

SECURITIES AND EXCHANGE COMMISSION

FORM SC 14D1/A

Tender offer statement. [amend]

Filing Date: **1994-01-12**
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([HTML Version](#) on [secdatabase.com](#))

SUBJECT COMPANY

PARAMOUNT COMMUNICATIONS INC /DE/

CIK: **44482** | IRS No.: **741330475** | State of Incorporation: **DE** | Fiscal Year End: **0430**
Type: **SC 14D1/A** | Act: **34** | File No.: **005-10760** | Film No.: **94501176**
SIC: **7812** Motion picture & video tape production

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

FILED BY

QVC NETWORK INC

CIK: **797565** | IRS No.: **232414041** | State of Incorporation: **DE** | Fiscal Year End: **0131**
Type: **SC 14D1/A**
SIC: **5961** Catalog & mail-order houses

Business Address
*GOSHEN CORPORATE PARK
WEST CHESTER PA 19380
2154301000*

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-1

(Tender Offer Statement Pursuant to
Section 14(d)(1) of the Securities Exchange Act of 1934)

(Amendment No. 27)

PARAMOUNT COMMUNICATIONS INC.
(Name of Subject Company)

QVC NETWORK, INC.
COMCAST CORPORATION
BELLSOUTH CORPORATION
(Bidders)

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)

<TABLE>

<S>	<C>	<C>
Neal S. Grabell QVC Network, Inc. Goshen Corporate Park West Chester, PA 19380 (215) 430-1000	Stanley L. Wang Comcast Corporation 1234 Market Street Philadelphia, PA 19107 (215) 981-7510	Walter H. Alford BellSouth Corporation 1155 Peachtree Street, N.E. Atlanta, GA 30367 (404) 249-2050

</TABLE>

(Names, Addresses and Telephone Numbers of Persons Authorized
to Receive Notices and Communications on Behalf of Bidders)

Copy to:

<TABLE>

<S>	<C>	<C>
Pamela S. Seymon Wachtell, Lipton, Rosen & Katz 51 West 52nd Street New York, NY 10019 (212) 403-1000	Dennis S. Hersch Davis Polk & Wardwell 450 Lexington Avenue New York, NY 10017 (212) 450-4000	Alan Stephenson Cravath, Swaine & Moore One Worldwide Plaza 825 Eighth Avenue New York, NY 10022 (212) 474-1000

</TABLE>

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission (the "Commission") on October 27, 1993, as previously amended and supplemented (the "Schedule 14D-1"), by QVC Network, Inc., a Delaware corporation ("QVC"), Comcast Corporation, a Pennsylvania corporation, and BellSouth Corporation, a Georgia corporation, and relates to a tender offer to purchase 61,607,894 of the outstanding shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation ("Paramount"), or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, and the associated Rights, at a price of \$92.00 per Share (and associated Right), net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 27, 1993 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto, dated November 12, 1993 (the "First Supplement"), the Second Supplement thereto, dated December 23, 1993 (the "Second Supplement"), and the related Letters of Transmittal, which were annexed to and filed with the Schedule 14D-1 as Exhibits (a) (1), (a) (17), (a) (46), (a) (2), (a) (18) and (a) (47), respectively, and the amendments thereto (which together constitute the "Offer"). Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer and the Schedule 14D-1.

Item 3. Past Contacts, Transactions or Negotiations With the Subject Company.

On January 11, 1994, QVC's legal advisor sent a letter to the Paramount Board of Directors stating QVC's view that the Viacom-Blockbuster Offer violates the terms of the bidding procedures established by Paramount and agreed to by QVC and Viacom and requesting that the Paramount Board take appropriate action, consistent with its agreements with QVC and Viacom, to enforce the bidding procedures. The text of the letter is attached hereto as Exhibit (a) (56), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

Item 11. Material to be Filed as Exhibits.

- (a) (1) -- Offer to Purchase, dated October 27, 1993.*
- (a) (2) -- Letter of Transmittal.*
- (a) (3) -- Notice of Guaranteed Delivery.*
- (a) (4) -- Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.*
- (a) (5) -- Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.*
- (a) (6) -- Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.*
- (a) (7) -- Press release issued by QVC on October 21, 1993.*
- (a) (8) -- Form of Summary Advertisement, dated October 27, 1993.*
- (a) (9) -- Text of Letter from QVC to Paramount, dated October 29, 1993.*
- (a) (10) -- Press release issued by QVC on October 29, 1993.*
- (a) (11) -- Form of Letter to Participants in the Dividend Reinvestment Plan of Paramount Communications Inc.*
- (a) (12) -- Text of Letter from Paramount to QVC, dated October 29, 1993.*
- (a) (13) -- Text of Letter from Paramount to QVC advisor, dated November 1, 1993.*
- (a) (14) -- Text of Letter from QVC advisor to Paramount, dated November 2, 1993.*

* Previously filed.

