

PEACE ARCH ENTERTAINMENT GROUP INC
Form 6-K
February 02, 2006

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

FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of February, 2006

PEACE ARCH ENTERTAINMENT GROUP INC.
(Translation of Registrant's name into English)

407-124 Merton Street, Toronto, Ontario M4S 2Z2
(Address of principal executive office)

[Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.]

Form 20-F

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Form 40-F

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[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to rule 12g3-2(b) under the Securities

Exchange Act of 1934.

Yes

☐

No

☐

(If ☐ Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____

MATERIAL CHANGE REPORT

Form 51-102F3

Reporting Issuer

Peace Arch Entertainment Group Inc.
124 Merton Street, Suite 407
Toronto, Ontario M4S 2Z2

1.

Date of Material Change

January 23, 2006

2.

Press Release

A news release disclosing the material change was issued on January 23, 2006 and disseminated across Canada by CCN Matthews. A copy of the press release is attached.

3.

Summary of Material Change

On January 23, 2006 Peace Arch Entertainment Group Inc. (Peace Arch) acquired kaBOOM! Entertainment Inc., an independent home entertainment studio located in Canada, in a combined cash and stock transaction valued at approximately CAD\$8.5 million inclusive of closing costs. The transaction comprised of 10% stock and 90% cash. The cash component was satisfied in part from a debt facility provided by Quest Capital Corp. and the balance by the preferred shareholders. Westwind Partners Inc. acted as financial advisor on the transaction.

4.

Full Description of Material Change

On January 23, 2006, Peace Arch reported that it acquired all of the issued and outstanding shares of kaBOOM! Entertainment Inc., an independent home entertainment studio located in Canada, in a combined cash and stock transaction valued at approximately CAD\$8.5 million inclusive of closing costs. The transaction comprised of 10% stock and 90% cash. Under the terms of the share purchase agreement, 1,020,408 Peace Arch commons shares treasury were issued to one of the vendor shareholders in partial satisfaction of the purchase price.

The cash component of the acquisition was satisfied in part from a debt facility provided by Quest Capital Corp. (Quest) and the balance by the preferred shareholders of Peace Arch. Under the terms of the Quest credit agreement, 731,060 Peace Arch common shares from treasury were issued to Quest in satisfaction of certain fees payable to Quest by Peace Arch on closing. Westwind Partners Inc. acted as financial advisor on the transaction.

5.

Reliance on Confidentiality Provisions of Securities Legislation

This report is not being filed on a confidential basis.

6.

Omitted Information

Not applicable.

7.

Executive Officer

The following senior officer of is knowledgeable about the material change and this report:
Mara Di Pasquale, Chief Financial Officer and Chief Operating Officer,
(416) 487-0377

8.

Date of Report

Dated this 1st day of February, 2006 at Toronto, Ontario, Canada

Schedule A

Press Release

January 24, 2006 - Toronto

PEACE ARCH ENTERTAINMENT GROUP ACQUIRES LEADING CANADIAN HOME ENTERTAINMENT STUDIO KABOOM! ENTERTAINMENT

Peace Arch Entertainment Group Inc. (AMEX: PAE; TSX: PAE.LV), one of Canada's most active film and television companies, has acquired kaBOOM! Entertainment Inc., one of the leading independent home entertainment studios in Canada, in a combined cash and stock transaction valued at approximately CAD\$8.5 million inclusive of closing costs. The transaction comprised of 10% stock and 90% cash. The cash component was satisfied in part from a debt facility provided by Quest Capital Corp. and the balance by the preferred shareholders. Westwind Partners Inc. acted as financial advisor on the transaction. The announcement was made today by Peace Arch Chief Executive Officer Gary Howsam and kaBOOM! President Berry Meyerowitz.

As part of the transaction Peace Arch has signed a long-term employment agreement with Berry Meyerowitz, who will continue to run kaBOOM!'s home entertainment operations on a day-to-day basis as a division of Peace Arch.

Peace Arch will now have the ability to self-distribute its motion picture and television productions directly to the home entertainment market in Canada. The move follows the Company's recent addition of senior Canadian television sales executive Michael Taylor to its ranks and the rapid expansion of its international sales arm under the leadership of former HBO international sales topper Penny Wolf.

"The acquisition of kaBOOM! is a significant step in our plan to make Peace Arch one of the pre-eminent production, sales and distribution companies in the international film and television business," said Peace Arch CEO Gary Howsam. "We believe that kaBOOM!'s superb management, consistent profitability and outstanding retail relationships in Canada combined with Peace Arch's proven ability to create and acquire desirable new film and

television programming will improve each company's margins and provide a valuable springboard to continuing accretive acquisitions of strategic distribution and content assets."

kaBOOM! President Berry Meyerowitz stated: "We are very excited to be joining Peace Arch just as the company is expanding all areas of its operations. This transaction takes our business to the next level of growth by providing a reliable source of quality new film and television programming, an enhanced ability to acquire and exploit distribution rights in markets outside of Canada, and improved access to other strategic opportunities in Canada, the United States and abroad."

