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MEMBERWORKS INC
Form 8-K
April 05, 2004

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

April 1, 2004

Date of Report
(Date of earliest event reported)

MEMBERWORKS INCORPORATED

(Exact name of registrant as specified in its charter)

DELAWARE

(State of Incorporation)

0-21527

(Commission File Number)

06-1276882

(I.R.S. Employer
Identification No.)

680 Washington Blvd
Stamford, Connecticut 06901

(Address of principal executive offices,
including zip code)

(203) 324-7635

(Registrant's telephone number,
including area code)

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MEMBERWORKS INCORPORATED

Item 2. Acquisition or Disposition of Assets.

On April 1, 2004, MemberWorks Incorporated (the "Company"), completed the previously disclosed acquisition of all of the assets and outstanding capital stock of Lavalife Inc. ("Lavalife"), a leading provider of online and IVR-based interactive personals services. Lavalife will be operated as a wholly-owned subsidiary of the Company. The purchase price was approximately CAD\$152.5 million, or \$116.3 million, subject to certain adjustments and excluding fees and expenses. The acquisition was funded with cash on hand and borrowings available under the Company's previously disclosed \$45.0 million senior secured credit facility. The purchase price paid by the Company was determined on the basis of arm's length negotiations between the parties. Broadview International LLC acted as financial advisor to Lavalife in connection with the acquisition. Mr. Ellison, a member of the board of directors of MemberWorks, is the President and a Managing Director of Broadview International LLC. Mr. Ellison recused himself from all MemberWorks board of directors discussions and votes on the Lavalife acquisition.

Item 7. Financial Statements, Pro Forma Financial Statements and Exhibits.

- (a) Financial Statements of Lavalife Inc.:
These were previously filed as part of the current report on Form 8-K filed on March 26, 2004 and are incorporated herein by reference.
- (b) Pro Forma Financial Information:
These were previously filed as part of the current report on Form 8-K filed on March 26, 2004 and are incorporated herein by reference.
- (c) Exhibits
 - 99.1 Press release dated April 1, 2004
 - 99.2 Master Transaction Agreement dated March 3, 2004
 - 99.3 Amended and Restated Credit Agreement dated March 25, 2004 among MemberWorks Incorporated, the Lenders Parties hereto, and LaSalle Bank National Association.

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.

MEMBERWORKS INCORPORATED
(Registrant)

Date: April 5, 2004

By: /s/ Gary A. Johnson

Gary A. Johnson, President and
Chief Executive Officer