

SECURITIES AND EXCHANGE COMMISSION

FORM SC 14D9/A

Tender offer solicitation / recommendation statements filed under Rule 14d-9 [amend]

Filing Date: **1994-02-02**
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SUBJECT COMPANY

PARAMOUNT COMMUNICATIONS INC /DE/

CIK: **44482** | IRS No.: **741330475** | State of Incorporation: **DE** | Fiscal Year End: **0430**
Type: **SC 14D9/A** | Act: **34** | File No.: **005-10760** | Film No.: **94504164**
SIC: **7812** Motion picture & video tape production

Business Address
*15 COLUMBUS CIRCLE
NEW YORK NY 10023-7780
2123738000*

FILED BY

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CIK: **44482** | IRS No.: **741330475** | State of Incorporation: **DE** | Fiscal Year End: **0430**
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 33
TO
SCHEDULE 14D-9
(WITH RESPECT TO THE TENDER OFFER BY VIACOM INC.)

SOLICITATION/RECOMMENDATION STATEMENT
PURSUANT TO SECTION 14(D) (4)
OF THE SECURITIES EXCHANGE ACT OF 1934

PARAMOUNT COMMUNICATIONS INC.
(NAME OF SUBJECT COMPANY)
PARAMOUNT COMMUNICATIONS INC.
(NAME OF PERSON FILING STATEMENT)
COMMON STOCK, PAR VALUE \$1.00 PER SHARE
INCLUDING THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS
(TITLE OF CLASS OF SECURITIES)

699216 10 7
(CUSIP NUMBER OF CLASS OF SECURITIES)

DONALD ORESMAN, ESQ.
PARAMOUNT COMMUNICATIONS INC.
15 COLUMBUS CIRCLE
NEW YORK, NEW YORK 10023-7780
(212) 373-8000
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED
TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF
OF THE PERSON FILING STATEMENT)

COPY TO:
JOEL S. HOFFMAN, ESQ.
SIMPSON THACHER & BARTLETT
425 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017
(212) 455-2000

This Amendment No. 33 supplements and amends to the extent indicated herein the Solicitation/Recommendation Statement on Schedule 14D-9 of Paramount Communications Inc., as amended and restated on October 27, 1993 (as

supplemented and amended through the date hereof, the "Schedule 14D-9"), initially filed with the Securities and Exchange Commission on October 25, 1993, with respect to the Revised Viacom Offer (as described herein and therein). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to such terms in the Schedule 14D-9.

ITEM 2. TENDER OFFER OF THE BIDDER

The response to Item 2 is hereby supplemented and amended as follows:

On February 1, 1994, Viacom issued two press releases, copies of which are filed as Exhibit Nos. 101 and 102 to the Schedule 14D-9 and are incorporated herein by reference.

ITEM 4. THE SOLICITATION OR RECOMMENDATION

The response to Item 4(a) is hereby supplemented and amended as follows:

On February 1, 1994, Paramount issued a press release, a copy of which is filed as Exhibit No. 103 to the Schedule 14D-9 and is incorporated herein by reference.

ITEM 7. CERTAIN NEGOTIATIONS AND TRANSACTIONS BY THE SUBJECT COMPANY

The response to Item 7(a) is hereby supplemented and amended as follows:

On February 1, 1994, QVC issued a press release, a copy of which is filed as Exhibit No. 104 to the Schedule 14D-9 and is incorporated herein by reference.

ITEM 9. MATERIAL TO BE FILED AS EXHIBITS

The response to Item 9 is hereby supplemented and amended to add the following:

Exhibit 101 - Press Release issued by Viacom on February 1, 1994.

Exhibit 102 - Press Release issued by Viacom on February 1, 1994.

Exhibit 103 - Press Release issued by Paramount on February 1, 1994.

Exhibit 104 - Press Release issued by QVC on February 1, 1994.

SIGNATURE

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.

PARAMOUNT COMMUNICATIONS INC.

