

LIBERTY MEDIA CORP /DE/
Form SC 13D/A
March 03, 2004

**UNITED STATES
SECURITIES AND EXCHANGE
COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 2)***

LIBERTY MEDIA CORPORATION

(Name of Issuer)

1. **Liberty Media Corporation Series A Common Stock, par value \$0.01 per share (Series A Common Stock).**
2. **Liberty Media Corporation Series B Common Stock, par value \$0.01 per share (Series B Common Stock).**

(Title of Class of Securities)

- | | | |
|----|-------------------------------|--------------------|
| 1. | Series A Common Stock: | 530 718 105 |
| 2. | Series B Common Stock: | 530 718 204 |

(CUSIP Number)

**Raymond L. Sutton, Jr.
Baker & Hostetler LLP
303 East 17th Avenue, Suite 1100
Denver, Colorado 80203**

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

February 25, 2004

(Date of Event which Requires Filing of this Statement)

Edgar Filing: LIBERTY MEDIA CORP /DE/ - Form SC 13D/A

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Exhibit Index on Page A-1

CUSIP Nos.

Series A Common Stock: 530 718 105

Series B Common Stock: 530 718 204

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
Gary Magness
 2. Check the Appropriate Box if a Member of a Group (See Instructions)
 - (a)
 - (b)
 3. SEC Use Only
 4. Source of Funds (See Instructions)
OO
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
 6. Citizenship or Place of Organization
U.S.A.
- | | | | |
|---|-----|--------------------------|-------------------|
| | 7. | Sole Voting Power | |
| | | Series A Common Stock | 123,257,974(1)(2) |
| | | Series B Common Stock | 89,001,980(2) |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8. | Shared Voting Power | |
| | | Series A Common Stock | 0 |
| | | Series B Common Stock | 0 |
| | 9. | Sole Dispositive Power | |
| | | Series A Common Stock | 123,257,974(1)(2) |
| | | Series B Common Stock | 89,001,980(2) |
| | 10. | Shared Dispositive Power | |
| | | Series A Common Stock | 0 |
| | | Series B Common Stock | 0 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person

Series A Common Stock	123,257,974(1)(2)
Series B Common Stock	89,001,980(2)
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)

4.4% of Series A Common Stock
41.0% of Series B Common Stock
 14. Type of Reporting Person (See Instructions)
IN

(1) Series B Common Stock is convertible at any time on a one-for-one basis into Series A Common Stock. *See* Item 5 below. The numbers of shares of Series A Common Stock shown in rows 7 through 11 above assume that the shares of Series B Common Stock shown in rows 7 through 11 above have been converted into shares of Series A Common Stock.

(2) See Item 5 below.

Item 1. Security and Issuer

No Change.

Item 2. Identity and Background

No Change.

Item 3. Source and Amount of Funds or Other Consideration

On November 12, 2003, Liberty Media Corporation (the Company) acquired all of the issued and outstanding capital stock of Liberty Satellite & Technology, Inc. (LSAT) not then owned by the Company. Each LSAT stockholder, other than the Company, received 0.2750 shares of Series A Common Stock for each share of LSAT Series A or Series B common stock held. Gary Magness was a beneficial owner of capital stock of LSAT and acquired beneficial ownership of 739,455 shares of Series A Common Stock in exchange for LSAT Series A and Series B common stock. The Series A Common Stock and the Series B Common Stock of the Company collectively are referred to herein as the Company Securities.

Item 4. Purpose of Transaction

Gary Magness acquired beneficial ownership of 739,455 shares of Series A Common Stock in connection with the transactions discussed in Item 3.

On February 25, 2004, each of Gary Magness, GMag, LLC (GMag), Magness Securities, LLC (Magness Securities), Magness FT Investment Company LLC (Magness FT), and the Estate of Bob Magness (collectively, the Magness Group) and certain other parties entered into a definitive stock exchange agreement with the Company pursuant to which the Company agreed to acquire 89,001,980 shares of Series B Common Stock owned by the Magness Group in exchange for Series A Common Stock on the basis of 1.0975 shares of Series A Common Stock for each share of Series B Common Stock. Upon completion of this transaction, the Magness Group will cease to own any Series B Common Stock of the Company and, consequently, the Call Agreement and Shareholders Agreement will cease to be binding upon the Magness Group.

The parties intend to close the exchange of stock on March 4, 2004, unless any condition to closing set forth in the stock exchange agreement is not satisfied on that date. If the exchange of stock cannot be effectuated prior to May 21, 2004, then either party, if it is not in breach of the stock exchange agreement, may terminate the stock exchange agreement and the 89,001,980 shares of Series B Common Stock will remain subject to the terms of the call agreement.

On February 25, 2004, Magness Securities, LLC agreed to take investment direction from the Estate of Kim Magness after the closing of the previously discussed transactions with respect to 5,935,306 shares of Series A Common Stock which represents the pro rata economic interest of the Estate of Kim Magness in Magness Securities, LLC.

