
UNITED STATES
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

Date of Report (Date of earliest event reported): **January 25, 2018**

JAKKS PACIFIC, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-28104
(Commission
File Number)

95-4527222
(IRS Employer
Identification No.)

2951 28th Street, Santa Monica, California
(Address of principal executive offices)

90405
(Zip Code)

Registrant's telephone number, including area code: **(424) 268-9444**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.

On January 25, 2018 we received a letter (the “Letter”) from Hong Kong Meisheng Cultural Company Limited, a wholly owned subsidiary of Meisheng Cultural and Creative Corp., Ltd. (“Meisheng”), expressing Meisheng’s interest in acquiring additional shares of our common stock for \$2.95 per share for the purpose of increasing its shareholding and voting rights to 51.0%. Meisheng currently owns 18% of our outstanding common stock. This only purports to be a summary of the provisions of the Letter and is qualified in its entirety by the terms of the full Letter, a copy of which is filed as an exhibit hereto.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
<u>99.1</u>	<u>Letter from Hong Kong Meisheng Cultural Company Limited dated January 25, 2018</u>
<u>99.2</u>	<u>Press Release dated January 26, 2018</u>

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.

JAKKS PACIFIC, INC.

Dated: January 25, 2018

By: /s/ STEPHEN G. BERMAN
Stephen G. Berman, CEO

Exhibit Index

[99.1](#) [Letter from Hong Kong Meisheng Cultural Company Limited dated January 25, 2018](#)
[99.2](#) [Press Release dated January 26, 2018](#)



January 25, 2018

The Board of Directors
JAKKS Pacific, Inc.
2951 28th Street, Santa Monica
California, 90405

Dear Sirs,

Hong Kong Meisheng Cultural Company Limited (“Hong Kong Meisheng”), a wholly owned subsidiary of Meisheng Cultural and Creative Corp., Ltd. (“Meisheng”), is pleased to submit this non-binding proposal (the “Proposal”) indicating our interest in purchasing newly issued, primary shares of common stock (the “Common Stock”) of JAKKS Pacific, Inc. (“JAKKS” or the “Company”) through a private placement (the “Transaction”) and, for the purpose of financial consolidation, increasing our shareholding and voting rights in JAKKS to 51.0% upon completion of the Transaction. We believe that maintaining the Company’s listing status will allow current shareholders to participate alongside Meisheng in any future upside from the potential growth and operational synergies that may result from the Transaction.

Meisheng has been a business partner of JAKKS for more than a decade. Our strategic investment in the Company last year is evidence of Meisheng’s confidence in JAKKS’ strategy, management and future success. We also believe that the Company is at a critical point in its growth trajectory and furthering its strategic relationship with Meisheng will provide incremental value to all shareholders. JAKKS’ recent hire of Jared Wolfson, an experienced digital entertainment professional, reaffirms the Company’s commitment to original content creation, a strategic vision that perfectly aligns with our core strength. The success of Studio JP to date provides further reason for excitement surrounding the prospects of the proposed investment. We understand JAKKS’ business model, growth prospects, end markets, as well as the headwinds facing the industry and are capable of devoting resources to support JAKKS’ future growth plans. The Transaction, upon successful completion, will bring our strategic relationship closer and will provide the opportunity to execute on our joint vision, while simultaneously creating the opportunity for a more profitable business and additional value creation for all shareholders.

Meisheng is a market leader in China’s IP industry with proven IP development capability. We have created an IP operation and transformational platform consisting of consumer products, animation, games and media, which centers on IP derivatives. We are convinced that JAKKS’ strong evergreen properties, partner brands and licenses, coupled with our IP portfolio and extensive market resources and access, could bring a better experience to consumers in China, and expand JAKKS’ market share in China.

