



COURT OF CHANCERY
OF THE
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June 23, 2023

Via Electronic Mail:

Jordan Affholter
1501 Hatcher Crescent
Ann Arbor, MI 48103
jordanaffholter@gmail.com

RE: *In re AMC Entertainment Holdings, Inc. Stockholder Litigation*,
Consol. C.A. No. 2023-0215-MTZ

Dear Mr. Affholter:

I write to address your letter regarding what you describe as Special Master Amato's "potential conflicts of interest with Antara Capital."¹ I interpret this letter as a motion to seek disqualification under Rule 2.11(A)(2)(c) of the Delaware Judges' Code of Judicial Conduct (the "Code of Judicial Conduct").² As I have previously informed you, you lack standing to seek relief from this Court.³ But because your motion questions the impartiality of the Special Master and the significant work she has done in this case to date, I will address it. Briefing on your motion is not necessary.

The premise of your motion is that, based on publicly available information, Antara Capital L.P. employs a Frank Amato as its Director of Operations. You suggest that because the Special Master and Mr. Amato share a surname, they may be related. You assert this suggestion is bolstered by the fact Antara Capital is based in New York, which is "not far from" Delaware, where the Special Master practices law.⁴ You conclude the Special Master may have a conflict of interest with Antara Capital.

¹ Docket Item ("D.I.") 522 at 1. Mr. Affholter did not paginate his filing, so I have counted the PDF pages and reference those.

² Del. Judges' Code of Judicial Conduct (2008) [hereinafter "Code Jud. Con."].

³ D.I. 454.

⁴ Other tangentially related facts are mentioned throughout the motion, though it is not clear whether they are an asserted basis for disqualification. For example, the motion

The Code of Judicial Conduct has codified the standard for disqualification based on an apparent or actual conflict or bias.⁵ And while Special Master Amato is not a judicial officer, she is performing the duties of one subject to exception and de novo review, and so I apply the same standards to her. Rule 2.11 governs disqualification, and provides in relevant part:

(A) A judge should disqualify himself or herself in a proceeding in which the judge's impartiality might reasonably be questioned, including but not limited to instances where:

...

(2) The judge, . . . or a person within the third degree of relationship, calculated according to the civil law system,

...

(c) is known by the judge to have an interest that could be substantially affected by the outcome of the proceeding[.]⁶

The Code of Judicial Conduct defines “third degree of relationship calculated according to the civil law system” to include a “great-grandparent, grandparent, parent, uncle, aunt, brother, sister, child, grandchild, greatgrandchild, nephew, and niece.”⁷ Where disqualification is sought under Rule 2.11(A)(2)(c), the standard is objective, any subjective belief of impartiality “is irrelevant,” and the Court will undertake only an objective inquiry.⁸

The potential conflicts you identified are based solely on conjecture and do not constitute a basis to reasonably question the Special Master's impartiality. First, I decline to assume Mr. Amato is the Special Master's relative merely

mentions that the Special Master denied a motion “to treat Antara similar to the AMC Defendants regarding trading on potential confidential/insider information.” D.I. 522 at 7. To the extent these facts are part of the asserted basis for disqualification, they do not affect my conclusion.

⁵ See *Meso Scale Diagnostics, LLC v. Roche Diagnostics GmbH*, 247 A.3d 229, 242 (Del. 2021).

⁶ Code Jud. Con. R. 2.11.

⁷ *Id.* at 8.

⁸ See *Los v. Los*, 595 A.2d 381, 384 (Del. 1991).

because they have the same surname and live in the same geographical region. It is not clear that “Amato” is such an uncommon last name as to warrant a presumption that all Amatos living within a few hours’ drive of each other are most likely related. Second, even if I were to assume that Mr. Amato and the Special Master are related, there is no basis to conclude that the nature of the relationship is one enumerated in the definition of “[t]hird degree of relationship calculated according to the civil law system.”⁹ Finally, the motion does not attempt to identify any interest that could be “substantially affected” by this proceeding—the implication that every Antara employee has an interest that will be impacted by a ruling in this matter is speculative.

Thus, I believe the concerns raised in the motion are unfounded, and so the motion is denied. **IT IS SO ORDERED.**

Sincerely,

/s/ Morgan T. Zurn

Vice Chancellor

MTZ/ms

cc: All Counsel of Record, via *File & ServeXpress*

⁹ Code Jud. Con. at 8.