-2-

- (a) (15) -- Press release issued by QVC on November 5, 1993.*
- (a) (16) -- Press release issued by QVC on November 5, 1993.*
- (a) (17) -- Supplement to the Offer to Purchase, dated November 12, 1993.*
- (a) (18) -- Revised Letter of Transmittal.*
- (a) (19) -- Revised Notice of Guaranteed Delivery.*
- (a) (20) -- Revised Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.*
- (a) (21) -- Revised Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.*
- (a) (22) -- Press release issued by QVC on November 11, 1993.*
- (a) (23) -- Press release issued by QVC on November 12, 1993.*
- (a) (24) -- Revised Form of Letter to Participants in the Dividend Reinvestment Plan of Paramount Communications, Inc.*
- (a) (25) -- Press release issued by QVC on November 16, 1993.*
- (a) (26) -- Amended Complaint in Viacom International Inc. v. Tele-Communications, Inc., et al., dated November 9, 1993, and filed in the United States District Court for the Southern District of New York.*
- (a) (27) -- Text of letter from QVC to Paramount, dated November 19, 1993.*

- (a) (28) -- Press release issued by QVC on November 20, 1993.*
- (a) (29) -- Press release issued by QVC on November 22, 1993.*

* Previously filed.

-3-

- (a) (30) -- Press release issued by QVC on November 23, 1993.*
- (a) (31) -- Press release issued by QVC on November 23, 1993.*
- (a) (32) -- Press release issued by QVC on November 24, 1993.*
- (a) (33) -- Press release issued by QVC on December 1, 1993.*
- (a) (34) -- Press release issued by QVC on December 9, 1993.*
- (a) (35) -- Press release issued by QVC on December 10, 1993.*
- (a) (36) -- Press release issued by QVC on December 14, 1993.*
- (a) (37) -- Text of letter from Paramount advisor to QVC, dated December 14, 1993.*
- (a) (38) -- Text of letter from QVC advisor to Paramount advisor, dated December 14, 1993.*
- (a) (39) -- Press release issued by QVC on December 15, 1993.*
- (a) (40) -- Press release issued by QVC on December 16, 1993.*
- (a) (41) -- Text of letter from Paramount advisor to QVC advisor, dated December 17, 1993.
- (a) (42) -- Text of letter from QVC advisor to Viacom advi-

sor, dated December 17, 1993.*

- (a) (43) -- Text of letter from QVC to Paramount, dated December 20, 1993.*
- (a) (44) -- Press release issued by QVC on December 20, 1993.*

* Previously filed.

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- (a) (45) -- Press release issued by QVC on December 20, 1993.*
- (a) (46) -- Second Supplement to the Offer to Purchase, dated December 23, 1993.*
- (a) (47) -- Second Revised Letter of Transmittal.*
- (a) (48) -- Second Revised Notice of Guaranteed Delivery.*
- (a) (49) -- Second Revised Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.*
- (a) (50) -- Second Revised Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Nominees.*
- (a) (51) -- Second Revised Form of Letter to Participants in the Dividend Reinvestment Plan of Paramount Communications Inc.*
- (a) (52) -- Press release issued by QVC on December 22, 1993.*
- (a) (53) -- Press release issued by QVC on December 27, 1993.*
- (a) (54) -- Press release issued by QVC on January 7, 1994.*
- (a) (55) -- Press release issued by QVC on January 10, 1994.*
- (a) (56) -- Text of letter from QVC advisor to Paramount,

dated January 11, 1994.

- (b) (1) -- Commitment Letters, dated September 30, 1993, by and between QVC and certain banks.*
- (b) (2) -- Commitment Letters, dated November 19, 1993, by and between QVC and certain banks.*
- (b) (3) -- Bank Credit Agreement, dated as of January 7, 1994, by and between QVC and certain banks.*

* Previously filed.