About Peace Arch Entertainment Group Inc.

Peace Arch creates, develops, finances, produces and distributes proprietary feature film and television programming for worldwide markets. Based in Toronto, with operating divisions in Vancouver, Los Angeles and London, Peace Arch has put seven new features into production since September 2005. This includes four titles for its new genre label Archetype Films, as well as "DELIRIOUS" starring Steve Buscemi, Michael Pitt, Alison Lohman and Gina Gershon, and "CHAPTER 27" starring Jared Leto and Lindsay Lohan. The Company is publicly traded on the American and Toronto Stock Exchanges under the symbol PAE.

About kaBOOM! Entertainment Inc.

Founded in 1996, kaBOOM! provides a full range of services relating to the sales, marketing, licensing and distribution of DVDs, videos and ancillary merchandise. It distributes sell-through and rental titles across a wide variety of genres, such as children's, anime, television, health & wellness and live-action feature films. The company partners with industry leaders such as Maple Pictures, Nelvana Limited, Treehouse, Teletoon, Sony Wonder, First Look Studios, DIC Entertainment, Sesame Workshop, and more. kaBOOM! represents leading children's properties such as Max & Ruby, Franklin the Turtle, The Berenstain Bears, Sesame Street, Miss Spider, Toad Patrol, Fraisinette (Strawberry Shortcake) and more!

This press release includes statements that may constitute forward-looking statements, usually containing the words "believe", "estimate", "project", "expect", or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products and services in the marketplace, competitive factors, dependence upon third-party vendors, availability of capital and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

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Sean Monson

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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, thereunto duly authorized.

Peace Arch Entertainment Group Inc.
(Registrant)

Date February 1, 2006

By Mara Di Pasquale
(Signature)*

Mara Di Pasquale, Chief Financial Officer

*Print the name and title under the signature of the signing officer.

GENERAL INSTRUCTIONS

A.

Rule as to Use of Form 6-K,

This form shall be used by foreign private issuers which are required to furnish reports pursuant to Rule 13a-16 or 15d-16 under the Securities Exchange Act of 1934.

B.

Information and Document required to be Furnished,

Subject to General Instruction D herein, an issuer furnishing a report on this form shall furnish whatever information, not required to be furnished on Form 40-F or previously furnished, such issuer (I) makes or is required to make public pursuant to the law of the jurisdiction of its domicile or in which it is incorporated or organized, or (ii) files or is required to file with a stock exchange on which its securities are traded and which was made public by that exchange, or (iii) distributes or is required to distribute to its security holders.

The information required to be furnished pursuant to (I), (ii) or (iii) above is that which is material with respect to the issuer and its subsidiaries concerning: changes in business; changes in management or control; acquisitions or

dispositions of assets; bankruptcy or receivership; changes in registrant's certifying accountants; the financial condition and results of operations; material legal proceedings; changes in securities or in the security for registered securities; defaults upon senior securities; material increases or decreases in the amount outstanding of securities or indebtedness; the results of the submission of matters to a vote of security holders; transactions with directors, officers or principal security holders; the granting of options or payment of other compensation to directors or officers; and any other information which the registrant deems of material importance to security holders.

This report is required to be furnished promptly after the material contained in the report is made public as described above. The information and documents furnished in this report shall not be deemed to be filed for the purpose of Section 18 of the Act or otherwise subject to the liabilities of that section.

If a report furnished on this form incorporates by reference any information not previously filed with the Commission, such information must be attached as an exhibit and furnished with the form.

C.

Preparation and Filing of Report

This report shall consist of a cover page, the document or report furnished by the issuer, and a signature page. Eight complete copies of each report on this form shall be deposited with the Commission. At least one complete copy shall be filed with each United States stock exchange on which any security of the registrant is listed and registered under Section 12(b) of the Act. At least one of the copies deposited with the Commission and one filed with each such exchange shall be manually signed. Unsigned copies shall be conformed.

D.

Translations of Papers and Documents into English

Reference is made to Rule 12b-12(d) [17 CFR 240.12b-12(d)]. Information required to be furnished pursuant to General Instruction B in the form of press releases and all communications or materials distributed directly to security holders of each class of securities to which any reporting obligation under Section 13(a) or 15(d) of the Act relates shall be in the English language. English versions or adequate summaries in the English language of such materials may be furnished in lieu of original English translations.

Notwithstanding General Instruction B, no other documents or reports, including prospectuses or offering circulars relating to entirely foreign offerings, need be furnished unless the issuer otherwise has prepared or caused to be prepared English translations, English versions or summaries in English thereof. If no such English translations,

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versions or summary have been prepared, it will be sufficient to provide a brief description in English of any such documents or reports. In no event are copies of original language documents or reports required to be furnished.

