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FORM SC 13D/A

SONY CORP - CDNW

Filed: August 09, 2000 (period:)

An amendment to a SC 13D filing

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

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

(Amendment No. 1)

CDnow, Inc.

(Name of Issuer)

Common Stock, without par value

(Title of Class of Securities)

125085100

(CUSIP Number)

Teruhisa Tokunaka
Executive Deputy President and
Chief Financial Officer
Sony Corporation
6-7-35 Kitashinagawa
Shinagawa-ku, Tokyo 141-0001 Japan
81-3-5448-2111

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(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

August 3, 2000

(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 that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-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 240.13d-7(b) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting persons initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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).

(Continued on following pages)

Page 1 of 6

1 NAMES OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

 Sony Music Entertainment Inc.
 IRS No. 13-3431958

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) / /
 (SEE INSTRUCTIONS) (b) / /

3 SEC Use Only

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)
 WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED / /
 PURSUANT TO ITEMS 2(d) or (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Delaware

	7	SOLE VOTING POWER 1,202,750 See Item 3
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
	9	SOLE DISPOSITIVE POWER 1,202,750 See Item 3
	10	SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 1,202,750

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
 CERTAIN SHARES (SEE INSTRUCTIONS) / /

13 PERCENT OF CLASS REPRESENTED
 BY AMOUNT IN ROW (11)
 3.7%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
 CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Sony Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) / /
(SEE INSTRUCTIONS) (b) / /

3 SEC Use Only

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)
AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED / /
PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Japan

	7	SOLE VOTING POWER 1,202,750 See Item 3
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
	9	SOLE DISPOSITIVE POWER 1,202,750 See Item 3
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1,202,750

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CERTAIN SHARES (SEE INSTRUCTIONS) / /

13 PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (11)
3.7%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
CO

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Sony Corporation of America
IRS No. 13-1914734

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) / /
(SEE INSTRUCTIONS) (b) / /

3 SEC Use Only

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)
AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED / /
PURSUANT TO ITEMS 2(d) or (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
New York

	7	SOLE VOTING POWER 1,202,750 See Item 3
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
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CERTAIN SHARES (SEE INSTRUCTIONS)

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BY AMOUNT IN ROW (11)
3.7%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
CO

This Amendment No. 1 (this "Amendment") hereby amends and supplements the Statement on Schedule 13D (the "Initial Statement") filed by each of Sony Music Entertainment Inc. ("Sony Music"), Sony Corporation ("Sony Corp.") and Sony Corporation of America ("SCA") (collectively, the "Reporting Persons"), relating to the common stock (the "Common Stock") of CDnow, Inc. ("CDnow"). Capitalized terms used herein but not defined herein have the meanings ascribed to them in the Initial Statement.

Item 4. Purpose of Transaction

Item 4 of the Initial Statement is amended and restated in its entirety as follows:

As of August 3, 2000, the Reporting Persons are the beneficial owners of less than five percent of the outstanding CDnow Common Stock and therefore intend to make no further filings pursuant to Rule 13d-1 promulgated under the Securities Exchange Act of 1934, as amended until such time as any of the Reporting Persons' ownership of the CDnow Common Stock rises to a level above five percent of the outstanding CDnow Common Stock.

Item 5. Interest in Securities of the Issuer

Item 5 of the Initial Statement is amended and restated in its entirety as follows:

On August 3, 2000, CDnow prepaid all amounts due and outstanding under a convertible loan agreement (the "Convertible Loan Agreement"), between CDnow, Sony Music and Time Warner Inc. ("Time Warner"). Under the Convertible Loan Agreement, each of Sony Music and Time Warner, as lenders, had agreed to make term loans to CDnow, as borrower, in an amount not to exceed the loan commitment under the Convertible Loan Agreement. Each of Sony Music and Time Warner, at its sole option, at any time and from time to time, had the right to convert (the "Conversion Right") all outstanding loans made by it under the Convertible Loan Agreement, and any accrued and unpaid interest on the loans, into shares of CDnow Common Stock, at a conversion price of \$10.00 per share (subject to customary anti-dilution adjustments). At the time of the filing of the Initial Statement on Schedule 13D, assuming that Sony Music had made loans to CDnow in the full amount of its loan commitment, based on the conversion price, Sony Music would have had the right, pursuant to the Conversion Right, to acquire beneficial ownership of 1,500,000 shares of CDnow Common Stock. Sony Music's Conversion Right terminated upon CDnow's repayment of Sony Music's loan under the Convertible Loan Agreement. As a result Sony Music is no longer deemed to beneficially own shares of CDnow Common Stock under the Convertible Loan Agreement, and is no longer the beneficial owner of more than 5% of the outstanding CDnow Common Stock.

Sony Music beneficially owns 1,202,750 shares of CDnow Common Stock, representing less than 5% of the outstanding shares of CDnow Common Stock. Each of Sony Corp. and SCA is deemed to beneficially own 1,202,750 shares of CDnow Common Stock, representing less than 5% of the outstanding shares of CDnow Common Stock, held by Sony Music. Sony Music has the power to vote, and the power to dispose of 1,202,750 shares of CDnow Common Stock.

Except as described herein, none of the Reporting Persons, nor, to the best knowledge of the Reporting Persons, any person listed in Annex A or Annex B of the Initial Statement, as appropriate, beneficially owns, or has acquired or disposed of, any shares of CDnow Common Stock during the past 60 days.

Signature

After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: August 4, 2000

SONY CORPORATION

By: /s/ T. Tokunaka

Name: Teruhisa Tokunaka

Title: Executive Deputy President
and CFO

SONY CORPORATION OF AMERICA

By: /s/ Steven E. Kober

Name: Steven E. Kober

Title: Sr. Vice President

SONY MUSIC ENTERTAINMENT INC.

By: /s/ Kevin M. Kelleher

Name: Kevin M. Kelleher

Title: Executive Vice President
and CFO

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