Dated: February 2, 1994

EXHIBIT INDEX

EXHIBIT	DESCRIPTION	PAGE NO.
1*	Pages 5, 6 and 10-20 of Paramount's Proxy Statement dated January 29, 1993 for its 1993 Annual Meeting of Stockholders.	
2*	Employment Agreement with Robert Greenberg, a senior vice president of Paramount, dated as of April 5, 1993.	
3*	Amended and Restated Agreement and Plan of Merger, dated as of October 24, 1993, between Paramount and Viacom.	
4*	Stock Option Agreement, dated as of September 12, 1993, as amended on October 24, 1993, between Paramount and Viacom.	
5*	Voting Agreement, dated as of September 12, 1993, as amended on October 24, 1993, between Paramount and Amusements.	
6*	Press Release issued on October 24, 1993.	
7*	Letter to Stockholders of Paramount dated October 25, 1993.	
8*	Press Release issued on November 6, 1993.	
9*	Letter to Stockholders of Paramount dated November 8, 1993 with respect to the Viacom Offer.	
10*	Amendment No. 1, dated as of November 6, 1993, to the Amended and Restated Agreement and Plan of Merger, dated as of October 24, 1993, between Paramount and Viacom.	
11*	Letter to Stockholders of Paramount dated November 8, 1993 with respect to the QVC Offer.	
12*	Press Release issued by Viacom on November 12, 1993.	
13*	Press Release issued on November 15, 1993.	
14*	Letter to Stockholders of Paramount dated November 16, 1993 with respect to the QVC Offer.	
15*	Press Release issued by Viacom on November 19, 1993.	
16*	Press Release issued by QVC on November 20, 1993.	
17*	Press Release issued by Viacom on November 22, 1993.	
18*	Press Release issued by QVC on November 22, 1993.	
19*	Press Release issued by Viacom on November 23, 1993.	
20*	Press Release issued by QVC on November 23, 1993.	
21*	Press Release issued by Viacom on November 24, 1993.	
22*	Press Release issued by QVC on November 24, 1993.	
23*	Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).	
24*	Preliminary Injunction Order in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).	

- 25* Press Release issued by Paramount on November 24, 1993.
- 26* Press Release issued by Viacom on November 24, 1993.
- 27* Press Release issued by Viacom on November 26, 1993.
- 28* Press Release issued by Viacom on November 29, 1993.
- 29* Order of the Delaware Supreme Court dated November 29, 1993.
- 30* Press Release issued by QVC on December 1, 1993.
- 31* Revised Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).

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 * Previously filed.

EXHIBIT	DESCRIPTION	PAGE NO.
32*	Press Release issued by Viacom on December 9, 1993.	
33*	Press Release issued by Paramount on December 9, 1993.	
34*	Press Release issued by QVC on December 10, 1993.	
35*	Order in Paramount Communications Inc., et al. v. QVC Network, Inc., Civ. Action No. 13208 (Del. December 9, 1993).	
36*	Press Release issued by QVC on December 9, 1993.	
37*	Letter from Richards, Layton & Finger to Vice Chancellor Jack B. Jacobs of the Delaware Court of Chancery dated December 10, 1993.	
38*	Bidding Procedures of Paramount dated December 14, 1993.	
39*	Press Release issued by Paramount on December 14, 1993.	
40*	Letter to Stockholders of Paramount dated December 14, 1993 with respect to the Viacom Offer and the QVC Offer.	
41*	Press Release issued by Viacom on December 14, 1993.	
42*	Press Release issued by QVC on December 14, 1993.	
43*	Letter from Wachtell, Lipton, Rosen & Katz to Lazard dated December 14, 1993.	
44*	Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated December 15, 1993.	
45*	Press Release issued by Paramount on December 15, 1993.	
46*	Press Release issued by QVC on December 16, 1993.	
47*	Letter from the Delaware Chancery Court to Young, Conaway, Stargatt & Taylor; Richards, Layton & Finger; Morris & Morris; and Morris, Nichols, Arsht & Tunnell dated December 14, 1993.	
48*	Revised pages to the Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).	
49*	Letter from Shearman & Sterling to Lazard dated December 15, 1993.	
50*	Letter from Simpson Thacher & Bartlett to Shearman & Sterling dated December 16, 1993.	
51*	Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated December 17, 1993.	

