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CROWN MEDIA HOLDINGS INC

FORM 8-K
(Current report filing)

Filed 12/22/11 for the Period Ending 12/20/11

Address	12700 VENTURA BOULEVARD STUDIO CITY, CA 91604
Telephone	818 755-2400
CIK	0001103837
Symbol	CRWN
SIC Code	4841 - Cable and Other Pay Television Services
Industry	Broadcasting & Cable TV
Sector	Services
Fiscal Year	12/31

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

December 20, 2011
Date of Report (Date of earliest event reported)

CROWN MEDIA HOLDINGS, INC.

(Exact name of Registrant as Specified in Charter)

Delaware (State or other Jurisdiction of Incorporation)	**000-30700** (Commission File Number)	**84-1524410** (IRS Employer Identification No.)

12700 Ventura Boulevard
Studio City, California 91604
(Address of Principal Executive Offices)

(818) 755-2400
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 OTHER EVENTS

As previously disclosed, a lawsuit was brought in July, 2009 in the Delaware Court of Chancery against the Board of Directors of Crown Media Holdings, Inc. (the "Company"), Hallmark Cards, Incorporated and its affiliates, as well as the Company as a nominal defendant, by S. Muoio & Co. LLC, a minority stockholder of the Company, regarding a recapitalization proposal which the Company received from Hallmark Cards in May, 2009. The lawsuit alleged, among other things, that the recapitalization was consummated at an unfair price and undervalued the Company. The complaint requested the court to enjoin the defendants from consummating the recapitalization transactions and award plaintiff fees and expenses incurred in bringing the lawsuit. Following the execution by the Company of the recapitalization agreements, on March 11, 2010, the plaintiff filed an amended complaint raising similar allegations and seeking rescission of the recapitalization. The recapitalization transaction was consummated on June 29, 2010.

A trial took place in September 2010. On March 9, 2011, the Delaware Court of Chancery concluded that the process and the price of the recapitalization were entirely fair and entered a final judgment order in favor of the defendants on all claims and dismissed the lawsuit with prejudice.

On April 7, 2011, the plaintiff filed notice of appeal. A hearing for the appeal was held on December 14, 2011. On December 20, 2011, the Delaware Supreme Court affirmed the ruling of the Delaware Court of Chancery.

SIGNATURES

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 hereunto duly authorized.

CROWN MEDIA HOLDINGS, INC.
(Registrant)

Date December 22, 2011

By /s/ Charles L. Stanford
Name: Charles L. Stanford
Title: Executive Vice President and General Counsel