

BET Founder Buys Image Entertainment and Acorn Media Group

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By Brent Lang

BET founder Robert L. Johnson is buying Image Entertainment and Acorn Media Group and combining them into a new, publicly traded distribution company called RLJ Entertainment.

TheWrap first reported exclusively last week that Johnson was in negotiations to buy Image to help bolster his video distribution holdings.



As part of the deal, Image shareholder will receive 2.139 million shares of common stock in RLJ.

Preferred stock holders in Image Entertainment will get \$22.6 million in cash and notes.

Acorn shareholders will receive \$105 million in cash, 1 million shares of RLJ and warrants to purchase 1 million shares of the company.

Acorn Media boasts a library of British television shows such as "Foyle's War" and "Midsomer Murders."

Image's holdings include feature films from brands such as the Criterion Collection, and a varied archive of television programs, music, comedy and audio content.

Johnson will serve as the combined company's executive chairman. Shares of RLJ are expected to trade on the NASDAQ.

"I am excited to work with the management team to run a company that will increase the opportunity for independent and urban-oriented producers to reach a broader audience across the expanding number of media outlets," Johnson said in a statement.

After the deal is finalized, Image Entertainment stockholders will own 11 percent of RLJ and Acorn Media Group shareholders will own approximately 5 percent of the company.

The deal still needs regulatory approval and the endorsement of the various shareholders.