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Statement of Changes in Net Assets Available for Benefits

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Notes to Financial Statements

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Supplemental Schedule

Schedule H, Line 4i – Schedule of Assets (Held at End of
Year)

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Report of Independent Registered Public Accounting Firm

The Compensation and Human Resources Committee
of the Board of Directors
1st Source Corporation

We have audited the accompanying statements of net assets available for benefits of 1st Source Corporation Employees' Stock Ownership and Profit Sharing Plan as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2008 and 2007, and the changes in its net assets available for benefits for the year ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/Ernst & Young LLP

Chicago, Illinois
June 18, 2009

1st Source Corporation
Employees' Stock Ownership and Profit Sharing Plan

Statements of Net Assets Available for Benefits

	December 31	
	2008	2007
Assets		
Cash	\$ 178,508	\$ 267,512
Investments at fair value:		
Mutual funds	59,703,445	72,089,807
1st Source Corporation common stock	28,156,539	22,553,614
1st Source Bank common trust fund	9,438,886	7,292,603
Participant notes receivable	837,501	863,226
Short-term investment fund	105,548	102,358
Total investments	98,241,919	102,901,608
Employer contributions receivable	4,044,960	3,862,048
Accrued investment income	22	421
Net assets available for benefits, at fair value	102,465,409	107,031,589
Adjustment from fair value to contract value for benefit-responsive investments contracts	(10,371)	(18,186)
Net assets available for benefits	\$ 102,455,038	\$ 107,013,403

See accompanying notes.

1st Source Corporation
Employees' Stock Ownership and Profit Sharing Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2008

Additions	
Investment income	\$ 2,484,111
Contributions:	
Employer	4,187,373
Employees	4,785,182
Rollover	243,276
	9,215,831
Transfer of assets related to plan merger (Note 1)	3,549,251
Total additions	15,249,193
Deductions	
Benefits paid to participants	8,008,757
Net realized and unrealized depreciation in fair value of investments	11,798,801
Total deductions	19,807,558
Net decrease in net assets available for benefits	(4,558,365)
Net assets available for benefits:	
Beginning of year	107,013,403
End of year	\$ 102,455,038
See accompanying notes.	

1st Source Corporation
Employees' Stock Ownership and Profit Sharing Plan

Notes to Financial Statements

December 31, 2008

1. Description of the Plan

General

The 1st Source Corporation Employees' Stock Ownership and Profit Sharing Plan (the Plan) is a defined-contribution plan covering substantially all employees of 1st Source Corporation (1st Source) and its subsidiaries. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective May 1, 2007, the Trustcorp Mortgage Company Employee Retirement Savings Plan was merged into the Plan.

Effective January 1, 2008, the First National Bank, Valparaiso Employees' Retirement and Savings Investment Plan (FNBV) was merged into the Plan. Employer contributions of \$142,412 and employee contributions of \$8,385 (shown as receivables to the FNBV plan as of December 31, 2007) were made to the Plan in 2008 and are reflected as employer contributions and employee contributions in the Statement of Changes in Net Assets Available for Benefits.

Contributions and Vesting

Participants are permitted to designate up to \$15,500 or 100% of their annual pretax compensation, as defined by IRS limits, as a salary reduction contribution to the Plan. In addition, participants age 50 or older may elect to defer up to an additional \$5,000 in 2008 and 2007, called catch-up contributions to the Plan. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers 11 different fund options, one of which is the 1st Source Stock Fund, which primarily consists of 1st Source common stock.

The Plan provides for the following 1st Source contributions:

Matching contribution – amount is discretionary but may not exceed 100% of the first 4% of a participant's compensation contributed to the Plan and 50% of the next 2% of a participant's compensation contributed to the Plan.

Fixed profit sharing contribution – equals 2% of each eligible participant's annual compensation.

Discretionary profit sharing contribution – amount is discretionary as determined annually by the Board of Directors.

1st Source Corporation
Employees' Stock Ownership and Profit Sharing Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Regular contribution – amount is discretionary as determined annually by the Board of Directors.

All 1st Source contributions may be made in either cash or shares of 1st Source common stock. Cash contributions are invested in a diversified portfolio of funds as directed by the 1st Source Retirement Plan Committee. All contributions were made in cash in 2008 and 2007.

The Plan provides participants with an ESOP account and a 401(k) account. The ESOP account is made up of participant and 1st Source contributions invested in 1st Source common stock and cash not yet invested in common stock. The 401(k) account consists of participant and 1st Source contributions not invested in 1st Source common stock, including amounts previously included in the ESOP account a participant elects to diversify. Participants may elect to have dividends paid on the 1st Source common stock held in their ESOP account either paid in cash or remain in the Plan and be reinvested in additional shares of 1st Source common stock.