

CROWN MEDIA HOLDINGS INC  
Form 8-K  
March 11, 2011

**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**

**March 9, 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

## Edgar Filing: CROWN MEDIA HOLDINGS INC - Form 8-K

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))
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**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 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. The plaintiff has 30 days within which to file an appeal.

**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                      March 11, 2011

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