

# YOUNG, CONAWAY, STARGATT & TAYLOR

BRUCE M. STARGATT  
RICHARD H. MAY  
STUART B. YOUNG  
BEN T. CASTLE  
EDWARD B. MAXWELL, 2ND  
SHELDON A. WEINSTEIN  
ARTHUR INDEN  
SHELDON N. SANDLER  
RICHARD A. LEVINE  
RICHARD A. ZAPPA  
FREDERICK W. IOBST  
RICHARD H. MORSE  
DAVID C. McBRIDE  
JOSEPH M. NICHOLSON  
JOHN VINCENT ALEXANDER  
CRAIG A. KARSNITZ  
BARRY M. WILLOUGHBY  
JOSY W. INGERSOLL  
ANTHONY G. FLYNN  
JEROME K. GROSSMAN  
EUGENE A. DIPRINZIO  
GEORGE B. SMITH  
JAMES L. PATTON, JR.  
ROBERT L. THOMAS  
WILLIAM D. JOHNSTON  
TIMOTHY J. SNYDER

LAURA DAVIS JONES  
BRUCE L. SILVERSTEIN  
WILLIAM W. BOWSER  
LARRY J. TARABICOS  
RICHARD A. DILIBERTO, JR.  
MELANIE K. SHARP  
CASSANDRA FALINE KAMINSKI  
E. SCOTT BRADLEY  
NEILLI MULLEN WALSH  
TERESA C. FARISS  
JAN R. JURDEN  
DAVID W. O'CONNOR  
VINCENT J. X. HEDRICK, II  
JANET Z. CHARLTON  
ROBERT S. BRADY  
TIMOTHY JAY HOUSEAL  
MAUREEN DUNN MCGLYNN  
JOEL A. WAITE  
BHAVANA SONTAKAY  
BRIAN R. MURPHY  
JAMES P. HUGHES, JR.  
OMAR Y. MCNEILL  
STEPHEN RAHAIM  
BRENDAN LINEHAN SHANNON  
MARTIN S. LESSNER

ELEVENTH FLOOR  
RODNEY SQUARE NORTH  
P.O. Box 391

WILMINGTON, DELAWARE 19899-0391

(302) 571-6600  
(800) 253-2234 (DE ONLY)  
FAX: (302) 571-1253

WRITER'S DIRECT DIAL NUMBER

(302) 571-6639

H. ALBERT YOUNG  
1929-1982  
H. JAMES CONAWAY, JR.  
1947-1990

WILLIAM F. TAYLOR  
OF COUNSEL

GEORGETOWN OFFICE  
110 WEST PINE STREET  
P.O. BOX 594  
GEORGETOWN, DELAWARE 19947  
(302) 856-3571  
(800) 255-2234 (DE ONLY)  
FAX: (302) 856-9338

November 29, 1993

BY HAND

The Honorable Jack B. Jacobs  
Vice Chancellor  
Court of Chancery  
1000 King Street  
Wilmington, DE 19801

Re: QVC Network, Inc., v. Paramount  
Communications Inc., et al  
C.A. No. 13208

Dear Vice Chancellor Jacobs:

Enclosed for Your Honor's consideration is a formal preliminary injunction order which contains the handwritten changes made in the order entered last Wednesday evening. At the conclusion of the hearing last Wednesday, I understood that the Court and the parties preferred a formal order incorporating these handwritten changes and that this formal order would be substituted for the existing order with handwritten changes. Copies of this "clean" order were provided to opposing counsel, and Mr. Sparks, on behalf of defendants, advised me that defendants oppose the entry of a "clean order" because (i) the handwritten copy already has been provided to the Supreme Court and (ii) the entry of this order supposedly would create confusion. Plaintiff continues to believe a clean order is appropriate. Obviously, Your Honor's preference will be controlling. If Your Honor's secretary could advise the parties if this

FILE COPY

YOUNG, CONAWAY, STARGATT & TAYLOR

The Honorable Jack B. Jacobs  
November 29, 1993  
Page 2

order has been executed and substituted for the existing  
order, it would be much appreciated.

