

ION MEDIA NETWORKS INC.
Form 8-K
February 01, 2008

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

Date of Report (Date of Earliest Event Reported):

January 28, 2008

ION Media Networks, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-13452

59-3212788

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

601 Clearwater Park Road, West Palm Beach,
Florida

33401

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

561-659-4122

Not Applicable

Former name or former address, if changed since last report

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:

- 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))

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Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On January 28, 2008, ION Media Networks, Inc. (the "Company") filed a Certificate of Designation establishing the powers, preferences and relative, participating, optional and other special rights of the 8% Series C Mandatorily Convertible Preferred Stock of the Company (the "Series C Convertible Certificate"). The Series C Convertible Certificate amended the Company's Certificate of Incorporation and was effective immediately upon filing.

The Series C Convertible Certificate provides for the authorization for issuance of up to 11,000 shares of 8% Series C Mandatorily Convertible Preferred Stock, par value \$.001 per share ("Series C Convertible Preferred"), with a liquidation preference of \$10,000 per share. The Series C Convertible Certificate provides for dividends at an annual rate of 8% which shall accrue and be cumulative, whether or not earned or declared, on a quarterly basis, but shall be payable only at such time or times as determined by the Board. The shares of Series C Convertible Preferred are convertible on both an optional and a mandatory basis. At the holder's option, the shares of Series C Convertible Preferred are convertible at any time into shares of Class A Common Stock of the Company at a conversion price of \$0.75 per share, increasing at a rate per annum of 8% from the issuance of the Series C Convertible Preferred through the date of conversion. At any time following the first anniversary of the issuance date, the shares of Series C Convertible Preferred shall be mandatorily converted into shares of Class A Common Stock upon the earliest of: (i) if shares of Class A Common Stock or Class D Common Stock of the Company are traded on a national securities exchange or in the over-the-counter market, the trading price for 15 consecutive trading days is equal to or greater than, (a) in the event the mandatory conversion occurs on or after the first anniversary but prior to the second anniversary of the issuance date, 102% of the then-applicable conversion price, (b) in the event the mandatory conversion occurs on or after the second anniversary but prior to the third anniversary of the issuance date, 101% of the then-applicable conversion price, or (c) in the event the mandatory conversion occurs on or after the third anniversary of the issuance date, the then-applicable conversion price; or (ii) the Company's issuance of common stock at an issue price per share (determined, in the case of a transaction involving CIG Media LLC ("CIG"), NBC Universal, Inc. ("NBCU"), or their respective affiliates, by opinion of an internationally recognized investment bank selected by CIG and NBCU from a list of three banks provided by the Company) equal to or greater than the then-applicable mandatory conversion trigger price of the Series C Convertible Preferred, generating aggregate gross proceeds to the Company of at least \$75,000,000.

A copy of the Series C Convertible Certificate is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference. The foregoing description is qualified in its entirety by reference to the full text of the Series C Convertible Certificate.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following item is filed as an Exhibit to this report:

3.1 Certificate of Designation of the Company's 8% Series C Mandatorily Convertible Preferred Stock, filed January 28, 2008 with the State of Delaware.

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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.

ION Media Networks, Inc.

February 1, 2008

By: Adam K. Weinstein

*Name: Adam K. Weinstein
Title: Senior Vice President, Secretary and Chief Legal
Officer*

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Exhibit Index

| Exhibit No. | Description |
|--------------------|--|
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