SEC Form 3

FORM 3

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Add SONY CO	•	ng Person <sup>*</sup>	2. Date of Event Requiring Statement (Month/Day/Year) 05/14/2019		3. Issuer Name and Ticker or Trading Symbol <u>Chicken Soup for the Soul Entertainment, Inc.</u> [ CSSE ]					
(Last) 1-7-1, KONA	(First) N	(Middle)			4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director X 10% Owner		(Mo	5. If Amendment, Date of Original Filed (Month/Day/Year)		
MINATO-KU			_		Officer (give title below)	Other (spe below)	Ap	6. Individual or Joint/Group Filing (Check Applicable Line)		
(Street) TOKYO	M0	108-0075						X Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(State)	(Zip)								
Table I - Non-Derivative Securities Beneficially Owned										
1. Title of Security (Instr. 4)					. Amount of Securities Beneficially Owned (Instr. 4)			4. Nature of Indirect Beneficial Ownership (Instr. 5)		
Table II - Derivative Securities Beneficially Owned           (e.g., puts, calls, warrants, options, convertible securities)										
1. Title of Derivative Security (Instr. 4)			2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securi Underlying Derivative Securit		4. Conversion or Exercise	ise Form:	6. Nature of Indirect Beneficial Ownership (Instr. 5)	
			Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Price of Derivative Security	Direct (D) or Indirect (I) (Instr. 5)		
Class I Warrants			05/14/2019	05/14/2024	Class A Common Stock	800,000	8.13	I	See Explanation of Responses <sup>(1)(4)(5)</sup>	
Class II Warrants			05/14/2019	05/14/2024	Class A Common Stock	1,200,000	9.67	I	See Explanation of Responses <sup>(1)(4)(5)</sup>	
Class III-A Warrants			05/14/2019	05/14/2024	Class A Common Stock	380,000	11.61	I	See Explanation of Responses <sup>(1)(4)(5)</sup>	
Class III-B Warrants			(3)	05/14/2024	Class A Common Stock	(3)	11.61	Ι	See Explanation of Responses <sup>(1)(4)(5)</sup>	
LLC Units			05/14/2020 <sup>(6)(7)</sup>	11/14/2020 <sup>(6)(7)</sup>	Series A 9.75% Perpetual Preferred Stock	(6)(7)	(6)(7)	I	See Explanation of Responses <sup>(2)(6)(7)</sup>	

Explanation of Responses:

1. The securities are held through CPE Holdings, Inc. ("CPEH"), an indirect wholly-owned subsidiary of the Reporting Person.

2. The securities are held through Crackle, Inc. ("Crackle"), an indirect wholly-owned subsidiary of the Reporting Person.

3. Class III-B Warrants will become exercisable for 1,620,000 shares of Class A Common Stock upon approval by the vote of the holders of the outstanding common stock of the Issuer. Certain affiliates of the Issuer that control a majority of the voting power of the outstanding common stock of the Issuer have delivered an irrevocable proxy to vote all shares of the Issuer's common stock owned by them in favor of such approval.

4. Pursuant to the terms of the contribution agreement ("Contribution Agreement"), dated as of March 27, 2019, by and among the Issuer, Crackle Plus, LLC, a Delaware limited liability company and wholly owned subsidiary of the Issuer ("Crackle Plus"), CPEH and Crackle, upon Crackle's written request during the six-month period following the first anniversary of the closing date (the "Exercise Period"), Crackle and CPEH will be entitled to reimbursement of their reasonable, documented third-party expenses incurred in connection with the transactions contemplated by the Contribution Agreement, up to a maximum of \$5,000,000 (the "Crackle Reimbursement"), (cont'd)

5. payable (a) in cash by Crackle Plus, (b) upon the reasonable determination of Crackle Plus's board of managers that Crackle Plus does not have sufficient cash available to make such reimbursement payment, by the Issuer in shares of Issuer's Series A 9.75% Perpetual Preferred Stock ("Issuer Preferred Shares"), valued at a price per share of \$25.00, or (c) upon Crackle's election, in any combination of cash and Issuer Preferred Shares valued at a price per share of \$25.00.

6. Crackle holds 1,000 units of common equity ("Common Units") and 37,000 units of preferred equity ("Preferred Units") of Crackle Plus. Upon notice (the "Put Election Notice"), Crackle has the option to require the Issuer to acquire all, but not less than all, of its interest in Crackle Plus for consideration of (i) with respect to the Common Units, a number of shares of Issuer Preferred Shares equal to (x) the greater of (A) \$3 million and (B) the product of ten (10), multiplied by Crackle Plus's earnings before interest, tax, depreciation and amortization (EBITDA) for the twelve (12) month period ended as of the end of the most recent fiscal quarter prior to the date of the Put Election Notice, multiplied by the percentage interest in Crackle Plus represented by such Common Units, divided by (y) \$25.00; (cont'd)

7. and (ii) with respect to the Preferred Units, 1,480,000 Issuer Preferred Shares (or, in each case, at the Issuer's election, an amount in cash in lieu of such Issuer Preferred Shares at \$25 per share). In lieu of exercising that right, Crackle may convert its Preferred Units into Common Units.

## Remarks:

8. Pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), this filing shall not be deemed an admission that the Reporting Person is, for purposes of Section 16 of the Exchange Act or otherwise, the beneficial owner of any equity securities in excess of its respective pecuniary interests.

/s/ Hiroki Totoki By: Hiroki Totoki, Senior Executive Vice President and Chief Financial Officer, Sony Corporation \*\* Signature of Reporting Person

05/23/2019

Date

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

\* If the form is filed by more than one reporting person, see Instruction 5 (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).

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

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