- 52* Press Release issued by Paramount on December 20, 1993.
- 53* Press Release issued by Paramount on December 22, 1993.
- 54* Press Release issued by QVC on December 22, 1993.
- 55* Notice of Termination dated December 22, 1993 delivered by Paramount to Viacom.
- 56* Exemption Agreement, dated as of December 22, 1993, between Viacom and Paramount.
- 57* Letter to Stockholders of Paramount dated December 23, 1993 with respect to the Revised QVC Offer and the Viacom Offer.
- 58* Opinion of Lazard dated December 21, 1993.
- 59* Agreement and Plan of Merger, dated as of December 22, 1993, between Paramount and QVC.
- 60* Voting Agreement dated December 22, 1993 among BellSouth Corporation, Comcast Corporation, Cox Enterprises, Inc., Advance Publications, Inc. and Arrow Investments, L.P.
- 61* First Amendment, dated as of December 27, 1993, to Agreement and Plan of Merger, dated as of December 22, 1993, between Paramount and QVC.

 * Previously filed.

EXHIBIT	DESCRIPTION	PAGE NO.
62*	Press Release issued by Viacom on January 7, 1994.	
63*	Press Release issued by Viacom on January 9, 1994.	
64*	Press Release issued by Paramount on January 7, 1994.	
65*	Press Release issued by QVC on January 7, 1994.	
66*	Press Release issued by QVC on January 10, 1994.	
67*	Letter from Wachtell, Lipton, Rosen & Katz to the Paramount Board dated January 11, 1994.	
68*	Letter from Shearman & Sterling to the Paramount Board dated January 12, 1994.	
69*	Letter from Paramount to Wachtell, Lipton, Rosen & Katz dated January 13, 1994.	
70*	Press Release issued by Paramount on January 12, 1994.	
71*	Letter from Simpson Thacher & Bartlett to Sherman & Sterling and Wachtell, Lipton, Rosen & Katz dated January 13, 1994.	
72*	Letter to Stockholders of Paramount dated January 13, 1994 with respect to the Current QVC Offer and the Revised Viacom Offer.	
73*	Opinion of Lazard dated January 12, 1994.	
74*	Letter from Wachtell, Lipton, Rosen & Katz to Simpson Thacher & Bartlett dated January 14, 1994.	
75*	Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated January 18, 1994.	
76*	Letter from the Commission to Simpson Thacher & Bartlett dated January 15, 1994.	
77*	Press Release issued by Viacom on January 18, 1994.	
78*	Press Release issued by Paramount on January 18, 1994.	

- 79* Press Release issued by QVC on January 19, 1994.
- 80* Agreement and Plan of Merger, dated as of January 21, 1994, between Paramount and Viacom.
- 81* Voting Agreement, dated as of January 21, 1994, between Paramount and Amusements.
- 82* Press Release issued by Paramount on January 21, 1994.
- 83* Letter to Stockholders of Paramount dated January 24, 1994 with respect to the Current QVC Offer and the Revised Viacom Offer.
- 84* Opinion of Lazard dated January 21, 1994.
- 85* Notice of Termination dated January 21, 1994 delivered by Paramount to QVC.
- 86* Exemption Agreement, dated as of January 21, 1994, between QVC and Paramount.
- 87* Letter from Viacom to Paramount dated January 19, 1994.
- 88* Letter from Wachtell, Lipton, Rosen & Katz to Paramount dated January 20, 1994.
- 89* Letter from Shearman & Sterling to Paramount dated January 21, 1994.
- 90* Letter from Wachtell, Lipton, Rosen & Katz to Paramount dated January 24, 1994.
- 91* Letter from Paramount to Wachtell, Lipton, Rosen & Katz dated January 24, 1994.

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 * Previously filed.

