

AMC Networks Inc.
Form 4
November 01, 2018

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
AMC Networks Inc.

2. Issuer Name **and** Ticker or Trading
Symbol
RLJ ENTERTAINMENT, INC.
[RLJE]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

11 PENN PLAZA

(Street)

NEW YORK, NY 10001

(City) (State) (Zip)

3. Date of Earliest Transaction
(Month/Day/Year)
10/30/2018

4. If Amendment, Date Original
Filed(Month/Day/Year)

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|---|--|---|---|
| Common Stock | 10/30/2018 | | X ⁽¹⁾ | 6,637,429 A \$ 3 | 18,429,329 | I | By Subsidiary (5) (6) |
| Common Stock | 10/30/2018 | | X ⁽²⁾ | 5,000,000 A \$ 3 | 23,429,329 | I | By Subsidiary (5) (6) |
| Common Stock | 10/31/2018 | | J ⁽³⁾ | 6,794,465 A \$ 6.25 (4) | 30,223,794 | I | By Subsidiary (5) (6) |
| Common Stock | 10/31/2018 | | J ⁽⁷⁾ | 98,240 A \$ 3 | 30,322,034 | I | By Subsidiary |

(5) (6)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Underlying (Instr. 3 and 4) | | |
|--|---|---|---|---|--|--|-----|--|--------------------|-----------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Class B Common Stock Warrant (Right to Buy) | \$ 3 | 10/30/2018 | | X ⁽¹⁾ | | 6,637,429 | | 10/14/2016 | 10/14/2022 | Common Stock |
| Class C Common Stock Warrant (Right to Buy) | \$ 3 | 10/30/2018 | | X ⁽²⁾ | | 5,000,000 | | 10/14/2016 | 10/14/2023 | Common Stock |
| 2015 Common Stock Warrant (Right to Buy) | \$ 3 | 10/31/2018 | | J ⁽³⁾ | 1,500,000 | | | 05/20/2015 | 05/20/2020 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| AMC Networks Inc. 11 PENN PLAZA NEW YORK, NY 10001 | | X | | |

Signatures

/s/ Sean S. Sullivan, Executive Vice President and Chief Financial Officer of AMC Networks Inc.

11/01/2018

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

As reported previously, Digital Entertainment Holdings LLC ("DEH"), an indirect subsidiary of AMC Networks Inc. ("AMC"), owned warrants ("Warrants") to purchase from RLJ Entertainment, Inc. ("RLJE") shares of common stock, par value \$0.001 per share ("Common Stock") of RLJE (a share of Common Stock issuable upon exercise of a Warrant, a "Warrant Share"). On October 30, 2018, (1) DEH fully exercised the remainder of its Class B Warrant by surrendering indebtedness outstanding under the Credit and Guaranty Agreement, by and among RLJE, certain subsidiaries of RLJE as Guarantors, and DEH, dated as of October 14, 2016, as amended (the "Credit Agreement"), having a principal amount equal to the aggregate exercise price for the Warrant and was issued 6,637,429 shares of Common Stock at an exercise price of \$3.00 per Warrant Share.

(2) On October 30, 2018, DEH fully exercised its Class C Warrant by surrendering indebtedness outstanding under the Credit Agreement having a principal amount equal to the aggregate exercise price for the Warrant and was issued 5,000,000 shares of Common Stock at an exercise price of \$3.00 per Warrant Share.

(3) On October 31, 2018, immediately prior to the merger of River Merger Sub Inc., a Nevada corporation and wholly-owned subsidiary of DEH ("Merger Sub"), with and into RLJE, with RLJE surviving as a wholly-owned subsidiary of DEH (the "Merger"), pursuant to the terms of the Contribution Agreement, dated as of July 29, 2018, by and among Robert L. Johnson, The RLJ Companies, LLC, RLJ SPAC Acquisition LLC (together with Robert L. Johnson and The RLJ Companies, LLC, the "Johnson Entities"), DEH and AMC Digital Entertainment Holdings LLC (the "Contribution Agreement"), the Johnson Entities contributed to DEH all of the shares of Common Stock and warrants to purchase shares of Common Stock from RLJE with an exercise price of \$3.00 and an initial exercise date of May 20, 2015 (the "2015 Warrants", and each share of Common Stock issuable upon exercise of a 2015 Warrant, also a "Warrant Share") beneficially owned by the Johnson Entities in exchange for membership interests in DEH.

(4) The 2015 Warrant and shares of Common Stock held by the Johnson Entities were valued in accordance with the merger consideration paid to holders of Common Stock and 2015 Warrants pursuant to the Agreement and Plan of Merger, dated as of July 29, 2018 and as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated as of October 2, 2018, by and among AMC (solely for purposes of Section 10.7 thereof), DEH, Merger Sub, and RLJE (the "Merger Agreement").

(5) AMC may be deemed to beneficially own the shares of Common Stock, Warrants and 2015 Warrant indirectly through its wholly-owned subsidiaries. The Common Stock, Warrants and 2015 Warrant are held directly by DEH. Prior to the closing of the transactions contemplated by the Contribution Agreement, DEH was a direct wholly-owned subsidiary of AMC Digital Entertainment Holdings LLC. Following the closing of the transactions contemplated by the Contribution Agreement and upon the effective time of the Merger (the "Effective Time"), DEH became a majority-owned subsidiary of AMC Digital Entertainment Holdings LLC, with a minority interest held by RLJ SPAC Acquisition LLC. AMC Digital Entertainment Holdings LLC is a direct wholly-owned subsidiary of IFC Entertainment Holdings LLC.

(6) (Continued from footnote 5) IFC Entertainment Holdings LLC is a direct wholly-owned subsidiary of Rainbow Programming Holdings LLC. Rainbow Programming Holdings LLC is a direct wholly-owned subsidiary of Rainbow Media Enterprises, Inc. Rainbow Media Enterprises, Inc. is a direct wholly-owned subsidiary of Rainbow Media Holdings, LLC. Rainbow Media Holdings, LLC is a direct wholly-owned subsidiary of AMC.

(7) RLJE issued 98,240 shares of Common Stock to DEH as payment of interest due to DEH pursuant to the Credit Agreement for the period from October 1, 2018 through October 31, 2018.

Remarks:

On October 31, 2018, at the Effective Time, RLJE and Merger Sub consummated the Merger pursuant to the terms of the Merger Agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.