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INSIGHT HEALTH SERVICES CORP
Form SC 13D/A
July 05, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 2)

InSight Health Services Corp.
(Name of Issuer)

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

45766Q 10 1
(CUSIP Number)

ROBERT E. HEALING, ESQ.
GENERAL ELECTRIC COMPANY
3135 EASTON TURNPIKE
FAIRFIELD, CONNECTICUT 06431
(203) 373-2243
(Name, address, including zip code, and telephone number, including
area code of agent for service)

Copies to:

Linda L. Curtis, Esq.
Gibson, Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, California 90071-3197
(213) 229-7000

JUNE 25, 2001
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report
the acquisition which is the subject of this Schedule 13D, and is filing this
schedule because of Rule 13d-1(b) (3) or (4), check the following box / /.

SCHEDULE 13D

CUSIP No. 45766Q 10 1

Page 2 of ___ Pages

1 NAME OF REPORTING PERSON General Electric Company
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (I.R.S. # 14-0689340)

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| | | |
|----|--|---|
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* | (a) / / (b) / / |
| 3 | SEC USE ONLY | |
| 4 | SOURCE OF FUNDS* | Not Applicable |
| 5 | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) | / / |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION | New York |
| | NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | |
| | 7 | SOLE VOTING POWER 0 |
| | 8 | SHARED VOTING POWER 2,300,448 shares (See Item 5(a)) |
| | 9 | SOLE DISPOSITIVE POWER 0 |
| | 10 | SHARED DISPOSITIVE POWER 2,300,448 shares (See Item 5(a)) |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,300,448 shares (See Item 5(a)) | |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES | / / |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 43.3% of Common Stock (See Item 5(a)) | |
| 14 | TYPE OF REPORTING PERSON* | CO |

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*SEE INSTRUCTIONS BEFORE FILLING OUT!
INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

STATEMENT PURSUANT TO RULE 13d-1
OF THE
GENERAL RULES AND REGULATIONS
UNDER THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

This Amendment No. 2 amends a statement on Schedule 13D relating to the Common Stock, \$0.001 par value per share ("Common Stock"), of InSight Health Services Corp., a Delaware corporation ("InSight"), filed with the Securities and Exchange Commission ("SEC") on July 12, 1997, as amended by Amendment No. 1 thereto on October 14, 1997. This Amendment No. 2 reports the transfer on June 25, 2001 of 10,948 shares of InSight Convertible Preferred Stock, Series C, par value \$0.001 per share (the "Series C Preferred Stock"), owned by General Electric Company, a New York corporation ("GE" or the "Reporting Person"), to GE Fund, a New York corporation (the "Fund"). Such transfer occurred pursuant to a

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donation letter, dated as of June 25, 2001, which is attached hereto as Exhibit 1. This Amendment No. 2 is also filed for the purpose of describing the Voting Agreement, dated as of June 29, 2001, between the Reporting Person, InSight Health Services Holdings Corp., a Delaware corporation ("Parent"), and JWCH Merger Corp., a Delaware corporation and a wholly owned subsidiary of Parent ("Acquisition"), which is attached hereto as Exhibit 2.

ITEM 2 - IDENTITY AND BACKGROUND

This statement is filed by GE. GE's principal executive offices are located at 3135 Easton Turnpike, Fairfield, Connecticut. GE engages in providing a wide variety of industrial, commercial and consumer products and services.

For information with respect to the identity and background of each director and executive officer of GE, see Schedule I attached hereto.

During the last five years, neither GE nor, to its best knowledge, any person identified on Schedule I has (a) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which GE or such person, as the case may be, 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.

To the best knowledge of GE, all persons identified on Schedule I are United States citizens, except that Paolo Fresco, a director of GE, is an Italian citizen, Claudio X. Gonzalez, a director of GE, is a Mexican citizen, and Andrea Jung, a director of GE, is a Canadian citizen.

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ITEM 3 - SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

In connection with a recapitalization consummated by InSight on October 14, 1997, GE acquired 27,953 shares of Series C Preferred Stock and warrants to purchase up to 250,000 shares of Common Stock at an exercise price of \$10.00 per share (the "Initial Warrants"). InSight subsequently granted GE the following additional warrants (the "Additional Warrants" and, collectively with the Initial Warrants, the "Warrants"): (i) warrants to purchase up to 15,000 shares of Common Stock at an exercise price of \$10.00 per share, and (ii) warrants to purchase up to 5,000 shares of Common Stock at an exercise price of \$8.875 per share.