EXHIBIT	DESCRIPTION	PAGE NO.
92*	Letter from Shearman & Sterling to Paramount dated January 25, 1994.	
93*	Letter from Paramount to Shearman & Sterling dated January 25, 1994.	
94*	First Amendment, dated as of January 27, 1994, to Agreement and Plan of Merger, dated as of January 21, 1994, between Viacom and Paramount.	
95*	First Amendment, dated as of January 27, 1994, to Exemption Agreement, dated as of December 22, 1993, between Viacom and Paramount.	
96*	Letter from Simpson Thacher & Bartlett to Shearman & Sterling and Wachtell, Lipton, Rosen & Katz dated January 27, 1994.	
97*	First Amendment, dated as of January 27, 1994, to Exemption Agreement, dated as of January 21, 1994, between QVC and Paramount.	
98*	Form of Agreement and Plan of Merger between QVC and Paramount.	
99*	Press Release issued by Viacom on February 1, 1994.	
100*	Press Release issued by QVC on February 1, 1994.	
101	Press Release issued by Viacom on February 1, 1994.	

- 102 Press Release issued by Viacom on February 1, 1994.
- 103 Press Release issued by Paramount on February 1, 1994.
- 104 Press Release issued by QVC on February 1, 1994.

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* Previously filed.

VIACOM IMPROVES PARAMOUNT BID

New York, New York, February 1, 1994 -- Viacom Inc. (ASE: VIA and VIAB) announced today that it has increased its offer for Paramount Communications Inc. (NYSE: PCI) by improving the value of the consideration to be paid in its second-step merger. Viacom said that it had improved its proposal on a per share basis in three ways: By replacing the right to receive \$15.20 of liquidation preference of convertible exchangeable preferred stock yielding 5% with the right to receive \$17.50 face amount of 8% exchangeable subordinated debentures; by adding .30 of a five-year warrant to purchase one share of Viacom Class B Common Stock at \$70.00 per share; and by improving the terms of the proposed contingent value rights (CVRs). As amended, the Viacom offer now consists of:

- \$107 per share in cash for 50.1% of the shares of Paramount outstanding on a fully diluted basis, and
- the following securities to be issued in a second-step merger:
 - \$17.50 in principal amount of 8% subordinated debentures (exchangeable at Viacom's option into 5% exchangeable preferred stock if the Viacom-Blockbuster merger is not consummated);
 - 0.93065 of a share of Viacom Class B Common Stock;
 - 0.93065 of an improved contingent value right;
 - 0.5 of a three-year warrant to purchase Viacom Class B Common Stock at \$60.00 per share; and

-- 0.3 of a five-year warrant to purchase Viacom Class B Common Stock at \$70.00 per share.

-more-

Under bidding rules established by Paramount with Viacom and QVC Network, Inc., both Viacom and QVC have agreed that any amendment made to their proposal to acquire Paramount would be made by 5:00 p.m. today, and therefore, Viacom anticipates no further bidding by either Viacom or QVC.

The 8% exchangeable subordinated debentures will have a maturity of 12 years and will pay interest semi-annually beginning January 1, 1995. The 8% debentures will be non-callable for five years after the consummation of the Paramount-Viacom merger, after which they may be redeemed at declining redemption premiums. Viacom will have the option to exchange at par the 8% debentures for the equivalent liquidation preference of 5% (non-convertible) preferred stock in the event that its previously announced merger with Blockbuster Entertainment Corporation is not consummated by January 1, 1995 or earlier if beneficial ownership of a majority of the outstanding shares of Blockbuster has been acquired by a third party prior to that date. The preferred stock would be non-callable until the fifth anniversary of the merger with Paramount after which it could be called at declining redemption premiums. The preferred stock could be exchanged, at the option of Viacom, into 5% subordinated debentures of Viacom after the third anniversary of the merger. The dividend

rate on the preferred stock (and the interest rate on the 5% debentures into which it could be exchanged) will increase to 10% on the tenth anniversary of the merger if not previously redeemed.

The new warrant represents the right to acquire, at any time prior to the fifth anniversary of the merger, one share of Viacom Class B Common Stock at an

-more-

exercise price of \$70.00 per share, payable in cash or in liquidation value of shares of preferred stock, if any, into which the 8% debentures have been exchanged (or in face value of the 5% debentures into which such preferred stock may be exchanged).