We are pleased to proceed with the Transaction under the terms and conditions set forth below:

- 1. Purchase Price:** Our proposed consideration payable for the Company’s Common Stock acquired in the Transaction will be US\$2.95 in cash per share (the “Purchase Price”). This price represents a premium of approximately 18.0% to the Company’s closing price on January 24, 2018, and a premium of approximately 19.8% to the volume weighted average price over the last 30 trading days. The Purchase Price is based on our review to date of JAKKS’ historical operational and financial performance and preliminary analysis of similar transactions involving Chinese investments in U.S. public companies, and is subject to our completion of the confirmatory due diligence and better understanding of the Company’s future business prospects and forecast.

2. **Purchase Shares:** We propose to subscribe for newly issued, primary shares of Common Stock from the Company, which will increase our total shareholding and the voting rights in the Company to 51.0% upon completion of the Transaction assuming no conversion of the Company's outstanding convertible senior notes.
3. **Warrant:** We propose that a warrant shall be issued to Meisheng pursuant to which Meisheng shall have the right to purchase, at the lower of (i) the Purchase Price and (ii) per share purchase price being offered to any third party, such number of shares of Common Stock that would enable Meisheng to maintain a 51% shareholding in the Company in the event that any third parties elect to convert their convertible senior notes into Common Stock. Meisheng shall also have a contractual right to purchase its pro rata portion of any newly issued equity or equity-linked securities the Company proposes to offer.
4. **Board of Directors:** Meisheng shall have the right to name and appoint a number of the Company's directors and members of the committees of the board of directors commensurate with its ownership.
5. **Funding:** Meisheng has considerable financial resources and longstanding banking relationships. We intend to fund the Transaction through a combination of existing cash on hand and/or other financing sources (to the extent required for the restructuring or refinancing of the Company's outstanding convertible senior notes). We and Houlihan Lokey, our financial advisor, are also prepared to work closely with the Company's management and its advisors in the near-term to optimize the posttransaction capital structure.
6. **Due Diligence:** We would need to complete customary confirmatory diligence process, and in particular, we would focus on the following areas:
 - Review of IP portfolio and key licensing agreements
 - Analysis of cost structure and understanding of procurement management
 - Review of labor and employment related documents
 - Review of future business plan and projected financial performance developed by the management

We have engaged Morgan, Lewis & Bockius, EKS&H and KPMG as our legal, accounting & tax, and business and operational due diligence advisors, respectively, and will dedicate all resources necessary to move our due diligence as quickly as possible toward the execution of documentation.

7. **Process and Timing:** This Proposal is subject to satisfactory completion of our due diligence review and the negotiation of mutually acceptable definitive agreements containing customary closing conditions. We anticipate completing all of our due diligence and negotiating the definitive transaction documentation in parallel with the goal of reaching definitive agreements expeditiously. Completion of the Transaction is subject to customary conditions for a transaction of this type, which include the approvals to be obtained from our Board of Directors, shareholders and regulatory authorities including those from the China Securities Regulatory Commission and Shenzhen Stock Exchange. In addition to obtaining the foregoing approvals, the Transaction will also be subject to the obtaining of all material consents and to the successful resolution of the change of control provisions of the convertible senior notes. We anticipate that you would also obtain all other necessary approvals, consents, and waivers on your end. We envisage that it will take 3-4 months to close the Transaction following the execution of definitive agreements.

- 8. Confidentiality:** This Proposal and any subsequent discussions by the Parties relating thereto, to the extent not otherwise disclosed by Meisheng as required by applicable law, legal or regulatory process or stock exchange rule, is confidential and the terms thereof will be disclosed by the Company or its affiliates to any person or entity other than its officers, directors, agents, attorneys, accountants, advisors and representatives (collectively, “Representatives”), and then, in each case, only on a confidential and “need to know” basis in connection with the Transaction contemplated herein; provided, however, that the Company may disclose the existence and the terms hereof to the extent required, in the opinion of its counsel, by applicable law, legal or regulatory process or stock exchange rule. The Company will be responsible for any disclosure by it and its Representatives in violation of this paragraph.
- 9. Non-binding Effect:** This Proposal does not constitute an offer that is capable of acceptance for the sale and purchase of any securities or a legally binding obligation or commitment by Meisheng to consummate a Transaction. Such an obligation or commitment will result only from the execution of the definitive agreements, and then will be on the terms provided in such documentations. Notwithstanding the foregoing, the confidentiality provision under paragraph 8 shall be binding on the parties.