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- (c) (1) -- Commitment Letter, dated October 15, 1993, by and among QVC and certain investors named therein.*
- (c) (2) -- Stockholders Agreement, dated July 16, 1993, among Liberty Media Corporation, Comcast Corporation, Arrow Investments, L.P. and certain affiliates and subsidiaries of such parties.*
- (c) (3) -- Agreement Among Stockholders, dated October 15, 1993.*
- (c) (4) -- Proposed form of merger agreement delivered by QVC to Paramount.*
- (c) (5) -- First Amended and Supplemental Complaint in QVC Network, Inc. v. Paramount Communications Inc. filed October 28, 1993 in the Delaware Chancery Court.*
- (c) (6) -- Voting Trust Agreement, dated as of October 28, 1993, between QVC and G. William Miller.*
- (c) (7) -- Informational request from QVC to Paramount, dated November 1, 1993.*
- (c) (8) -- Fair bidding procedures delivered by QVC to Paramount on November 1, 1993.*
- (c) (9) -- Proposed form of merger agreement delivered by QVC to Paramount on November 1, 1993.*

- (c) (10) -- Commitment Letter, dated November 11, 1993, by and among QVC and certain investors named therein.*
- (c) (11) -- Memorandum of Understanding, dated November 11, 1993, by and between QVC and BellSouth.*
- (c) (12) -- Liberty-QVC Agreement, dated November 11, 1993, by and between QVC and Liberty.*
- (c) (13) -- Agreement Among Stockholders, dated November 11, 1993, among QVC, Advance, Arrow, BellSouth, Comcast and Cox.*

* Previously filed.

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- (c) (14) -- Understanding Among Stockholders, dated November 11, 1993, among Arrow, BellSouth, Comcast and Liberty.*
- (c) (15) -- Agreement Containing Consent Order and Interim Agreement, dated November 12, 1993, among the FTC, Liberty, and TCI.*
- (c) (16) -- BellSouth Commitment Letter, dated November 19, 1993, by and between BellSouth and QVC.*
- (c) (17) -- Memorandum Opinion and Preliminary Injunction Order in QVC Network, Inc. v. Paramount Communications, Inc., C.A. No. 13208, both dated November 24, 1993, entered by Delaware Chancery Court.*
- (c) (18) -- Revised Memorandum Opinion, dated November 26, 1993, in QVC Network, Inc. v. Paramount Communications, Inc., C.A. No. 13208, entered by Delaware Chancery Court.*
- (c) (19) -- Order, dated December 9, 1993, in Paramount Communications Inc. v. QVC Network, Inc., C.A. No. 13208, entered by Delaware Supreme Court.*
- (c) (20) -- Proposed form of merger agreement delivered by Paramount to QVC on December 14, 1993.*

- (c) (21) -- Text of letter from QVC advisor to Paramount advisor, dated December 10, 1993.*
- (c) (22) -- Text of letter from Paramount advisor to QVC advisor, dated December 14, 1993.*
- (c) (23) -- Agreement and Plan of Merger, between Paramount and QVC, dated as of December 22, 1993.*
- (c) (24) -- Exemption Agreement, between Paramount and QVC, dated December 22, 1993.*
- (c) (25) -- Voting Agreement, dated December 22, 1993, among BellSouth, Comcast, Cox, Advance and Arrow.*

* Previously filed.

-7-

- (c) (26) -- First Amendment, dated as of December 27, 1993, to Agreement and Plan of Merger, between Paramount and QVC.*
- (c) (27) -- Letter Agreement, dated as of December 20, 1993, by and among QVC, Comcast, Cox, Advance and BellSouth.*

* Previously filed.

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SIGNATURE

After due 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.

QVC NETWORK, INC.

By:/s/ Neal S. Grabell
Neal S. Grabell
Senior Vice President,
General Counsel and
Corporate Secretary

Dated: January 12, 1994

SIGNATURE

After due 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.

COMCAST CORPORATION

By:/s/ Julian A. Brodsky
Julian A. Brodsky
Vice Chairman

Dated: January 12, 1994

SIGNATURE

After due 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.

BELLSOUTH CORPORATION

By:/s/ Charles C. Miller, III
Charles C. Miller, III
Vice President-
Strategic Planning and Corporate
Development

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* Previously filed.

[LETTERHEAD OF WACHTELL, LIPTON, ROSEN & KATZ]

January 11, 1994

The Board of Directors
Paramount Communications Inc.
15 Columbus Circle
New York, NY 10023

Ladies and Gentlemen:

The eleventh-hour offer by Blockbuster/Viacom announced Friday afternoon blatantly violates the terms of the bidding procedures established by the Paramount Board and agreed to by QVC and Viacom. It is incumbent upon the Paramount Board to take appropriate action, consistent with its agreements with QVC and Viacom, to enforce the bidding procedures. Both QVC and the Paramount stockholders are entitled to such action by the Board.

It is evident, and indeed Viacom has in effect admitted, that the new Blockbuster/Viacom offer was announced -- not as a bona fide competitive offer -- but primarily to extend QVC's offer and to prevent QVC from receiving at least 50.1% of the Paramount common stock before the expiration of its offer on Friday, January 7. Such action is expressly prohibited by the agreements entered into by the parties, see Viacom-Paramount Exemption Agreement, Section 2.01(a), and

represents a bad faith, cynical and manipulative scheme to abuse the bidding process. Thus:

1. Blockbuster and Viacom announced their new offer only minutes before the close of the market on Friday, January 7, only hours before QVC's offer was set to expire.

