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Case No. 2023-0215-MTZ

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

In re AMC ENTERTAINMENT HOLDINGS, INC. STOCKHOLDER LITIGATION	))))	Consolidated C.A. No. 2023-0215-MTZ

PLAINTIFFS' PROPOSAL TO PROTECT PRIVACY INTERESTS OF OBJECTOR CLASS MEMBERS

In an effort to protect the privacy interests of Objector Class Members, Plaintiffs, by and through their undersigned counsel, propose filing publicly only (1) a list of Objector Class Members, and (2) a limited number of specific objections (as detailed below)—which, in substance, account for nearly 95% or more of the topics raised. This would allow Objector Class Members to ensure that their objections were received and that the substance of their objections is being considered by the Court while also safeguarding their personal information. The specific grounds for Plaintiffs' proposal are as follows:

I. Plaintiffs Seek to Protect Privacy Interests of Objector Class Members

1. While Plaintiffs disagree with the substantive positions staked out by objectors to the Settlement, they are members of the Class and we are still charged with and focused on protecting their privacy concerns.

2. We respect that the Court seeks transparency, which generally benefits the Class and demonstrates the integrity of the judicial process. But we believe many objectors, and perhaps all who did not choose to post their objections

publicly, expected to be able to voice their concerns privately, as exhibited by the common occurrence of various levels of personal information included in objections.

3. Additionally, many stockholders explicitly requested that their submitted objections and documents not be filed publicly. As such, we feel obliged to propose a process for the Court to handle the filing of objections that allows for transparency of the substance of objection topics without unduly disclosing personal information of the objectors themselves.

II. The Objections Suggest Many Were Filed With Some Expectation of Confidentiality

4. Many objections include plainly private and sensitive information, and it is almost impossible to know what "softer" information the objector expects to keep confidential.

5. Almost all objections are unredacted and provide personal address and other contact info, as well as a wide range of financial data, such as screenshots from brokerage accounts or other such proof of ownership that contains other data.

6. In addition, many objections contain other information the author may consider to be sensitive, such as discussions about their job status, financial status, education or even political beliefs.

7. Moreover, the AMC shareholder base is not just active but sometimes challenges each other publicly. While counsel accept some public attention (even

if negative) because of our roles, objectors may well not want any more than their names being publicized, since they prefer not to be subjected to potential aggression from other Class members or participants in social media.

III. Plaintiffs' Proposal to Balance Public Interest in Understanding the Proceedings Versus Privacy Interests of Individual Class Members

8. The public interest in objections is to know the topics raised and to be discussed in Court at the Settlement Hearing. Based on calculations to date, of the approximately 3,500 emails and letters received from stockholders between May 1, 2023 and May 31, 2023, approximately 2,850 were purported objections.

9. Approximately 276 objectors submitted the same, or a variation of, an 87-page objection brief authored and publicly shared on social media by Jordan Affholter, Etan Leibovitz, Brian Tuttle, and A. Mathew, amongst others (the "Form Objections"). A copy of the Form Objection is attached for your review. The subject of the Form Objections are as follows:

- Approval of the Settlement is not Fair and Reasonable and is Not Warranted
- Certification of the Settlement Class in Not Appropriate
- The Proposed Settlement Only Recovers a Mere 2.5% of the Lost Market Cap Value and Fails to Provide Substantive Recovery to Stockholders – Therefore the Requested Fee and Expense Award is Unjustified
- Lead Plaintiffs Don't Deserve Incentive Awards
- The Vote on March 14, 2023 was Unlawfully Manipulated

10. Additionally, approximately 150 objectors submitted variations of objections drafted and shared on social media by Bubbie Gunter (the "Gunter Objections") who provided instructions to objectors on how to use ChatGPT to adopt or otherwise incorporate his objections into their submissions. A copy of the instructions and Gunter Objections is attached for your review as well. The topic of the Gunter objections are as follows:

- Objection #1 – Misleading Facts in Settlement Filing
- Objection #2 – Defendants' Rights to Immunity
- Objection #3 – Objection to Lifting the Status Quo and Possible RICO Violations
- Objection #4 – Fees and Expense Award

11. The substance of nearly all objections submitted by stockholders is reflected in one or more of the Form Objections and the Izzo Objection. The Gunter Objections raise issues that are either subsumed within the Form and Izzo Objections or do not address the substance of the Proposed Settlement at all.

12. Objectors who submitted written objections but did not indicate an intent to appear in person are assumed to have a greater expectation of privacy.

13. As such, Plaintiffs propose the following process to ensure that the Court and Special Master can consider all objections, the Class as a whole can monitor and understand the proceedings, and the objectors' interests are protected:

a. The Izzo, Form and Gunter objections will be filed publicly, and we will indicate the names of people who signed onto each.

b. All other objections will be filed under seal in the first instance.

c. We will notify all people intending to appear in person at the Settlement Hearing that they have ten (10) days to submit a redacted version of their objection that redacts any personal, confidential or sensitive information, after which all objections from in-person presenters will be unsealed.

d. If any Class Member wishes their objection to be unsealed, they must notify us within 10 days, and we will then unseal those objections.

e. Absent some indication of an objectors' desire for their objection to be made public, remaining objections will only be unsealed is if it is specifically referenced in the Special Master's Report, which would normally be made public just as all Special Master Reports in this case have been made public. To the extent the Special Master wishes to determine the extent to which any specific objection should be redacted or remain sealed, we will assist the Special Master to the extent feasible to respect the interests of those Class Members and to reach out to them as requested.

14. Finally, the size of the data set for all of these materials is substantial – approximately 6.5 gigabytes, or 6,500 megabytes. Because File & Serve limits the size of individual filing to 10MB each, filing all of the materials on the docket very well may overwhelm the system and result in unanticipated delays. Consequently, Plaintiffs propose that only the public versions of the materials will be filed on the docket. All under seal materials will be provided to the Court, the Special Master and counsel on an encrypted hard drive. If documents filed under seal are thereafter redacted in accordance with the procedure outlined above, such redacted version will be filed publicly on the docket.

15. If the Special Master or Court has any questions or concerns, we are available to engage and work towards achieving the right balance.

Dated: June 7, 2023

Respectfully submitted,

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EXHIBIT 1

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT HOLDINGS, INC., STOCKHOLDER LITIGATION	)	**CONSOLIDATED C.A. No. 2023-0215-MTZ**

[INSERT FIRST AND LAST NAME]'S OBJECTION TO THE PROPOSED SETTLEMENT AGREEMENT

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INTRODUCTION

The authors of the two Briefs, Plaintiffs' Opening Brief in Support of Settlement, Award of Attorneys' Fees and Expenses, and Incentive Awards[1] ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement[2] ("Defendants' Brief"), submitted in support of the proposed settlement ("Settlement"), converge on just two points in the entire argument: first, that the settlement should be consummated, and second, that should it fail to materialize, AMC Entertainment Holdings Inc. ("AMC") faces the imminent threat of bankruptcy.[3] Both sets of counsel advance their respective arguments for settlement by employing fear tactics. Notably, neither party offers alternative solutions for raising capital, but instead, champion the conversion of APE preferred stock ("APE") into AMC common stock followed by a reverse stock split. The Plaintiffs' counsel have a substantial 20 million dollar incentive to endorse this untenable narrative. Similarly, AMC Defendants' counsel acquiesce to this contrived storyline to shield their clients from liability and secure releases. Upon reading both briefs, one is left asking themselves the following question: Whether this precipitous settlement is predicated on preserving AMC from financial ruin or on thwarting and impeding the ongoing litigation to preclude stockholders from uncovering the facts. In both briefs, none of the authors address the conspicuous absence of any deposition testimony from AMC CEO Adam Aron ("Defendant Aron"), a key participant in the scheme and a material fact witness. While the term "scheme"[4] does surface in the Plaintiffs' brief, Lead Counsel conspicuously omits any reference to the consideration of petitioning the Court for leave to amend the complaint to include a cause of action against AMC Defendants grounded in fraud, as a consequence of the scheme. One of the elements required to allege for an action for fraud, scienter, has been established as a result of discovery.

In November 2021, AMC's banker, Citigroup, began work on "Project Popcorn", a prospective issuance of an alternative form of equity that could convert into common stock. By February 2022, Citigroup suggested that AMC could call these rights "AMC Preferred Equity Units" (APE). In a board meeting held on February 17th, 2022, Citigroup banker Derek Van Zandt

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[1] DI 206
[2] DI 200
[3] DI 206 at 1, 25 DI 200 at 6, 29
[4] DI 206 at 4

("Mr. Van Zandt") explained that AMC planned to offer the preferred shares to its retail stockholder base through a rights offering. One AMC preferred unit would convert into one share of common stock, subject to shareholder authorization. By March 2022, AMC and Citigroup involved D.F. King, the Company's proxy solicitor, and Computershare, the Company's transfer agent. In April 2022, Citigroup had a "storyboard draft," including a video of Aron explaining the potential offering. Despite Defendant Aron's positive public statements about AMC's financial outlook, by mid-May 2022, AMC's executives were exploring giving APEs special voting powers that could be maneuvered to force amendments to the Certificate.[5] On May 27th, 2022, B. Riley Financial sent AMC executives Defendant Sean Goodman ("Defendant Goodman") and Defendant John Merriwether ("Defendant Merriwether") several prospectuses from issuers that had used supervoting preferred shares to force through Certificate amendments.[6] By July 20th, 2022, a memorandum about the potential APE issuance revealed that AMC was planning an ATM (At-the-Market) offering of APEs. Defendant Goodman acknowledged that index funds owning AMC common shares would likely be required to sell the Preferred Equity Units, potentially impacting their trading value.[7] In a contemporaneous email exchange, Defendant Goodman and Defendant Merriwether discussed registering one billion preferred equity units, with around 517 million to be used for the dividend and the remainder to be sold through an ATM offering.[8]

On August 4th, 2022, after exhausting AMC's authorized common stock, AMC Defendants announced the creation of the APE "special dividend" distributed to holders of AMC common stock. AMC Defendants describe the preferred stock units as a "MIRROR-IMAGE" of AMC common stock with identical "economic and voting rights".[9] APE's voting rights, conversion rate, and a conversion clause–which *automatically* converts APE into AMC common- were designated pursuant to DGCL 151, via a board resolution never proposed to, let alone authorized by AMC stockholders.[10] By design, the APE "special dividend" was designated to automatically convert into Common Stock upon a share increase sufficient to permit full conversion.[11] This gave AMC

[5] DI 206 at 16
[6] *Id.*
[7] *Id.*
[8] *Id.* at 17
[9] DI 200 at 10,12 (bold and capital original)
[10] *Id.*
[11] *Id* at 10

Defendants the ability to circumvent the rights and powers of shareholders and sell a mirror-image security without the required authorization.[12] Although at odds with public statements of AMC Defendants, on July 28th, 2022, AMC filed a Certificate of Designations with the Delaware Secretary of State outlining designations for APE.[13] More specifically, in prescribing APE's "Voting" rights the AMC's Certificate of Designations instructs APE:

> "shall not be entitled to vote together with Common Stock with respect to any matter at a meeting of the stockholders of the Corporation, which under the applicable law or the Certificate of Incorporation requires a separate class vote". [14]

On August 4th, 2022, subsequent to the filing of Certificate of Designations, AMC Defendants entered into an Agreement with Computershare Inc. without shareholder approval.[15] Under the accord, the underlying Preferred Stock, used to form APE preferred equity units, were deposited with Computershare Inc. and governed by deposit agreement ("the Computershare Depositary Agreement").

The Computershare Depositary Agreement instructs Computershare to vote all of the preferred stock in its custody "proportionally" on non-routine matters and routine matters.[16] In other words, the uninstructed- and non-affirmative - votes of APE holders can be farmed to be vote at a rate mirroring instructions from participating voters.[17] AMC common stock has no such arrangement with brokers holding common stock.[18] On September 26th, 2022, AMC Defendants disclosed that they entered into an equity distribution agreement with Citigroup to offer and sell 425 million APE.[19] Although AMC Defendants "anticipated that (the APE) would trade at or around the same price" the preferred stock equity units traded at just a fraction of AMC. [20] With

[12] *Id.*
[13] DI 1
[14] *Id.*
[15] DI 200 at 11
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] DI 206 at 19
[20] DI 200 at 12,13

the "expand(ing) trade differential",[21] Defendant Aron urged the pricing committee to lower the $2 minimum price Citibank could distribute APE for.[22] Citigroup obliged, then after crashing the price per APE to below a dollar, introduced Defendant Aron to Antara Capital ("Antara") in early December 2022. [23] Once Antara agreed to an understanding to buy and hold APE, until after they pledged votes in favor of AMC Defendant's proposals, Defendant Aron began working out a deal to ensure Antara a windfall in exchange for a successful proxy vote.[24] The deal eventually closed on December 21, with Antara getting a holiday discount from Defendant Aron of approximately 66 cents an APE, AMC Defendants gifted a rigged vote, and AMC common shareholders coal.[25] Cumulatively, after several transactions with AMC Defendants, Antara ended up with approximately 27.8% of the outstanding APE shares representing 17.8% of AMC's total voting power.[26] The hoard of APE held by Antara made the hedge fund, by definition, an interested party. Ultimately, the stockpiled Antara pledged votes were leveraged through the Computershare Depositary Agreement to ensure AMC Defendant's proposals were a lock. Although, without either: the Computer Share Agreement or Antara deal, AMC Defendants could not harvest the required affirmative vote to authorize conversion.

[Insert Mr./Mrs. Last Name]'s Objection Brief presents six arguments why this Court should deny the proposed settlement. The proposed settlement is not fair and reasonable, the class shouldn't be certified as it doesn't satisfy one of the four prerequisites mandated by subsection in Delaware Court of Chancery Rule 23(a), the requested lawyer fee and expense award is unjustified, the Lead Plaintiffs don't deserve an incentive award as they fail to meet the second factor in *Raider v. Sunderland*, it violates the class members due process and the vote on March 14th, 2023 was unlawfully manipulated. Further, the proposed settlement does not help recover the $5 billion plus stockholders lost in market cap through the creation of APE and it does not help AMC as a company avoid bankruptcy. The Lead Plaintiffs are not representing the plaintiff class, they are representing the lawyer class in order procure a quick payout at the determinant of the

[21] *Id* at 13
[22] DI 206 at 20
[23] *Id.*
[24] *Id.* at 20
[25] *Id* at 21-23.
[26] *Id* at 21-24.

stockholders. An alternative settlement proposal should be considered that is actually beneficial to the stockholders.

ARGUMENTS

I. APRROVAL OF THE SETTLEMENT IS NOT FAIR AND REASONABLE AND IS NOT WARRANTED

LEGAL ANALYSIS

a. Legal Standard

Under Delaware Court of Chancery Rule 23, the Court must approve the dismissal or settlement of a class action.[27] The reasonableness of a particular class action settlement is addressed to the discretion of the Court of Chancery, on a case by case basis, in light of all of the relevant circumstances.[28] Although Delaware has long favored the voluntary settlement of litigation,[29] the fiduciary character of a class action requires the Court to independently examine the fairness of a class action settlement before approving it.[30] Approval of a class action settlement requires more than a cursory scrutiny by the court of the issues presented.[31] The Court must exercise its own judgment to determine whether the settlement is reasonable and intrinsically fair to the affected class members.[32] In doing so, the Court evaluates not only the claim, possible defenses, and obstacles to its successful prosecution,[33] but also the reasonableness of the 'give' and the 'get',[34] or what the class members receive in exchange for ending the litigation. Stated differently, in evaluating fairness to that interest, the Court "should look at the legal and factual circumstances of the case, the nature of the claims, and any possible defenses."[35] In assessing these factors, the Court must bring their business judgment to bear on the issue.[36] The business judgment

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[27] *See* Ct. Ch. R. 23(e). Court of Chancery Rule 23.1(c) similarly requires Court approval of the dismissal or settlement of derivative actions.
[28] *Evans v. Jeff D.,* 475 U.S. 717, 742, 106 S.Ct. 1531, 1545, 89 L.Ed.2d 747, *reh'g denied,* 476 U.S. 1179, 106 S.Ct. 2909, 90 L.Ed.2d 995 (1986).

[29] *Rome v. Archer*, 197 A.2d 49, 53 (Del. 1964).
[30] *Kahn v. Sullivan*, 594 A.2d 48, 58 (Del. 1991).
[31] *Rome v. Archer*, 197 A.2d at 53.
[32] *Id.*
[33] *Id.*
[34] *In re Activision Blizzard, Inc. S'holder Litig.*, 124 A.3d 1025, 1043 (Del. Ch. 2015).
[35] *Ryan vs Gifford*, 2009 WL 18143, at *5 (Del. Ch. Jan. 2., 2009).
[36] *Id*.

rule "creates a presumption `that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation.'"[37] "The considerations applicable to such an analysis include: (1) the probable validity of the claims, (2) the apparent difficulties in enforcing the claims through the courts, (3) the collectability of any judgment recovered, (4) the delay, expense and trouble of litigation, (5) the amount of the compromise as compared with the amount and collectability of a judgment, and (6) the views of the parties involved, pro and con."[38] "If, in the light of these matters, the Court of Chancery approves the settlement as reasonable through the exercise of sound business judgment, its function as the so-called third party to the settlement has been discharged."[39]

Under Delaware law the business and affairs of a corporation are managed by and under the direction of its board of directors.[40] In performing their duties the directors owe fundamental fiduciary duties of loyalty and care to the corporation and its shareholders.[41] Subject to certain well defined limitations, a board enjoys the protection of the business judgment rule in discharging its responsibilities. The rule creates a presumption "that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation."[42]

Under *Rome v. Archer*, the Chancellor observed that the principal defense was that a corporation may acquire its own stock under *8 Del.C. § 160*, and that the business judgment rule would almost certainly protect such action. The Chancellor also recognized that the standard applicable to the defendants' conduct was "good faith, reasonable investigation, and arguable

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[37] *Polk v. Good,* 507 A.2d at 536 (quoting *Aronson v. Lewis,* Del.Supr., 473 A.2d 805, 812 (1984)).
[38] *In re Ortiz' Estate, 27 A.2d at 374*; *Perrine v.Pennroad Corporation, Del. Supr., 29 Del. Ch. 531, 47 A.2d 479, 488 (1946)*; *Krinsky v. Helfand, Del. Supr., 38Del. Ch. 553, 156 A.2d 90, 94 (1959)*.

[39] *Nottingham Partners v. Dana,* 564 A.2d at 1102 (quoting *Rome v. Archer,* 197 A.2d at 53-54).
[40] *See 8 Del.C. § 141(a)*.
[41] *Guth v. Loft, Inc., Del. Supr., 23 Del. Ch. 255, 5 A.2d 503, 510 (1939)*; *Aronson v. Lewis, Del. Supr., 473 A.2d 805, 811 (1984)*.
[42] *Aronson v. Lewis, 473 A.2d at 812*.

justification."[43] In applying this test to the defense here, the Chancellor noted: (1) the lack of self-interest on the part of Texaco's board, 10 of whose 13 members were outside directors; (2) the advice given the board by its investment banker and counsel; (3) the disruptive effect a hostile takeover attempt would have on Texaco in light of the administrative complexities generated by the Getty acquisition; and (4) that the facts of the case did not indicate any vote-buying intent by Texaco. While not making any findings *per se*, the court took note of these factors and decided that in the event of a trial the directors stood a better than even chance of winning, with the plaintiffs having a very difficult task in overcoming the protections of the business judgment rule. Thus, in applying his own business judgment the Chancellor concluded that the settlement was in the best interests of all concerned.

b. Claims and Defenses

The claims compromised are allegations for Breach of Fiduciary and violation of DGCL Section 242(b)(2)[44] in connection with the issuance of the APEs and proposals, declaratory judgment of invalidity as to the preferred stock, and seeking injunctive relief and money damages in an amount to be determined by trial. The authors of both the Plaintiffs' Brief and Defendants' Brief, concur on a mere two points: first, that the settlement should be consummated, and second, that should it fail to materialize, AMC faces the imminent threat of bankruptcy.[45] Both sets of counsel advance their respective arguments for settlement by employing fear tactics. Notably, neither party offers alternative solutions for raising capital, but instead, champion the conversion of APE into AMC common stock followed by a reverse stock split. The Plaintiffs' counsel have a substantial 20 million dollar incentive to endorse this untenable narrative. Similarly, AMC Defendants' counsel acquiesce to this contrived storyline to shield their clients from liability and secure releases. Upon reading both Briefs, one is left asking themselves the following question: Whether this precipitous settlement is predicated on preserving AMC from financial ruin or on thwarting and impeding the ongoing litigation to preclude stockholders from uncovering the facts. During AMC's Q4 Earing Call, held on February 28th, 2023, Defendant Aron was asked a question

[43] *Good v.Texaco, Del. Ch., 1985 Del. Ch. LEXIS 445*, *39, C.A. No. 7501, Brown, C. (February 19, 1985).
[44] The Delaware Code Online. Link: https://delcode.delaware.gov/title8/c001/sc08/index.html
[45] DI 206 at 1, 25 DI 200 at 6, 29

following AMC's prepared remarks – "It has been reported that AMC is defending against two lawsuits relating to the issuance of APE units. Is this true? And can you elaborate?"[46] Defendant Aron responds,

> "Yes, litigation has been filed. We think it's misguided. We believe that all the actions we've taken are lawful. We think we have the merits in this case. It's consistent with our charter. **We will defend our position vigorously**. And we are encouraged that the Delaware Court of Chancery has allowed this March 14 vote to proceed on schedule."[47]

In both Briefs, we observe counsel for both sides meticulously evaluate the two claims and a permanent injunction application versus possible defenses. These respective arguments are presented to this Court and stockholders notably, in the absence of any deposition testimony from Defendant Aron, a key participant in the scheme and a material fact witness. The Parties suspiciously settled just four days prior to Defendant Aron's scheduled April 6th, 2023 deposition. While the term "scheme"[48] does surface in the Plaintiffs' brief, Lead Counsel conspicuously omits any reference to the consideration of petitioning the Court for leave to amend the complaint to include a cause of action against the AMC Defendants grounded in fraud, as a consequence of the scheme. One of the elements required to allege for an action for fraud, scienter, has been established as a result of discovery - ProjectPopcornGate[49].

APE is not the only way to raise Capital

Defendants assert in their opening brief that,

> **The only security currently available to AMC to raise equity capital are AMC Preferred Equity Units ("APEs").** [50]

[46] https://www.fool.com/earnings/call-transcripts/2023/02/28/amc-entertainment-amc-q4-2022-earnings-call-transc/
[47] https://www.fool.com/earnings/call-transcripts/2023/02/28/amc-entertainment-amc-q4-2022-earnings-call-transc/
[48] DI 206 at 4
[49] *Id.* at 14
[50] D.I. 200 at 1

Furthermore, during AMC's Q1 2023 Earnings Conference Call, on May 5, 2023, Defendant Sean Goodman ("Defendant Goodman") declared that "we've been able to raise $480 million of cash as a result of the creation of the APEs." [51] Contrary to the Defendants' implications, the issuance of APEs was not indispensably required, and their necessity is, in fact, a misapprehension. Since its inception in August 2022, AMC raised $480 million in cash as a result of APE to operate the company, albeit at the expense of stockholder dilution and a net decrease in market capitalization exceeding $5 billion. Additionally, APE resulted in diluting AMC common stockholder value by selling over 400 million APE shares with voting rights on the open market initially, but with the potential of releasing 5 billion total APE shares on the market. The question arises: was the creation of APEs and consequent dilution financially imperative for the company's survival based on the available data? During AMC's Q1 2023 Earnings Conference Call, held on May 5, 2023, Defendant Goodman stated that "We ended the quarter with liquidity of $704 million. This is comprised of $496 million of cash and cash equivalents and $208 million of undrawn credit facilities."[52] This declaration made by AMC's CFO shows that APE was not financially necessary. Excluding the $480 million raised as a result from APE from the total, AMC would retain $16 million in cash and approximately $208 million in accessible, undrawn credit facilities. Consequently, the data indicates that the sale of APE shares was not a sine qua non for the company's survival. The Defendants may contend that they lacked knowledge of the 2023 financial statements during 2022, but this raises a subsequent inquiry: **was the issuance of APEs the exclusive avenue for AMC to procure capital?**

Retail Investors Propose Capital Generation Strategies

In recent years, individual stockholders have proposed various capital generation ideas to AMC, both through shareholder conference calls and via direct communication with Defendant Aron, through email and Twitter. Suggestions included innovative business ventures such as an

[51] AMC Entertainment Holdings, Inc. (AMC) Q1 2023 Earnings Call Transcript May 05, 2023. *Seeking Alpha.* Posted on May 05, 2023. Link: https://seekingalpha.com/article/4600628-amc-entertainment-holdings-inc-amc-q1-2023-earnings-call-transcript Accessed on May 07, 2023.

