

OUTERWALL INC
Form SC 13D
October 04, 2013
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

INFORMATION TO BE INCLUDED IN
STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS
THERE TO FILED PURSUANT TO
RULE 13d-2(a)

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

Outerwall Inc.
(Name of Issuer)

Common Stock, par value \$0.001 per share
(Title of Class of Securities)

690070107
(CUSIP Number)

Marc Weingarten, Esq.

Eleazer Klein, Esq.
919 Third Avenue
New York, New York 10022
(212) 756-2000
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and
Communications)

September 24, 2013
(Date of Event which Requires
Filing of this Schedule)

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 Rule 13d-1(e), 13d-1(f) or 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 Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

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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).

1 NAME OF REPORTING PERSON

JANA PARTNERS LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF (b) " A GROUP

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF CHECK BOX

5 IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

6 SOLE VOTING POWER

3,777,995 SHARED VOTING POWER

7 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

0 SOLE DISPOSITIVE POWER

8 3,777,995 SHARED DISPOSITIVE POWER

0

9 3,777,995 SHARED DISPOSITIVE POWER

0

10 0

0

11 AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
PERSON

3,777,995

12 CHECK IF THE
AGGREGATE
AMOUNT IN
ROW (11) ..
EXCLUDES
CERTAIN
SHARES

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
(see Item 5)

13.5%

14 TYPE OF REPORTING
PERSON

IA

Item 1. SECURITY AND ISSUER

This statement on Schedule 13D relates to the shares ("Shares") of common stock, par value \$0.001 per share, of Outerwall Inc., a Delaware corporation (the "Issuer"). The principal executive office of the Issuer is located at 1800 114th Avenue SE, Bellevue, Washington 98004.

Item 2. IDENTITY AND BACKGROUND.

(a) This statement is filed by JANA Partners LLC, a Delaware limited liability company (the "Reporting Person"). The Reporting Person is a private money management firm which holds Shares of the Issuer in various accounts under its management and control. The principal owner of the Reporting Person is Barry Rosenstein (the "Principal").

(b) The principal business address of the Reporting Person and the Principal is 767 Fifth Avenue, 8th Floor, New York, New York 10153.

(c) The principal business of the Reporting Person and the Principal is investing for accounts under their management.

(d) Neither the Reporting Person nor the Principal has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Neither the Reporting Person nor the Principal has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) The Reporting Person is a limited liability company organized in Delaware. The Principal is a citizen of the United States of America.

Item 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The 3,777,995 Shares reported herein by the Reporting Person were acquired at an aggregate purchase price of approximately \$204.9 million. Such Shares were acquired with investment funds in accounts managed by the Reporting Person.

Item 4. PURPOSE OF TRANSACTION.

The Reporting Person acquired the Shares because it believes the Shares are undervalued and represent an attractive investment opportunity. The Reporting Person intends to have discussions with the Issuer's board and management regarding: a review of strategic alternatives including exploring a strategic transaction, selling or discontinuing certain businesses, or pursuing a sale of the Issuer; the Issuer's capital structure including providing for a significant return of capital to shareholders; improving the Issuer's capital allocation policy; and cost cutting opportunities. The Reporting Person may also seek to discuss other topics including management and board composition, strategy and future plans.

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The Reporting Person expects to have discussions with the Issuer's management and board of directors, shareholders and other parties relating to such matters, and may take other steps seeking to bring about changes to increase shareholder value as well as pursue other plans or proposals that relate to or would result in any of the matters set forth in subparagraphs (a)-(j) of Item 4 of Schedule 13D.

Except as set forth herein or as would occur upon completion of any of the actions discussed herein, including in any Exhibits hereto, the Reporting Person has no present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a)-(j) of Item 4 of Schedule 13D. Depending on various factors including, without limitation, the Issuer's financial position and strategic direction, the outcome of the discussions and actions referenced above, actions taken by the board of directors, price levels of the Shares, other investment opportunities available to the Reporting Person, conditions in the securities market and general economic and industry conditions, the Reporting Person may in the future take such actions with respect to its investment in the Issuer as it deems appropriate including, without limitation, purchasing additional Shares or selling some or all of its Shares, engaging in short selling of or any hedging or similar transactions with respect to the Shares and/or otherwise changing its intention with respect to any and all matters referred in Item 4 of Schedule 13D.

Item 5. INTEREST IN SECURITIES OF THE COMPANY.

(a) The aggregate percentage of Shares reported to be beneficially owned by the Reporting Person is based upon 28,061,254 Shares outstanding, which is the total number of Shares outstanding as of July 19, 2013, as reported in the Issuer's Quarterly Report on Form 10-Q filed on July 25, 2013.

At the close of business on October 4, 2013, the Reporting Person may be deemed to beneficially own 3,777,995 Shares, constituting approximately 13.5% of the Shares outstanding.

(b) The Reporting Person has sole voting and dispositive powers over 3,777,995 Shares, which powers are exercised by the Principal.

(c) Information concerning transactions in the Shares effected by the Reporting Person during the past sixty days is set forth in Exhibit A hereto and is incorporated herein by reference. All of the transactions in Shares listed hereto were effected in open market purchases on the NASDAQ Global Select through various brokerage entities.

(d) No person (other than the Reporting Person) is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Shares.

(e) Not applicable.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

None.

Item 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit A: Transactions in the Shares During the Last 60 Days.

SIGNATURES

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.

Dated: October 4, 2013

JANA PARTNERS LLC

By: /s/ Jennifer Fanjiang
Name: Jennifer Fanjiang
Title: General Counsel