Cordially yours,



David C. McBride

DCM:cg

Enclosure

cc: Register in Chancery (w/enc. - by hand)  
Charles F. Richards, Jr., Esq. (w/enc. - by hand)  
A. Gilchrist Sparks, III, Esq. (w/enc. - by hand)  
Irving Morris, Esq. (w/enc. - by hand)  
Joseph A. Rosenthal, Esq. (w/enc. - by hand)

bcc: Theodore N. Mirvis, Esq. (By Fax)  
Paul K. Rowe, Esq. (By Fax)

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

QVC NETWORK, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	C.A. No. 13208
	)	
PARAMOUNT COMMUNICATIONS INC.,	)	
VIACOM INC., MARTIN S. DAVIS,	)	
GRACE J. FIPPINGER, IRVING R. FISCHER,	)	
BENJAMIN L. HOOKS, FRANZ J. LUTOLF,	)	
JAMES A. PATTISON, IRWIN SCHLOSS,	)	
SAMUEL J. SILBERMAN, LAWRENCE M. SMALL,	)	
and GEORGE WEISSMAN,	)	
	)	
Defendants.	)	
	)	
IN RE PARAMOUNT COMMUNICATIONS INC.	)	CONSOLIDATED
SHAREHOLDERS LITIGATION.	)	C.A. No. 13117

PRELIMINARY INJUNCTION ORDER

Upon the motion of plaintiffs for a preliminary injunction, the Court having considered the motions, and having heard and considered argument of counsel, and having issued its Memorandum Opinion dated November 24, 1993:

IT IS HEREBY ORDERED, this 24th day of November, 1993, as follows:

A. Paramount Communications Inc. ("Paramount"), the individual defendants and each of their respective employees, agents, officers, directors and all persons or entities acting in concert with them or on their behalf are hereby preliminarily enjoined, absent further order of the Court, from amending or modifying the Rights Agreement dated

September 7, 1988 between Paramount and Chemical Bank (formerly Manufacturers Hanover Trust Company) (the "Rights Agreement"), redeeming the Rights under the Rights Agreement or taking any other action under the Rights Agreement to facilitate the Viacom, Inc. ("Viacom") tender offer or the proposed second-step merger or alternative merger between Viacom or a subsidiary of Viacom and Paramount; and Paramount represents that it has not heretofore taken any action which, without further action, would permit consummation of the Viacom tender offer free of the rights.

B. Paramount, Viacom, the individual defendants and each of their respective employees, agents, officers, directors and all persons or entities acting in concert with them or on their behalf, are hereby enjoined from (i) taking any action to exercise, cash-out, enforce, effectuate or consummate any term or provision of the Stock Option Agreement dated September 12, 1993, as amended October 24, 1993, or (ii) causing Paramount or any of its subsidiaries or affiliates to pay money, transfer any tangible or intangible assets or issue or deliver securities of Paramount or any of its subsidiaries or affiliates to Viacom or any of its subsidiaries or affiliates, other than in the ordinary course of business or pursuant to the termination fee provided in Section 8.05 of the Amended and Restated Agreement and Plan of Merger dated as of October 24, 1993.

C. To the extent that plaintiffs' motion for a preliminary injunction prayed for relief as to the

termination fee provided in Section 8.05 of the Amended and Restated Agreement and Plan of Merger dated as of October 24, 1993, it is denied.

D. This Order shall be effective immediately, subject to the filing or service upon opposing counsel by QVC of a cash bond or a bond with or without corporate surety, in the amount of \$1,000,000, on or before Noon (EST) on Monday, November 29, 1993.

15/ JACK B. JACOBS  
Vice Chancellor

Entered: 7:50 P.M. (EST)  
11/24/93

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE  
IN AND FOR NEW CASTLE COUNTY

QVC NETWORK, INC.,

Plaintiff,

v.