[52] AMC Entertainment Holdings, Inc. (AMC) Q1 2023 Earnings Call Transcript May 05, 2023. *Seeking Alpha.* Posted on May 05, 2023. Link: https://seekingalpha.com/article/4600628-amc-entertainment-holdings-inc-amc-q1-2023-earnings-call-transcript Accessed on May 07, 2023.

AMC-branded credit card and retail distribution of AMC popcorn at grocery stores, both characterized by high profit margins. Although AMC implemented these ventures in 2023, they could have expedited their development to generate capital earlier. During the Q1 2023 Earnings Conference Call, held on May 5th, 2023, AMC reported that 80,000 individuals were on the waiting list for the AMC credit card. Additionally, Defendant Aron stated:

> "On March 11, the day before Oscars Sunday, we launched AMC's ready-to-eat Perfectly Popcorn for exclusive six months engagement at about 550 locations of the nation's largest retailer, Walmart…Sales were brisk. In fact, so much so that most of the Walmarts sold out of their initial supply. Not only are we very pleased by the initial positive consumer reaction, but so too, Walmart is pleased. Importantly, the second phase of our exclusive Walmart launch began on April 29 when we scaled up the supply chain, with the distribution of AMC's ready-to-eat popcorn hitting the shelves at approximately 2,600 Walmart stores and for shipping nationally in the United States on walmart.com. AMC's Microwave popcorn was also introduced at that time at Walmarts across the country as well. As was the case back in March, again, in the early days, sales are brisk. We think that our home popcorn is going to turn into a substantial business for AMC. We are already currently exploring opportunities for its eventual expansion into other grocery store chains and to other e-commerce and other channels, once Walmart's exclusivity ends."[53]

The initial success of these new ventures highlights not only the capacity of the "3.8 million AMC stockholders" to bolster their investment in AMC and its products but also demonstrates the existence of alternative capital generation options that do not necessitate selling additional shares on the open market.

Was the creation and sale of APE shares on the open market the most efficient method for raising capital? During AMC's Q4 2021 Earnings Call held on March 1st, 2022, Defendant Aron remarked:

> "I keep on getting offers from our shareholders, for example, that they want to chip in and help us pay down our debt. I don't know exactly that

[53] AMC Entertainment Holdings, Inc. (AMC) Q1 2023 Earnings Call Transcript May 05, 2023. *Seeking Alpha*. Posted on May 05, 2023. Link: https://seekingalpha.com/article/4600628-amc-entertainment-holdings-inc-amc-q1-2023-earnings-call-transcript Accessed on May 07, 2023.

that's in the cards, but I do admire their passion and dedication to AMC nonetheless."[54]

AMC Investors Suggest AMC Fund and AMC NFTs

Over the past several years, investors have proposed that AMC establish a fund dedicated to debt repayment. This fund would enable investors to contribute cash directly to alleviate AMC's debt, thereby enhancing the long-term fundamentals of the company they own. Furthermore, the debt repayment fund was conceived as an alternative to stock dilution, as numerous stockholders opposed the issuance of additional shares in the market because of the likelihood that additional shares on the market lowers the value of existing shares (basics of supply and demand). Regrettably, AMC did not implement the debt repayment fund despite repeated recommendations, which may have constituted a strategic misstep, as this method could have been the most efficient way to directly address debt. Selling shares on the open market is often less efficient, as AMC and its stockholders cannot control various market factors, including price, conditions, liquidity, share lending, or short sellers seeking to drive the price downward. Thus, there exists a risk that selling more shares on the market may help address short-term costs but could potentially jeopardize investors' long-term value with an increased number of shares on the market.

During the Q4 2021 Earnings Conference Call, held on March 1st, 2022, Defendant Aron reported that AMC had approximately 4 million shareholders, "individual retail investors would seem to own more than 90% of our officially issued 516 million shares." During the April 25th, 2023, telephonic conference call, attorney for the AMC Defendants, Mr. John Neuwirth, stated that there are an "estimated" 3.8 million AMC stockholders.[55] AMC's total debt reportedly amounts to around $5.1 billion (including short-term and long-term debt).[56] To completely pay off the debt today, each individual stockholder would need to contribute, on average, about $1,315.79. However, immediate debt clearance is not a necessity. On November 9, 2021, Defendant Aron stated that:

[54] AMC Entertainment Holdings, Inc.'s (AMC) CEO Adam Aron on Q4 2021 Results - Earnings Call Transcript March 1, 2022. *Seeking Alpha.* Posted on March 1, 2022. Link: https://seekingalpha.com/article/4491987-amc-entertainment-holdings-inc-s-amc-ceo-adam-aron-on-q4-2021-results-earnings-call . Accessed on May 07, 2023.
[55] The official number has not been verified by a third party
[56] February 28, 2023 AMC Form 10-K (Ex. C) at 23

> "And if you look at our maturities, we don't have any debt maturities before August of 2023, and that's only a few $100 million worth. We don't have big maturities until 20 -- debt maturities, which means that's when you got to pay the debt back -- till 2026. That gives us -- 2026 -- that's 5 years from now." [57]

To pay off twenty percent of AMC's debt, investors would only need to contribute an average of $263 to the fund, which would eliminate $1 billion in debt without any dilution (e.g., creation and selling of APE), more than doubling the $480 million raised by selling APE. Over the course of a year, AMC investors could easily pay off $1 billion in debt and avoid losing over $5 billion in market capitalization and diluting shareholder ownership and voting power. Establishing a debt repayment fund would not pose a significant challenge for AMC, as there are numerous reputable crowdfunding websites transparently display donations. Alternatively, as some investors recommended, AMC could have sold custom NFTs on their merchandise site or partnered with Hycroft Mining to sell commemorative coins to help pay down the debt. **AMC had, and continues to have, additional options for debt reduction.**

Debt reduction adds value to existing shareholders by improving the long-term fundamentals of the stock and reducing the risk of long-term bankruptcy. If given the choice between paying $263 to protect their AMC investment or witnessing the value of their AMC investment decrease by over 50%, the vast majority would likely opt to donate $263 to safeguard their investment (which, for numerous shareholders, amounts to many multiples of $263). AMC stockholders still lack official, verified share count data. However, a verified sample from Say Technologies, which partnered with AMC on the AMC Q2 2021 Earnings Q&A call, indicates that approximately 70.3K shareholders, about 1.76% of the reported 4 million shareholders, held an average of about 1,018 shares at that time.[58] In summary, had AMC and Defendant Aron been

[57] AMC Entertainment Holdings, Inc.'s (AMC) CEO Adam Aron on Q3 2021 Results - Earnings Call Transcript Nov. 09, 2021. *Seeking Alpha.* Posted on Nov. 09, 2021. Link: https://seekingalpha.com/article/4467204-amc-entertainment-holdings-inc-s-amc-ceo-adam-aron-on-q3-2021-results-earnings-call . Accessed on May 07, 2023.

[58] Say Technologies. AMC Q2 2021 Earnings Q&A. August 9, 2021. Link: https://app.saytechnologies.com/amc-2021-q2?filter=all&sort=num_shares

committed to raising cash for debt repayment, they could have swiftly established a debt repayment fund in which their 3.8 million shareholders would have the opportunity to participate. Through this approach, AMC could have raised more than the $480 million generated through APE, without diluting shareholder value, votes, or market capitalization.

c. Adequacy of the Settlement

Under the Settlement, AMC will issue new shares of Common Stock that Plaintiffs value in the aggregate, based on recent market prices, at an estimated value of over at over $100 million. Each record holder of Common Stock as of the Settlement Class Time, which is expected to be the close of business on the business day prior to the conversion on which the reverse stock split is effective, will receive one additional share of Common Stock for every 7.5 shares of Common Stock they hold after giving effect to the reverse stock split. And, if the share issuance would result in such record holders receiving a fraction of a share of Common Stock, AMC will arrange for a cash payment in lieu of a fractional share.

The Plaintiffs posit that the settlement holds an estimated value of approximately $129 million for AMC common stock shareholders. However, the Plaintiffs' argument in favor of the proposed settlement conspicuously omits any mention of the $5,150,690,236.70 USD in total market value that was eradicated from AMC shareholder value, encompassing individual investors, Allegheny County Employees' Retirement System, and other stockholders, since the listing of the APE preferred shares on the New York Stock Exchange ("NYSE") back in August 2022. In light of the 5.15 billion (approx. 53.4%) loss in market capitalization value endured by AMC investors, **the settlement seeks to recoup a mere 129 million (approximately 2.5% of the market cap value lost), while simultaneously bestowing upon the Plaintiffs' Counsel "an award of fees and expenses equal to $20 million, reflecting approximately 15.5% of the value solely created for the Class**."

Under the settlement, the majority of the "Settlement Class" 'give' a broad release to the AMC Defendants while 'get'(ting) nothing in return.[59] Amongst other inequities, the settlement hinges on a stipulation requires the bulk of the purported 3.8 million shareholders to release nearly

[59] DI 181 See: Notice of Pendency of Stockholder Class Action and Proposed Settlement.

a years' worth of claims yet receive no settlement distribution.[60] Since the distribution of the settlement is confined to holders of a "Settlement Class Time" -which is only a moment's snapshot of the close of one business day- yet the "Settlement Class" encompasses "all holders of AMC Common Stock between August 3, 2022, through and including the Settlement Class Time", the vast majority of the class will receive no distribution in exchange for a broad release of their claims.[61]

Suggestions for a revised Settlement Proposal

In light of the concerns raised in the current litigation, the proposed settlement should make the following revisions, aimed at addressing the interests of **all stockholders involved**, including the retail investors who comprise a significant portion of AMC's stockholder base. These revised settlement proposals are designed to address the concerns raised by the putative class, promote the interests of all stockholders, and pave the way for AMC's future growth and success.

Stockholder-Driven Advertising Initiative: Instead of renewing the contract with Nicole Kidman for the $25 million ad campaign, AMC should engage its stockholder community for advertising efforts. By tapping into the creativity and passion of the retail investor base, AMC can foster a sense of ownership among stockholders while promoting AMC's brand and offerings.

Prioritizing Stockholder Expertise for IT and Technical Work: To strengthen AMC's IT and technical capabilities, the company should prioritize the hiring of competent stockholders for these roles. This approach would leverage the skills and expertise of the stockholder base and create further alignment between the company and its investors.

Retail Representation on the Board: The appointment of retail board members, who would bring the perspective of retail investors to the company's decision-making process. This would ensure that the interests of retail stockholders are duly considered and represented at the highest levels of Corporate governance.

[60] *Id.* at 10
[61] *Id.*

Board Restructuring: In order to restore investor confidence and address concerns related to the current board's actions, a comprehensive evaluation and potential restructuring of the board. This process should consider the appointment of new independent directors with the requisite skills, experience, and commitment to AMC's long-term success.

AMC Debt Repayment Fund via NFTs: To address the company's debt burden without resorting to any further dilution of shares, the creation of an AMC Fund using non-fungible tokens (NFTs). Investors would be allowed to participate in this fund, contributing to the company's debt repayment while also acquiring unique digital assets tied to AMC's brand and offerings. The debt payoff should be done transparently for accountability but also so all stockholders can see progress in real time.

Re-evaluating the Accounting Firm: AMC should consider replacing Ernst & Young as its accounting firm. Engaging a new accounting firm with a fresh perspective may enhance the quality and transparency of the company's financial reporting, thus bolstering investor confidence in the company's financial stability.

Organizational Restructuring: AMC should assess its current organizational structure to identify areas of improvement and streamline operations. This may include reorganizing departments, reallocating resources, or identifying cost-saving measures to boost efficiency and productivity. Such restructuring efforts should prioritize long-term growth and value creation for all stockholders.

Exploring Alternative Funding Methods: AMC should explore alternative funding methods beyond traditional Wall Street avenues. This may include crowdfunding, strategic partnerships, or the issuance of digital assets, such as non-fungible tokens (NFTs) or security tokens. These alternative funding methods can help diversify AMC’s capital base, reduce reliance on traditional financing channels, and further align the interests of retail investors with AMC’s strategic objectives.

Enhancing Corporate Governance: To ensure that the interests of all stockholders are well-represented and protected, AMC should review and enhance its corporate governance practices. This may include increasing board diversity by appointing retail investor representatives to the board, and implementing robust oversight mechanisms to ensure transparency and accountability. Retail stockholders own a majority of the outstanding shares and it is of vital interest for AMC's future to have retail representation on the board of directors.

Safeguard Stockholder Value: To ensure that the settlement benefits all parties involved, AMC must outline steps to restore and safeguard stockholder value in AMC and/or APE stock. AMC should implement a transparent and verifiable share count where all stockholders are assigned a serial number for each share owned. This method could possibly go through blockchain technology or with the assistance of a third party such as Share Intel or T-Zero. Assigning a unique serial number to each share will enable individual stockholders and the company to verify share authenticity and prevent unauthorized duplication. This action would protect retail investors and AMC from potential bad actors who might attempt to sell synthetic shares, which can lead to a decline in share price over time, destruction of stockholder value, and disruption of organic market activity. As part of protecting stockholder value, AMC should investigate issuing a special dividend in the form of an NFT, silver coin, or AMC gift card. **Protecting stockholder value and protecting the stock from manipulation is one of the only ways to regain the massive market cap value lost due to APE.**

Reform Stockholder Voting Process: AMC should update its corporate guidance to require stockholder approval happens via a transparent voting process with accountability where all stockholders can verify that all of their votes were cast accurately, and the total tallies can be verified. Currently, there is no process for verification, so there is no guarantee that stockholder's votes are recorded correctly. Additionally, AMC should implement alternative voting methods as necessary for international stockholders to ensure their voices are heard in company decisions.

Hold on any Future Stock Transformations such as a Reverse Split: There should be a hold on any future stock transformations (such as a reverse split or merger or further dilution) until a valid, transparent share count is conducted and a transparent voting process is in place for AMC

stockholders. This protects AMC stockholders from corporate fraud and corporate voting manipulation.

By implementing these changes, the company will be better positioned to navigate the challenges it faces, foster a more inclusive and transparent corporate culture, and ultimately, create long-term value for all its stockholders.

II. CERTIFICATION OF THE SETTLEMENT CLASS IS NOT APPROPRIATE

LEGAL ANALYSIS

a. Legal Standard

Under Delaware Court of Chancery Rule 23, a condition precedent to the certification of a class action is a two-step analysis. The first step requires that the action satisfy all four of the prerequisites mandated by subsection (a) of the rule. These are: (1) the class is so numerous that joinder of all members is impracticable, (2) there are questions of law or fact common to the class, (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class, and (4) the representative parties will fairly and adequately protect the interests of the class. Delaware Court of Chancery Rule 23(a).

If the provisions of subsection (a) are satisfied, the next step is to properly fit the action within the framework provided for in Delaware Court of Chancery Rule 23(b). Delaware Court of Chancery Rule 23(b) divides class actions into three categories. Delaware Court of Chancery Rule 23(b)(1) applies to class actions that are necessary to protect the party opposing the class or the members of the class from inconsistent adjudications in separate actions. Delaware Court of Chancery Rule 23(b)(2) applies to class actions for class-wide injunctive or declaratory relief. Delaware Court of Chancery Rule 23(b)(3) applies when common questions of law or fact predominate and a class action would be superior to other means of adjudication.

b. The Class Does Not Satisfy Delaware Court of Chancery Rule 23(a)

i. The Class' Interests Are Not Fairly and Adequately Protected.

In the Plaintiffs' Brief, Lead counsel makes the following argument in attempt to meet the fourth prong in Delaware Court of Chancery Rule 23(a), that the recovery achieved through this litigation—a distribution of newly issued shares to all holders of Common Stock immediately before the Conversion and without any special treatment of Plaintiffs—demonstrates that Plaintiffs' interests were aligned with those of absent class members and is likewise indicative of the competence and effectiveness of Class Counsel.[62]

Lead Counsel Files a Motion to Lift Status Quo

Lead Counsel fails to mention that on April 3rd, 2023, Lead Counsel moved this Court to lift the stipulated status quo order entered on February 27th, 2023 due to a proposed settlement between the parties.[63] AMC and its board of directors and, together with the AMC Defendants did not oppose, and support this motion. Lead Counsel gave the Court notice that the Lead Plaintiffs are pleased to report that—following extensive adversarial litigation amidst expedited discovery, consultation with multiple experts, and a mediation process facilitated by former Vice Chancellor Joseph R. Slights, III—the parties have agreed to a settlement pursuant to which AMC will issue class members new shares of AMC common stock collectively valued, based on recent market prices, at more than $100 million. On April 5th, 2023, this Court denied the lifting of the status quo motion citing the following reasons:

> **The parties seek to lift the status quo order to allow the defendants to complete their settlement obligations before the settlement is noticed, considered, and approved.[64] This Court has cautioned against parties**

[62] See Haverhill Ret. Sys. v. Kerley, C.A. No. 11149-VCL, at 20-21 (Del. Ch. Sept. 28, 2017) (TRANSCRIPT) ("Given that I am approving the settlement as fair and adequate, it follows that I necessarily believe that the class representatives, as well as the derivative action representatives, provided adequate representation in this matter.")

[63] DI 59,69

[64] Mot. ¶ 23 ("Here, the parties agree that the Court should lift the status quo order because the proposed Settlement would provide a substantial benefit to the [proposed] settlement class—namely, receipt of Common Stock that will likely be worth more than $100 million—but contingent upon lifting of the status quo order and the conversion and reverse split being consummated. Importantly, while the term sheet contemplated that the parties will work in good faith to achieve final approval of the [Proposed] Settlement at an anticipated future hearing, the [Proposed] Settlement terms contemplate performance

> **performing even partial settlement obligations before a settlement hearing, as doing so prevents the Court from meeting its obligation to oversee class action settlements.[65] It is well settled that the Court of Chancery's role in approving class action settlements under Court of Chancery Rule 23 "is intended to balance policies favoring settlement with concerns for due process"15 and arises "from the fiduciary nature of representative actions," particularly "the need to assure that the interests of absent class members or stockholders have been fairly represented, and the necessity of guarding against the ever-present potential for surreptitious buyouts of representative plaintiffs at the expense of those whom they purport to represent."[66]**

By filing this motion, Lead Counsel sought to contravene the due process rights of absent class members by neglecting to furnish appropriate notice, the opportunity for said members to express their views on the proposed settlement, either by submitting objections or endorsing the settlement through relevant documentation and the right to file discovery motions. Although this Court did deny Lead Counsel's motion, this Court should not overlook this application, as the standing and ability of counsel cuts both ways.

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before such hearing takes place."); AMC Entertainment Holdings, Inc., Current Report (Form 8-K) (Apr. 3, 2023) ("However, in order to allow the Status Quo Order to be lifted now and permit the Conversion of AMC Preferred Equity Units into Class A common stock to proceed, the Company has agreed to make a settlement payment to the Plaintiffs' class in the form of Class A common stock (the 'Settlement Payment'). The obligation to make the Settlement Payment only arises if the Status Quo Order has been lifted and the Conversion has taken place. Subject to these conditions, the Company, on behalf of the named defendants, has agreed, promptly following the Conversion, to make a settlement payment to the record holders of the Class A common stock as of the Settlement Class Time (as defined below).").

[65] See Chickering v. Giles, 270 A.2d 373, 376 (Del. Ch. 1970); In re SS & C Techs., Inc., S'holders Litig., 911 A.2d 816, 819 (Del. Ch. 2006) ("This court, in reviewing settlements, has often reminded counsel of the Chickering decision and of the necessity to present settlements quickly and to advise the court when some exigent circumstance makes it difficult or impossible to give the necessary notice and seek formal approval before the performance of some part of the settlement."). This Court has rejected proposed settlements when they were partially performed before the settlement hearing. See, e.g., SS & C Techs., 911 A.2d at 819; Reith v. Lichtenstein, C.A. 2018-0277-MTZ, D.I. 196 (Del. Ch. Oct. 3, 2022) (TRANSCRIPT). Performance without approval is particularly inappropriate where the parties have identified no need to circumvent Court of Chancery Rule 23(e). See Chickering, 270 A.2d at 376; cf. Barkan v. Amsted Indus., Inc., 567 A.2d 1279, 1285 (Del. 1989).

[66] Donald J. Wolfe, Jr. & Michael A. Pittenger, Corporate and Commercial Practice in the Delaware Court of Chancery § 13.03[f][1] at 13-28–29 (citations omitted); id. at 1329 n.95 (citing Wied v. Valhi, Inc., 466 A.2d 9 (Del. 1983), cert. denied, 465 U.S. 1026 (1984), and In re Activision Blizzard, Inc. S'holder Litig., 124 A.3d 1025, 1042–43 (Del. Ch. 2015), and De Angelis v. Salton Maxim Housewares, Inc., 641 A.2d 834, 841 (Del. Ch. 1993), rev'd on other grounds sub nom. Prezant v. De Angelis, 636 A.2d 915 (Del. 1994), and Erickson v. Centennial Beauregard Cellular LLC, 2003 WL 1878583, at *4 (Del. Ch. Apr. 11, 2003) (citing Prezant, 636 A.2d at 922), and Chickering, 270 A.2d 373).

Lead Counsel Opposes Putative Class Motions' To Intervene

It is highly unusual that Lead Counsel, in a case such as this, to seemingly oppose the very stockholders they purport to represent. One cannot help but question the rationale behind Lead Counsel's apparent efforts to silence the voices of the putative class by filing their opposition to the putative members' motions to intervene. In a situation where one would expect the AMC Defendants to be the sole party opposing such matters, it is disconcerting that Lead Counsel appears to be disregarding their ethical obligation to ensure that the concerns, hardships, and perspectives of the most affected individuals are given a fair opportunity to be heard in court. Such actions give the impression that Lead Counsel may be attempting to suppress the voice of the Class.

Lead Counsel Oppose Discovery Motions

Considering that both Lead Counsel and Defense attorneys have already agreed to maintain the confidentiality of all discovery, their opposition to the motion for discovery by putative class members and intervenors raises certain questions. Specifically, one might question whether Lead Counsel and Defense attorneys are attempting to orchestrate this settlement based on concealment rather than disclosure. This approach undermines the due process rights of putative members, as it limits their ability to fully understand and evaluate the terms of the proposed settlement. Legal ethics and principles of fairness generally require that all parties have access to the necessary information to make informed decisions about their legal rights and obligations.

Lead Counsel Inadequately Represents the Class on a 242 Claim

On April 28th, 2023, this Court published their letter[67] addressing the parties' filing of the settlement stipulation, proposed scheduling order, and proposed notice.[68] This Court put the Lead Counsel on notice that the notice of pendency of stockholder class action and proposed settlement, settlement hearing and right to appear, would have to be revised specifically in paragraph 39. "Lead Counsel asserts its claim under Delaware General Corporation Law Section 242(b)(2) was

[67] DI 175
[68] DI 165

unlikely to succeed because of "[a] recent decision from the Delaware Court of Chancery" that held "Section 242(b)(2) requires [a] 'special right," such as those alleged to be at issue in this case, "to be expressly granted in a corporation's certificate of incorporation" to require a separate vote of a class of stockholders where that "special right" is adversely affected. Indeed, on March 29, 2023, this Court held as much: and one firm among Lead Counsel represented the plaintiffs in that action.[69] On April 12, that firm appealed that decision to the Delaware Supreme Court.[70] **Paragraph 39 should disclose that one firm among Lead Counsel is lead counsel for the plaintiffs in that case and has appealed that "recent decision," and that the appeal remains pending.**"[71]

Resolving DGCL 242 controversies calls for this Court to interrupt the relevant Certificate of Incorporation/Designations and the intent of parties revealed by the language of the relevant certificates and the "circumstances surrounding its creation and adoption."[72] Make no mistake about it, AMC Defendants issuance of APE as "mirror-image" of AMC common stock, and successive Computershare Depositary Agreement leveraged by their deal with Antara, was a calculated breach of DGCL 242. There isn't much interpretation needed here. On multiple occasions, AMC Defendants violated the plain language of DGCL 242 and the relevant designations that instruct preferred stock was not "entitled to vote together with Common Stock" when "applicable law... requires a separate class vote". Without stockholder approval, AMC Defendants designated super voting rights and an automatic conversion clause to preferred stock; then entered into the Computershare Depositary Agreement to weaponize the sale of APE, thereby altering the incorporated rights and powers of AMC common and guaranteeing conversion of APE The unauthorized scheme adversely affected common stock holders by bestowing illegitimate special rights to preferred, thereby usurping common stock holder's rights and powers already

[69] In re Snap Inc. Section 242 Litig., Consol. C.A. No. 2022-1032-JTL, at D.I. 22 (Del. Ch. Apr. 6, 2023) (docketing the Court's telephonic rulings on the parties' cross-motions for summary judgment); In re Snap Inc. Section 242 Litig., Consol. C.A. No. 2022-1032JTL, at D.I. 7 ¶ 4(b) (Del. Ch. Dec. 14, 2022) (appointing Bernstein Litowitz Berger & Grossman LLP lead counsel). The Court takes judicial notice of this fact under Delaware Rule of Evidence 202(a)

[70] In re Snap Inc. Section 242 Litig., Consol. C.A. No. 2022-1032-JTL, at D.I. 23 (Del. Ch. Apr. 12, 2023). The Court takes judicial notice of this fact under Delaware Rule of Evidence 202(d)(1)(C).