Except as set forth in this Item 4, Gary Magness has no present plan or proposal that relates to or would result in:

- (a) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company;
- (b) an extraordinary corporate transaction, such as a merger, reorganization, or liquidation, involving the Company or any of its subsidiaries;
- (c) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries;

- (d) any change in the present board of directors of the Company or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- (e) any material change in the present capitalization or dividend policy of the Company;
- (f) any other material change in the Company's business or corporate structure;
- (g) changes in the Company's certificate of incorporation or bylaws or other actions which may impede the acquisition of control of the Company by any person;
- (h) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- (i) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or
- (j) any action similar to any of those enumerated above.

Item 5. Interest in Securities of the Issuer

(a) The aggregate number and percentage of the Company Securities beneficially owned by Gary Magness are as follows:

Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class Power(1)
Series A Common Stock	123,257,974(2)(3)(4)(5)(6)	4.4%
Series B Common Stock	89,001,980(2)(3)(4)(6)	41.0%

(1) Based on 2,669,835,166 shares of Series A Common Stock, and 217,100,515 shares of Series B Common Stock outstanding on December 31, 2003.

(2) Series B Common Stock is convertible at any time on a one-for-one basis into Series A Common Stock. The numbers of shares of Series A Common Stock shown in this Item 5 assume that the shares of Series B Common Stock have been fully converted into shares of Series A Common Stock.

Each share of Series B Common Stock is entitled to 10 votes per share and each share of Series A Common Stock is entitled to one vote per share.

(3) Gary Magness is the personal representative of the Bob Magness Estate. Accordingly, the following shares beneficially owned by the Bob Magness Estate are reflected in full in Gary Magness's share information: (i) 98,124,270 shares of Series A Common Stock and (ii) 70,858,108 shares of Series B Common Stock. The foregoing share numbers assume the conversion in full of all shares of Series B Common Stock into shares of Series A Common Stock. See footnote 2 to this Item 5(a) for an explanation of the convertibility of the Series B Common Stock into shares of Series A Common Stock.

(4) Gary Magness holds a 50% economic interest in Magness Securities and is the manager of Magness Securities. As manager, Gary Magness has the sole power to vote and dispose of the Company Securities owned by Magness Securities. Accordingly, the following shares beneficially owned by Magness Securities are reflected in full in Gary Magness share information: (i) 10,816,048 shares of Series A Common Stock, and (ii) 10,816,048 shares of Series B Common Stock. Magness Securities has agreed to

take investment direction from the Estate of Kim Magness with respect to the shares allocated to the Estate of Kim, after the closing of the transactions described in Item 4. The foregoing share numbers assume the conversion in full of all shares of Series B Common Stock into shares of Series A Common Stock. See footnote 2 to this Item 5(a) for an explanation of the convertibility of the Series B Common Stock into shares of Series A Common Stock.

(5) Gary Magness holds a 50% economic interest in Magness FT and is the manager of Magness FT. As manager, Gary Magness has the sole power to vote and dispose of the Company Securities owned by Magness FT. Accordingly, the 1,057,912 shares of Series A Common Stock beneficially owned by Magness FT are reflected in full in Gary Magness share information.

(6) Includes, as applicable, (1) 520 shares of Series A Common Stock owned jointly by Gary Magness and his spouse, (2) 416 shares of Series A Common Stock owned by Gary Magness spouse, (3) 12,595 shares of Series A Common Stock, and 4,048 shares of Series B Common Stock beneficially owned by Gary Magness daughter, as to which Gary Magness holds such shares as custodian and disclaims any beneficial ownership thereof, and (4) 10,583,006 shares of Series A Common Stock and 5,408,024 shares of Series B Common Stock owned by GMag. The foregoing share numbers assume the conversion in full of all shares of Series B Common Stock into shares of Series A Common Stock. See footnote 2 to this Item 5(a) for an explanation of the convertibility of the Series B Common Stock into shares of Series A Common Stock.

(b) The following indicates for Gary Magness the number of shares of Company Securities as to which there is sole or shared power to vote or dispose of the shares:

Class of Security	Sole Voting Power	Shared Voting Power
Series A Common Stock	123,257,974	0
Series B Common Stock	89,001,980	0

Class of Security	Sole Dispositive Power	Shared Dispositive Power
Series A Common Stock	123,257,974	0
Series B Common Stock	89,001,980	0

(c) The transactions described in Item 4 are the only transactions effected during the last sixty days by Gary Magness.

(d) No person is known by Gary Magness to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Company Securities identified in this Item 5.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

In addition to contracts, arrangements and understandings previously disclosed, each member of the Magness Group has entered into a definitive stock exchange agreement with the Company regarding the acquisition by the Company of 89,001,980 shares of Series B Common Stock owned by the Magness Group and Magness Securities has agreed to take investment direction from the Estate of Kim Magness with respect to 5,935,306 shares of Series A Common Stock, as discussed in Item 4. Upon completion of

the transaction described in Item 4, the Call Agreement and Shareholders Agreement will cease to be binding upon the Magness Group.

Item 7. Material to Be Filed as Exhibits

1. Stock Exchange Agreement, dated as of February 25, 2004, between the Company and Gary Magness, GMag, LLC, Magness Securities, LLC, the Estate of Bob Magness, and certain other parties.
2. Letter Agreement, dated as of February 25, 2004, between Magness Securities and the Estate of Kim Magness.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 25, 2004

Date

/s/ Gary Magness

Signature

Gary Magness

Name/Title