ITEM 4 - PURPOSE OF TRANSACTION

Effective June 25, 2001, GE transferred 10,948 of the 27,953 shares of Series C Preferred Stock of InSight owned by it to the Fund as a charitable donation. GE has retained a beneficial interest in 2,300,448 shares of Common Stock of InSight, through its ownership of 17,005 shares of Series C Preferred Stock and the Warrants. GE has retained 17,005 shares of Series C Preferred Stock and the Warrants (including, to the extent applicable, its rights thereunder to acquire Common Stock of InSight) as an investment in the ordinary course of business, and not with the purpose of changing control of InSight. The donation letter is attached as Exhibit 1.

On June 29, 2001, GE entered into a Voting Agreement. See Item 6 for a description of the Voting Agreement.

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GE may change its current intentions, acquire additional Common Stock or rights that are convertible into or exercisable for Common Stock or take any other action with respect to InSight or any of its debt or equity securities in any manner permitted by law. Other than as set forth herein, GE has no current plans which relate to or would result in any of the events described in Items (a) through (j) of the instructions to this Item 4 of Schedule 13D.

ITEM 5 - INTEREST IN SECURITIES OF THE ISSUER

(a) GE is the beneficial owner of 17,005 shares of Series C Preferred Stock, representing approximately 60.8% of the outstanding Series C Preferred Stock. The 17,005 shares of Series C Preferred Stock are convertible, at the current conversion price of \$8.375 per share, into 2,030,448 shares of Common Stock, which number is subject to adjustment under various circumstances. Under certain conditions, these shares of Series C Preferred Stock are convertible into shares of InSight Convertible Preferred Stock, Series D, par value \$0.001 per share (the "Series D Preferred Stock"), which in turn are convertible into the same number (2,030,448) of shares of Common Stock. GE is also the beneficial owner of 270,000 shares of Common Stock, through its ownership of the Warrants. Such 2,300,448 shares of Common Stock would represent approximately 43.3% of the total number of shares of Common Stock of InSight that, as a result of the issuance of the foregoing shares, would be outstanding, based on 3,011,656 shares of Common Stock represented by InSight as outstanding as of June 29, 2001.

(b) GE has shared voting and investment power with respect to the securities that are the subject of this Amendment No. 2, which power is shared pursuant to the Voting Agreement discussed in Item 6 below.

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(c) Effective June 25, 2001, GE transferred by donation 10,948 shares of Series C Preferred Stock of InSight to the Fund.

(d) No other person is known to GE to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities that are the subject of this Amendment No. 2 to the Schedule 13D.

(e) Not applicable.

ITEM 6 - CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

On July 29, 2001, InSight, Parent and Acquisition entered into an Agreement and Plan of Merger (the "Merger Agreement"), which provides, among other things and as stated in the Merger Agreement, for the merger (the "Merger") of Acquisition with and into InSight, with InSight continuing as the surviving corporation, and that each outstanding share of Common Stock of InSight, other than those shares owned by certain officers of InSight, will be converted into the right to receive \$18.00 per share in cash.

Simultaneously with the execution of the Merger Agreement, GE entered into a Voting Agreement with Parent and Acquisition. A copy of the Voting Agreement is attached as Exhibit 2.

Under the terms of the Voting Agreement, GE agreed (i) to elect to convert all of the Series C Preferred Stock that it owns into 203,044.8 shares of Series D Preferred Stock pursuant to the terms thereof and prior to the record date for the meeting of stockholders of InSight called to vote upon the approval of the Merger and the adoption of the Merger Agreement, (ii) to consent to the

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cancellation of the Warrants for consideration in accordance with the Merger, (iii) to vote in favor of the Merger and the adoption of the Merger Agreement, and (iv) to convert all of the aforementioned 203,044.8 shares of Series D Preferred Stock into shares of Common Stock immediately prior to the effective time of the Merger.