[71] DI 175 page 5 paragraph 2

[72] Garfield v. Boxed Inc., No. 2022-1032-MTZ (Del.Ch.Dec.27,2022)

established in AMC's Certificate of Incorporation. And they did it all without ever proposing a vote until the results AMC Defendants sought was a foregone conclusion.

Call it what you want, the issuance of APE 1/100th preferred stock equity units- designated with an automatic conversion clause- was an unauthorized increase in AMC common stock. AMC Defendants concede APE was indeed a "MIRROR-IMAGE" designed to circumvent DGCL 242 to give Defendants the ability to sell shares without requisite shareholder approval from the majority of AMC shareholders.[73] AMC Defendants contend their Certificate of Incorporation afforded the AMC's board the luxury of unilaterally designating voting powers to treasury preferred stock pursuant to DGCL 151 without shareholder authorization. Plaintiffs may agree, but the plain language adopted in The Certificate of Incorporation only grants authorization for the board to adopt a resolution. Under, DGCL 242 (a)(3), when the resolution seeks to "increase or decrease its authorized capital stock or to reclassify the same, by changing the... designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such right", such a resolution must be proposed and authorized through a certified amendment consistent with DGCL 242 (b)- not DGCL 151.[74]

The automatic conversion clause was a special right and power.[75] AMC Defendants never sought shareholder approval when designating super voting rights, the 100 x conversion rate, the automatic conversion clause to or the Computershare Depositary Agreement bestow upon preferred stock. Instead of proposing an amendment to be voted on as required by DGCL 242, AMC Defendants unilaterally altered the powers, preferences and rights of both common and preferred under DGCL 151. The automatic conversion clause in itself constitutes a breach of the plain language of DGCL 242 and any analysis of "circumstances surrounding its creation and adoption" of the Mirror-Image preferred equity units shows a calculated intent to lever such breach against the will of common stockholders.[76]

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[73] DI 200 at 15

[74] See DGCL 242 (a)(3), see also Rothschild Int'l Corp. v. Liggett Gp. Inc.,474 A.2d 133, 136 (Del. 1984).

[75] Greenmont Capital v. Mary's Gone Crackers No.7265-VCP (Del.Ch.Sep.28,2012).

[76] Waggoner v. Laster, 581 A.2d 1127,1134 (Del.1990); see also Garfield v. Boxed Inc., No. 2022-1032-MTZ (Del.Ch.Dec.27,2022). Moreover, special rights not granted in the Certificate of Incorporation require a vote. In re Snap Inc. Section 242 Litig.,Consol. C.A. No.2022-1032-JTL., (Del.Ch. 2022).

Petition to Opt Out

As of May 14th, 2023, over "6500 people" have signed an online petition on Change.org, to opt out of AMC's proposed class settlement in reference to this matter. The petition asserts that

> "the settlement appears to be a cash grab for the plaintiffs' attorneys, who stand to gain significant fees rather than a fair and just resolution for shareholders. This kind of action is typical in Delaware Chancery Court and counsel for the plaintiffs are repeat offenders. As such, we respectfully request that the undersigned be allowed to opt out of the settlement agreement."[77]

International Stockholders

The Lead Counsel has not adequately represented the interests of the international stockholders of AMC, including, but not limited to, those hailing from Japan, the Netherlands, Germany, Spain, and China. The lack of due consideration for these stockholders is evidenced by the absence of language accommodations and the failure to account for the extended delivery times for communications sent to international stockholders. Specifically, the Lead Counsel has neglected to provide translations of critical documents pertaining to the settlement, such as the settlement stipulation, proposed scheduling order, and proposed notice. This oversight hinders the ability of international stockholders to comprehend and participate in the settlement process effectively. Additionally, the Lead Counsel has not taken into account the logistical challenges faced by international stockholders with respect to the mailing of postcards. The postcards, which were sent out no later than May 8th, 2023, are expected to reach international recipients later than their American counterparts due to international shipping times. Consequently, these international stockholders are afforded a disproportionately narrow window to review, comprehend, and respond to the contents of the postcards, which are not provided in their native languages. The deadline for filing responsive documents, support, or objections, set for May 31st, 2023, further exacerbates this disparity.

[77] https://www.change.org/p/petition-to-opt-out-of-amc-s-proposed-class-settlement?recruiter=1279237536&recruited_by_id=82d8a6d0-45e4-11ed-89ab-6fbdfe770987&utm_source=share_petition&utm_campaign=share_for_starters_page&utm_medium=copylink

In conclusion, the actions of Lead Counsel demonstrates a failure to adequately represent the interests of the class, potentially undermining the legitimacy and fairness of the class action settlement. The disregard for the due process rights of absent class members and the attempt to circumvent proper court oversight should result in the court denying the settlement, necessitating further litigation or renegotiation. This case highlights the crucial need for attorneys to uphold their fiduciary duties to all class members, ensuring that their rights are protected and their voices heard in the pursuit of a fair and equitable resolution.

III. THE PROPOSED SETTLEMENT ONLY RECOVERS A MERE 2.5% OF THE LOST MARKET CAP VALUE AND FAILS TO PROVIDE SUBSTANTIVE RECOVERY TO STOCKHOLDERS – THEREFOR THE REQUESTED FEE AND EXPENSE AWARD IS UNJUSTIFIED

In the Plaintiffs' opening brief, the Plaintiffs contend that, upon approval of the settlement,

> "although one cannot definitively predict the price at which AMC stock will trade following the Conversion, using reasonable assumptions, the Settlement is among the largest negotiated resolutions in Delaware class action history. Over 6.9 million shares of Common Stock will be issued as Settlement Consideration if the Settlement is approved. Based on the trading prices of shares of Common Stock and APE units on May 3, 2023, the total Settlement Consideration is worth approximately $129 million." [78]

Remarkably, Plaintiffs audaciously seek attorneys' fees amounting to $20 million, inclusive of $121,641.74 in expenses, having consented to the settlement prior to deposing Defendant Aron, whom they have characterized as a participant in the alleged "pernicious and clever financial engineering" behind Project Popcorn.

LEGAL ANALYSIS

a. Legal Standard

Delaware courts, unlike many federal courts, do not follow the "lodestar" or "Lindy" approach to setting a fee, under which the time expended by the plaintiff's attorneys is the

[78] D.I. 206, pages 9-10

prime consideration.[79] This Court may award attorneys' fees to counsel whose efforts conferred a common benefit.[80] This principle applies to both financial and non-monetary benefits.[81] The determination of any attorney fee and expense award is within the Court's discretion.[82] The Court considers the *Sugarland* factors, including: (1) the benefit achieved; (2) the contingent nature of counsel's fee and the efforts of counsel and time invested; (3) the complexity of the litigation; and (4) the standing and ability of counsel involved. Delaware courts have assigned the greatest weight to the benefit achieved in litigation.[83]

b. Plaintiffs' Benefits of the Settlement Argument is Disingenuous

The Plaintiffs' conclusion to their first argument illustrates a significant disconnect with the reality of this settlement:

> "The new stock issuance compensates common stockholders for the dilution suffered on account of the APEs issuance to the expected tune of approximately ***$129 million***. Indeed, an **economic recovery of this magnitude is rare** in cases before this Court."[84]

Plaintiffs posit that the settlement is valued at approximately $129 million for AMC common stock stockholders. However, the Plaintiffs' argument in support of the proposed settlement and their request for a $20 million award lacks any reference to the $5,150,690,236.70 in total market value that has been eradicated from AMC stockholder value since the introduction of the APE share into the US Markets on August 22nd, 2022, less than a year prior. In the aftermath of a loss of approximately 53.4% in market capitalization, amounting to $5.15 billion, this

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[79] *Sugarland Indus., Inc. v. Thomas*, 420 A.2d 142, 149-50 (Del. 1980). For the federal "lodestar" approach , see Lindy Bros. Builders, Inc. v. Am Radiator & Standard Sanitary Corp., 487 F.2d 161 (3d Cir. 1973)

[80] *See, e.g.*, *Americas Mining Corp. v. Theriault*, 51 A.3d 1213, 1255 (Del. 2012); *Tandycrafts, Inc. v. Initio Pr's*, 562 A.2d 1162, 1164 (Del. 1989).

[81] 124 *EMAK Worldwide, Inc. v. Kurz*, 50 A.3d 429, 434 (Del. 2012).

[82] *Theriault*, 51 A.3d at 1254-55 (upholding fee award of over $304 million); *Sugarland Indus., Inc. v. Thomas*, 420 A.2d 142, 149-50 (Del. 1980).

[83] *Id.*; *see also Julian v. E. States Const. Serv., Inc.*, 2009 WL 154432, at *2 (Del. Ch. Jan. 14, 2009) ("In determining the size of an award, the courts assign the greatest weight to the benefit achieved in the litigation." (citing *Franklin Balance Inv. Fund v. Crowley*, 2007 WL 2495018, at *8 (Del. Ch. Aug. 30, 2007)).

[84] DI 206 page 40

settlement proposes to recover $129 million, **a mere 2.5% of the lost market cap value**, while compensating the Plaintiffs' Counsel with "an award of fees and expenses equal to $20 million, **reflecting approximately 15.5% of what they exclusively created for the Class**.[85] The proposed settlement is also "fatally flawed and not likely to survive This Court's scrutiny. Amongst other inequities, the settlement hinges on a stipulation which requires the bulk of the purported 3.8 million shareholders to release nearly a years' worth of claims yet receive no settlement distribution. See Notice of Pendency of Stockholder Class Action and Proposed Settlement at 10. Since the distribution of the settlement is confined to holders of a "Settlement Class Time" -which is only a moment's snapshot of the close of one business day yet the "Settlement Class" encompasses "all holders of AMC Common Stock between August 3, 2022, through and including the Settlement Class Time", the vast majority of the class will receive no distribution in exchange for a broad release of their claims."[86]

Interestingly, Lead Counsel's third argument in the Plaintiffs' Brief, asks this Court to award them $20 million in legal fees and expenses to be paid out in cash, while the settlement will be disbursed to the Class in the form of shares, subject to potential gains or losses until their subsequent sale. Considering the purported confidence of the Lead Counsel in the value of the settlement, it is curious as to why they did not structure their legal fees in a manner that would entail receiving fifty percent in cash and fifty percent in post-reverse split AMC stock, with a mandatory holding period of two years to qualify for long-term gains while AMC collects $10 million from their insurance. By adopting to a legal fee payout structure consisting of 50% cash and 50% stock (subject to long-term holding), the Lead Counsel collectively stand to potentially save several million dollars in prospective tax liabilities, as long-term capital gains are taxed at a lower rate (maximum rate of 20%) compared to federal income tax (maximum rate of 37%). If the settlement is indeed deemed highly advantageous for the settlement class, it begs the question as to why the Lead Counsel did not structure the legal fee and expense award in a manner that would entitle them to receive payment in the form of stock.

[85] D.I. 206 page 11
[86] D.I. 254

AMC's Market Cap Analysis

As evidenced by AMC's FORM 10-Q filed on August 4th, 2022 the filing shows that there were 516,820,595 outstanding AMC shares at that time.[87] On the same day, just before the APE stock dividend was announced, AMC stock closed at $18.66, resulting in a total market capitalization of $9,643,872,302.70.[88] Subsequently, during the August 4th, 2022 AMC Call, Defendant Aron, without seeking shareholder vote or approval, revealed AMC's intention to offer a preferred share dividend spin-off called APE, with each existing shareholder receiving one APE share for every AMC share held.[89] As stated in AMC's 8-K filed on August 18th, 2022, AMC's board of directors maintains the authority to authorize additional AMC Preferred Equity units at any point in the future, including in 2022 or 2023, at their sole discretion if deemed to be in AMC's best interests.[90] The introduction of APE was not merely a dividend; it allowed for significant dilution, authorizing up to 5 billion APE shares, which is nearly ten times the original outstanding share float of AMC. The APE dividend was dilution without shareholder approval.[91]

Since the introduction of APE, shareholder value has significantly diminished. As referenced in the Plaintiff's brief, on May 3rd, 2023, AMC Common Stock closed at a price of $5.74 per share, and APE closed at a price of $1.52 per unit. "Accordingly, as of this date, the total market capitalization of Common Stock stood at $2,980,164,319 (based on 519,192,390 issued and outstanding shares of Common Stock), and the total market capitalization of APE amounted to $1,513,017,748 (based on 995,406,413 issued and outstanding APEs)."[92] As of May 3rd, 2023, the combined market capitalization of the company, for purposes of illustration, remained at $4,493,182,066.[93] By subtracting the current total market capitalization of AMC and APE as of May 3rd, 2023 ($4,493,182,066) from the total AMC market capitalization before APE

[87] AMC's Form 10-Q. August 4, 2022. Link: https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=15993122
[88] D.I. 95 & 186
[89] D.I. 95 & 186
[90] AMC Form 8-K. August 18th, 2022. Link: https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=16027359
[91] D.I. 95 & 186
[92] D.I. 206, pg. 30
[93] D.I. 206, pg. 31

($9,643,872,302.70), the resulting figure, $5,150,690,236.70, represents the total market value lost by AMC shareholders in less than a year. Please note that this initial market cap calculation calculates overall shareholder value lost, but this specific calculation does not calculate the percent of ownership that was lost.

The perceived value of the 129 million clawed back to AMC common stockholders through the proposed settlement does not adequately compensate for the lost market capitalization. In the opening brief filed by the Plaintiffs, there are assumptions about the $129 settlement value that are inherently incorrect or misleading. First, in the opening brief filed by the Plaintiffs, they state "Based on the trading prices of shares of Common Stock and APE units on May 3, 2023, the total Settlement Consideration is worth approximately $129 million."[94]

Estimated Value of the Proposed Settlement

Assumption: The total settlement presumes that the trading price between the present and the settlement date will remain within a comparable range (e.g., +/- 10%). However, both AMC and APE are highly volatile stocks. From May 3rd, 2022 to May 3rd, 2023, AMC has traded within a range of $3.77 (52-week low) and $27.50 (52-week high)[95], while APE has traded between $0.65 (low) and $10.50 (high) since its debut on August 22nd , 2022 until May 3, 2023.[96] Notably, both stocks have trended downward shortly since after APE was released and further downward when APE was diluted in late 2022. Based on available short interest data on websites such as Fintel or Yahoo, these stocks are both highly shorted. Short selling can cause downward pressure on the stock price because the short seller will aim to sell a stock they don't own at a higher price in the hopes it will go down. Then, they can buy back the stock at a lower price to cover their previous short debt and net a profit.

In the Plaintiff's opening brief, the Plaintiffs acknowledge that if the settlement is approved that one cannot definitively predict the price at which AMC stock will trade following the

[94] D.I. 206 page 9-10
[95] Yahoo Finance Ticker AMC (NYSE Exchange). Time Range Referenced is May 3, 2022-May 3, 2023. https://finance.yahoo.com/quote/AMC
[96] Yahoo Finance Ticker APE (NYSE Exchange). Time Range Referenced is August 22, 2022-May 3,2023. https://finance.yahoo.com/quote/APE

Conversion."[97] While this statement holds partial truth, recent historical trends of small to mid-cap stocks following a reverse split can serve as a basis for estimating potential market cap gains or losses. One recent example would be Mullen Automotive (Ticker: MULN) Stock. The company announced a 25 for 1 reverse split on May 3, 2023, which would take into effect the following day (on May 4th, 2023). Once the announcement was made, the stock closed down about 21% on the day.[98] And then on May 4th, 2023, after the reverse split was effectuated, MULN shares dropped about another 8%.[99] The MULN reverse split clearly shows how quickly share price and market cap can drop as a result of a reverse stock split. MULN is just one example, there are countless other companies (e.g., COSM, WISA, SNDL, etc) that also experienced massive drops in value post reverse stock split.

Due to the inherent volatility of the stock, historical patterns of market cap loss following reverse splits, and the absence of accountability in market structure (e.g., no blockchain verification to prevent brokers or market makers from creating synthetic shares), the anticipated $129 million settlement value may significantly diminish in a brief period following the conversion, adversely affecting long-term AMC shareholders. The majority of the $129 million settlement value would represent the presumed AMC stock value before it is sold, constituting unrealized gains for most shareholders rather than immediate cash value. Nevertheless, shareholders might experience some realized gains when they receive cash to replace fractional shares. For the vast majority of the settlement value, AMC is reallocating shares they intended to sell on the market back to shareholders, which is not equivalent to AMC directly paying $129 million to their shareholders. Given the history of reverse stock splits negatively impacting stockholders, there exists a real possibility that if the market cap of AMC common drops by $129 million (a projected 2.9% of the estimated $4.49 billion market cap), any benefit from this

[97] D.I. 206 page 9-10
[98] Mullen Automotive Stock Forecast. FXStreet.com. Posted May 4, 2023. Link: https://www.fxstreet.com/news/mullen-automotive-stock-forecast-after-1-for-25-reverse-split-muln-sinks-another-8-on-thursday-202305041324
[99] MULN Historical Data. NASDAQ.com. Time Range Referenced is May 3-4, 2023. Link: https://www.nasdaq.com/market-activity/stocks/muln/historical

settlement could be instantly wiped out. Short sellers often view reverse splits as favorable opportunities.

The estimated $129 million value is, in essence, highly theoretical and not guaranteed to materialize, or if it does materialize, it could be fleeting before gradually diminishing over time. In a scenario where AMC common stock is aggressively shorted immediately following the reverse split, effectively eroding shareholder value, nearly all parties involved in this lawsuit would suffer—AMC as a company, retail shareholders, Allegheny, and other investors—while only the attorneys would retain their gains.

The Impact of Fractional Share Payouts on the Value of the Proposed Settlement

The Lead Plaintiff's Opening Brief (which references the calculation from Ripley's Affidavit)[100] states that in the proposed settlement the stockholder payout would approximate around 6.9 million shares to applicable common stockholders with an estimated value of 129 million to stockholders (referencing the May 3, 2023 closing price).[101] In the Plaintiffs' Opening Brief, it states "If the share issuance would result in record holders receiving a fraction of a share of Common Stock, AMC will arrange for a cash payment in lieu of issuing fractional shares."[102] It appears that the 6.9 million share number was derived by dividing the estimated common stock share float of approximately 52 million (post reverse split, pre conversion) by 7.5 (referencing the 1 for 7.5 common stock proposed settlement payout). The Plaintiffs' proposed settlement payout estimation is based on faulty calculations and is a misrepresentation to the Court, settlement class, and the AMC Defendants. The Lead Plaintiffs failed to report the impact that the fractional cash payouts would have on the final numbers. Ripley's Affidavit claims that "While predicting the amount of cash payment for fractional shares cannot be done reliably in advance without additional information." Without the raw data to review the shareholdings for stockholder account, the verified total number of stockholders and their accounts, and a breakdown of synthetic vs authorized shares held in each account, the most accurate fractional cash payout number cannot be verified. However, based on the existing data, an estimate of the value of fractional cash payouts

[100] DI 206 Ripley's Affidavit filed along with The Plaintiff's Opening Brief
[101] D.I. 206, at 9 at 52
[102] D.I. 206 at 29

can be calculated and is necessary to estimate in order to understand the accuracy, impact, and risk of the proposed settlement on AMC and its stockholders.

If the proposed settlement is approved by this Court and the reverse split (RS) and merger goes forward, the following would take place:

> 1. AMC and APE experience a 10 for 1 RS.
> 2. AMC pays out cash in place of AMC and APE fractional shares not divisible by 10.
> 3. Then, as part of the settlement, applicable common AMC Stockholders receive 1 new AMC common share for every 7.5 hares held.
> 4. Then, AMC pays out cash in place of fractional shares not divisible by 7.5.
> 5. Then, AMC and APE are merged into one common stock AMC.
> 6. Then, AMC is traded on the open market only under AMC. [103]

There are three rounds of fractional payouts in total, though every stockholder may not necessarily receive each payout. As referenced, there are estimated "3.8 million stockholders" (D.I. 188)[104], and many of those stockholders have multiple brokerage accounts, so it is likely most stockholders will receive anywhere between 1 and 8 fractional cash payouts in total, which will change the number of actual number of shares delivered as part of the reverse split and proposed settlement. To be clear, the fractional cash payouts that would exist as part of the reverse split would not be counted in the total settlement number, but what happens in that step does affect how many shares and fractional cash payouts would occur in the proposed settlement.

Question: How much cash and how many shares would actually get paid out in the proposed settlement (estimated by the plaintiffs at 129 million USD)? The analysis in this section establishes several initial conditions. Many individual shareholders believe synthetics are in existence, based on available data from short interest, failed to delivers (FTDS), average

[103] DI 206
[104] D.I. 188

holdings, and the stockholder voter turnout during the Say Technologies call.[105] However, presumably in situation of synthetic shares, brokers and/or short sellers would be responsible for paying out fractional shares or new assigned common shares that are over and above the float. This analyses does not account for synthetic shares because it only focuses on what AMC would be responsible for paying for out the authorized shares in the proposed settlement.

According to the reported Fintel ownership data on April 6th, 2023, institutions own 25.83% of AMC (134,107,394), insiders own 4.77% of the existing AMC float (in total around 30.6% or around 158,872,871 shares).[106] In total, approximately around 450 institutions and around 40 insiders report to own AMC stock (rounded up to 500). Many of these 500 or so institutions and insiders may receive the fractional cash payouts (though defendants on this case will be excluded from the proposed settlement). However, the vast majority of fractional cash payouts will be implemented on the 3.8 million stockholders and their accounts, so that will be the focus of this analysis. Individual stockholders are reported to hold (at minimum) the remaining 360,319,518 of the outstanding AMC shares (69.3%), which averages out to approximately 94.8 authorized shares per stockholder (rounded up to 95 for this analysis). Using the average authorized share per stockholder of 95, when the AMC 10 for 1 RS occurs, then the average stockholder (A) would be left with 9 AMC shares, and would receive a fractional payout (from AMC) of 5x/10 multiplied where x is the current share price post 10 to 1 RS. Additionally, if the average shareholder held the same number of AMC and APE, they would also get the same fractional payout for APE after the 10 to 1 RS. If the proposed settlement was approved, then Stockholder A in this example would receive 1 new post-split AMC common shares (for the 1 per 7.5 owned) and a fractional cash payout (from AMC) of 2x/7.5 for his remaining shares that are not divisible by 7.5. Now because 7.5 is the dividing number, this implies that nearly all applicable stockholders will be receiving some type of fractional payout at this stage. As fractional payouts are made, those shares from the fractions are not delivered as shares in the proposed settlement.

[105] DI 95 and 186. Note: Say Technologies vote showed that 70.3K Participants (of 4 million AMC shareholders, 1.76%) held on average 1,018 shares, which implies massive synthetic shares.
[106] AMC Price and News. Fintel. April 6, 2023. Link: https://fintel.io/s/us/amc Note: Using April reference for calculations because reporting on the site changed in May though the numbers look comparable.

To complete the equation, it is necessary to use a share price for x. For consistency, the post-split share price was estimated to be $29.67 (based on Ripley's estimation) will be used for x, the estimated post-split share price.[107] If the average individual shareholder has 95 AMC shares pre RS, that will result in an estimated 18 million shares (5%) of the retail total being removed before the proposed settlement (1.8 million post-split). The average cash payout at the RS stage for AMC to pay to individual stockholders would be about $14.835 per person and $56.37 million in total. The APE fractional payout for the reverse split was not calculated for this analysis, though it is likely that the payout would be in a similar range as the estimated AMC RS fractional payout of $56.37 million in total.