Again, we believe enhancing the strategic partnership between JAKKS and Meisheng through this Transaction will drive accelerated value for both entities and our respective shareholders. We look forward to working with you toward the completion of a successful Transaction.

Yours sincerely,

Hong Kong Meisheng Cultural Company Limited

By: /s/ Xiaoqiang Zhao
Xiaoqiang Zhao
Executive Director

cc: Morgan, Lewis & Bockius, LLP: Robert G. Robison, Yan Zeng, Ning Zhang
Houlihan Lokey, Inc.: Weimin Chen, Joseph Mooney



JAKKS PACIFIC ANNOUNCES RECEIPT OF EXPRESSION OF INTEREST FROM MEISHENG TO ACQUIRE 51% OF SHARES

SANTA MONICA, Calif., January 26, 2018 – JAKKS Pacific, Inc. (NASDAQ: JAKK) announced today that the Company had received a letter dated January 25, 2018 from Hong Kong Meisheng Cultural Company Limited (“Hong Kong Meisheng”), a wholly owned subsidiary of Meisheng Cultural and Creative Corp. (collectively, “Meisheng”), containing a non-binding proposal (“Expression of Interest”) expressing Meisheng’s interest in acquiring additional shares of JAKKS common stock for \$2.95 per share. Upon completion of the transaction, Meisheng’s shareholdings and voting rights would increase to 51%.

The Proposal states that it is subject to due diligence, and that Meisheng intends to fund the transaction through a combination of existing cash on hand and/or other financing sources to the extent required for the restructuring or refinancing of JAKKS’ outstanding senior convertible senior notes.

The Expression of Interest also states that the transaction is subject to approval by Meisheng’s Board of Directors, shareholders and Chinese regulatory authorities.

Hong Kong Meisheng currently owns 5,239,538 shares of JAKKS common stock constituting approximately 19.4% of JAKKS issued and outstanding shares of common stock.

The Board of Directors of JAKKS Pacific has authorized a Special Committee comprised solely of independent directors to evaluate the Expression of Interest. The Special Committee intends to engage independent legal counsel and an independent financial advisor to assist in its evaluation of the Expression of Interest.

About JAKKS Pacific, Inc.

JAKKS Pacific, Inc. (NASDAQ: JAKK) is a leading designer, manufacturer and marketer of toys and consumer products sold throughout the world, with its headquarters in Santa Monica, California. JAKKS Pacific’s popular proprietary brands include BIG-FIGS™, XPV®, Max Tow™, Disguise®, Moose Mountain®, Fun noodle®, Maui®, Kids Only!®, a wide range of entertainment-inspired products featuring premier licensed properties; and C’est Moi™, a youth skincare and make-up brand. Through JAKKS Cares, the company’s commitment to philanthropy, JAKKS is helping to make a positive impact on the lives of children. Visit us at www.jakks.com and follow us on Instagram (@jakkstoys), Twitter (@jakkstoys) and Facebook (JAKKS Pacific).

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Forward Looking Statements

This press release may contain “forward-looking statements” (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations, estimates and projections about JAKKS Pacific’s business based partly on assumptions made by its management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such statements due to numerous factors, including, but not limited to, those described above, changes in demand for JAKKS’ products, product mix, the timing of customer orders and deliveries, the impact of competitive products and pricing, and difficulties with integrating acquired businesses. The “forward-looking statements” contained herein speak only as of the date on which they are made, and JAKKS undertakes no obligation to update any of them to reflect events or circumstances after the date of this release.

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