

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1994-01-04** | Period of Report: **1993-12-22**  
SEC Accession No. **0000950112-94-000002**

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FILER

**PARAMOUNT COMMUNICATIONS INC /DE/**

CIK: **44482** | IRS No.: **741330475** | State of Incorporation: **DE** | Fiscal Year End: **0430**  
Type: **8-K** | Act: **34** | File No.: **001-05404** | Film No.: **94500309**  
SIC: **7812** Motion picture & video tape production

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*15 COLUMBUS CIRCLE  
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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549-1004

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 22, 1993

PARAMOUNT COMMUNICATIONS INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

1-5404  
(Commission  
File Number)

74-1330475  
(I.R.S. Employer  
Identification No.)

15 Columbus Circle  
(Address of principle executive offices)

10023-7780  
(Zip code)

Registrant's telephone number, including area code (212) 373-8000

Item 5. Other Events

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On December 22, 1993, Paramount Communications Inc. ("Paramount") terminated the Amended and Restated Agreement and Plan of Merger with Viacom Inc. ("Viacom"). In addition, on December 22, 1993, Paramount entered into an Exemption Agreement with Viacom (the "Exemption Agreement"). The Exemption Agreement provides for the amendment of the Rights Agreement relating to Paramount's Common Stock Purchase Rights and the taking of appropriate action so that restrictions on business combinations contained in Article XI of Paramount's Restated Certificate of Incorporation and Section 203 of the Delaware General Corporation Law shall not apply to the consummation of the pending tender offer by Viacom for Paramount Common Stock (the "Viacom Offer") if the minimum condition with respect to the Viacom Offer, among other conditions, is satisfied. The Exemption Agreement will thereby allow Paramount stockholders, if they so choose, to have their shares of Paramount Common Stock ("Shares") accepted for payment pursuant to the Viacom Offer.

On December 22, 1993, Paramount and QVC Network, Inc. ("QVC") entered into an Agreement and Plan of Merger (as amended, the "QVC Merger Agreement"), which provides for, among other things, (i) the amendment of the pending tender offer by QVC for Paramount Common Stock (as so amended, the "Revised QVC Offer"),

which offer had provided for the purchase of approximately 51% of

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the outstanding Shares at a price of \$90 per Share, to (A) increase the purchase price for the Shares to \$92 per Share, (B) amend the conditions to the QVC Offer to conform with the conditions set forth in Annex A to the QVC Merger Agreement and (C) extend the expiration date of the QVC Offer until 12:00 midnight on January 7, 1994 and (ii) the institution of amended and definitive terms of the proposed merger which would follow consummation of the QVC Offer (as so amended, the "Revised QVC Second-Step Merger"), which terms had provided for, subject to change by QVC, the exchange of (1) 1.43 shares of QVC Common Stock and (2) 0.32 shares of a new series of QVC Cumulative Convertible Exchangeable Preferred Stock for each remaining Share and which now provide for the binding commitment of QVC to exchange (x) 1.43 shares of QVC Common Stock, (y) 0.32 shares of a new series of 6% Cumulative Non-Convertible Exchangeable Preferred Stock and (z) 0.32 Warrants to purchase QVC Common Stock for each remaining Share.

A copy of the press release of Paramount, dated December 22, 1993, relating to the above-described transactions is attached hereto as Exhibit 99 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits

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(b) Exhibits.

99 - Press Release of Paramount dated December 22, 1993

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARAMOUNT COMMUNICATIONS INC.

By: Donald Oresman

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Donald Oresman  
Executive Vice President

January 4, 1994

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99 - Press Release of Paramount dated  
December 22, 1993

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PARAMOUNT COMMUNICATIONS INC.  
15 Columbus Circle  
New York, NY 10023-7780  
212-373-8558

NEWS

FOR IMMEDIATE RELEASE

December 22, 1993

NEW YORK, Dec. 22 -- Paramount Communications Inc. announced today that it had entered into a merger agreement with QVC Network Inc. The merger agreement was unanimously approved by the Board of Directors of Paramount this morning. The Board will recommend the QVC proposal to its shareholders. The agreement provides for a merger of the two companies following completion of a tender offer by QVC for 61,607,894 shares, or approximately 51%, of the outstanding common stock of Paramount. Under the terms of the agreement, QVC will amend its existing tender offer to increase the price from \$90 to \$92 per share in cash.

Martin S. Davis, chairman and chief executive officer of Paramount, said: "The merger agreement with QVC included bidding procedures previously adopted by the Board of Directors of Paramount. In addition, Paramount reported that it had also entered into an agreement with Viacom, Inc. which incorporated the same bidding procedures. These procedures," he stated, "are designed to provide the highest value for Paramount shareholders by creating a level playing field. They allow existing bidders to increase their bids. In addition, the procedures give the shareholders of Paramount an opportunity to choose should there be more than one offer outstanding in the final stage of the bidding process. Moreover, the merger agreement does not prohibit any new bids by a third party."

Paramount also announced that in connection with the execution of its merger agreement with QVC it had terminated its existing merger agreement with Viacom.

Paramount also said that in connection with the receipt of bids on December 20, 1993, Viacom advised Paramount that it was considering raising its offer.

Following completion of the tender offer, under the terms of the merger agreement, each Paramount share that is not purchased in the tender offer will be acquired in a second-step merger in exchange for 1.43 shares of QVC common stock, .32 shares of a new series of 6% cumulative non-convertible exchangeable preferred stock of QVC and .32 warrants to purchase one share of QVC common stock per whole warrant

at a price of \$70.34 per share exercisable at any time prior to the tenth anniversary of the merger.

Based on December 21, 1993, closing prices of QVC, the value of the consideration in the second step merger would be approximately \$76 per share, and the blended value of the total consideration would be approximately \$84.

-more-

The New series of QVC preferred stock will bear dividends at a rate of 6% per annum, payable quarterly, will have a liquidation preference of \$50 per share, will be redeemable by QVC at declining redemption premiums at any time after the fifth anniversary of the QVC second-step merger and will be exchangeable by QVC after the third anniversary of the QVC second-step merger into QVC 6% junior subordinated debentures. Each QVC warrant will entitle the holder to purchase one share of QVC Common Stock per whole warrant at a price of \$70.34 per share, will be exercisable at the holder's option at any time prior to the tenth anniversary of the QVC second-step merger, will be exercisable using cash or an equivalent amount of liquidation preference of new QVC preferred stock or principal amount of 6% Junior Subordinated Debentures, and will be callable by QVC at \$15 per warrant on and after the fifth anniversary of the QVC second-step merger.

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