GE has also agreed to grant an irrevocable proxy to Parent and to appoint Parent as its attorney-in-fact to vote its Series D Preferred Stock in favor of the Merger and the adoption of the Merger Agreement. In addition, GE agreed not to (i) sell, transfer, pledge, encumber, assign or otherwise dispose of the equity securities of InSight owned by it, (ii) enter into any voting arrangement or understanding other than the Voting Agreement, or (iii) take any action that could make any of its representations or warranties in the Voting Agreement untrue or incorrect or could have the effect of preventing or disabling GE from performing any of its obligations. Moreover, GE agreed not to (i) solicit, initiate or encourage or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may be reasonably expected to lead to any Takeover Proposal (as defined in the Merger Agreement), or (ii) participate in any discussions or negotiations regarding any Takeover Proposal (as defined in the Merger Agreement). The Voting Agreement terminates upon the earlier of (i) the consummation of the Merger and (ii) the termination of the Merger Agreement.

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The foregoing summary of the Voting Agreement is not intended to be complete and is qualified in its entirety by reference to the Voting Agreement, which is attached hereto as Exhibit 2 and which is incorporated herein by reference.

ITEM 7 - MATERIAL TO BE FILED AS EXHIBITS

- (1) Donation Letter, dated as of June 25, 2001.
- (2) Voting Agreement, dated as of June 29, 2001.

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.

GENERAL ELECTRIC COMPANY

By: /s/ ELIZA FRASER, ESQ.

Name: Eliza Fraser, Esq.

Title: Associate Corporate Counsel

Dated: July 5, 2001

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SCHEDULE 1

GENERAL ELECTRIC COMPANY

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DIRECTORS

| NAME ----- | PRESENT BUSINESS ADDRESS ----- | PRESENT PRINCIPAL OCCUPAT ----- |
|----------------|---|--|
| J.I. Cash, Jr. | Harvard Business School Morgan Hall Soldiers Field Road Boston, MA 02163 | Professor of Busi Administration-Gr School of Busines Administration, H University |
| S.S. Cathcart | 222 Wisconsin Avenue Suite 103 Lake Forest, IL 60045 | Retired Chairman, Illinois Tool Wor |
| D.D. Dammerman | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Vice Chairman of Executive Officer Electric Company; General Electric Services, Inc. |
| P. Fresco | Fiat SpA via Nizza 250 10126 Torino, Italy | Chairman of the B Fiat SpA |
| A. M. Fudge | 555 South Broadway Tarrytown, NY 10591 | |
| C.X. Gonzalez | Kimberly-Clark de Mexico, S.A. de C.V. Jose Luis Lagrange 103, Tercero Piso Colonia Los Morales Mexico, D.F. 11510, Mexico | Chairman of the B and Chief Executi Kimberly-Clark de S.A. de C.V. |
| J.R. Immelt | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | President General Electric |
| A. Jung | Avon Products, Inc. 1345 Avenue of the Americas New York, NY 10105 | President and Chi Executive Officer Avon Products, In |
| K.G. Langone | Invemed Associates, Inc. 375 Park Avenue New York, NY 10152 | Chairman, Preside Executive Officer Invemed Associate |

GENERAL ELECTRIC COMPANY DIRECTORS (CONTINUED)

| NAME ----- | PRESENT BUSINESS ADDRESS ----- | PRESENT PRINCIPAL OCCUPAT ----- |
|---------------|--------------------------------------|---------------------------------------|
|---------------|--------------------------------------|---------------------------------------|

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| | | |
|-----------------|---|---|
| R.B. Lazarus | Ogilvy & Mather Worldwide 309 West 49th Street New York, NY 10019-7316 | Chairman and Chief Executive Officer |
| S.G. McNealy | Sun Microsystems, Inc. 901 San Antonio Road Palo Alto, CA 94303-4900 | Chairman, President Executive Officer Sun Microsystems, |
| G.G. Michelson | Federated Department Stores 151 West 34th Street New York, NY 10001 | Former Member of Board of Directors Federated Department Stores |
| S. Nunn | King & Spalding 191 Peachtree Street, N.E. Atlanta, Georgia 30303 | Partner, King & S |
| R.S. Penske | Penske Corporation 13400 Outer Drive, West Detroit, MI 48239-4001 | Chairman of the B and President, Pe Corporation |
| F.H.T. Rhodes | Cornell University 3104 Snee Building Ithaca, NY 14853 | President Emeritu Cornell Universit |
| G.L. Rogers | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Vice Chairman of Executive Officer Electric Company |
| A.C. Sigler | Champion International Corporation 1 Champion Plaza Stamford, CT 06921 | Retired Chairman Board and CEO and former Direct Champion Internat Corporation |
| D.A. Warner III | J. P. Morgan & Co., Inc. & Morgan Guaranty Trust Co. 60 Wall Street New York, NY 10260 | Chairman of the B President, and Ch Executive Officer J.P. Morgan & Co. Incorporated and Guaranty Trust Co |
| J.F. Welch, Jr. | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Chairman of the B and Chief Executi Officer, General Company |

