 13E-3 is hereby amended and supplemented by adding the following thereto:

The information set forth in the Consent Solicitation Statement under the captions The Merger Merger Financing; Source of Funds and Estimated Fees and Expenses of the Merger is incorporated herein by reference.

ITEM 12.

Item 12 of the Schedule 13E-3 is hereby amended and supplemented by adding the following thereto:

The information set forth in the Consent Solicitation Statement under the captions Recommendation of the Independent Committee and Our Board of Directors is incorporated herein by reference.

ITEM 16.

The information incorporated by reference into Item 16 of the Schedule 13E-3 is hereby amended and supplemented as follows:

The following is hereby inserted after Exhibit (a)(1)(x):

(a)(1)(xi) Consent Solicitation Statement of Net2Phone, Inc., dated February 24, 2006 (incorporated by reference to Consent Solicitation Statement on Schedule 14A filed by Net2Phone, Inc. on February 24, 2006.

(a)(1)(xii) Agreement and Plan of Merger, dated as of February 17, 2006, by and among IDT Corporation, NTOP Acquisition, Inc. and Net2Phone, Inc. (incorporated by reference to Annex A of Consent Solicitation Statement on Schedule 14A filed by Net2Phone, Inc. on February 24, 2006.

(a)(1)(xiii) Joint Press Release issued by IDT Corporation and Net2Phone, Inc., dated February 17, 2006 (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by IDT Corporation on February 21, 2006).

**SIGNATURES**

After due inquiry and to the best of their knowledge, the undersigned certify that the information set forth in this statement is true, complete and correct.

NET2PHONE, INC.

By: /s/ James R. Mellor  
Name: James R. Mellor  
Title: Director and Chairman of the Independent  
Committee of the Board of Directors of  
Net2Phone, Inc.

NTOP ACQUISITION, INC.

By: /s/ Ira A. Greenstein  
Name: Ira A. Greenstein  
Title: President

IDT CORPORATION

By: /s/ Ira A. Greenstein  
Name: Ira A. Greenstein  
Title: President

HOWARD S. JONAS

By: /s/ Howard S. Jonas

JAMES A. COURTER

By: /s/ James A. Courter

Date: February 24, 2006

**EXHIBIT INDEX**

<b>Exhibit</b>	<b>Description</b>
(a)(1)(xi)	Consent Solicitation Statement of Net2Phone, Inc., dated February 24, 2006 (incorporated by reference to Consent Solicitation Statement on Schedule 14A filed by Net2Phone, Inc. on February 24, 2006).
(a)(1)(xii)	Agreement and Plan of Merger, dated as of February 17, 2006, by and among IDT Corporation, NTOP Acquisition, Inc. and Net2Phone, Inc. (incorporated by reference to Annex A of Consent Solicitation Statement on Schedule 14A filed by Net2Phone, Inc. on February 24, 2006).
(a)(1)(xiii)	Joint Press Release issued by IDT Corporation and Net2Phone, Inc., dated February 17, 2006 (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by IDT Corporation on February 21, 2006).