

Viacom owner throws up hurdle to Paramount sale

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In a move that further undermines Viacom CEO Philippe Dauman, the company's controlling shareholder said Monday it amended Viacom's bylaws to require unanimous board approval for any full or partial sale of movie studio Paramount Pictures.

The action further consolidates control in the hands of ailing media mogul Sumner Redstone and his daughter, Shari Redstone. The elder Redstone has said he's against the Paramount sale. Dauman said in February he was aiming to take on a strategic minority investor in Paramount by the end of June.

National Amusements Inc., which controls 80 percent of the voting stock in both Viacom and CBS Corp., announced the change. National Amusements, a theater chain, is controlled by the Redstones.

A spokesman for Viacom Inc. called Monday's action "illegitimate" and "completely at odds with good corporate governance."

It's the latest twist in the battle over the multibillion-dollar conglomerates and came a day before a trial gets underway in a Massachusetts probate court into whether 93-year-old Sumner Redstone is mentally competent.

The trial is being brought by Dauman and lawyer George Abrams, both of whom were replaced as directors of National Amusements and trustees in the trust that will control it when Sumner Redstone dies. They contend that Redstone was not mentally capable of making the decision

to remove them from the posts.

Viacom shares closed up nearly 1 percent at \$45.43 on Monday before the announcement. The stock, however, has lost nearly half its value since July 2014.

In a court filing, the elder Redstone said he had lost faith in Dauman's management of Viacom, according to a statement by geriatric psychiatrist James Spar, who evaluated him in May. Spar is quoted as saying in the filing that Redstone had told Dauman has "done a bad job running Viacom." Redstone also said of Abrams, "he's not listening to me," according to Spar's report.

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