PARAMOUNT COMMUNICATIONS INC.,  
VIACOM INC., MARTIN S. DAVIS,  
GRACE J. FIPPINGER, IRVING R. FISCHER,  
BENJAMIN L. HOOKS, FRANZ J. LUTOLF,  
JAMES A. PATTISON, IRWIN SCHLOSS,  
SAMUEL J. SILBERMAN, LAWRENCE M. SMALL,  
and GEORGE WEISSMAN,

Defendants.

IN RE PARAMOUNT COMMUNICATIONS INC.  
SHAREHOLDERS LITIGATION.

C.A. No. 13208

CONSOLIDATED  
C.A. No. 13117

PRELIMINARY INJUNCTION ORDER

Upon the motion of plaintiffs for a preliminary injunction, the Court having considered the motions, and having heard and considered argument of counsel, and having issued its Memorandum Opinion dated November 24, 1993:

IT IS HEREBY ORDERED, this 24th day of November, 1993, as follows:

A. Paramount Communications Inc. ("Paramount"), the individual defendants and each of their respective employees, agents, officers, directors and all persons or entities acting in concert with them or on their behalf are hereby:

*Preliminary absent further order of the Court,*  
(1) enjoined from amending or modifying the Rights Agreement dated September 7, 1988 between Paramount and Chemical Bank (formerly Manufacturers Hanover Trust Company) (the "Rights Agreement"), redeeming the Rights under the Rights Agreement or taking any other action under the Rights Agreement to

Restated Agreement and Plan of Merger dated as of October 24, 1993.

~~C. Prior to the expiration of the QVC tender offer, Viacom is enjoined from taking any steps to consummate its tender offer for Paramount shares or the Amended and Restated Agreement and Plan of Merger between Viacom and Paramount or otherwise acquiring any shares of Paramount, including, without limitation, accepting for payment or purchasing any shares of the outstanding common stock of Paramount pursuant to that offer or otherwise to acquire any such shares and preventing the withdrawal of any shares tendered to the Viacom tender offer;~~

D. To the extent that plaintiffs' motion for a preliminary injunction prayed for relief as to the termination fee provided in Section 8.05 of the Amended and Restated Agreement and Plan of Merger dated as of October 24, 1993, is denied.

E. This Order shall be effective immediately, subject to the filing or service upon opposing counsel, <sup>by QVC</sup> of a cash bond or a bond with or without corporate surety, in the amount of \$1,000,000, on or before Noon (EST) on Monday, November 29, 1993.

John B. Javelis  
Vice Chancellor

Entered: 7:50 p.m.  
11/24/93

*Paramount represents that it has not heretofore taken any action which, without further action, would, permit consummation of the Viacom tender offer free of the rights,*  
facilitate the Viacom, Inc. ("Viacom") tender offer or the proposed second-step merger or alternative merger between Viacom or a subsidiary of Viacom and Paramount, ~~in each case, prior to the expiration of the tender offer of QVC Network, Inc. ("QVC"), and also further ordered to rescind any such amendment, modification, redemption or action under the Rights Agreement previously adopted or approved, and~~

~~(ii) ordered to amend or modify the Rights Agreement or otherwise redeem the Rights under such Rights Agreement with respect to QVC's tender offer and proposed second-step merger and to take any and all action necessary pursuant to 8 Del. C. § 203 and Article XI of Paramount's Certificate of Incorporation to approve QVC's tender offer and proposed second-step merger so that neither the Rights, 8 Del. C. § 203 nor Article XI shall impede or preclude the Paramount shareholders from having the opportunity to accept QVC's tender offer upon its expiration and QVC's proposed second-step merger.~~