Then post-split the average individual investor would have 9 AMC common shares and receive 1 additional new post-split common share and a cash payout of $7.91. If expanded the average number to all 3.8 million stockholders that would result in 3.8 million shares to individual stockholders and about a $30 million in cash payout. Another thing of note, this example only displays retail stockholders having one account. If you factor in that many individual shareholders have multiple accounts holding AMC, the fractional payouts potentially increase by double or more. Additionally, if there are more than 3.8 million shareholders, the fractional payouts increase even further. Also important to note is the larger the fractional payouts at both the reverse split and proposed settlement stages, the larger the initial cash payout by AMC Defendants would be to AMC common stockholders, but the lower the share payout would be to stockholders.

Using the same calculation for institutions and insiders, the median range of the AMC RS fractional payout for those groups would be approximately $7,417 in total. The institutions and insiders have a much higher average share count, thus a very small percentage (under 0.01%) of their total shares are removed in a reverse split. The AMC Defendants (categorized under insiders) would be excluded from the potential proposed settlement. In the proposed settlement, the median shares potentially lost by institutions via fraction would be minimal, median estimate would be around 1,610, which would result in a total fractional payout of $47,769, and 1,786,488 new shares for institutions in total. So because of the number of insiders and institutions are only around 500,

[107] DI 206 at 4 Ripley's Affidavit filed along with The Plaintiff's Opening Brief

there is minimal impact of the fractional share payouts and shares lost during RS and proposed settlement especially when compared to retail.

When accounting for fractionalized payouts, the proposed settlement is estimated to result in 3.8 million AMC shares to individual stockholders and 1,786,488 new AMC shares for institutional holders, which results in an estimated 5,586,488 new shares to be issued (rounded to 5.6 million), initial calculations indicate the total shares delivered in the proposed settlement would be less than 6.9 million shares[108] but closer to 5.6 million shares. Additionally, the analysis estimates that individual shareholders in total would receive $30 million in fractional cash payouts and institutions would receive about $48k. Any fractional shares resulting in a cash payout would qualify as a realized gain or loss and be potentially taxable, but the delivered shares would be unrealized gains or losses until the stockholder sells. **The current proposed settlement is a misrepresentation of the settlement conditions to the Court and shareholders. The briefs and proposed settlement should be rewritten in order to reflect more accurate estimations of the delivered shares and cash payouts.** If the plaintiffs or defendants want to dispute these numbers, then they need to provide a share count that is verified by a 3rd party and shareholders so an accurate assessment of how many shares and cash will be delivered based on the shares held in each shareholders account.

The Risk of Bankruptcy due to the Fractional Share Payouts

When the fractional payments occur, AMC is required to pay stockholders for the fractions or non-divisible in a split shares back. Depending on the share price, division, and number of shareholders, this can be even more expensive than projected. The assumption is that AMC would resell those shares taken back once the market opens post RS to regain the majority of that cost. Though as mentioned previously, often reverse splits result in downward pressure.

Further, there is a major risk that if this proposed settlement is allowed to be implemented (and the reverse split and merger go through) it would result in AMC exhausting all of their cash and make them bankrupt before they could sell shares on the market to recoup. If AMC goes bankrupt as a result of this settlement, it would negatively affect

[108] DI 206 at 9, 31, 52

all parties on this case including AMC stockholders, the Plaintiffs, and the AMC Defendants. How could AMC go bankrupt as a result of the settlement? During AMC's Q1 2023 Earnings Conference Call (on May 5, 2023), Defendant Goodman stated that "We ended the quarter with liquidity of $704 million. This is comprised of $496 million of cash and cash equivalents and $208 million of undrawn credit facilities."[109] The estimated cash payouts as a result of both the reverse split for AMC and proposed settlement for AMC shares total $86.57 million USD that AMC would have to pay out to cover fractional shares that cannot be delivered. The initial estimation for payouts are 12.26% of AMC's liquidity for operations. If right before the reverse split is implemented, if the market makers raised the price of AMC common to push this stock up to 8.16x of its estimated value, halt the stock, implement the reverse split and the proposed settlement, this would then trigger AMC to pay out a substantial amount of fractional payouts that would exceed the $704 million of liquidity on hand from AMC (before they could sell more shares on the market). This situation may cause AMC corporate to file for bankruptcy and possibly result in the stockholders (including the Plaintiffs and AMC Defendants) losing most or all of their AMC and APE investment. **The Court should be aware that the combination of the reverse split, merger, and proposed settlement with large fractional payouts can lead to a potential bankruptcy for AMC and loss of all value to all AMC stockholders.**

Risk of Dilution on Shareholder Value

The Plaintiffs' brief explains the proposed share structure:

> The Certificate Amendments and Conversion would leave only about 150 million shares of Common Stock outstanding, affording management roughly 400 million 'dry powder' shares to conduct future dilutive capital raises without needing to seek stockholder approval.[110]

[109] AMC Entertainment Holdings, Inc. (AMC) Q1 2023 Earnings Call Transcript May 05, 2023. *Seeking Alpha*. Posted on May 05, 2023. Link: https://seekingalpha.com/article/4600628-amc-entertainment-holdings-inc-amc-q1-2023-earnings-call-transcript Accessed on May 07, 2023.

[110] DI 206 at 5

Dilution constitutes a significant concern for shareholders. One reason why AMC stock trades higher than APE is the fewer outstanding shares and the near absence of AMC shares left for dilution, whereas APE could be diluted with an additional 4 billion shares. When a company dilutes its shares by releasing them onto the market, the share price typically declines; conversely, if a company repurchases and retires shares, the value of outstanding shares and the ownership percentage of company stock increase. It is critical to note that, under the new share structure, AMC corporate would possess the capacity to dilute the float by an additional 267% at any given moment. This prospect deters potential shareholders since, should the stock begin gaining momentum, they are aware of the very real possibility that the corporation will dilute and sell more shares on the market, thereby reducing the value of their shareholdings. AMC shareholders have already witnessed this process play out with APE shares, which initially started trading around $6-7 dollar range, and now in early May is trading around $1.50. APE started with about 516 million shares outstanding and now is up to 1 billion and APE has seen its share price drop about 75%.

To ensure that the settlement benefits all parties involved, it must outline steps to restore and safeguard shareholder value in AMC and/or APE stock.

c. The Contingent Nature of Counsel's Representation and the Efforts and Time Expended Support the Fee and Expense Award

Delaware's public policy promotes incentivizing risk-taking in the interests of shareholders through contingent fee representations. However, it is crucial to ensure that fee and expense awards are equitable, judicious, and proportional to the value conferred upon the class. While the contingent nature of counsel's representation and the efforts and time expended are factors warranting consideration in determining the fee and expense award, a comprehensive evaluation of the reasonableness, proportionality, and value provided by counsel to the class is essential before approving such an award of this magnitude requested by the Plaintiffs.

The proposition of bestowing both a risk and incentive premium in addition to standard hourly rates is predicated upon the supposition that counsel confronted considerable risks and

uncertainties when undertaking the case. Nevertheless, the strength of the plaintiffs' case from inception had mitigated the actual risks faced by counsel. Plaintiff Alleghany had nearly unlimited free resources and due diligence performed by retail shareholders on the internet. This was found on Reddit, Twitter and other social media. Additionally, retail shareholders who were subject matter experts, extensible performed free consulting for Allegheny plaintiffs. Additionally, the high likelihood of winning versus a defendant who has an extensive history of allegations similar to this case, and who settles quickly, alludes to the low level of risk associated with the case. It is imperative to meticulously scrutinize the genuine risks involved in the case and the extent to which counsel's representation was contingent on the outcome. Moreover, the court must judiciously assess the efficacy and productivity of the counsel's work.

The time dedicated to the case should be reasonable, precluding any rewards for counsel who needlessly prolong litigation or expend excessive hours. The time spent by counsel in the litigation should function as across-check on the reasonableness of the fee award, ensuring that the fee and expense award is proportional to the time expended, the value provided to the class, and the intricacy of the case. In sum, a thorough evaluation of these factors is of paramount importance to make an informed determination as to whether the requested fee and expense award is reasonable and justified. In this case, it is excessive and not merit worthy.

d. The Complexity of the Litigation

One of the secondary *Sugarland* factors is the complexity of the litigation. All else equal, litigation that is challenging and complex supports a higher fee award. While it is conceded that litigation involving challenging and complex matters might warrant a higher fee award, it is crucial to scrutinize the uniqueness and complexity of this case alongside the overall risks, efforts, and time spent by counsel. The assertion that this case surpasses the complexity of a standard breach of fiduciary duty or Blasius case, and the claim that prosecuting the case necessitated a profound understanding of Delaware law, trading strategies, and corporate finance, should be weighed against the genuine risks faced by counsel and the actual value provided to the class. In this case, numerous aspects were disregarded, omitted, and, quite frankly, disappointing.

Furthermore, the inventive development of a settlement structure must be critically examined to ensure that the terms of the settlement genuinely offer substantial compensation to the Class members and are proportional to the case's complexity. This assessment is essential for determining if the complexity of the litigation by itself justifies the requested Fee and Expense Award.

e. The Standing and Ability of Counsel

While it is true that the standing and ability of counsel is a factor considered by Delaware courts in determining the reasonableness of a fee and expense award, it must be evaluated in relation to other factors, such as the genuine risks faced by counsel, the time and effort invested, and the value provided to the class. Although counsel in this case possesses experience in stockholder class and corporate governance litigation and has garnered favorable comments from courts, this factor alone should not be the exclusive determinant for the requested Fee and Expense Award. The standing of opposing counsel might be considered in determining the allowance of counsel fees, and it is acknowledged that defendants are represented by experienced and well-regarded law firms. In fact, in this matter, opposing counsel were able to finesse the Plaintiffs into a quick, poorly representative settlement. This reflects poorly on the standing and ability of counsel and ought to be factored in the reasonableness of the fee and expense award.

Plaintiffs' Attorneys settle before deposing Defendant Aron

In the Verified Stockholder Class Action Complaint[111], Lead Counsel employ a series of provocative adjectives and evocative language to characterize the actions allegedly perpetrated by the AMC Defendants and Defendant Aron, including:

- "weaponization"
- "undermining"
- "financial trickery"
- "pernicious financial engineering"
- "clever financial engineering"

[111] DI 1

- "weaponizing this 'blank check' to undermine common stockholders' voting powers and economic interests"
- "failed"
- "entice"
- "Like Agamemnon leaving a horse outside Troy's walls, the Board had set in motion its end-run around AMC's stockholders' votes"
- "The Board has abused its powers to purposely thwart the stockholder franchise"
- "weaponized their legal power to issue "blank check""
- "capital structure gamesmanship"
- "target its own stockholders"

Considering the decision of Plaintiffs' counsel to settle a mere four days before Defendant Aron's scheduled deposition, despite previously characterizing him as a participant in the alleged "pernicious and clever financial engineering," and their abject failure to entertain an application seeking leave to file an amended verified stockholder class action complaint, particularly in light of the early fruits of document discovery, with a cause of action, such as fraud, raises concerns about **their strategic choices and commitment to vigorously pursuing the case**. Nonetheless, this Court must carefully examine the standing and ability of counsel in this context, taking into account their decision not to depose Defendant Aron and not to seek leave to file Plaintiffs' First Amended Verified Stockholder Class Action Complaint based on the discovery evidence when determining the reasonableness of the requested Fee and Expense Award.

f. The Reasonableness of the Requested Fee and Expense Award

The Delaware Supreme Court has held that "the Court of Chancery must make an independent determination of reasonableness on behalf of the common fund's beneficiaries, before making or approving an attorney's fee award."[112] As this court has observed, *E.F. Hutton* "unequivocally" requires that "where plaintiffs and defendants agree upon fees in settlement of a class action lawsuit, a trial court must make an independent determination of reasonableness of the agreed to fees."[113] "The fact that a fee is negotiated . . . does not obviate the need for independent judicial

[112] *E.F. Hutton, 681A.2d at 1046*.
[113] *In re Nat'l City Corp. S'holders Litig., 2009 Del. Ch. LEXIS 138, 2009 WL 2425389, at *5 (Del. Ch. July 31,2009)* (internal quotation marks omitted), *aff'd*, *998 A.2d851 (Del. 2010)*.

scrutiny of the fee because of the omnipresent threat that plaintiffs would trade off settlement benefits for an agreement that the defendant will not contest a substantial fee award."[114]

The fact that the insurers will fully fund the awarded fees and expenses should not detract from the need to scrutinize the reasonableness and proportionality of the requested award. The percentage of the financial benefit achieved and the hourly rate of $647.69 should also be assessed within the context of the specific case, rather than simply relying on precedential fee awards or the hourly rates approved by Delaware courts in other cases. While Delaware case law supports a wide range of reasonable percentages for attorneys' fees and the exercise of judicial discretion in selecting an appropriate percentage, the particulars of this case, the risks faced by counsel, and the genuine benefits conferred upon the class must be considered. The adversarial activity and the stage of litigation at which the settlement occurred should also be factored into the evaluation of the requested fee and expense award.

Although Plaintiffs achieved substantial financial and non-monetary benefits through the settlement, it is essential to examine the proportionality and reasonableness of the requested fee and expense award in relation to the value provided to the class and the specifics of this case. All factors must be weighed and analyzed before determining whether the requested Fee and Expense award is warranted.

IV. LEAD PLAINTIFFS DON'T DESERVE INCENTIVE AWARDS

LEGAL ANALYSIS

a. Legal Standard

In the Plaintiffs' Brief, the Plaintiffs seek approval of a $5,000 incentive award to each of the three Lead Plaintiffs, to be paid exclusively out of any fees awarded to Class Counsel as compensation for the time and effort that they each devoted to this expedited matter. The Supreme Court has recently re-affirmed that lead plaintiffs may be paid modest incentive awards, where justified by the two factors identified in *Raider v. Sunderland*:

[114] *2009 Del. Ch. LEXIS 138, [WL] at *5.*

(i) the time, effort, and expertise expended by the class representative, and
(ii) the benefit to the class.[115]

Public policy also favors such an award. "Compensating the lead plaintiff for efforts expended is not only a rescissory measure returning certain lead plaintiffs to their position before the case was initiated, but an incentive to proceed with costly litigation (especially costly for an actively participating plaintiff) with uncertain outcomes."[116] And in "the current environment" a stockholder who files plenary litigation faces "the very real possibility of having their computer and other electronic devices imaged and searched, sitting for a deposition—perhaps more than one if they also institute 220 litigation—and then perhaps testify at trial."[117]

It is incontrovertible that the Lead Plaintiffs have met the first factor in Raider v. Sunderland. They took the initiative to vet attorneys in order to file suit and facilitated in both the pleading and discovery phase. However, their decision to now settle prematurely should be called into question especially when they agreed to settle just 4 days prior to deposing Defendant Aron, a material fact witness, in the financial engineering scheme . The settlement that the Lead Plaintiffs agreed to calls into question their true intent. The proposed settlement is fatally flawed and not likely to survive this Court's scrutiny. Amongst other inequities, the settlement hinges on a stipulation which requires the bulk of the purported 3.8 million stockholders to release nearly a years' worth of claims yet receive no settlement distribution.[118] Since the distribution of the settlement is confined to holders of a "Settlement Class Time" -which is only a moment's snapshot of the close of one business day yet the "Settlement Class" encompasses "all holders of AMC Common Stock between August 3rd , 2022, through and including the Settlement Class Time", the vast majority of the class will receive no distribution in exchange for a broad release of their claims. Furthermore, the "benefits" - $129 million to the class equates to just **a mere 2.5%** of the billions lost in market capitalization since the launch of APE, a settlement that yields such a negligible

[115] 2006 WL 75310, at *1 (Del. Ch. Jan. 4, 2006), cited in Isaacson v. Niedermayer, 200 A.3d 1205, 1205 n.1 (Del. 2018).
[116] Raider, 2006 WL 75310, at *1.
[117] Verma v. Costolo, C.A. No. 2018-0509-PAF (Del. Ch. July 27, 2021). (TRANSCRIPT) at 52-53.
[118] D.I. 254 I -4 also See Notice of Pendency of Stockholder Class Action and Proposed Settlement at 10.

recovery in comparison to the losses suffered may not pass the proverbial sniff test, as it could be perceived as insufficient and potentially inequitable.

V. THE PROPOSED SETTLEMENT DOES NOT PROVIDE CLASS MEMBERS WITH DUE PROCESS

LEGAL ANALYSIS

a. Legal Standard

US Constitution Fourteenth Amendment Right – Due Process Clause

Given the legal effect of the proposed settlement, class members should be provided with sufficient notice and the opportunity to be heard with respect to the terms - and consequences of this agreement. Both elements are fundamental guarantees of the Fourteenth Amendment's, which **"at a minimum ... require]s] that deprivation of life, liberty, or property by adjudication be preceded by notice and opportunity for hearing appropriate to the nature of the case."**[119] "This right to be heard has little reality or worth unless one is informed that the matter is pending and can choose for himself whether to appear or default, acquiesce or contest."[120]

Delaware Court of Chancery Rule 23

> "[i]n any class action maintained under paragraph (b)(3), the Court shall direct to the members of the class the best notice practicable under the circumstances, including individual notice to **all members** who can be identified through reasonable effort."

Notice need only be sent to record holders. [121] Delaware law contemplates the use of a record date for delivering notice.[122]

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[119] Mullane v. Central Hanover Bank & Trust Co., 339 U.S. 306, 313; 70 S. Ct. 652,656-67; 94 L. Ed. 865, 873 (1950).
[120] Id. at 314.
[121] *Am. Hardware Corp. v. Savage Arms Corp., 37 Del. Ch. 59, 136 A.2d 690, 692 (Del. 1957)*.
[122] *See 8 Del. C. § 213*; *see also id. §§ 211(c)*, *222*, *228(e)*, *262(d)*.

In *Kahn v. Sullivan*, 594 A.2d 48 (Del. 1991), the Court of Chancery directed that for settlement purposes, the *Sullivan* action would be maintained as a stockholder derivative action and as a class action. The action was to be maintained by those plaintiffs, as representatives of the class who held Occidental common stock on April 6, 1989, and their successors in interest up to and including January 2, 1990, excluding the defendants and members of their immediate families. A settlement hearing was scheduled for April 4, 1990. The Notice of Pendency of Class and Derivative Action, Proposed Settlement, Settlement Hearing and Right to Appear, was sent to all class members one month prior to the hearing.

On June 6, 1990, after the case had already been taken under advisement, the Court of Chancery was informed that the Notice of the Settlement Hearing **was not sent to a number of shareholders because of an oversight**. The Court of Chancery directed that notice be sent to those stockholders. Supplemental notice was sent on June 15, 1990 providing that any additional objections to the Settlement could be filed up to July 16, 1990. In response to that notice only two letters were received, neither of which asserted any new basis for an objection.

b. Court's Process - Notice to Stockholders

On May 9th, 2023, this Court was in receipt of AMC stockholder Etan Leibovitz's ("Mr. Leibovitz") letter motion, dated May 1st, 2023.[123] The letter served to inform the Court that Mr. Leibovitz was among the numerous retail investors who participated in the telephonic conference call held on April 25th, 2023. Mr. Leibovitz's letter wished to express several concerns regarding the aforementioned call.

April 25th, 2023 Telephonic Conference Call

The Court Holds Stockholders Accountable

At the outset of the telephonic conference call, this Court swung the **accountability pendulum over towards the stockholders side**. This Court's preliminary draft letter [124]

[123] DI 257, 258, 259
[124] DI 190 Final Draft Exhibit 1

addressed to AMC stockholders emphasized adherence to due process and ensuring that each stockholder receives appropriate notice of the requirements to establish standing before the Court concerning the presentation of evidence for stock ownership. This draft letter references the pertinent legal authorities for the objections raised and complies with the timely submission of said correspondence.

There exists a fundamental issue with the accuracy of the current verification process. Firstly, there's a risk that an individual could manipulate holdings rather easily by altering any one of the many publicly available brokerage screenshots, like those found on platforms such as Reddit. These images could be modified to falsely indicate that an individual possesses shares when they do not. Secondly, both AMC common stock and the preferred APE stock are frequently traded securities, with transactions occurring daily during the weekdays. Given the daily trading activity, new shareholders are continuously entering while existing shareholders are exiting on a daily basis, even amidst these court proceedings.

The current process[125] stipulates that "Objections must be accompanied by documentary evidence of beneficial ownership of AMC common stock. Such evidence must show the stockholder's full name and can comprise copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from the stockholder's broker containing the transactional and holding information found in an account statement." Given these options, it is likely most objecting and supporting stockholders will use screenshots or brokerage statements. When a user displays a screenshot (or statement) that screenshot represents a set moment in time before the May 31st, 2023 deadline and the June 29-30, 2023 hearing. So a potential issue with a single date screenshot verification is that a stockholder may own the stock in May when they write their objection or support document, but could theoretically sell right after sending the document in May or June before the settlement hearing or future settlement. Would this imply that their objection or support document becomes invalid? Does a process currently exist to verify continuous stock ownership throughout the hearing and any subsequent settlement process? Would it be necessary for stockholders to email updated screenshots reflecting their ownership?

[125] DI 190 Exhibit 1 at 2

In order to obtain AMC stockholder addresses and names, AMC would have to obtain that data from the trading brokerages. If AMC maintains a rolling list of active stockholders throughout the court proceedings, then in the best interest of protecting stockholder private financial data and accuracy to confirm active ownership, AMC should verify that objectors and supporters are listed on their stockholder list as owning AMC stock throughout the court proceedings (Notice Date - May 8th, 2023, 5 business days from entry of Order). AMC referencing the ongoing stockholder list would be the most accurate and secure way to verify whether the objectors and supporters are stockholders and thus AMC should be required to produce this list of stockholders. This puts burden on the AMC Defendants and less burden on Plaintiffs, stockholders, and potentially the Court. If AMC as Defendant has concerns about an objector or supporter owning stock, AMC can reference their stockholder list. If AMC finds an objector or a supporter that does not own the stock, then the individual can provide verification to the Court if needed. Without clarity or possible changes to the process like the alternative of AMC referencing their ongoing shareholder list, concerns that due process will not be met for many stockholders.

"By OUR ESTIMATION the number of beneficial stockholders is approximately 3.8 million" – Defendants' attorney Mr. Neuwirth

The final agenda item that this Court addressed during the telephonic conference call, was whether notice by mail is required. This Court opened up the discussion citing precedence and stating that the Court is hesitant to forego notice by mail. Subsequently, on behalf of the Defendants, Attorney John Neuwirth ("Mr. Neuwirth") unequivocally asserted himself by stating in part that,

> "by **our estimation** the number of beneficial stockholders is **approximately** 3.8 million…the cost of mailing to that many stockholders is approximately $2.9 million dollars….. Which is significant."

Mr. Neuwirth then attempted to lay out his case why electronic means would be the most cost effective while addressing precedence.

On June 15th, 2022, Defendant Adam Aron ("Defendant Aron") made assertions via Twitter, regarding "six share counts" that were purportedly conducted. He tweets,

> **Inbound tweets ask over and over for a "share count." AMC has done a share count 6 times in the past year. We know of 516.8 million AMC shares. Some of you believe the count is much higher. As I've said before, we've seen no reliable info on so-called synthetic or fake shares.**[126]

However, these assertions were merely an exercise in rhetorical flourish. These "alleged share counts", in truth, were never intended to be anything other than a counting of **outstanding shares**, and as such, were always going to result in the same number. Defendant Aron's actions in conducting these "share counts" were driven by impure motives. Furthermore, it is an **incontrovertible fact** that Defendant Aron, in his capacity as a fiduciary, has failed to discharge his duties by not ascertaining the **precise number** of shares of both AMC and APE that are in **circulation**. This is qualitatively and quantitatively different than what was expressed via his tweet. This failure on the part of Defendant Aron to address this matter is **the primary reason why the Plaintiffs has sought recourse in this Court.**

The number of stockholders and share ownership has been a subject of significant debate, as evidenced by the letters submitted to this Court's docket. **The Court should take judicial notice to one key word that was used by Mr. Neuwirth during the presentation of his argument – "estimation"**. First, who encompasses the "our"? Who supplied Mr. Neuwirth with this fundamental information for him to make this representation during a telephonic conference call before the Court? Next, **why is Mr. Neuwirth even estimating at this point**?

Objections to the Current Notice Process

- What date was that "estimated" 3.8 million AMC shareholders calculated?