The Board of Directors
January 11, 1994
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2. The purposeful, grossly front-end-loaded nature of the Blockbuster/Viacom offer at that late hour created inevitable confusion in the market. Moreover, Viacom compounded the confusion by causing the premature cessation of trading in its own shares and falsely representing to the marketplace that "QVC would also be required to extend its offer to expire no earlier than" January 21. By virtue of the fact that Viacom's offer was in breach of the parties' agreements, QVC was not so obligated. See QVC-Paramount Merger Agreement, Section 2.1(d) and (e). As described yesterday in The New York Times, Viacom's tactic of a last-minute announcement and the heavily front-end-loaded offer produced "the power of a misleading headline" for an offer whose blended value "was clearly less than the value of the QVC offer." It is plain that Viacom's abusive and misleading tactics deterred stockholders from tendering into QVC's superior offer before the midnight deadline and was expressly intended to do so.

3. Indeed, in a teleconference with analysts, Viacom was obliged to concede that the then-\$79.23 blended value of its offer (by Viacom's own estimate) was substantially lower than the approximate \$84.66 value of QVC's bid as of the market close on that day. Market activity since then has confirmed QVC's recognition that not only is the new offer lower than QVC's (by, as of close of market today, approximately \$720 million or \$5.88 per Paramount share), but it is not even worth more than Viacom's own prior offer.

4. According to published reports, on Saturday,

January 8, the President and Chief Executive Officer of Viacom admitted the true purpose of the new offer when he stated to Reuters that the Blockbuster/Viacom offer was nothing more than "essentially a re-jigging of Viacom's previous bid"; that the Blockbuster/Viacom offer reflects Paramount's "full value"; and that "Paramount was not worth more than current bid levels."

The bidding procedures agreed upon by the parties were designed to obtain higher -- not lower -- values for Paramount stockholders, while assuring fairness between the competing bidders. Viacom's conduct makes a mockery of these procedures: on the first deadline, December 20, 1993, Viacom declined to raise noticeably its earlier offer -- albeit that offer was plainly lower than QVC's outstanding offer; on the second deadline, Viacom bid lower, not higher. Viacom's tactics have been designed solely to prolong the bidding process, forestall QVC's rightful victory and delay the receipt

The Board of Directors
January 11, 1994
Page 3

of value by Paramount stockholders. Neither Paramount, QVC, nor Paramount's public stockholders obtain any benefit from the "re-jigging" of an already-inferior offer, and the costs and risks of delay in consummating the QVC-Paramount merger are significant.

In stark contrast to Viacom's conduct, throughout this bidding process QVC has consistently complied with both the letter and spirit of the bidding procedures -- by submitting a substantially increased bid on December 20 and, now, by further extending its offer so that the Minimum Condition may be met.

Viacom is in breach of its contract with Paramount and its conduct is wrongful both to QVC and to the Paramount stockholders. QVC requests that the Paramount Board at its meeting tomorrow take appropriate action:

1. Confirming the Board's unanimous recommendation to Paramount stockholders that the QVC offer and second-step merger are fair to and in the best interests of Paramount stockholders and that Paramount stockholders

accept QVC's offer;

2. Declaring that the new Viacom offer is in breach of the Exemption Agreement between Paramount and Viacom and disentitles Viacom to the rights it otherwise would have under that agreement;

3. Confirming -- at a minimum -- that Viacom will not be permitted to gain an improper advantage from having wrongfully made an offer "primarily to extend the expiration date" of QVC's offer; that no new Viacom offer during this extension period will operate to place any obligation on QVC to further extend its offer prior to receiving 50.1% of Paramount stock; and that the Paramount stockholders are assured that, if by midnight, January 21, 1994, they choose to tender 50.1% or more of Paramount shares into the QVC offer, that offer will be successful and stockholders will not be further delayed in obtaining value; and

4. In light of the cynical massive front-end loading of Viacom's current offer and to protect Paramount stockholders from further exacerbation of the improper front-end loading, declaring that the Paramount Board will not consider any further Viacom offer unless such offer redresses the imbalance.

The Board of Directors

January 11, 1994

Page 4

QVC expressly reserves all of its rights under the circumstances, including the right to seek judicial redress and to withdraw its offer pursuant to its terms and the terms of the merger agreement. QVC and its advisors remain available to discuss any of the foregoing with the Paramount Board or its advisors.

Very truly yours,

/s/ Martin Lipton