B. Paramount, Viacom, the individual defendants and each of their respective employees, agents, officers, directors and all persons or entities acting in concert with them or on their behalf, are hereby enjoined from (i) taking any action to exercise, cash-out, enforce, effectuate or consummate any term or provision of the Stock Option Agreement dated September 12, 1993, as amended October 24, 1993, or (ii) causing Paramount or any of its subsidiaries or affiliates to pay money, transfer any tangible or intangible assets or issue or deliver securities of Paramount or any of its subsidiaries or affiliates to Viacom or any of its subsidiaries or affiliates, other than pursuant to the termination fee provided in Section 8.05 of the Amended and

*in the  
ordinary  
course  
of  
business  
OR*



ORIGINAL

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

FILED  
11-24-93  
Register In Chancery

QVC NETWORK, INC., )

Plaintiff, )

v. )

C.A. No. 13208

PARAMOUNT COMMUNICATIONS INC., )  
VIACOM INC., MARTIN S. DAVIS, )  
GRACE J. FIPPINGER, IRVING R. FISCHER, )  
BENJAMIN L. HOOKS, FRANZ J. LUTOLF, )  
JAMES A. PATTISON, IRWIN SCHLOSS, )  
SAMUEL J. SILBERMAN, LAWRENCE M. SMALL, )  
and GEORGE WEISSMAN, )

Defendants. )

IN RE PARAMOUNT COMMUNICATIONS INC. )  
SHAREHOLDERS LITIGATION. )

CONSOLIDATED  
C.A. No. 13117

PRELIMINARY INJUNCTION ORDER

Upon the motion of plaintiffs for a preliminary injunction, the Court having considered the motions, and having heard and considered argument of counsel, and having issued its Memorandum Opinion dated November 24, 1993:

IT IS HEREBY ORDERED, this 24th day of November, 1993, as follows:

A. Paramount Communications Inc. ("Paramount"), the individual defendants and each of their respective employees, agents, officers, directors and all persons or entities acting in concert with them or on their behalf are hereby preliminarily enjoined, absent further order of the Court, from amending or modifying the Rights Agreement dated

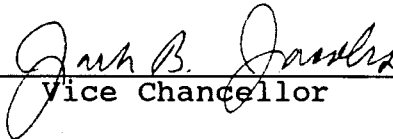
September 7, 1988 between Paramount and Chemical Bank (formerly Manufacturers Hanover Trust Company) (the "Rights Agreement"), redeeming the Rights under the Rights Agreement or taking any other action under the Rights Agreement to facilitate the Viacom, Inc. ("Viacom") tender offer or the proposed second-step merger or alternative merger between Viacom or a subsidiary of Viacom and Paramount; and Paramount represents that it has not heretofore taken any action which, without further action, would permit consummation of the Viacom tender offer free of the rights.

B. Paramount, Viacom, the individual defendants and each of their respective employees, agents, officers, directors and all persons or entities acting in concert with them or on their behalf, are hereby enjoined from (i) taking any action to exercise, cash-out, enforce, effectuate or consummate any term or provision of the Stock Option Agreement dated September 12, 1993, as amended October 24, 1993, or (ii) causing Paramount or any of its subsidiaries or affiliates to pay money, transfer any tangible or intangible assets or issue or deliver securities of Paramount or any of its subsidiaries or affiliates to Viacom or any of its subsidiaries or affiliates, other than in the ordinary course of business or pursuant to the termination fee provided in Section 8.05 of the Amended and Restated Agreement and Plan of Merger dated as of October 24, 1993.

C. To the extent that plaintiffs' motion for a preliminary injunction prayed for relief as to the

termination fee provided in Section 8.05 of the Amended and Restated Agreement and Plan of Merger dated as of October 24, 1993, it is denied.

D. This Order shall be effective immediately, subject to the filing or service upon opposing counsel by QVC of a cash bond or a bond with or without corporate surety, in the amount of \$1,000,000, on or before Noon (EST) on Monday, November 29, 1993.

  
\_\_\_\_\_  
Vice Chancellor

Entered: 7:50 P.M. (EST)  
11/24/93