[126] DI 259

- What happens if a shareholder who submitted either their objection or approval for settlement letter then sells his or her stake in AMC prior to May 31st, 2023, will their objections or support letters count?[127]
- Stockholders were previously instructed to send their objections and proof of ownership to by mail or electronically to AMCSettlementObjections@blbglaw.com. There is a high risk that in the current process, well-meaning stockholders may accidentally release sensitive financial information (like full account numbers for their brokerage by forgetting to redact) over email that could easily be intercepted or possibly leaked or hacked. The account number, brokerage name, and stockholder contact information if leaked, does put that user's account security at risk. This is not best practice for handling sensitive data.

- There is a fundamental accuracy issue with the current process for verification. First, there is a risk that an individual could pretty easily photoshop holdings by taking any one of many publicly available brokerage screenshots from the website Reddit.

- Since AMC stock is traded daily, that means there are new shareholders buying and old shareholders leaving the stock on a daily basis, including during these court proceedings. In the best interest of protecting shareholder private financial data and accuracy to confirm active ownership, AMC should verify that objectors are listed on their regularly updated shareholder list as owning AMC stock throughout the court proceedings (including around the May 31, 2023 deadline, the in-person hearing on June 29-30, 2023, and any potential settlement date). AMC referencing the ongoing shareholder list would be the most accurate and secure way to verify whether the objectors are stockholders and thus AMC should be required to produce this list of stockholders.

- Class Members are required to disclose their proof of ownership to the plaintiffs as part of their objections. However, before the notice was sent out, the Lead Plaintiffs who claim to represent the AMC common stockholders, have not disclosed to the settlement class whether they

[127] A derivative plaintiff must maintain stockholder status throughout the litigation. Lewis v. Anderson, 477 A 2d 1040, 1046 (Del. 1984) This continuous ownership rule "has become a bedrock tenet of Delaware law and is adhered to closely." In re New Valley Corp, Derivative Litig., C.A. No. 17649-NC, slip op. at 3 n.29 (Del. Ch. June 28, 2004).

directly or indirectly through their private equity investment partners (reported on their Quarterly Investment Report for Q4 2022) are shorting AMC and APE.[128] Additionally, the Lead Plaintiffs should disclose whether they own any complex derivatives and options related to AMC and APE.

- The notice of the proposed settlement was sent out before members of the class settlement were granted access to discovery.

- AMC stockholders have not been granted access to review and validate the raw voting data from March 14th, 2023 AMC stockholder call (where the reverse split and merger vote took place) to ensure their votes were counted fairly. A neutral third party has also not been given the opportunity to validate the March 14th, 2023 vote. This validation is vital to whether settlement class members would choose to object or support the proposed settlement and the notice of the proposed settlement was sent out before this data was validated.

- There has been no transparent share count be conducted by a third party that allows individual AMC and APE stockholders to validate the shares (and serial number of those shares) they own in order to protect stockholder value. If the share count reveals more shares and votes than should exist that may impact the validity of the March 14th , 2023 reverse split and conversion vote, and any potential settlement. The share count results is vital to whether settlement class members would choose to object or support the proposed settlement and the notice of the proposed settlement was sent out before this data was validated.

If due process has not been properly adhered to, if the shareholder vote has not been duly verified for accuracy and legitimacy, if there is an absence of a share count to substantiate the precise number of votes in existence, if the creation of APE shares was unlawful, and/or if the sale of APE shares to Antara was impermissible, then it calls into question the **fairness and validity** of the proposed settlement. Should the settlement be approved based on potentially inaccurate or false underlying data, there exists a substantial likelihood that such a ruling may be subject to reversal upon appeal, or it could give rise to a plethora of subsequent legal actions. In the best

[128] Allegheny County Employee's Retirement System Quarterly Investment Report for Q4 2022. Link: https://www.alleghenycounty.us/retirement/index.aspx

interests of judicial economy, the preservation of Allegheny's, AMC's, and AMC stockholders' resources, it would be prudent to ensure that due process is scrupulously followed, and that accurate figures for votes and shares are ascertained by all concerned parties before a final agreement can be reached that adequately serves the interests of all stockholders.

VI. THE VOTE ON MARCH 14th, 2023 WAS UNLAWFULLY MANIPULATED

Previous Opportunities to Sell More Shares

In the first half of 2021, AMC had asked stockholders (majority individual investors) to approve a proposal to essentially double the outstanding shares available. In the official company release dated April 27th, 2021, Defendant Aron explains that they asked "AMC shareholders to vote on approving another 500 million authorized shares…However, as to the request for 500 million further shares to be authorized, many of our stockholders are telling us to wait. It is important to listen to these owners of our company, and that's exactly what we are going to do. Accordingly, we will not vote on Proposal 1 at our May 4 Annual Meeting of Shareholders."[129] To add some context, many retail stockholders had reached out to Defendant Aron on Twitter explaining they did not want further dilution but instead provided innovative ideas on how to grow the company (some of which were adopted). Additionally in June 2021, AMC asked stockholders to authorize 25 million shares, which is a smaller percent dilution (around 5% of total shares) than the previous request.[130] The Plaintiffs' brief states "Notwithstanding the Company's modest proposal, an insufficient number of stockholders supported the share increase. The Board again pulled the proposal before the vote."[131] **However**, this narrative that AMC did not have the votes is actually contradicted later by Defendant Aron. In an August 8th, 2022 interview with Yahoo Finance Live, Defendant Aron was asked about the previous (2021) stockholder votes regarding dilution. Defendant Aron stated,

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[129] AMC Entertainment Announces At-The-Market Offering Program and Withdraws Proposal to Increase Authorized Shares. Press Release. April 27, 2021. Link: https://investor.amctheatres.com/newsroom/news-details/2021/AMC-Entertainment-Announces-At-The-Market-Offering-Program-and-Withdraws-Proposal-to-Increase-Authorized-Shares/default.aspx

[130] AMC Proxy Statement. Filed on June 3, 2021. Link: https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=15010652

[131] DI 206

> "The shareholders didn't say, no, that they did not want us to issue more common stock. It was last summer-- May, June, July. We had it out for a shareholder vote. The vote was split. It was actually running favorable in favor of a stock issuance at the time. **But it was my opinion, my decision. I pulled the vote.** I pulled the tabulation. I took the question off the table. And the reason I did that back then is while we were winning the vote, it was close, and I didn't think that on something this important, we should do it at a time when the shareholders were not for it in big numbers."[132]

Of note, between June and December of 2021, AMC was trading a range of around $20 to $72 in that time frame. [133] Theoretically, AMC could have passed the vote to offer 25 million shares and sold the new shares around $30 incrementally throughout end of 2021 and raised about 750 million (or more) in capital with minimal dilution (around 5%) and risk to shareholders.

The Introduction of APE

In November 2021, AMC's banker, Citigroup, began work on "Project Popcorn", a prospective issuance of an alternative form of equity that could convert into Common Stock. As described in the Introduction of this brief in detail, throughout 2022, AMC collaborated with Citigroup, their transfer agent Computer Share, B. Riley Financial in order to launch APE.[134] In addition, this was an inherent conflict of interest between AMC's responsibility to its stockholders and Citigroup's actions. Citigroup has currently (and also historically) bet against AMC stock by shorting the stock and buying puts on the stock (note: this data is self-reported). Additionally, Citigroup's analysts have consistently issued very low price targets on AMC. Specifically, on November 7th, 2022 Citigroup's analyst issued a sell rating on AMC and a price target of $1.20.[135] Then, again on March 23rd, 2023, Citigroup's analyst issued a sell rating on AMC with a price

[132] "AMC CEO: New APE stock class 'takes survival risk off the table'" Interview with CEO Adam Aron. Yahoo Finance Live. August 8, 2022. https://finance.yahoo.com/video/amc-ceo-ape-stock-class-162906608.html

[133] AMC Historical Data. Yahoo. Ongoing updates on trading days. Link: https://finance.yahoo.com/quote/amc/history/. Accessed on May 12, 2023

[134] DI 206

[135] Citigroup Maintains Sell on AMC Entertainment, Lowers Price Target to $1.2. Benzinga. Posted on November 7, 2022. Link: https://www.benzinga.com/news/22/11/29594072/citigroup-maintains-sell-on-amc-entertainment-lowers-price-target-to-1-2

target of $1.60.[136] The fact that Citigroup was working with AMC to develop the APE shares displays a major conflict of interest because Citigroup would profit as AMC fails, but potentially lose money if AMC succeeds.

On August 4th, 2022, AMC common stock (Ticker: AMC) closed at $18.66 [137]. At that moment in time, there were reported to be 516,820,595 outstanding authorized AMC shares.[138] At 5 pm ET on August 4, 2022, AMC hosted their Q2 2022 Earnings Conference Call. During the call, Defendant Aron announced:

> "Today, we announce that later this month AMC will be creating a new class of securities and will be issuing an AMC Preferred Equity Unit Stock Dividend payable only to holders of our 516,820,595 issued and outstanding company issued common shares. This includes all of our U.S. and all of our international shareholders as well. We will issue these new AMC preferred equity units on a one-for-one basis, investors will get one AMC preferred equity unit for each AMC common share that they own as of the record date in mid-August. It also will be listed on the New York Stock Exchange starting on August 22, 2022 under the ticker symbol A-P-E, yes APE. APE as in AMC-A, preferred-P, equity-E, A-P-E, APE. And informally we will now refer to our two New York stock exchange listed securities as shares for the common stock and as APEs for the AMC Preferred Equity Units. For a variety of reasons a dividend distribution in just about any form has been a long standing request from our investor base. Today, we answered that call. So, to this issuance of 516,820,595 new APEs will essentially serve the same purpose as a much voiced request for "**share count,**" as the new AMC Preferred Equity Units will only go to holders of company issued and outstanding AMC common shares."[139]

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[136] Citigroup Initiates a Sell Rating on AMC Entertainment (AMC). Citigroup Initiates a Sell Rating on AMC Entertainment (AMC). Business Insider. Posted on March 23, 2023. Link: https://markets.businessinsider.com/news/stocks/citigroup-initiates-a-sell-rating-on-amc-entertainment-amc-1032186889

[137] regular market trading hours (9:30am-4:00pm EST)

[138] AMC's Form 10-Q. August 4, 2022. Link: https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=15993122

[139] AMC Entertainment Holdings, Inc. (AMC) CEO Adam Aron on Q2 2022 Results - Earnings Call Transcript. Seeking Alpha. Posted on Aug. 04, 2022 https://seekingalpha.com/article/4530015-amc-entertainment-holdings-inc-amc-ceo-adam-aron-on-q2-2022-results-earnings-call-transcript Accessed on May 11, 2023

Defendant Aron would go on to explain that the value of AMC stockholder investment would now be split between AMC and APE shares. Defendant Aron added that:

> "Because this stock dividend being announced today is like a stock split, it's logical to assume that once a dividend is issued on August 22, the price of our common shares will fall. Vitally however, and I cannot repeat this enough, for each owned share, investors would not own only a single share, but would own instead a share and an APE…**While each APE is designed to have the same rights as a common share and can convert into a shared common stock, that conversion decision is still solely up to our shareholders.** Conversion can only take place if at a future stockholders meeting the company proposes and shareholders, including APE holders vote to approve the authorization of additional common shares…Given the flexibility that being able to issue more APEs will give us, we believe that we would handily be able to raise money if we so choose, which immensely lessens any survival risk as we continue to work our way through this pandemic to recovery and transformation…" [140]

Defendant Aron went on to claim that "my every decision and my every action is intended to work for the long term benefit of all of our shareholders…Well! Today we pounced."[141] During the call, Defendant Aron alleged that the issuance of APE was approved by shareholders in 2013, though APE did not exist at that time, that approval was referenced to a type of preferred shares. AMC stockholders were not given the option to vote on whether APE shares should be created, released, or sold before they were traded publicly. After releasing APE, Defendant Aron has routinely referred to the APE shares as "**precious**" both in interviews[142] and on stockholder

[140] AMC Entertainment Holdings, Inc. (AMC) CEO Adam Aron on Q2 2022 Results - Earnings Call Transcript. Seeking Alpha. Posted on Aug. 04, 2022 https://seekingalpha.com/article/4530015-amc-entertainment-holdings-inc-amc-ceo-adam-aron-on-q2-2022-results-earnings-call-transcript Accessed on May 11, 2023

[141] AMC Entertainment Holdings, Inc. (AMC) CEO Adam Aron on Q2 2022 Results - Earnings Call Transcript. Seeking Alpha. Posted on Aug. 04, 2022 https://seekingalpha.com/article/4530015-amc-entertainment-holdings-inc-amc-ceo-adam-aron-on-q2-2022-results-earnings-call-transcript Accessed on May 11, 2023

[142] Adam Aron interview with Liz Claman. Fox Business. August 5, 2022. Transcript Link: https://archive.org/details/FBC_20220805_190000_The_Claman_Countdown

calls.[143] Defendant Aron posted about a detailed thread about the APE announcement on Twitter in August 2022, however, it appears the risks with the APE implementation was not fully explained. As explained in the Plaintiff's Brief, "Nowhere in Aron's "tweetstorm", the press release, the APE FAQ, or any other public statement by the Company did Defendants disclose that Computershare, the Company's transfer agent, was required to vote uninstructed APEs proportionally with instructed APEs, effectively giving APEs superior voting power. Instead, AMC disclosed that the APEs had the same voting power as shares of AMC Common Stock. Nor did AMC Defendants advise common stockholders to hold onto the APEs issued to them so they could maintain their voting control over AMC."[144]

By design, the APE "special dividend" was designated to automatically convert into Common Stock upon a share increase sufficient to permit full conversion.[145] This gave AMC Defendants the ability to circumvent the rights and powers of shareholders and sell a mirror-image security without the required authorization.[146] On August 4th, 2022, subsequent to the filing of Certificate of Designations, AMC Defendants entered into an Agreement with Computershare Inc. without shareholder approval.[147] Under the accord, the underlying Preferred Stock, used to form APE preferred equity units, were deposited with Computershare Inc. and governed by deposit agreement ("the Computershare Depositary Agreement"). The Computershare Depositary Agreement instructs Computershare to vote all of the preferred stock in its custody "proportionally" on non-routine matters and routine matters.[148] In other words, the uninstructed- and non-affirmative - votes of APE holders can be farmed to be vote at a rate mirroring instructions from participating voters.[149] AMC common stock has no such arrangement with brokers holding common stock.[150]

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[143] AMC Entertainment Holdings, Inc. (AMC) Q3 2022 Earnings Call Transcript. Seeking Alpha. November 8, 2022. Link: https://seekingalpha.com/article/4555132-amc-entertainment-holdings-inc-amc-q3-2022-earnings-call-transcript

[144] DI 206 at 19
[145] DI 206 at 10
[146] *Id.*
[147] DI 200 at 11
[148] *Id.*
[149] *Id.*
[150] *Id.*

August 22nd, 2022 - APE's First Day of Trading

On Friday August 19th, 2022, AMC common stock closed at a price of $18.02 per share.[151] On August 22nd, 2022, that fateful day when APE started trading on the trading floor of the NYSE, all AMC investors should have been on "equal footing". Their portfolios should have reflected "x" shares of AMC and "x" shares of APE.[152] However, many investors particularly with oversees brokers did not receive their shares on time. Other investors reported they never received APE, just a cash payout. As the trading day unfolded various events transpired that influenced the landscape of AMC's stockholder base. Some index funds were immediately forced to sell their APE shares due to their risk aversion or restrictions on trading derivatives.[153]

For those investors that did receive the correct number of APE shares, they found that AMC opened on August 22nd, 2022 at $11.33,[154] and APE opened the day at $6.95.[155] So essentially on the onset, the APE dividend had taken 38% of the original AMC's previous value and the remaining 62% stayed with AMC stock. Minutes after the stock market opened, APE was halted for trading. However, the halts didn't end there. By the end of the day AMC was halted 3 times and APE was halted 10 times, which created additional stockholder confusion and interference for those that were trying to buy or sell. By the end of August 22nd, 2022, AMC closed trading at $10.46 and APE closed trading at $6.00. The combined total value of AMC and APE ($16.46) was already down about 8.6% from the previous trading day (where AMC closed at $18.02).[156] At no point that day and subsequent days did AMC and Ape trade at parity (the same price) instead their spread (difference in prices) only increased. AMC always traded higher than

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[151] AMC Historical Data. Yahoo. Ongoing updates on trading days. Link: https://finance.yahoo.com/quote/amc/history/. Accessed on May 12, 2023

[152] For some people, the APE took days to reflect on their account

[153] DI 206 page 16 Defendant Goodman acknowledges that "[i]ndex funds that own AMC common shares will likely be required to sell the Preferred Equity Units, while this may put pressure on the value of the Preferred Equity Units ……."

[154] AMC Historical Data. Yahoo. Ongoing updates on trading days. Link: https://finance.yahoo.com/quote/amc/history/. Accessed on May 12, 2023

[155] APE Historical Data. Yahoo. Ongoing updates on trading days. Link: https://finance.yahoo.com/quote/ape/history/. Accessed on May 12, 2023

[156] Sheryl Sheth. "CEO Aron Tweets About AMC Entertainment (NYSE:AMC) and APE Trading Halt." Tip Ranks. Published August 23, 2022. Link: https://www.tipranks.com/news/ceo-aron-tweets-about-amc-entertainment-nyseamc-and-ape-trading-halt Accessed on May 12, 2023.

APE throughout much of 2022-2023 and AMC actually was priced several multiples higher than APE. Since August 22nd, 2022 to present day, both AMC and APE have trended downward and have not recovered to the August 22nd, 2022 trading levels. From May 3rd, 2022 to May 3rd, 2023, AMC has traded within a range of $3.77 (52-week low) and $27.50 (52-week high)[157], while APE has traded between $0.65 (low) and $10.50 (high) since its debut on August 22, 2022 until May 3, 2023.[158]

The Introduction of Ape Creates New Types of "AMC Investors"

Concurrently, as the spread between APE and AMC started to widened, a new class of institutional investors and traders emerged, seeking to capitalize on the arbitrage opportunity presented by the spread between APE and AMC stock. Investopedia defines arbitrage as "the simultaneous purchase and sale of the same or similar asset in different markets in order to profit from tiny differences in the asset's listed price."[159] Because APE was potentially convertible into AMC common at a future point in time, many investors saw AMC and APE as interchangeable. Many investors were incentivized to buy APE at a much lower price in the hopes both AMC and APE would be merged together in the future. For an arbitrage example, on December 2nd, 2022, APE closed at $1.00[160] and AMC closed at $8.17.[161] If investor A wanted to participate in the arbitrage play in this instance, they might buy $1 million worth of APE at $1.00 then Investor A would sell short $1million worth of AMC at $8.17 equating to 122,399 shares to Investor B. If AMC and APE merged in the future at an equivalent rate, then both prices would likely be added up and divided by two. For this example, let's say APE is still trading at $1.00 pre merger and AMC is at $8.17 pre merger. Post merger, Investor A would have 1 million shares valued at around $4.59 million (a 4.59x in value). Additionally, Investor A could also close the short by buying

[157] Yahoo Finance Ticker AMC (NYSE Exchange). Time Range Referenced is May 3, 2022-May 3, 2023. https://finance.yahoo.com/quote/AMC
[158] Yahoo Finance Ticker APE (NYSE Exchange). Time Range Referenced is August 22, 2022-May 3,2023. https://finance.yahoo.com/quote/APE
[159] Jason Fernando. Arbitrage: How Arbitraging Works in Investing, With Examples Investopedia. Updated March 20, 2023. Link: https://www.investopedia.com/terms/a/arbitrage.asp Accessed on May 12, 2023.
[160] Yahoo Finance. History of APE. Link: https://finance.yahoo.com/quote/APE/history?p=APE
[161] https://finance.yahoo.com/quote/AMC/history?p=AMC
https://finance.yahoo.com/quote/APE/history?p=APE

122,399 shares of AMC at the post merger value of $4.59, which would net a profit of $438,188.42 in cash from that trade. However, post-merger Investor B would have 122,399 shares valued at around $561,811.41 (a loss of around 46%). This example shows why many investors would be interested in the arbitrage play on AMC and APE. If invested correctly, an arbitrage play can be very profitable by essentially resulting in two very profitable trades at the same time. Right after the release of APE, Billionaire Jim Chanos announced publicly on CNBC he was playing an arbitrage play on AMC and APE. Specifically, Chanos stated, “"We actually bought the new APE preferred and we have shorted the AMC common against it, … They are economically the same security."[162]

From the perspective of an AMC and APE stockholder, the issue with having two actively traded stocks that are convertible is in the situation of extreme price differences (like with AMC and APE), any future merger would help one class of stockholders (APE), while hurting the other class (AMC). This situation created incentives for many investors to buy APE at lower prices and perhaps not be as interested in AMC. Then, later those APE investors would be more incentivized to vote for a merger that would assist their APE holdings despite the negative impact it would have on AMC stockholders. Because more APE shares (which have voting rights) were in existence (5 billion in comparison to AMC’s 517-520 million depending on time range), this situation gave more voting power to APE stockholders at the expense of AMC stockholders.

Prior to APE being listed on the NYSE, **AMC investors only had to focus on one stock** for their AMC investment. The launch of APE created potential confusion for many AMC investors because now there were two AMC stocks (AMC and APE) often with wildly different prices. These challenges were further exacerbated by the exclusion of European stockholders from participating in APE trading due to legal concerns. During this time period, there were no remaining shares of AMC common stock to dilute, however, when APE was introduced in August 2022, there were nearly up to 4.5 billion of APE left to dilute. This created confusion for stockholders on whether they should or should not invest in APE if AMC was planning on diluting

[162] Eckert, Adam. “Short Seller Jim Chanos Buys APE Shares: Why Is He Taking A Long Position In AMC Preferred Equity?”. Hosted on Benzinga.com. Posted on August 23, 2022. Link: https://www.benzinga.com/trading-ideas/long-ideas/22/08/28605487/jim-chanos-just-announced-a-long-position-in-amc-preferred-equity-heres-why-the-short-se

and selling off more APE shares which would create downward pressure on the value of APE stock.

Antara Deal and Possible Insider Trading

APE opened at $6.95 [163] when it was released on August 22, 2022. From there, in just a few months' time, the stock was shorted down to $0.65 at its lowest on December 19, 2022. [164] Antara Capital, LLC (Antara) was one of the institutions that was shorting the APE stock. On December 22nd, 2022, AMC announced the sale of APE to Antara via a press release. That press release also explained "AMC's Board of Directors is seeking to hold a special meeting for holders of both AMC common shares and APE units (voting together) to vote on the following proposals: To increase the authorized number of AMC common shares to permit the conversion of APE units into AMC common shares. To affect a reverse-split of AMC common shares at a 1:10 ratio. To adjust authorized ordinary share capital such that, after giving effect to the above proposals if adopted, AMC would have the same ability to issue additional common equity as it currently has to issue additional APE units. As part of the agreement, Antara has agreed to hold their APE units for up to 90 days and vote them at the special meeting in favor of the proposals." [165] Per Antara's 13D filing, the filing reports that they "acquired 60,000,000 APEs (the "Initial APEs") offered under the Issuer's at-the-market program at a price of $0.58225 per share for an aggregate purchase price of $34,935,000."[166] The day before the announcement (December 21st, 2022), APE closed at $0.6850. The next day when the Antara deal was announced (December 22nd, 2022), the stock opened at $1.23, which is almost double the previous day. On December 22nd, 2022 Antara sold

[163] APE Historical Data. Yahoo. Ongoing updates on trading days. Link: https://finance.yahoo.com/quote/ape/history/. Accessed on May 12, 2023
[164] APE Historical Data. Yahoo. Ongoing updates on trading days. Link: https://finance.yahoo.com/quote/ape/history/. Accessed on May 12, 2023
[165] AMC Press Release. December 22, 2022. Link: https://investor.amctheatres.com/newsroom/news-details/2022/AMC-Entertainment-Holdings-Inc.-Announces-110-Million-Equity-Capital-Raise-a-100-Million-Debt-for-Equity-Exchange-and-a-Proposed-Vote-to-Convert-AMC-Preferred-Equity-APE-Units-Into-AMC-Common-Shares-and-Implement-a-Reverse-Stock-Split/default.aspx
[166] AMC Press Release. December 22, 2022. Link: https://investor.amctheatres.com/newsroom/news-details/2022/AMC-Entertainment-Holdings-Inc.-Announces-110-Million-Equity-Capital-Raise-a-100-Million-Debt-for-Equity-Exchange-and-a-Proposed-Vote-to-Convert-AMC-Preferred-Equity-APE-Units-Into-AMC-Common-Shares-and-Implement-a-Reverse-Stock-Split/default.aspx

8.9 million shares (previously owned) the same day of the announcement for a profit. AMC sold APE shares to Antara at $0.5822 per share, which is below the NYSE manual Section Minimum Price threshold for where APE was trading in that time frame. As part of the AMC and Antara deal, AMC sold 258,439,472 APE shares without shareholder approval. Before the Antara deal, there were a total of 1,160,331,398 voting units (including 517,580,416 common shares and 642,750,982 issued AMC Preferred Equity Units). The sales to Antara exceed the NYSE Company Manual Section 312 and the 20% Voting Powers threshold, because this was sold without shareholder approval. [167]

Based on the available evidence, AMC worked with Citigroup to develop the APE share but not for the benefit of AMC stockholders. Defendant Aron called the APE shares precious but sold the shares at rock bottom prices (which limited the amount of funds raised) to a hedge fund that had previously been shorting AMC in order to ensure the hedge fund voted to merge AMC and APE shares. Antara has netted a realized profit of over 200 million dollars from buying APE from AMC and voting for their proposals,[168] while AMC stockholders has seen their stock value diminish over time.

