

CINEDIGM CORP.

FORM 8-K (Current report filing)

Filed 06/29/17 for the Period Ending 06/29/17

Address	902 BROADWAY 9TH FLOOR NEW YORK, NY 10010
Telephone	212-206-8600
CIK	0001173204
Symbol	CIDM
SIC Code	7841 - Video Tape Rental
Industry	Entertainment Production
Sector	Consumer Cyclical
Fiscal Year	03/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**FORM 8-K
CURRENT REPORT**

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

June 29, 2017
(Date of earliest event reported)

Cinedigm Corp.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-31810
(Commission File Number)

22-3720962
(IRS Employer
Identification No.)

902 Broadway, 9th Floor, New York, New York
(Address of principal executive offices)

10010
(Zip Code)

212-206-8600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On June 29, 2017, Cinedigm Corp. (the “Company”) entered into a Stock Purchase Agreement (the “Purchase Agreement”) with Bison Entertainment Investment Limited, a wholly owned subsidiary of Bison Holding Company Ltd. (“Bison Capital”) pursuant to which the Company has agreed to sell to Bison Capital 20,000,000 shares (the “Shares”) of the Company’s Class A common stock, par value \$0.001 per share (the “Common Stock”) for an aggregate purchase price of up to \$30,000,000, of which up to 400,000 shares may be sold to members of management instead of Bison Capital (the “Transactions”). The Company is also in advanced discussions with holders representing approximately 99% of the outstanding principal amount of the Company’s outstanding 5.5% Convertible Senior Notes due 2035 (the “Notes”) to exchange their notes into cash, other securities of the Company, or a combination thereof in order to decrease the debt obligations of the Company. Upon the issuance of the Shares, Bison Capital will own a majority of the outstanding Common Stock and will be entitled to designate two (2) members of the Company’s Board of Directors, the size of which will be set at seven (7) members.

In addition, Bison Capital agreed to provide the Company with a \$10,000,000 loan for working capital and general corporate purposes within 60 days of the closing of the Transactions and to work together with the Company to continue to refinance the remaining debt of the Company.

The proceeds from the sale of the Shares will be used for cash portions of the Note Exchanges, the payment of fees and expenses incurred in connection with the Transactions, and working capital and general corporate purposes.

The Company will hold a meeting of stockholders to be held in the third quarter of 2017 at which time it will seek the approval of its stockholders of the Transactions, including the sale and issuance of the Shares including to management, an amendment to the Company’s Fourth Amended and Restated Certificate of Incorporation, as amended, to increase the number of shares of Common Stock authorized for issuance and eliminate the Class B common stock, the Series B Junior Participating Preferred Stock and the share transfer restriction provisions, and the adoption of a new equity incentive plan to provide for the granting of a variety of potential awards.

The Transactions are subject to a number of closing conditions, including the Note Exchanges and the receipt of stockholder and regulatory approvals including CFIUS. The Purchase Agreement contains standard representations and warranties related to each party, and may be terminated prior to the closing under certain circumstances, including failure to obtain stockholder, lender or regulatory approval of the Transactions.

In connection with the consummation of the Transactions, the Company also agreed to (i) enter into a registration rights agreement pursuant to which it will register the resale of the Shares and (ii) enter into voting agreements with certain holders of Common Stock consisting primarily of members of the Company's Board of Directors and management, pursuant to which each such holder will agree to vote his shares in favor of Bison Capital's designees to the Board of Directors in future elections, subject to the terms thereof.

The foregoing descriptions of the Purchase Agreement is qualified in its entirety by reference to such agreement, which will be filed in accordance with SEC regulations.

On June 29, 2017, the Company issued a press release announcing the Transactions, a copy of which is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release of the Company dated June 29, 2017.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release of the Company dated June 29, 2017.



Bison Capital to Make Significant Strategic Investment in Cinedigm

Bison Capital Will Take Majority Ownership Stake While Providing Substantial Additional Financing and New Business Opportunities in China

LOS ANGELES (June 29, 2017) - Cinedigm Corp. (NASDAQ: CIDM) (the "Company" or "Cinedigm") today announced that on June 29, 2017, the Company entered into a Stock Purchase Agreement with Bison Entertainment Investment Limited, the wholly owned subsidiary of Bison Holding Company Ltd. ("Bison Capital"). The Company has agreed to sell to Bison Capital 20,000,000 shares (the "Shares") of Cinedigm's Class A common stock, par value \$0.001 per share (the "Class A Common Stock"), for an aggregate purchase price of up to \$30,000,000, of which up to 400,000 of the Shares may be sold to members of management instead of Bison Capital. The Company is also in advanced discussions for an exchange agreement with holders representing approximately 99% by principal amount of the Company's outstanding 5.5% Convertible Senior Notes due 2035 (the "Notes") to exchange the outstanding Notes for cash, securities of the Company or a combination thereof (the "Notes Exchange"), which exchanges are expected to occur over time and be completed concurrently with the closing of the transaction with Bison Capital.