GENERAL ELECTRIC COMPANY DIRECTORS (CONTINUED)

| NAME ----- | PRESENT BUSINESS ADDRESS ----- | PRESENT PRINCIPAL OCCUPAT ----- |
|---------------|--------------------------------------|---------------------------------------|
| R.C. Wright | National Broadcasting Company, Inc. | Vice Chairman of |

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30 Rockefeller Plaza
New York, NY 10112

Executive Officer
Electric Company;
and Chief Executive
National Broadcas

CITIZENSHIP

| | |
|---------------|--------|
| P. Fresco | Italy |
| C.X. Gonzalez | Mexico |
| Andrea Jung | Canada |
| All Others | U.S.A. |

GENERAL ELECTRIC COMPANY EXECUTIVE OFFICERS

| NAME ----- | PRESENT BUSINESS ADDRESS ----- | PRESENT PRINCIPAL OCCUPAT ----- |
|-----------------|---|--|
| J.F. Welch, Jr. | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Chairman of the B Chief Executive O |
| J.R. Immelt | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | President General Electric |
| P.D. Ameen | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Vice President an |
| J.R. Bunt | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Vice President an |
| D.C. Calhoun | General Electric Company 1 Neumann Way Cincinnati, OH 05215 | Senior Vice Presi GE Aircraft Engin |
| J.P. Campbell | General Electric Company Appliance Park Louisville, KY 40225 | Vice President - GE Appliances |
| W.J. Conaty | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Senior Vice Presi Human Resources |
| D.D. Dammerman | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Vice Chairman of Executive Officer Electric Company; General Electric Services, Inc. |

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|---------------|---|--|
| S.C. Donnelly | General Electric Company P. O. Box 8 Schenectady, NY 12301 | Senior Vice President Corporate Research and Development |
| M.J. Espe | General Electric Company Nela Park Cleveland, OH 44112 | Senior Vice President GE Lighting |
| Y. Fujimori | General Electric Company 1 Plastics Avenue Pittsfield, MA 01201 | Senior Vice President GE Plastics |

GENERAL ELECTRIC COMPANY EXECUTIVE OFFICERS (Continued)

| NAME ----- | PRESENT BUSINESS ADDRESS ----- | PRESENT PRINCIPAL OCCUPATION ----- |
|--------------------|---|---|
| B.W. Heineman, Jr. | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Senior Vice President General Counsel a |
| J.M. Hogan | General Electric Company P.O. Box 414 Milwaukee, WI 53201 | Senior Vice President GE Medical System |
| J. Krenicki, Jr. | General Electric Company 2901 East Lake Road Erie, PA 16531 | Vice President - GE Transportation |
| R.W. Nelson | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Vice President - Corporate Financial and Analysis |
| G.M. Reiner | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Senior Vice President Chief Information |
| J.G. Rice | General Electric Company 1 River Road Schenectady, NY 12345 | Senior Vice President GE Power Systems |
| G.L. Rogers | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Vice Chairman of and Executive Off |
| K.S. Sherin | General Electric Company 3135 Easton Turnpike Fairfield, CT 06431 | Senior Vice President and Chief Financial |
| L.G. Trotter | General Electric Company 41 Woodford Avenue Plainville, CT 06062 | Senior Vice President GE Industrial Sys |

GENERAL ELECTRIC COMPANY EXECUTIVE OFFICERS (Continued)

| NAME ----- | PRESENT BUSINESS ADDRESS ----- | PRESENT PRINCIPAL OCCUPATION ----- |
|---------------|---|---|
| W.A. Woodburn | General Electric Company 41 Woodford Avenue Plainville, CT 06062 | Senior Vice President GE Specialty Chemicals |
| R.C. Wright | National Broadcasting Company, Inc. 30 Rockefeller Plaza New York, NY 10112 | Vice Chairman of Executive Officers Electric Company; and Chief Executive National Broadcasting |

CITIZENSHIP OF ALL EXECUTIVE OFFICERS

U.S.A.