Integrity of AMC Shareholder Votes and Voting Power

The NYSE American 2023 Annual Guidance Letter states "The ability to vote on certain corporate actions is one of the most fundamental and important rights afforded to shareholders of companies listed on the Exchange. The matters on which shareholders may vote include amendments to equity compensation plans and certain share issuances…The Exchange is unable to authorize transactions that violate its shareholder approval and/or voting rights rules. To avoid this undesirable outcome, listed companies are strongly encouraged to consult the Exchange prior to entering into a transaction that may require shareholder approval. This includes the issuance of securities: (i) with anti-dilution price protection features; (ii) that may result in a change of control; (iii) to a related party; (iv) in excess of 19.9% of the pre-transaction shares outstanding; and (v) in an underwritten public offering in which a significant percentage of the shares sold may be to a

[167] NYSE American 2023 Company Guide. NYSE. 2023. Link: https://nyseamericanguide.srorules.com/company-guide/09013e2c853aa8d6
[168] See Exhibit B for Table of Antara's profits on APE.

single investor or to a small number of investors."[169] The NYSE Company Guide Section 122 states that the "Voting rights of existing shareholders of publicly traded common stock registered under Section 12 of the Exchange Act cannot be disparately reduced or restricted through any corporate action or issuance. Examples of such corporate action or issuance include, but are not limited to, the adoption of time-phased voting plans, the adoption of capped voting rights plans, the issuance of super voting stock, or the issuance of stock with voting rights less than the per share voting rights of the existing common stock through an exchange offer."[170] The NYSE rules are supposed to protect shareholder votes and values for illegal share issuance. If there are more shares in existence than authorized, then stockholder voting power is diluted. **If NYSE traded companies are allowed to issue any amount of shares (and votes) without stockholder approval and if companies are not required to show evidence (raw data) that supports the results of their stockholder votes, then stockholders have no real rights or protections.** AMC stockholders have stated concerns that there are more shares in existence than are authorized, which is hurting shareholder value, hence the need for a transparent share count and transparent voting process.

Say Technologies Verified Voting on AMC Q&A call

At the time of the August 9th, 2021, AMC Q2 2021 Earnings Q&A call, AMC had 513,330,240 authorized outstanding shares.[171] In the lead up to that call, AMC partnered with the Say Technologies website to allow individual stockholders to submit questions on the website to Defendant Aron and the AMC Defendants. The website allowed stockholders to log the shares of AMC they owned by actually validating their brokerage account number and AMC shares owned with the Say Technologies website. Once verified, the website gave users a digital certificate listing the number of shares they owned, and then stockholders could ask questions or vote on potential questions for the call. The website publicly displayed how many investors registered for

[169] NYSE American 2023 Annual Guidance Letter. NYSE (New York Stock Exchange). January 17, 2023.Link:https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_American_2023_Annual_Guidance_Letter.pdf?utm_source2=FY23_NYSE_AnnualGuidanceMemo_0117
[170] NYSE American 2023 Company Guide. NYSE. 2023. Link: https://nyseamericanguide.srorules.com/company-guide/09013e2c853aa8d6
[171] AMC FORM 10-Q. August 9, 2021. Link: https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=15147933

the August 9th, 2021 call and how many shares were represented on the site in total. In total, 70.3K Participants (about 1.76% of 4 million shareholders) signed up on the site and 71.6M shares (about 13.95% of the total float) were represented for the call.[172] The average investor who participated owned about 1,018 shares which is about 8.5x the projected average share count shared in June 2021 (120 avg shares based on the 4 million shareholders owning 80% of the float number). Many studies aim for a sample size of 500-2,000 participants,[173] and this vote had 70.3K participants, which is more than enough to be a representative sample. While the Say Technologies vote numbers are not an official share count, the results provide strong evidence with a very large sample size that AMC stock has been over-sold (or over-shorted) on the market multiple times the share float. Right after seeing those numbers, as part of their fiduciary responsibility to stockholders, the AMC Defendants should have immediately started an investigation into the existing shares in order to protect stockholder value. Suspiciously, the day after the AMC Q&A call, on August 10th, 2021 Robinhood (the trading brokerage) bought Say Technologies.[174] Many individual investors had lost trust in Robinhood when they turned off the buy button for AMC and other stocks in January 2021. Due to the conflict of interest with new ownership, Say Technologies was unfortunately not a fit for future AMC calls. [175]

AMC Wrapped Crypto Token

It was discovered by AMC Stockholders that FTX and many other parties were involved in the creation of AMC Tokens on January 27th, 2021, one day prior to the removal of the buy button for AMC Stock. The AMC Tokens were created on the Ethereum Blockchain as an ERC-20 Token and traded through Uniswap, which is a Decentralized Exchange (DEX). Uniswap COO is Mary Katherine Lader ("Mrs. Lader"), who was previously a Managing Director and responsible

[172] Say Technologies. AMC Q2 2021 Earnings Q&A. August 9, 2021. Link: https://app.saytechnologies.com/amc-2021-q2?filter=all&sort=num_shares - See Exhibit E

[173] "Determining Sample Size: How Many Survey Participants Do You Need?" Cloud Research. 2015-2023. Link: https://www.cloudresearch.com/resources/guides/statistical-significance/determine-sample-size/

[174] Alex Wilhelm. "Robinhood buys Say Technologies for $140M to improve shareholder-company relations." Hosted by Tech Crunch. August 10, 2021. Link: https://techcrunch.com/2021/08/10/robinhood-buys-say-technologies-for-140m-to-improve-shareholder-company-relations/

[175] DI 95 and 186. Much of the Say Tech section is pulled from this docketed letter with permission from the author.

for the Sustainability Aspect of Blackrock's AI, Aladdin. Aladdin is a multibillion dollar Computer/AI system that is a virtual money siphoning machine and essentially a near monopoly on the Financial Markets. Mrs. Lader's Father is Philip Lader, who is the Director on the Board of AMC. Philip Lader is also a managing partner at Morgan Stanley, which is a blatant conflict of interest for stockholders, as Morgan Stanley also holds over $100 Billion Dollars in Assets Sold, but not yet purchased. Not to mention, these assets are priced at "Fair Market Value" and do not reflect the true price at which an asset that carries scarcity would be sold for. The AMC Tokens acted as digital IOU that are used to balance the "Financial Book" of the short sellers. Essentially they could be used as a "Reasonable Locate" to "Offset" their short position. They did this using the FTX created AMC Token which they used too artificially to "Offset" their short position. The problem is the Token was not backed by an "Authentic" Share and acted more as a synthetic derivative. Since there was no "Value" backing these Tokens, it meant that the game was over, OR that new "Artificial" Tokens would have to be created. There were then multiple AMC Tokens created, some with over an 8 Quadrillion Supply. This supply, not representing any "Real" value, is then used to endlessly mark against any short position, thus creating an infinite supply of "Synthetic" "IOU" Shares. This action completely suppresses the value of the underlying stock causing an extraordinary loss in shareholder value, as well capital formation for the Company. This was done to AMC in unprecedented and predatory fashion and it affected Millions of shareholders. This AMC wrapped token and connection to AMC's Board of Directors that needs further investigation to protect shareholder value. [176]

AMC Corporate Action

On March 14th, 2023, AMC held the shareholder meeting to vote on the proposed reverse split and conversion of AMC and APE. At the time, there were 517,580,416 eligible shares of AMC's Company's Class A common stock and 929,849,612 eligible AMC Preferred Equity Units were available to vote. Based on AMC corporate's calculations, the votes for both AMC and APE shares were combined to determine the final results. Regarding the reverse split proposal vote AMC reported that out of approximately 929.8 million APE shares, 842,782,544 voted in favor,

[176] See Exhibit C for screenshots regarding the AMC token

80,570,613 voted against, and 6,695,864 abstained. In the case of AMC shares, 128,344,709 voted in favor of the reverse split proposal, while 51,388,638 voted against, and 2,609,383 abstained.[177]

According to the reported results, every APE share was voted and recorded, because approximately 63% of the APE share votes were voted and recorded on time, and AMC corporate instructed Computer Share to vote in favor of the proposals the remaining percentage (37%) who did not vote on time. However, for AMC common shares, only 35% of the shares were voted and recorded. The difference between the voter turnouts for each class share (35% for AMC common vs 63% for APE) is highly statically unlikely and should have immediately triggered a shareholder vote audit. An audit of the shareholder vote would allow investigation of the raw voting data, the vote totals, and allow for stockholders to validate their votes were recorded correctly.

AMC corporate rigged the reverse split and merger vote by combining the total yes votes for AMC, APE, the APE votes they sold to Antara (in violation of NYSE Section), and the transfer agent mirrored yes votes in order to say that the reverse split and conversion passed. Additionally, AMC corporate violated DGCL 242 by forcing both the AMC and APE votes to held together instead of separately. The analysis provided in Exhibit A show that all these steps were needed in order for AMC corporate to illegally secure their desired outcome for the vote.[178] The voting percentage contrast alone is alarming but when also considering the likelihood of billions of synthetic shares/votes (note: The Say Tech vote from 2021 displayed evidence that the average shareholder held over 1,000 shares, which would likely mean billion(s) of synthetic shares), it appears that this vote was rigged and individual shareholder voting was suppressed. Many stockholders both domestic and especially internationally reported not receiving their proxy voting materials. Per Defendant Aron on the Q4 2022 call (on February 28, 2023) stated

> **"we are all aware painfully that the brokerage firms in some countries, especially in Europe do not facilitate shareholder voting. And there's - if that - if you're with one of those firms, there's not**

[177] AMC Form 8k. March 15, 2023. Link: https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=16490544
[178] See Exhibit A for analysis on how the vote was rigged

much you can do other than put - your shares in a different broker who would allow you to vote at future shareholder meetings." [179]

This issue where international stockholders are not allowed to vote is not new and has been referenced on previous calls including Q1 2022 and Q2 2022. So international stockholders may not be able to vote, however, given modern technology, it is inexcusable that AMC corporate has not found a way to work with international stockholders to record their shareholder votes which they purchased legally when they bought their shares.

After the March 14th, 2023 AMC Stockholder Vote, Mr. Affholter, an AMC common stockholder, submitted a request for the raw data with respect to the vote from AMC's Investor Relations on three separate occasions: April 12th, 2023, April 20, 2023 and May 9th, 2023.[180] Mr. Affholter has yet to receive any response to his application. AMC Investor Relations' abject failure to respond to Mr. Affholter shows AMC's lack of transparency and respect towards its stockholders. If the vote was valid, then AMC as a company should be willing to share the raw voting data in order to alleviate any stockholder concerns by proving the vote was valid. If the vote was valid and if a stockholder was given the raw data, it should be very easy for any stockholder to validate that the correct number of shares is assigned to them per brokerage account, that the shares were voted correctly for each proposal (yes, no, or abstain), and that the total calculations were performed correctly. The only reason that AMC would not be willing to share the raw voting data with stockholders and allow the voting data to be verified is if fraud was committed by the board and the release of the data would prove the result of the vote is false.

If stockholders cannot confirm that their stockholder votes for the shares they legally bought were recorded and recorded correctly, then stockholders do not really have any voting rights, because any given company's board of directors could fabricate any corporate results to their benefit at the expense of stockholders. Furthermore, if the March 14, 2023 voting results is in fact falsified then that revelation greatly influences AMC's actions going forward, stockholder

[179] AMC Entertainment Holdings, Inc. (AMC) CEO Adam Aron on Q4 2022 Results - Earnings Call Transcript. Seeking Alpha. Posted on Feb. 28, 2023 https://seekingalpha.com/article/4583134-amc-entertainment-holdings-inc-amc-q4-2022-earnings-call-transcript Accessed on May 11, 2023

[180] See Exhibit D for copies of Mr. Affholter's Email to AMC IR requesting Voting Data

value, and any potential settlement as a result of this lawsuit. The stockholder voting data should have been audited during discovery before any proposed settlement or opening briefs were submitted to the Court. The fact the voting data has not already been audited shows a lack of respect to the process, to stockholders, and to the Court. The reported results from AMC corporate (though not validated) show that the majority of AMC shares did not vote in favor of the reverse split. If Delaware law and AMC's COD is followed, then either a new vote must be held with each class separately or the proposal for the reverse split and merger does not pass, so it cannot occur at this time.

The vote rigging allegation in the AMC case revolves around the company's actions to manipulate stockholders' voting rights, specifically through the Antara Transaction. After common stockholders had rejected the proposals to increase the number of authorized shares twice, Defendants decided to weaponize APEs and their mirrored voting power in order to force the Certificate Amendments through. The Antara Transaction was central to this manipulation. From the outset, AMC's senior management prioritized securing Antara's agreement to vote in favor of the conversion, thereby subverting the common stockholders' franchise. As a result, it is alleged that the AMC Defendants used the Antara Transaction not to provide value to their beneficiaries, but to bypass the stockholders' voting rights. AMC Defendants were aware that APE's mirrored voting power could be weaponized against holders of Common Stock. This became evident in an email sent to Defendants Goodman and Merriwether from D.F. King, which attached a model designed to show combinations of APE and AMC support that would achieve the requisite vote requirement. Furthermore, internal communications revealed that the company's senior management focused on ensuring that Antara held shares and voted in favor of the conversion. The vote rigging allegations against AMC involve the company's use of the Antara Transaction to manipulate and undermine the common stockholders' voting rights. By weaponizing APEs and their mirrored voting power, AMC Defendants were able to force through the Certificate Amendments, circumventing the stockholders' franchise and breaching their fiduciary duties. The evidence at hand indicates that the vote conducted on March 14th, 2023 was in fact unlawfully manipulated by the AMC Defendants. This assertion is substantiated by the correspondence exchanged between B. Riley and Defendants Goodman and Merriwether from D.F. King. These

communications reveal a concerted effort by the parties involved to distort the voting process to achieve a predetermined outcome - Implementation of a Proportional Voting Scheme.

Examination of Antara's Investment Impact on Voting Percentage

Additional evidence of vote manipulation can be discerned in the email correspondence from Mr. Van Zandt to Defendants Aron and Goodman.[181] This email includes an attachment that contains a preliminary analysis of ownership and voting predicated upon various investment scenarios involving Antara. The analysis demonstrates that AMC harbored concerns regarding the impact of Antara's investment on its share total and, consequently, it's voting percentage. This apprehension signifies an intention to regulate the voting outcome by manipulating the influence of Antara's investment.

Altering the Voting Standard through Strategic Means

Moreover, an email chain involving Defendants Goodman and Merriwether, dated May 31st, 2022[182], delineates a strategy whereby preferred equity could be utilized to transform the required voting standard from a "majority of shares outstanding" paradigm to a "majority of votes cast" paradigm. This transformation could solely be realized through the deployment of a proportional voting scheme, further corroborating the contention that the vote was unlawfully manipulated to secure a specific outcome. The cited correspondence between the defendants and relevant parties evinces a deliberate endeavor to distort the voting process to achieve a preordained outcome. By employing a proportional voting scheme, controlling the influence of Antara's investment, and modifying the voting standard, the AMC Defendants effectively manipulated the vote on March 14th, 2023 in an unlawful manner.

VII. ACKNOWLEDGEMENT

Acknowledgement to the many AMC stockholders who contributed their time, knowledge, and effort as part of this objection brief. These stockholders gave their consent that their writing,

[181] (AMC_00000050; see also AMC_000006419)

[182] (AMC_00019706, 19797)

research, and analysis can be shared and presented in this brief in an effort to fight for justice regarding their AMC investment and the AMC investor community.

VIII. CONCLUSION

For the following above six reasons, this Court should deny the Settlement, Fee and Expense Award, and Incentive Award.

Dated: May , 2023 Respectfully submitted,

_____(sign here)_____
First Last Name:
Address:
Email:

Exhibit A

Proposal One Voting Analysis from the March 14, 2023 Vote

Type of securities	FOR	% FOR	AGAINST	% AGAINST	ABSTAIN	% Abstained	Total Votes	Broker-non votes
Common Stock retail & others	79,547,964	15.37%	47,356,993	9.15%	2,802,791	0.54%	129,707,748	
Vanguard	51,297,509	9.91%		0.00%		0.00%	51,297,509	
BOARD MEMBERS	1,337,471	0.26%		0.00%		0.00%	1,337,471	
Common Stock TOTAL	**132,182,944**	25.54%	**47,356,993**	9.15%	**2,802,791**	0.54%	**182,342,728**	**335,237,688**
Including Broker non votes	**132,182,944**	25.54%	**382,594,681**	73.92%	**2,802,791**	0.54%	**517,580,416**	**0**
Preferred stock								
APEs Retail & others	270,746,226	29.12%	48,317,581	5.20%	4,200,335	0.45%	323,264,142	
Antara Capital	258,439,472	27.79%		0.00%		0.00%	258,439,472	
BOARD MEMBERS	1,593,707	0.17%		0.00%		0.00%	1,593,707	
APEs TOTAL	**530,779,405**	57.08%	**48,317,581**	5.20%	**4,200,335**	0.45%	**583,297,321**	
Depositary Proportional Votes	315,350,015	33.91%	28,706,747	3.09%	2,495,529	0.27%	346,552,291	**346,552,291**
Total Preferred Stock	**846,129,420**	**91.00%**	**77,024,328**	**8.28%**	**6,695,864**	**0.72%**	**929,849,612**	**0**
TOTAL	**978,312,364**	**67.59%**	**124,381,321**	**8.59%**	**9,498,655**	**0.66%**	**1,112,192,340**	
TOTAL including Broker non votes without mirroring	**662,962,349**	**45.80%**	**777,464,553**	**53.71%**	**7,003,126**	**0.48%**	**1,447,430,028**	**0**
Mirroring APE percentages	91.00%		8.28%		0.72%			
Mirroring APE votes (through depository)	315,350,015		28,706,747		2,495,530			

Proposal Two Voting Analysis from the March 14, 2023 Vote

Type of securities	FOR	% FOR	AGAINST	% AGAINST	ABSTAIN	% abstained	total votes	Broker non-votes
Common Stock retail & others	75,709,729	14.63%	51,388,638	9.93%	2,609,383	0.50%	129,707,750	
Vanguard	51,297,509	9.91%		0.00%		0.00%	51,297,509	
BOARD MEMBERS	1,337,471	0.26%		0.00%		0.00%	1,337,471	
Common Stock TOTAL	**128,344,709**	24.80%	**51,388,638**	9.93%	**2,609,383**	0.50%	**182,342,730**	**335,237,686**
Including Broker non votes	**128,344,709**	24.80%	**386,626,324**	74.70%	**2,609,383**	0.50%	**517,580,416**	**0**
Preferred stock								
APEs Retail & others	268,646,721	28.89%	50,542,176	5.44%	4,075,245	0.44%	323,264,142	
Antara Capital	258,439,472	27.79%		0.00%		0.00%	258,439,472	
BOARD MEMBERS	1,593,707	0.17%		0.00%		0.00%	1,593,707	
APEs TOTAL	**528,679,900**	56.86%	**50,542,176**	5.44%	**4,075,245**	0.44%	**583,297,321**	
Depositary Proportional Votes	314,102,644	33.78%	30,028,437	3.23%	2,421,210	0.26%	346,552,291	**346,552,291**
Total Preferred Stock	**846,129,420**	**91.00%**	**77,024,328**	**8.28%**	**6,695,864**	**0.72%**	**929,849,612**	**0**
TOTAL	**971,127,253**	**67.09%**	**131,959,251**	**9.12%**	**9,105,838**	**0.63%**	**1,112,192,342**	
TOTAL including Broker non votes without mirroring	**657,024,609**	**45.39%**	**780,174,506**	**53.90%**	**6,684,628**	**0.46%**	**1,443,883,743**	**- 3,546,285**
Mirroring APE percentages	90.64%		8.66%		0.70%			
Mirroring APE votes (through depository)	314,102,644		30,028,437		2,421,210			

Summary: These two tables show how AMC rigged the vote by selling APE shares illegally to Antara, and having Computer Share vote the remaining depositary proportional votes in support of the proposals, and not including Broker non votes as an against vote. The Total row shows how AMC corporate tallied the votes so they would pass. The Total including Broker non votes without mirroring row shows that the proposal one and two votes would have passed had the votes been tallied correctly. This analysis evaluates the data that was reported by AMC corporate and estimates how some entities such as Vanguard and the Board members voted. Please note that these numbers have not been confirmed or validated with the raw data (which is best practice) because this raw data has not been provided to shareholders.