Upon the issuance of the Shares, Bison Capital will beneficially own a majority of the outstanding Class A Common Stock and will be entitled to designate two (2) members of the Company's Board of Directors, the size of which shall be set at seven (7) members.

In addition, Bison Capital has committed to provide the Company with a \$10 million loan for working capital purposes within 60 days of closing, and the Company and Bison Capital expect to work together to continue to refinance and retire the remaining debt of the Company.

Bison Capital is a Hong Kong-based investment company with a focus on the media and entertainment, healthcare and financial service industries. Founded by Mr. Peixin Xu in 2014, Bison Capital has made multiple investments in film and TV production, film distribution and entertainment-related mobile Internet services, including Bona Film, Xunlei and Weiyang Technologies.

"Under the leadership of Peixin Xu, Bison Capital has become a major force in the media and entertainment business in China," said Chris McGurk, Cinedigm Chairman and CEO. "We believe Bison Capital's significant investment and potential additional refinancing and debt retirement will be a transformative event for the Company, solidifying our position as the leading independent content distributor in North America and opening up significant new growth opportunities for our content, OTT channel/services and digital cinema businesses in China, as well as other emerging markets. We believe Bison Capital is the perfect financial and strategic partner to help take Cinedigm's unique business model to the next level as a leading global digital entertainment company. At the same time, we believe the exchange transactions with holders of our Notes with whom we are in advanced discussions with will result in a substantial reduction of our indebtedness and allow us to aggressively pursue the opportunities that the Bison transaction enables."

“Despite its rapid growth, China remains greatly underserved in terms of content quality and diversity. Through our investment, we will leverage Cinedigm’s content access and distribution capabilities to bring more premium, independent content into the China market,” said Mr. Peixin Xu. “We also see an opportunity to leverage Cinedigm’s OTT capabilities to launch Chinese content channels in the North American market. Our long-term goal is to help build Cinedigm into a leading distributor of global content, as well as help the Company unleash the residual value of the digital cinema equipment.”

The proceeds from the sale of the Shares will be used for cash portions of the Notes Exchange, and working capital and other general corporate purposes.

The Company will hold a meeting of stockholders in the third quarter of 2017 at which it will seek the approval of its stockholders of the transactions described above, including the issuance of the Shares. The transactions are subject to a number of closing conditions, including the completion of the Notes Exchange, and receipt of stockholder and regulatory approvals, including CFIUS.

Regions Securities LLC acted as financial advisor and Kelley Drye & Warren LLP acted as legal counsel to Cinedigm. Shearman & Sterling LLP advised Bison Capital regarding these transactions.

About Cinedigm

Cinedigm powers custom content solutions to the world’s largest retail, media and technology companies. We provide premium feature films and series to digital platforms including iTunes, Netflix, and Amazon, cable and satellite providers including Comcast, Dish Network and DirecTV, and major retailers including Walmart and Target. Leveraging Cinedigm’s unique capabilities, content and technology, the Company has emerged as a leader in the fast-growing over-the-top channel business, with four channels under management that reach hundreds of millions of devices while also providing premium content and service expertise to the entire OTT ecosystem. Learn more about Cinedigm at www.cinedigm.com

Cinedigm™ and Cinedigm Digital Cinema Corp™ are trademarks of Cinedigm Corp. www.cinedigm.com. [CIDM-E]

Safe Harbor Statement

Investors and readers are cautioned that certain statements contained in this document are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements that are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects," "anticipates," "intends," "plans," "could," "might," "believes," "seeks," "estimates" or similar expressions. In addition, any statements concerning completion of the transactions described in this document, future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions, which may be provided by Cinedigm's management, are also forward-looking statements as defined by the Act. Forward-looking statements are based on current expectations and projections about future events and are subject to various risks, uncertainties and assumptions about Cinedigm, its technology, economic and market factors and the industries in which Cinedigm does business, among other things. These statements are not guarantees of future performance and Cinedigm undertakes no specific obligation or intention to update these statements after the date of this release.

For more information:

Jill Newhouse Calcaterra

Cinedigm

jcalcaterra@cinedigm.com

310/466-5135
