

SECURITIES AND EXCHANGE COMMISSION

FORM 424B3

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UNAPIX ENTERTAINMENT INC

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PROSPECTUS SUPPLEMENT NO. 3
TO
PROSPECTUS DATED JULY 21, 1997

UNAPIX ENTERTAINMENT, INC.

The following information supplements, and must be read in connection with, the information contained in the Prospectus dated July 21, 1997 as supplemented by Prospectus Supplement No.1 dated January 7, 1998 (the "Prospectus") of Unapix Entertainment, Inc., a Delaware corporation, and Prospectus Supplement No.2 dated August 30, 1999.

The following information supplements the information provided in the Prospectus under the caption "Plan of Distribution".

Dated: September 8, 1999

PURCHASE OFFER FOR

UNAPIX ENTERTAINMENT, INC.

10% CONVERTIBLE SUBORDINATED NOTES DUE 2003

September 8, 1999

Dear Noteholder:

By this purchase offer (the "Offer"), Unapix Entertainment, Inc., a Delaware corporation ("Unapix"), offers to purchase from the holders thereof (the "Holders") in cash up to \$3,611,250 of the \$7,222,500 of its 10% Convertible Subordinated Notes due 2003 (the "Notes") having an original conversion price of \$4.50 per share (and which is currently \$4.17 per share after giving effect to anti-dilution adjustments). The purchase price for the Notes (the "Purchase Notes") purchased pursuant to this Offer will equal 104.5% of the principal amount of such Notes plus accrued interest thereon through the date of purchase; provided, that such purchase is conditioned upon (i) such Holder converting an equal principal amount of Notes, at the "Deemed Prepayment Premium" (as defined below) at a modified conversion rate (the "Modified Conversion Price") equal to the average of the closing prices of Unapix's common stock, \$.01 par value per share ("Common Stock"), as reported by the American Stock Exchange, for the 10 trading day period ending immediately prior to the "GE Credit Closing" (as defined below), capped at a maximum conversion rate of

\$3.00 per share; and (ii) the occurrence of the GE Credit Closing. For avoidance of doubt, any Notes converted at the Modified Conversion Price (the "Conversion Notes") shall be deemed amended immediately prior to conversion to adjust the conversion price to equal the price described above and to entitle the holder to receive upon conversion the Deemed Prepayment Premium by converting same into shares of Common Stock at the Modified Conversion Price. Notes not purchased or converted pursuant to this Offer shall not be amended or modified in any way as a result of this Offer. The "Deemed Prepayment Premium" shall mean the principal amount of the Conversion Notes plus the accrued and unpaid interest thereon through the date of conversion plus the 4.5% pre-payment premium that would have been payable on such Notes had they been called for redemption.

By accepting this Offer, Holders will be permitted to retain the common stock purchase warrants that were included with the Notes in the Units that they purchased.

It is contemplated that this Offer will remain open through 5:00 p.m. Eastern Time, September 15, 1999, unless extended (the "Expiration Date"). However, Unapix reserves the right to terminate or extend this Offer at any time.

THIS OFFER IS SUBJECT TO THE CONDITION THAT UNAPIX CONSUMMATE A \$40 MILLION CREDIT FACILITY WITH GENERAL ELECTRIC CAPITAL CORPORATION ON TERMS SATISFACTORY TO IT (THE "GE CREDIT CLOSING"). UNAPIX RESERVES THE RIGHT, AT ITS ELECTION, TO NOT PURCHASE ANY NOTES OR PERMIT CONVERSION AT THE MODIFIED CONVERSION PRICE UNLESS THE GE CREDIT CLOSING OCCURS. IF THE GE CREDIT CLOSING OCCURS, UNAPIX SHALL BE OBLIGATED TO PURCHASE ALL NOTES PROPERLY TENDERED.

This Offer is being extended pursuant to, and forms a part of, Unapix's Prospectus, dated July 21, 1997, relating to the issuance of shares of Common Stock underlying the Notes. A copy of such Prospectus has previously been provided to each Holder. As the shares of Common Stock issuable upon conversion of the Conversion Notes are covered by such Prospectus, it is expected that the shares of Common Stock to be received by the Holders with respect thereto will not be "restricted" shares (within the meaning of the Securities Act of 1933), and accordingly, could be resold by the Holders without restrictions subject to applicable law.

First Montauk Securities will receive a solicitation fee of \$.03 per share of Common Stock issued upon conversion of Notes that are converted, pursuant to this Offer, by Holders that it solicits. Accordingly, if a Holder has not been solicited by First Montauk Securities, the Holder should check the appropriate box on the Letter of Transmittal which accompanies this Offer.

To accept this Offer, a Holder should complete and sign the Letter of Transmittal. The Letter of Transmittal together with the Purchase Notes and Conversion Notes should be delivered to Unapix at the following address:

Unapix Entertainment, Inc.
200 Madison Avenue

New York, New York 10016
Attention: Michael R. Epps, Esq.
TELEPHONE 212-252-7600
TELECOPY 212-252-7628
E-MAIL MEPPS@UNAPIXENT.COM

Questions relating to sending your Notes and confirmation that they have been received by Unapix can be directed to the same address at Unapix. Because the Notes are valuable documents, it is recommended that if shipped, they be sent via a reliable express delivery service such as Federal Express, UPS, Airborne Express or by hand, to permit receipt by Unapix.

UNAPIX DIRECTS HOLDERS TO THEIR FINANCIAL, LEGAL AND TAX ADVISORS FOR ADVICE CONCERNING THE RIGHTS AND OBLIGATIONS OF, AND CONSEQUENCES TO, THE HOLDERS WHO TENDER THEIR NOTES PURSUANT TO THIS OFFER.

Holders tendering Notes should sign the letter of transmittal with the same name as are typed on the front of the Notes as the registered holder. The signature on the letter of transmittal should be guaranteed by a Federally insured financial institution.

No alternative, conditional or contingent tenders will be accepted. If the GE Credit Closing does not occur by September 30, 1999 for any reason, the Purchase Notes and Conversion Notes tendered will be returned by Unapix to the respective tendering Holders, and this Offer and its acceptance will be deemed null and void.

Upon the terms and subject to the conditions of this Offer (including if the Offer is extended or amended, the terms and conditions of any such extension or amendment), upon the GE Credit Closing, Unapix will accept for payment and will pay for all Purchase Notes properly tendered prior to the Expiration Date. All tenders by Holders and companion elections to convert the Conversion Notes shall be irrevocable; except that Holders will be entitled to revoke their tender if they simultaneously convert the full principal amount of their Purchase Notes and Conversion Notes into shares of the Company's common stock in accordance with the original terms of the Notes (without giving effect to this Offer).

Holders tendering their Notes for purchase and conversion pursuant to this Offer are necessarily investing in the common stock of Unapix and accordingly, should familiarize themselves with public information concerning Unapix. In this regard, the Holders' attention is directed to the Prospectus, dated July 21, 1997, as well as the most recently filed documents pursuant to the Securities Exchange Act of 1934, including, without limitation, Unapix's Annual Report on Form 10-KSB for the year ended December 31, 1998, Unapix's Proxy Statement dated June 25, 1999 and Unapix's Quarterly Report on Form 10-QSB for the fiscal quarter ended June 30, 1999, copies of which may be viewed or obtained via the Internet at www.sec.gov. Holders wishing to receive hard-copy of any of such information may obtain same free of charge by contacting Unapix at the above address.

Very truly yours,

UNAPIX ENTERTAINMENT, INC.

/s/ HERBERT M. PEARLMAN

Herbert M. Pearlman, Chairman