Exhibit B

Analysis of Antara's Profit and Loss from APE Trades

L	M	N	O	P	Q	R	S	T	U
Trade Date	Security	Buy or Sell	Price per Unit	Number of Units	Share Balance	positioning	transaction value	market value APE portfolio on closing price	Estimated Rolling Total P&L (profit/loss)
11/2/2022	APE	Sell	$ 1.75	2,000,000	- 2,000,000	net short	$ 3,500,000.00	$ -3,420,000.00	$ 80,000.00
11/2/2022	APE	Sell	$ 1.72	714,958	- 2,714,958	net short	$ 1,229,727.76	$ -4,642,578.18	$ 87,149.58
11/3/2022	APE	Sell	$ 1.64	1,690,909	- 4,405,867	net short	$ 2,773,090.76	$ -7,181,563.21	$ 321,255.31
11/4/2022	APE	Sell	$ 1.56	346,603	- 4,752,470	net short	$ 540,700.68	$ -7,461,377.90	$ 582,141.30
11/7/2022	APE	Sell	$ 1.45	761,418	- 5,513,888	net short	$ 1,104,056.10	$ -8,325,970.88	$ 821,604.42
11/8/2022	APE	Sell	$ 1.53	1,000,000	- 6,513,888	net short	$ 1,530,000.00	$ -10,422,220.80	$ 255,354.50
11/9/2022	APE	Sell	$ 1.33	1,631,628	- 8,145,516	net short	$ 2,170,065.24	$ -10,589,170.80	$ 2,258,469.74
11/14/2022	APE	Sell	$ 1.48	2,657,246	- 10,802,762	net short	$ 3,932,724.08	$ -15,447,949.66	$ 1,332,414.96
11/15/2022	APE	Sell	$ 1.42	500,000	- 11,302,762	net short	$ 710,000.00	$ -16,162,949.66	$ 1,327,414.96
11/16/2022	APE	Sell	$ 1.32	500,000	- 11,802,762	net short	$ 660,000.00	$ -15,579,645.84	$ 2,570,718.78
11/18/2022	APE	Sell	$ 1.36	109,714	- 11,912,476	net short	$ 149,211.04	$ -16,439,216.88	$ 1,860,358.78
11/22/2022	APE	Sell	$ 1.24	1,000,000	- 12,912,476	net short	$ 1,240,000.00	$ -16,269,719.76	$ 3,269,855.90
11/22/2022	APE	Buy	$ 1.21	3,000,000	- 9,912,476	net short	$ -3,630,000.00	$ -12,489,719.76	$ 3,419,855.90
11/23/2022	APE	Sell	$ 1.14	1,801,200	- 11,713,676	net short	$ 2,053,368.00	$ -14,173,547.96	$ 3,789,395.70
11/23/2022	APE	Sell	$ 1.17	900,666	- 12,614,342	net short	$ 1,053,779.22	$ -15,263,353.82	$ 3,753,369.06
11/23/2022	APE	Sell	$ 1.15	1,000,000	- 13,614,342	net short	$ 1,150,000.00	$ -16,473,353.82	$ 3,693,369.06
11/23/2022	APE	Sell	$ 1.15	187,862	- 13,802,204	net short	$ 216,041.30	$ -16,700,666.84	$ 3,682,097.34
11/23/2022	APE	Sell	$ 1.17	110,272	- 13,912,476	net short	$ 129,018.24	$ -16,834,095.96	$ 3,677,686.46
11/23/2022	APE	Buy	$ 1.16	4,000,000	- 9,912,476	net short	$ -4,640,000.00	$ -11,994,095.96	$ 3,877,686.46
11/25/2022	APE	Sell	$ 1.22	85,300	- 9,997,776	net short	$ 104,066.00	$ -12,197,286.72	$ 3,778,561.70
11/25/2022	APE	Sell	$ 1.22	72,673	- 10,070,449	net short	$ 88,661.06	$ -12,285,947.78	$ 3,778,561.70
11/25/2022	APE	Sell	$ 1.21	469,800	- 10,540,249	net short	$ 568,458.00	$ -12,859,103.78	$ 3,773,863.70
11/25/2022	APE	Sell	$ 1.21	399,822	- 10,940,071	net short	$ 483,784.62	$ -13,346,886.62	$ 3,769,865.48
11/25/2022	APE	Buy	$ 1.16	4,125,631	- 6,814,440	net short	$ -4,785,731.96	$ -8,313,616.80	$ 4,017,403.34
11/25/2022	APE	Buy	$ 1.16	59,929	- 6,754,511	net short	$ -69,517.64	$ -8,240,503.42	$ 4,020,999.08
11/25/2022	APE	Buy	$ 1.16	6,814,440	59,929	net long	$ -7,904,750.40	$ 73,113.38	$ 4,429,865.48
11/25/2022	APE	Sell	$ 1.21	59,929	-	net long	$ 72,514.09	$ -	$ 4,429,266.19
11/28/2022	APE	Buy	$ 1.14	465,708	465,708	net long	$ -530,907.12	$ 530,907.12	$ 4,429,266.19
11/28/2022	APE	Sell	$ 1.13	465,708	-	net long	$ 526,250.04	$ -	$ 4,424,609.11
11/28/2022	APE	Sell	$ 1.13	2,750,000	- 2,750,000	net short	$ 3,107,500.00	$ -3,135,000.00	$ 4,397,109.11
11/28/2022	APE	Sell	$ 1.13	1,047,463	- 3,797,463	net short	$ 1,183,633.19	$ -4,329,107.82	$ 4,386,634.48
11/28/2022	APE	Sell	$ 1.14	465,708	- 4,263,171	net short	$ 530,907.12	$ -4,860,014.94	$ 4,386,634.48
11/28/2022	APE	Buy	$ 1.09	3,797,463	- 465,708	net short	$ -4,139,234.67	$ -530,907.12	$ 4,576,507.63
11/28/2022	APE	Buy	$ 1.09	6,202,537	5,736,829	net long	$ -6,760,765.33	$ 6,539,985.06	$ 4,886,634.48
11/29/2022	APE	Sell	$ 1.07	5,582,546	154,283	net long	$ 5,973,324.22	$ 161,997.15	$ 4,481,970.79
11/29/2022	APE	Sell	$ 1.07	746,048	- 591,765	net short	$ 798,271.36	$ -621,353.25	$ 4,496,891.75
11/29/2022	APE	Sell	$ 1.06	356,034	- 947,799	net short	$ 377,396.04	$ -995,188.95	$ 4,500,452.09
11/29/2022	APE	Buy	$ 1.00	6,684,628	5,736,829	net long	$ -6,684,628.00	$ 6,023,670.45	$ 4,834,683.49
11/29/2022	APE	Buy	$ 1.00	3,315,372	9,052,201	net long	$ -3,315,372.00	$ 9,504,811.05	$ 5,000,452.09
11/30/2022	APE	Sell	$ 0.97	1,592,856	7,459,345	net long	$ 1,545,070.32	$ 7,250,483.34	$ 4,291,194.70
11/30/2022	APE	Sell	$ 0.98	407,144	7,052,201	net long	$ 399,001.12	$ 6,854,739.37	$ 4,294,451.85
11/30/2022	APE	Sell	$ 0.97	1,000,000	6,052,201	net long	$ 970,000.00	$ 5,882,739.37	$ 4,292,451.85
11/30/2022	APE	Sell	$ 0.92	7,000,000	- 947,799	net short	$ 6,440,000.00	$ -921,260.63	$ 3,928,451.85
11/30/2022	APE	Sell	$ 0.91	5,000,000	- 5,947,799	net short	$ 4,550,000.00	$ -5,781,260.63	$ 3,618,451.85
11/30/2022	APE	Buy	$ 1.00	7,500,000	1,552,201	net long	$ -7,500,000.00	$ 1,508,739.37	$ 3,408,451.85
12/1/2022	APE	Buy	$ 1.00	7,500,000	9,052,201	net long	$ -7,500,000.00	$ 8,889,261.38	$ 3,288,973.86
12/1/2022	APE	Buy	$ 1.00	5,000,000	14,052,201	net long	$ -5,000,000.00	$ 13,799,261.38	$ 3,198,973.86
12/1/2022	APE	Buy	$ 1.02	300,000	14,352,201	net long	$ -306,000.00	$ 14,093,861.38	$ 3,187,573.86
12/2/2022	APE	Sell	$ 1.00	1,089,041	13,263,160	net long	$ 1,089,041.00	$ 13,210,107.36	$ 3,392,860.84
12/2/2022	APE	Buy	$ 1.00	2,000,000	15,263,160	net long	$ -2,000,000.00	$ 15,202,107.36	$ 3,384,860.84
12/7/2022	APE	Sell	$ 0.83	2,000,000	13,263,160	net long	$ 1,660,000.00	$ 10,756,422.76	$ 599,176.24
12/8/2022	APE	Sell	$ 0.84	1,000,000	12,263,160	net long	$ 840,000.00	$ 10,117,107.00	$ 799,860.48

L	M	N	O	P	Q	R	S	T	U
Trade Date	Security	Buy or Sell	Price per Unit	Number of Units	Share Balance	positioning	transaction value	market value APE portfolio on closing price	Estimated Rolling Total P&L (profit/loss)
12/9/2022	APE	Sell	$ 0.79	1,597,100	10,666,060	net long	$ 1,261,709.00	$ 8,212,866.20	$ 157,328.68
12/9/2022	APE	Sell	$ 0.79	48,896	10,617,164	net long	$ 38,627.84	$ 8,175,216.28	$ 158,306.60
12/9/2022	APE	Sell	$ 0.78	36,280	10,580,884	net long	$ 28,298.40	$ 8,147,280.68	$ 158,669.40
12/9/2022	APE	Sell	$ 0.78	256,903	10,323,981	net long	$ 200,384.34	$ 7,949,465.37	$ 161,238.43
12/9/2022	APE	Sell	$ 0.78	27,787	10,296,194	net long	$ 21,673.86	$ 7,928,069.38	$ 161,516.30
12/9/2022	APE	Sell	$ 0.78	196,760	10,099,434	net long	$ 153,472.80	$ 7,776,564.18	$ 163,483.90
12/9/2022	APE	Sell	$ 0.78	37,100	10,062,334	net long	$ 28,938.00	$ 7,747,997.18	$ 163,854.90
12/9/2022	APE	Sell	$ 0.78	262,334	9,800,000	net long	$ 204,620.52	$ 7,546,000.00	$ 166,478.24
12/16/2022	APE	Sell	$ 0.79	881,825	8,918,175	net long	$ 696,641.75	$ 6,510,267.75	$ -172,612.26
12/22/2022	APE	Buy	$ 0.58	60,000,000	68,918,175	net long	$ -34,935,000.00	$ 82,701,810.00	$ 41,083,929.99
12/22/2022	APE	Buy	$ 1.20	200,000	69,118,175	net long	$ -240,000.00	$ 82,941,810.00	$ 41,083,929.99
12/22/2022	APE	Sell	$ 1.21	8,900,000	60,218,175	net long	$ 10,769,000.00	$ 72,261,810.00	$ 41,172,929.99
12/23/2022	APE	Sell	$ 1.91	200,000	60,018,175	net long	$ 382,000.00	$ 103,831,442.75	$ 73,124,562.74
12/28/2022	APE	Buy	$ 1.71	66,000	60,084,175	net long	$ -112,860.00	$ 87,122,053.75	$ 56,302,313.74
12/28/2022	APE	Sell	$ 1.52	66,000	60,018,175	net long	$ 100,320.00	$ 87,026,353.75	$ 56,306,933.74
12/29/2022	APE	Buy	$ 1.40	500	60,018,675	net long	$ -700.00	$ 88,227,452.25	$ 57,507,332.24
12/29/2022	APE	Buy	$ 1.40	2,100	60,020,775	net long	$ -2,940.00	$ 88,230,539.25	$ 57,507,479.24
12/29/2022	APE	Buy	$ 1.40	47,400	60,068,175	net long	$ -66,360.00	$ 88,300,217.25	$ 57,510,797.24
12/29/2022	APE	Sell	$ 1.47	500	60,067,675	net long	$ 735.00	$ 88,299,482.25	$ 57,510,797.24
12/29/2022	APE	Sell	$ 1.47	1,400	60,066,275	net long	$ 2,058.00	$ 88,297,424.25	$ 57,510,797.24
12/29/2022	APE	Sell	$ 1.47	19,000	60,047,275	net long	$ 27,930.00	$ 88,269,494.25	$ 57,510,797.24
12/29/2022	APE	Sell	$ 1.47	29,100	60,018,175	net long	$ 42,777.00	$ 88,226,717.25	$ 57,510,797.24
12/29/2022	APE	Buy	$ 1.51	300,000	60,318,175	net long	$ -453,000.00	$ 88,667,717.25	$ 57,498,797.24
12/30/2022	APE	Buy	$ 1.39	500,000	60,818,175	net long	$ -695,000.00	$ 85,753,626.75	$ 53,889,706.74
12/30/2022	APE	Buy	$ 1.41	1,000,000	61,818,175	net long	$ -1,410,000.00	$ 87,163,626.75	$ 53,889,706.74
1/3/2023	APE	Sell	$ 1.30	962,800	60,855,375	net long	$ 1,251,640.00	$ 73,026,450.00	$ 41,004,169.99
1/3/2023	APE	Sell	$ 1.30	9,100	60,846,275	net long	$ 11,830.00	$ 73,015,530.00	$ 41,005,079.99
1/3/2023	APE	Sell	$ 1.30	28,100	60,818,175	net long	$ 36,530.00	$ 72,981,810.00	$ 41,007,889.99
2/3/2023	APE	Buy	$ 2.96	5,000,000	65,818,175	net long	$ -14,800,000.00	$ 198,112,706.75	$ 151,338,786.74
2/6/2023	APE	Sell	$ 2.89	5,000,000	60,818,175	net long	$ 14,450,000.00	$ 192,185,433.00	$ 159,861,512.99
2/6/2023	APE	Buy	$ 3.18	5,800,000	66,618,175	net long	$ -18,444,000.00	$ 210,513,433.00	$ 159,745,512.99
2/6/2023	APE	Sell	$ 3.19	5,800,000	60,818,175	net long	$ 18,502,000.00	$ 192,185,433.00	$ 159,919,512.99
2/9/2023	APE	Buy	$ 0.70	106,595,106	167,413,281	net long	$ -75,042,954.62	$ 455,364,124.32	$ 348,055,249.69
2/9/2023	APE	Buy	$ 1.10	91,026,191	258,439,472	net long	$ -100,000,000.00	$ 702,955,363.84	$ 495,646,489.21
2/13/2023	APE	Sell	$ 2.42	2,973,400	255,466,072	net long	$ 7,195,628.00	$ 618,227,894.24	$ 418,114,647.61
2/13/2023	APE	Sell	$ 2.42	6,500	255,459,572	net long	$ 15,730.00	$ 597,775,398.48	$ 397,677,881.85
2/13/2023	APE	Sell	$ 2.42	20,100	255,439,472	net long	$ 48,642.00	$ 625,826,706.40	$ 425,777,831.77
2/14/2023	APE	Sell	$ 2.41	977,300	254,462,172	net long	$ 2,355,293.00	$ 615,798,456.24	$ 418,104,874.61
2/14/2023	APE	Sell	$ 2.40	488,650	253,973,522	net long	$ 1,172,760.00	$ 614,615,923.24	$ 418,095,101.61
2/14/2023	APE	Sell	$ 2.39	488,650	253,484,872	net long	$ 1,167,873.50	$ 593,154,600.48	$ 397,801,652.35
2/14/2023	APE	Sell	$ 2.40	2,965,910	250,518,962	net long	$ 7,118,184.00	$ 586,214,371.08	$ 397,979,606.95
2/14/2023	APE	Sell	$ 2.39	2,800	250,516,162	net long	$ 6,692.00	$ 586,207,819.08	$ 397,979,746.95
2/14/2023	APE	Sell	$ 2.40	2,800	250,513,362	net long	$ 6,720.00	$ 586,201,267.08	$ 397,979,914.95
2/14/2023	APE	Sell	$ 2.40	16,994	250,496,368	net long	$ 40,785.60	$ 586,161,501.12	$ 397,980,934.59
2/14/2023	APE	Sell	$ 2.41	5,600	250,490,768	net long	$ 13,496.00	$ 586,148,397.12	$ 397,981,326.59
2/14/2023	APE	Sell	$ 2.40	51,896	250,438,872	net long	$ 124,550.40	$ 613,575,236.40	$ 425,532,716.27
2/14/2023	APE	Sell	$ 2.41	17,100	250,421,772	net long	$ 41,211.00	$ 613,533,341.40	$ 425,532,032.27
2/14/2023	APE	Sell	$ 2.39	8,550	250,413,222	net long	$ 20,434.50	$ 613,512,393.90	$ 425,531,519.27
2/14/2023	APE	Sell	$ 2.40	8,550	250,404,672	net long	$ 20,520.00	$ 613,491,446.40	$ 425,531,091.77
2/15/2023	APE	Sell	$ 2.46	16,677,800	233,726,872	net long	$ 41,027,388.00	$ 546,920,880.48	$ 399,987,913.85
2/15/2023	APE	Sell	$ 2.46	879,600	232,847,272	net long	$ 2,163,816.00	$ 544,862,616.48	$ 400,093,465.85

L	M	N	O	P	Q	R	S	T	U
Trade Date	**Security**	**Buy or Sell**	**Price per Unit**	**Number of Units**	**Share Balance**	**positioning**	**transaction value**	**market value APE portfolio on closing price**	**Estimated Rolling Total P&L (profit/loss)**
2/15/2023	APE	Sell	$ 2.46	879,600	232,847,272	net long	$ 2,163,816.00	$ 544,862,616.48	$ 400,093,465.85
2/15/2023	APE	Sell	$ 2.46	5,000	232,842,272	net long	$ 12,300.00	$ 544,850,916.48	$ 400,094,065.85
2/15/2023	APE	Sell	$ 2.46	95,600	232,746,672	net long	$ 235,176.00	$ 544,627,212.48	$ 400,105,537.85
2/15/2023	APE	Sell	$ 2.46	15,400	232,731,272	net long	$ 37,884.00	$ 570,191,616.40	$ 425,707,825.77
2/15/2023	APE	Sell	$ 2.46	291,800	232,439,472	net long	$ 717,828.00	$ 562,503,522.24	$ 418,737,559.61
3/15/2023	APE	Sell	$ 1.51	48,000,579	184,438,893	net long	$ 72,480,874.29	$ 261,903,228.06	$ 190,618,139.72
3/15/2023	APE	Sell	$ 1.51	492,653	183,946,240	net long	$ 743,906.03	$ 261,203,660.80	$ 190,662,478.49
3/15/2023	APE	Sell	$ 1.51	1,506,768	182,439,472	net long	$ 2,275,219.68	$ 259,064,050.24	$ 190,798,087.61
4/3/2023	APE	Sell	$ 1.77	4,635,000	177,804,472	net long	$ 8,203,950.00	$ 263,150,618.56	$ 203,088,605.93
4/3/2023	APE	Sell	$ 1.79	2,500,000	175,304,472	net long	$ 4,475,000.00	$ 259,450,618.56	$ 203,863,605.93
4/4/2023	APE	Sell	$ 1.70	2,000,000	173,304,472	net long	$ 3,400,000.00	$ 291,151,512.96	$ 238,964,500.33
4/4/2023	APE	Sell	$ 1.64	1,000,000	172,304,472	net long	$ 1,640,000.00	$ 289,471,512.96	$ 238,924,500.33
4/4/2023	APE	Sell	$ 1.67	3,000,000	169,304,472	net long	$ 5,010,000.00	$ 284,431,512.96	$ 238,894,500.33
4/4/2023	APE	Sell	$ 1.80	1,000,000	168,304,472	net long	$ 1,800,000.00	$ 282,751,512.96	$ 239,014,500.33
4/4/2023	APE	Sell	$ 1.61	2,000,000	166,304,472	net long	$ 3,220,000.00	$ 279,391,512.96	$ 238,874,500.33
4/4/2023	APE	Sell	$ 1.60	1,000,000	165,304,472	net long	$ 1,600,000.00	$ 277,711,512.96	$ 238,794,500.33
4/5/2023	APE	Sell	$ 1.68	1,000,000	164,304,472	net long	$ 1,680,000.00	$ 280,960,647.12	$ 243,723,634.49
4/5/2023	APE	Sell	$ 1.70	8,385	164,296,087	net long	$ 14,254.50	$ 280,946,308.77	$ 243,723,550.64
					Share Balance	**positioning**		**market value APE portfolio on closing price**	**Estimated Rolling Total P&L (profit/loss)**
Total as of 4/5/2023					164,296,087	net long		$ 280,946,308.77	$ 243,723,550.64

Exhibit C

3:03

AMC (Wrapped AMC)

AMC / ETH

DEX Tracker / Trading Pair

DEX Trading Pairs is in **Beta** release. Learn more about this page in our Knowledge Base article

$0.00

$ 0.00%

0.00000000 ETH

Total Liquidity:	$11.04
Ratio:	1 AMC = 0.000000000000000017645 ETH

Trade In Uniswap V2

Total Supply:	8,008,595,000,000,000 AMC
Total Txns:	386
Holders:	334
Pair Created Date:	527 days 2 hrs ago
Links:	Not Available, Update ?

AA etherscan.io

Mary-Catherine Lader
Chief Operating Officer at Uniswap Labs

Experience

Chief Operating Officer
Uniswap Labs · Full-time
Jun 2021 - Present · 1 yr 7 mos
New York, United States

Lead growth, strategy and operations for Uniswap Labs, which supports the world's largest decentralized exchange protocol

Term Member
Council on Foreign Relations
Jun 2019 - Present · 3 yrs 7 mos

BlackRock
5 yrs 9 mos

Managing Director & Global Head of Aladdin Sustainability
Jan 2020 - Jun 2021 · 1 yr 6 mos
New York, United States

Launched and led BlackRock's sustainable investing software, data and analytics businesses, including organic builds, strategic partnerships and M&A across climate finance and ESG in public and ...see more

Managing Director & Chief Operating Officer, BlackRock Digital Wealth
Oct 2017 - Dec 2019 · 2 yrs 3 mos
Greater New York City Area

Deputy for global retail digital distribution and software-as-a-service businesses, including FutureAdvisor, iRetire and Aladdin Wealth, with ~400 people globally. Led fintech partnership ...see more

Chief of Staff to the Global COO
Oct 2015 - Oct 2017 · 2 yrs 1 mo

Person Details

Philip Lader

Philip Lader
Philip Lader has served as a Director of AMC Entertainment Holdings, Inc. since June 8, 2019 and was appointed as Lead Director in July 2021.

Ambassador Lader is a Senior Advisor to Morgan Stanley Institutional Securities, as well as the former U.S. Ambassador to the Court of St. James's and Chairman of WPP plc (*including Ogilvy & Mather, J. Walter Thompson, Young & Rubicam, Grey, Group M, Kantar, Hill & Knowlton, and Burson-Marsteller, among other companies in 124 countries*).

Ambassador Lader served in President Clinton's Cabinet and as Administrator of the US Small Business Administration, White House Deputy Chief of Staff, Assistant to the President, and Deputy Director of the Office of Management & Budget. Previously, he was Executive Vice President of Sir James Goldsmith's US holdings (including America's then-largest private landholdings) and President of Sea Pines Company (developer/operator of large-scale resort communities), universities in South Carolina and Australia, and Business Executives for National Security.

Also, he is currently a trustee (and Investment Committee Chairman) of RAND Corporation and several foundations, as well as a member of the boards of several privately-held companies, the investment committees of Morgan Stanley's Global Infrastructure and Real Estate Funds, and the Council on Foreign Relations. He currently or has previously served on the boards of Lloyds of London, Marathon Oil, AES, WPP plc, Songbird (Canary Wharf), and Rusal Corporations, the British Museum, American Red Cross, Smithsonian Museum of American History, St. Paul's Cathedral Foundation, Atlantic Council, and several banks and universities. He is partner emeritus in the Nelson Mullins law firm and the founder and co-host of Renaissance Weekends (non-partisan retreats for innovative leaders bridging traditional divides).

Ambassador Lader's education includes Duke, Michigan, Oxford and Harvard Law School, and he has been awarded honorary doctorates by 14 universities. An Honorary Fellow of Oxford University's Pembroke College and London Business School and Honorary Bencher of Middle Temple (British Inns of Court), he was awarded the Benjamin Franklin Medal by The Royal Society for Arts, Manufactures & Commerce for his contributions to trans-Atlantic relations.

Exhibit D

Gmail Jordan Affholter <jordanaffholter@gmail.com>

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter <jordanaffholter@gmail.com> Wed, Apr 12, 2023 at 9:24 AM
To: InvestorRelations@amctheatres.com

Hello Investor Relations at AMC,

I am an independent investor who is invested in AMC. I participated and voted in their recent shareholder meeting on March 14, 2023. The vote took place through proxyvote. I am looking to request the raw data for that vote so I can verify my votes were recorded correctly. Who is in charge of tallying up all the raw voting data? AMC, ProxyVote, computershare, or a 3rd party?

Thank you,
Jordan Affholter [redacted]

Jordan Affholter <jordanaffholter@gmail.com> Thu, Apr 20, 2023 at 10:27 AM
To: InvestorRelations@amctheatres.com

Hello Investor Relations at AMC,
(resending this request as I have received no response after one week)
I am an independent investor who is invested in AMC. I participated and voted in their recent shareholder meeting on March 14, 2023. The vote took place through proxyvote. Who is in charge of tallying up all the raw voting data? AMC, ProxyVote, computershare, or a 3rd party? As a shareholder, I am requesting that AMC provide me with the raw data to verify my votes were recorded correctly.

Thank you,
Jordan Affholter [redacted]
[Quoted text hidden]

Gmail Jordan Affholter <jordanaffholter@gmail.com>

Question about AMC Shareholder Voting Data

Jordan Affholter <jordanaffholter@gmail.com> Tue, May 9, 2023 at 11:35 AM
To: InvestorRelations@amctheatres.com

Hello Investor Relations at AMC,

I am an independent investor who is invested in AMC. I participated and voted in their recent shareholder meeting on March 14, 2023. The vote took place through proxyvote. Who is in charge of tallying up all the raw voting data? AMC, ProxyVote, computershare, or a 3rd party?

I have reached out on April 12, 2023 and April 20, 2023 and have received no response from you. As a shareholder, I am requesting that AMC provide me with the raw data to verify my votes were recorded correctly.