The CVR has been improved by increasing to \$12.00 (from \$10.00) its maximum value on the first anniversary of the proposed merger, and increasing such value to \$14.00 (from \$13.00) on the second such anniversary. The modification was made by changing the floor price of the CVR to \$36.00 in the first year and to \$37.00 in the second year; both prices were reduced from the previous floor price of \$38.00.

As announced earlier today, Viacom's tender offer expires at 12:00 midnight, New York City time, on February 14, 1994.

Smith Barney Shearson Inc. is acting as financial advisor

to Viacom and is also dealer manager in connection with the
Offer, and Georgeson & Co. is acting as information agent.

#

Contact:

Viacom Inc.
Raymond A. Boyce
212/258-6530

Edelman
Elliot Sloane
212/704-8126

FOR IMMEDIATE RELEASE

CLARIFICATION

New York, New York, February 1, 1994 -- Clarifying its earlier announcement, Viacom Inc. (ASE: VIA and VIAB) said that interest on the proposed 8% exchangeable subordinated debentures (or, if applicable, dividends on the preferred stock into which such debentures may be exchanged) will accrue from the date they are issued, and will be first paid on January 1, 1995.

#

Contact:

Viacom Inc.
Raymond A. Boyce
212/258-6530

Edelman
Elliot Sloane
212/704-8126

Paramount Communications Inc.

15 Columbus Circle
New York, NY 10023-7780
212-373-8000
Fax 212-373-8558

NEWS

FOR IMMEDIATE RELEASE

February 1, 1994

NEW YORK, Feb. 1 -- Paramount Communications Inc. (NYSE:PCI) said that its Board of Directors will meet later this week to consider final bids received today from QVC Network, Inc. and Viacom Inc. just prior to the 5:00 p.m. (EST) February 1, 1994, deadline. Paramount said that its legal and financial advisors will assist the Board in evaluating the bids.

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Contact: Jerry Sherman
Paramount Communications Inc.
(212) 373-8725

Jeffrey Z. Taufield
Kekst and Company
(212) 593-2655

Carl D. Folta
Paramount Communications Inc.
(212) 373-8530

NEWS FROM QVC

QVC NETWORK, INC.
GOSHEN CORPORATE PARK
WEST CHESTER, PA 19380
(215) 430-1000

For Immediate Release:

- - - - -

West Chester, PA (February 1, 1994) -- QVC (NASDAQ; QVCN) announced today that it has increased the cash portion of its tender offer for 50.1 percent of the outstanding Paramount shares to \$104 per share in cash. This raises the amount of cash being offered to Paramount shareholders by \$750 million.

In addition, the consideration to be offered Paramount stockholders in the proposed second-step merger of QVC and Paramount has been changed so that each share of Paramount common stock then outstanding will be converted into the right to receive 1.2361 shares of QVC common stock, .2386 shares of a new series of cumulative non-convertible exchangeable preferred stock of QVC and .32 warrants to purchase QVC common stock. The terms of the preferred stock and the warrants are the same as those previously announced by QVC. This represents a shift from QVC's previously announced offer, from the back end to the front end by \$500 million of QVC common stock and \$250 million in the new series of cumulative non-convertible exchangeable preferred.

BellSouth Corporation has agreed to purchase \$500 million of QVC common stock at \$42 a share. Beyond increasing the cash portion of its offer, QVC has reduced the pressure on its publicly traded common stock by reducing the amount of publicly traded QVC stock in the back end of its offer by 13.6 percent.

As previously announced, QVC's tender offer has been extended to expire at 12:00 midnight, New York City time, on Monday, February 14, 1994.

#

Contacts

- - - - -

Press:

- - - - -

Michael Rourke of QVC
(212) 371-5999
Donald Van de Mark of QVC
(212) 371-5999

Investors:

- - - - -

William F. Costello of QVC
(215) 430-8938
Diana Brainerd of
Abernathy/MacGregor/Scanlon