Thank you,
Jordan Affholter [redacted]

Exhibit E

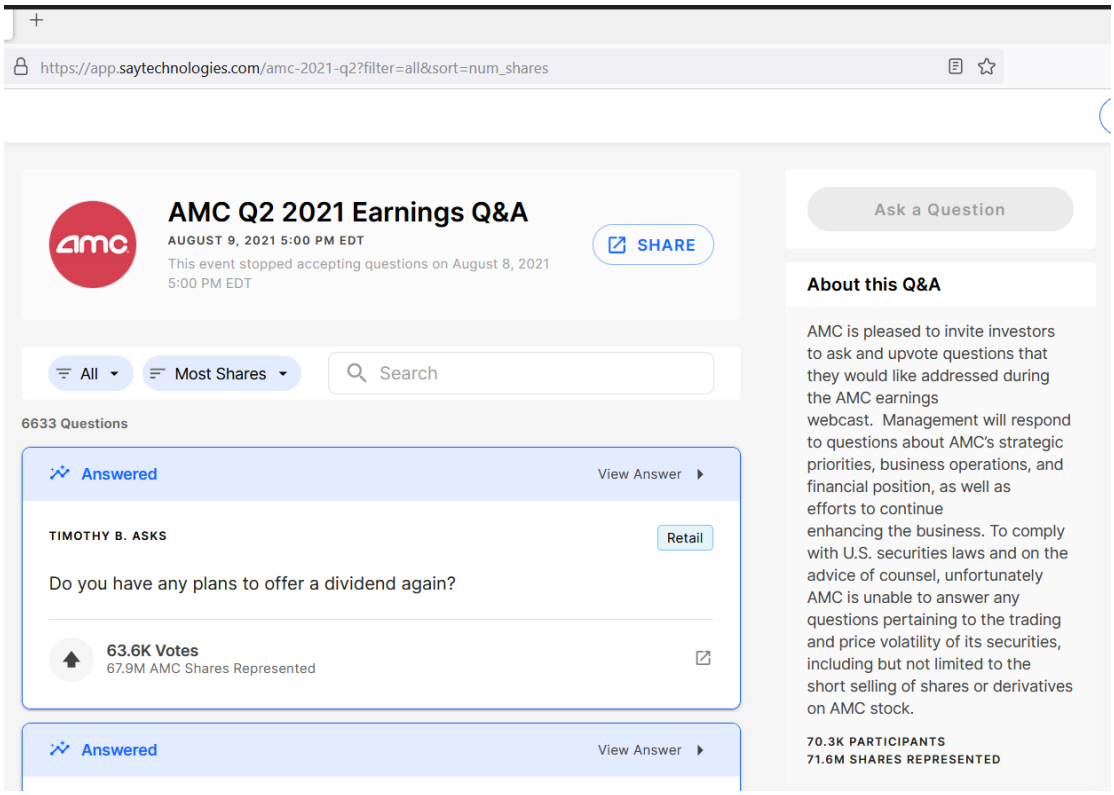
https://app.saytechnologies.com/amc-2021-q2?filter=all&sort=num_shares
AMC Q2 2021 Earnings Q&A
AUGUST 9, 2021 5:00 PM EDT
This event stopped accepting questions on August 8, 2021 5:00 PM EDT
SHARE
Ask a Question
About this Q&A
AMC is pleased to invite investors to ask and upvote questions that they would like addressed during the AMC earnings webcast. Management will respond to questions about AMC's strategic priorities, business operations, and financial position, as well as efforts to continue enhancing the business. To comply with U.S. securities laws and on the advice of counsel, unfortunately AMC is unable to answer any questions pertaining to the trading and price volatility of its securities, including but not limited to the short selling of shares or derivatives on AMC stock.
70.3K PARTICIPANTS
71.6M SHARES REPRESENTED
All
Most Shares
Search
6633 Questions
Answered
View Answer
TIMOTHY B. ASKS
Retail
Do you have any plans to offer a dividend again?
63.6K Votes
67.9M AMC Shares Represented
Answered
View Answer

EXHIBIT 2

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ALLEGHENY COUNTY EMPLOYEES' RETIREMENT SYSTEM, on behalf of itself and all other similarly-situated Class A stockholders of AMC ENTERTAINMENT HOLDINGS, INC.,

Plaintiff,

versus

AMC ENTERTAINMENT HOLDINGS, INC., ADAM M. ARON, HOWARD W. KOCH, KATHLEEN M. PAWLUS, ANTHONY J. SAICH, PHILIP LADER, GARY F. LOCKE, and ADAM J. SUSSMAN,

Defendants.

Consolidated
C.A. No. 2023-0215-MTZ

BUBBIE GUNTER'S OBJECTIONS TO THE PROPOSED SETTLEMENT

Statement of Objections

Pursuant to the instructions from this Court, I, Bubbie Gunter, a member of the "Class" have enclosed the necessary documentation to establish that I am in fact a member of the "Class"[1]

Therefore, please accept this letter as my formal desire to object to the proposed settlement currently on the table of which I am a member.[2]

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[1] Exhibit "A" - Proof of Class Membership

[2] Allegheny County Employees' Retirement System v. AMC Entertainment Holding, Inc, et al., C.A. No. 2023-0215-MTZ

In this particular letter, I would like to address my concerns and objections to the settlement "structure" itself and not as much as the monetary aspect of the settlement which I will discuss later. Below is a list of my objections:

Objection # 1 - Misleading Facts in Settlement Filing
Objection # 2 – Defendants' Rights to Immunity
Objection # 3 - Objection to Lifting the Status Quo and Possible Civil RICO Violations
Objection # 4 - Fees and Expense Award

Objection # 1
Misleading Facts in Settlement Filing

In the matter before the Court, Lead Counsel requested this Honorable Court to appoint them as Class Counsel for the Settlement Class. They assured the Court they have and will fairly and adequately represent and protect the interests of the Settlement Class.

However, after a thorough inspection of Lead Counsel's Proposed Settlement (the "Settlement") it becomes evident that the filing is ***riddled with misleading facts*** that could jeopardize and harm the Settlement Class thereby making it void and the need for a **new proposed settlement be presented to the Court.**[3]

In re Marsh & McLennan Companies, Inc.[4] Securities Litigation, 527 F. Supp. 2d 144 (S.D.N.Y. 2007) the Court considered objections to a proposed settlement and specifically addressed the issues of misleading information in the settlement filing. The Court emphasized the importance of accurate and complete information in the settlement process and stated that misleading or inaccurate information can undermine the fairness of the settlement.

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[3] See Exhibit "B", Class Members Brief in Support of New Proposed Settlement for consideration.
[4] In re Marsh & McLennan Companies, Inc. Securities Litigation, 527 F. Supp. 2d 144 (S.D.N.Y. 2007)

In their submission to the Court, Class Counsel stated,

> *"... On March 14, 2023, AMC convened the Special Meeting, where the Proposals were approved* ***by a majority of Common Stock and Preferred Stock****, including Preferred Stock shares corresponding to uninstructed AMC Preferred Equity Units, voting together as a class....."*[5]

This information to the Court is in fact ***not true at all*** and I feel it misleads the Court and Class into believing a "majority" of Common Stock and Preferred Stockholders approved the proposed amendments to their corporate filing and they did NOT!

It should be noted that for the reverse split proposal vote, AMC reported that ***ONLY 128,344,709 AMC shares voted in favor, 51,388,638 voted against, and 2,609,383 abstained.***[6]

Under Delaware law, an affirmative vote of shareholders of **at least a majority** in voting power of the Company's outstanding shares will be required for stockholder approval of the Common Stock Amendment.

This is a far cry from a MAJORITY vote.[7]

Furthermore, in their Brief in Support of the Proposed Settlement, Defendants once again misleads the Court, the Class, and any future individuals reading these documents into believing a "Majority" of Common Stock and APEs voted "Overwhelmingly in favor" of the Charter Proposals. However, this representation is far from the truth.

Just like a master storyteller weaving a tale of deception, Lead Counsel and Defendants crafted a narrative that distorts the facts and creates a false perception that the proposed Amendments to the Corporate Filing had widespread support from a majority of Common Stock and Preferred Stockholders. But, the reality is quite different.[8]

The misleading information presented by Lead Counsel and Defendants in their proposed settlement filing has a significant impact on both the Court and Shareholder Class as a whole.

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[5] IN_RE_AMC_ENTERTAINMENT_HOLDINGS_INC._STOCKHOLDER_LITIGATION, page 5 (H).
[6] AMC Q4 2021 Earnings Conference Call Transcript.
[7] DGCL, Section 216 (4)
[8] Brief in Support of the Proposed Settlement, p. 30

By misrepresenting the facts regarding the voting results, Lead Counsel creates the false impression that the proposed Amendments to the Corporate Filing were supported by a majority of Common Stock and Preferred Stockholders.

Another example of Class Counsel's lack to adequately represent the Settlement Class is their lack of knowledge of the facts of the case.

Records incorrectly reflect[9] that,

"Indeed, APE holders, including Antara, made investment decisions based on the fact that the APEs and Common Stock would vote together on the Charter Proposals…"

In their haste to settle, the defendants and Lead Counsel have once again overlooked critical facts, as evident from the inaccurate records that assert APE holders, based their investment decisions on the assumption that APEs and Common Stock would vote together on the Charter Proposals.

Such a notion is simply implausible and fails to align with reality. It is inconceivable to believe that all APE shareholders made their investment decisions relying on the notion of a unified voting arrangement having been established.

This flawed claim further highlights the lack of attention to detail and accuracy exhibited by the Defendants and Lead Counsel.

Attorneys have ethical and professional obligations to provide accurate information to both their clients and the Court.

At least a dozen other examples of misinformation to the Court can be found in their Proposed Settlement plan and their Briefs in Support. And, if the Briefs in Support of the Settlement are "poisoned", wouldn't the Settlement itself be "fruit" from it? Therefore, I strenuously object to their Proposed Settlement.

Misleading facts and a lack of transparency regarding the voting results, the true impact of the reverse stock split on the Settlement Class, and the accuracy of information presented throughout the proposed settlement filing clearly demonstrates the need for a ***more thorough review of the proposed settlement*** and the actions of the Lead Counsel and Defendants.

---

[9] Defendant's Brief in Support of Proposed Settlement, p.30

Objection # 2
Defendants' Rights to Immunity

On February 20. 2023, Plaintiffs brought forth several railing accusations against the Defendants. These charges include:

- *Defendants participated in a complex and disloyal corporate scheme to circumvent shareholder wishes in a corporate election;*
- *That Defendants, after many months of trying to convince shareholders to approve proposals that would dilute their Company's stock, used AMC's Anti-takeover policy against shareholders to officiate their scheme;*
- *In their complaint, Plaintiffs' asserted Defendants violated or will cause to violate Delaware law.*

After reviewing the actual complaint, Plaintiff's Opening Brief in Support of Proposed Settlement and Defendant's Brief in Support of Proposed Settlement, it is ***beyond the scope of reasoning*** to understand why Class Counsel would bring such condemning accusations against CEO Aron and the Board. Then, perform a hundred and eighty degree turn around!

After all, the Lead Counsel assured the Court and Members of the Class that they ***"...anticipate that there will be no difficulty in the management of this litigation…."***[10] to prove their claims.

In addition, Plaintiffs' stated they were, ***"Committed to prosecuting this Action and has retained competent counsel experienced in litigation of this nature…."***[11]

Then, after reading the Plaintiffs' Opening Brief in Support of the Proposed Settlement, I was left walking away feeling as if something wasn't right about the case as a whole.

The Plaintiff's changed their attitude toward the claims one-hundred percent and did a 180 degree turnaround. Now, the Class is expected to simply accept,

"Well, the Defendant's may have done something wrong.
Then again, maybe not. Now pay us $20 million dollars for this amazing work!"

---

[10] Verified Class Action Complaint, p.36(88)
[11] I.d. 37(90)

Is THIS the definition of "Practicing Law"? To submit frivolous complaints to the Court, only to settle with Attorney Fees in the MILLIONS?
This is unacceptable to me as well as many other Members of the Class!

In the WorldCom case, the Court thoroughly examined objections and placed significant emphasis on the fairness and adequacy of the settlement terms. The Court emphasized its responsibility to scrutinize the settlement to ensure it adequately addresses the alleged misconduct and protect the rights of the affected parties..[12]

The case highlights the Court's responsibility before approving a settlement to:

1. ***Diligently evaluate the merits of the claims against the Defendants,***
2. ***Assess the extent of the alleged wrongdoing, and***
3. ***Safeguard the interests of the class members.***

If the Defendants are in fact guilty of the many allegations Lead Counsel brought forth, I object to the inclusion of an immunity clause of the Proposed Settlement. Then, I would request the Court make whatever recommendations she feels are in the best interest of the Class as a whole.

If in the Court's wisdom, she agrees, then that which has been covered must be revealed!

With the Plaintiff's rushing to Court, rushing to Settlement, rushing to lift the Status Quo, the Court should carefully consider this objection before approving the settlement (with special emphasis on my next objection in which I question such large legal fees attributed to dropping the Action brought before the Court.

If the truth must come out, then this is the time for it!

[12] In re WorldCom, Inc, 219 F.R.D. 267 (S.D.N.Y)

Objection # 3
Objection to Lifting the Status Quo and Possible Civil RICO Violations

---

I strongly object to the approval and implementation of the Charter Proposals that were voted on March 14, 2023. As clearly stated in the records, and as this Class Member has pointed out, the Plaintiffs' have alleged that the Defendants, along with Antara, engaged in a conspiracy to circumvent shareholder wishes in a Corporate Election, potentially infringing upon Delaware law and RICO violations!

First, Plaintiffs' alleges that the Defendants and Antara entered into a binding agreement and participated "together" in a complex scheme to implement the Charter Proposals, circumventing shareholder wishes and potentially violating Delaware law![13]

Yet, in their complete fumbling of this case, Lead Counsel ask Her Honor to accept the Proposed Settlement as is and allow the flagrant violation of law should not be swept under the rug.

This ought not be so.

If the allegations are true, they may potentially imply violations to the RICO Act!

According to Delaware law, significant corporate decisions such as the "Charter Proposals" require the approval of at LEAST A MAJORITY of a company's Outstanding Shareholders.

Any action, such as selling controlling interest of the Company to an institution for the sole purpose of circumventing shareholders desires is considered a violation of Delaware law.

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[13] Delaware Supreme Court, Gantler v. Stephens, 965 A. 2d 695 (Del. 2009)

Under Delaware law, substantial corporate resolutions, to include Corporate Amendments, demand approval from at LEAST a majority of a company's Outstanding Shares. And, the decisions of shareholders should not be infringed upon by outside influences.

Under Delaware law, an affirmative vote of shareholders of **at least a majority** in voting power of the Company's outstanding shares will be required for stockholder approval of the Charter Amendments.[14]

As was noted in my first objection, it should be noted that for the reverse split proposal vote to have succeeded, AMC would have to provide an accurate and final majority , AMC reported that:

- ***ONLY 128,344,709 AMC shares voted in favor,***
- ***51,388,638 voted against, and***
- ***2,609,383 abstained.***[15]

As the Court can plainly see, the vote for the Reverse Stock Split, Conversion, and the increase of AMC's Outstanding Share count to 550 million FAILED! It did not meet Delaware standards in achieving the majority vote required under law.

Of the 517 million AMC Shareholders, ***only 128,344,709 shares voted in favor*** of the proposals. This accounts for approximately 25% of the TOTAL Outstanding Shares!

It should also be further noted, that IF the Defendant's set out to concocted a scheme to circumvent shareholders denial of the proposals in question they succeeded . Because, out of AMC's own mouth they state that,

Without the mirrored voting and the Antara Transaction, the proposals would NOT have passed.[16]

However, they could not "stack the deck" with AMC votes like they had APE share votes. And, their overall efforts to circumvent shareholders' wishes failed once again.

---

[14] DGCL, Section 216 (4)
[15] AMC Q4 2021 Earnings Conference Call Transcript.
[16] AMC_00049559

Had the Lead Counsel and Plaintiffs challenged **THIS well-known and established** precedent of the Court, the entire proposal vote would have had to have been dismissed for Lack of Majority Vote and the whole matter sent back to AMC.

REQUEST FOR RELIEF

This Class Member request this Honorable Court to invalidate the implementation of the Charter Proposals voted on March 14, 2023. And instead, allow the Court's Status Quo order to remain until Her ruling on the legality of the vote!

Furthermore, this Class Member requests the Court consider the alleged violations originally brought forth by the Plaintiffs'. And, perhaps rather a Civil RICO violation may have taken place.

Objection # 4
Fees and Expense Award

In Lead Counsel's "*Stipulation and Agreement of Compromise, Settlement, and Release"*, it is stated that fee and expense award means *"...an award to Class Counsel of fees and expenses approved by the Court in accordance with the Settlement."*[17]

In Plaintiffs' Opening Brief in Support of Settlement, Plaintiff requested this Court award attorney fees in the amount of $20 Million Dollars!

Also, mentioned is a request for the Court to approve an "Incentive Award" for "Plaintiffs" of up to and including $5,000 each. Class Counsel goes on to explain that if the "Incentive Award" is approved, it would be, "*...paid to Plaintiffs solely out of any Fee and Expense Award by the Court to them.*"[18]

I set this objection before the Court because of the overwhelming evidence that the Plaintiffs' have:

1. *Rushed to court and filed a "premature" lawsuit alleging misconduct by the Defendants which is evidenced by using a claim that had been* ***denied for OVER 80 YEARS;***
2. *Now, Lead Counsel is rushing to "settlement" expecting $20,000,000(+) in "Fees and Expenses" for a poorly conducted pre-investigation prior to filing the suit.*

First, I draw attention to the Attorney Pay Rate for just four attorneys representing the "Class":

Name	Total Hours	Hourly Rate	Amount
Michael Barry	167.8	$1,100.00	$184,580.00
Kelly Tucker	62.6	$1,000.00	$62,600.00

[17] *Stipulation and Order for the Production and Exchange of Confidential and Highly Confidential Information*, March 14, 2023. Page 10 (g).
[18] I.d. 25-26

Jason Avellino	272.6	$725.00	$197,635.00
Kerry Dustin	81.0	$575.00	$46,575.00

With such a line up of Hard Hitters on the team, one would expect a Home Run from individuals who make more in an hour then most of the "Class" brings home in a week.

Therefore, I felt it imperative to investigate the need for such exorbitant fees. Was Michael Barry's efforts worth $1,100 dollars an hour; Did Kelly Tucker and Jason Avellino truly exhibit,

"...Substantial efforts (and time) expended by them to litigate this Action."[19]

It should also be noted that Plaintiff took up approximately twenty percent of their Opening Brief in Support of the Settlement. In fact, the "Opening Brief in Support of the Settlement" looked more like a ***"Brief in Support of their Attorney's Fees"***.

While it is true, this Court may award attorneys' fees to counsel for their effort, it is strictly a determination of the Court in the amount. And, I would ask the Court to consider these facts when determining the proper amount owed to counsel for their "work" in this case.

Plaintiffs bring forth the *Sugarland* case and point out four factors to consider when deciding on what fees the Plaintiff deserves for their time and effort spent on this case. They ask the Court to consider *Sugarland* as its foundation to determine:

(1) What benefits were achieved;
(2) The contingent nature of counsel's fee and the efforts of counsel and time invested;
(3) The complexity of the litigation; and
(4) The standing and ability of counsel involved.

[19] Plaintiffs' Opening Brief in Support of Settlement, p.55

When discussing the "Benefits of the Settlement,"[20] Plaintiffs' points out that the Class Members as a whole would receive "*approximately* " 6.9 million NEW shares of Common Stock"A ".

This Class Member is at a loss of words to think Lead Counsels "Benefits of the Settlement" ***begins with diluting the Class Members Class A Common Shares!***

Secondly, they point out the Settlement balance to the Class is, *again approximately* $129 million dollars. Lead Counsel arrives at this number through an issuance of 1 new AMC share for every 7.5 shares of Common Class A share they own. They do however forget to mention the new shares of AMC will begin by ***dilution of the new stock by more than 6.9 million new shares***.

No shareholder would agree to this, as is evidenced in the amount of "Letters of Opposition" the Court has received.

That isn't a "Settlement" it is robbery…AGAIN!

It is AMC Shareholders paying AMC Shareholders. Or, in other words, it is like ***taking the money out of your left pocket, putting it in your right pocket and believing you have gained something***!

Third, Plaintiff declares they spent countless hours reviewing documents such as 56,600 pages of documents produced by Defendants and over 2,500 pages of documents produced by third-parties.

And, because they have spent such substantial time representing the Class they believe they are entitled to a reward of $20 Million Dollars!

HOWEVER,

The Defendants point out in their Brief in Support of Proposed Settlement the sloppy, unprofessional and elementary attempt at Plaintiff in their approach to the case.

[20] Plaintiffs' Opening Brief, p.52-53

Plaintiffs' brought forth an allegation of a Section 224(b)(2) which began a chain reaction that has led us to this point. Then, they ultimately failed to prove their claim.

The Defendant pointed out that the Plaintiffs' attempt to bring the claim before the Court was weak to say the least. In fact, the Defendant stated, "Plaintiff's argument is the same one that has been ***continually rejected by the Delaware courts throughout the past 80 years***!"[21]

The question one must ask is WHY would an experienced law firm that claims to have done THOUSANDS of hours researching and preparing for the case summit an allegation they HAD to know has never passed the test of time in the Delaware Court!

In other words, Class Counsel is saying is,

> *"We brought an action that we may or may not have prematurely filed. It is not certain whether we can win the case or not. So, accept (1) share of Common Stock for every 7.5 shares you own. Let them dilute your stock anyway. And now, pay us $20,000,000. And, those that MIGHT* ***be guilty will receive blanket immunity****."*

Furthermore, it must be brought to the Court's attention that not only myself and other Class Members Object to the proposed legal fees requested, AMC's insurance companies are refusing to pay the settlement fee!

Friday, May 5, 2023, records will show, AMC began a civil suit against 20 of its insurers because they refuse to pay the proposed settlement fees. In other words the insurance companies are saying something is "fishy" here.

And, now it appears that the task of this Court may change from deciding legal fees to determine if lawyers from both sides conspired to file a premature lawsuit then rush to settlement in an attempt to scam the insurance companies.

With not one, not two but ***TWENTY*** insurance companies refusing to pay the proposed settlement, it can only be concluded that fraud may have been involved in the creation of this suit.

---

[21] Defendants Brief in Support of Proposed Settlement, p.25

And, it is because of these facts and objections, I, Bubbie Gunter, a member of the "Class" request the Court consider my objections.

Conclusion

The "Proposed Settlement" brought forth by the Class Counsel leads one to conclude that they have:

1. Rushed to court and filed a "premature lawsuit" alleging misconduct by the Defendants;
2. And now, Class Counsel is rushing to "settlement" expecting "Fees and Expenses" for a poorly conducted pre-investigation prior to filing the suit.

And, it is because of these facts and objections, I, Bubbie Gunter, a member of the "Class" request the Court consider my objections and accept this NEW Proposed Settlement for Consideration for the "Class".

Respectfully submitted,

_____

Name
Address
Phone Number
Email

TABLE OF CONTENTS

STATEMENT OF OBJECTIONS - Complete Version

This is a complete version of all four (4) objections put into one complaint. It is too long for you to post in Chat GPT. So, you will have to go through each objection, see which ones you agree with, and follow the instructions in the videos below to create your own letter!

Objection # 1 - Misleading Statements in Settlement Filing

Watch the Youtube Video for Step-by-Step Instructions

This Objection points out misleading information in the Settlement Proposal filing, highlighting inaccurate facts presented by the Lead Counsel and Defendants.

Examples include "Misrepresentation of voting results and lack of knowledge about the case. If you like this Objection, you will be arguing that if the supporting documents contain misleading information, the settlement itself may be compromised.

If you are using Chat GPT, then follow the video posted here about this Objection. Here is the Prompt you will put into Chat GPT:

> ***"I am writing a letter to the judge in a Civil Matter. I like this objection and would like to put it in my letter also.***
>
> ***Please Rephrase and make one hundred percent original. Keep the context of the objection."***

Objection # 2 - Defendants' Rights to Immunity

Watch the Youtube Video for Step-by-Step Instructions

Defendants' Rights to Immunity

This Objection raised concerns about the defendants' right to immunity in the case. The Plaintiffs' at first brought serious accusations against the defendants but then suddenly they changed their stance in support of a proposed settlement.

The Objection questions the practice of submitting frivolous complaints and settling for millions in attorney fees.

Referring to a previous court case, the objection emphasizes the Court's responsibility to thoroughly evaluate the merits of the claims, assess the alleged wrongdoing, and protect the interest of the Class Members.

If you are using Chat GPT, then follow the video posted here about this Objection. Here is the Prompt you will put into Chat GPT:

"I am writing a letter to the judge in a Civil Matter. I like this objection and would like to put it in my letter also.

Please Rephrase and make one hundred percent original. Keep the context of the objection."

Objection # 3 - Objection to Lifting the Status Quo and Possible Civil RICO Violations

Watch Video for Step-by-Step Instructions

This Objection strongly opposes the approval and implementation of the Charter Proposals, alleging potential Civil RICO Acts violations and violations of Delaware Law.

The Objection argues that the Plaintiffs' have accused the Defendants and Antara of engaging in a conspiracy to circumvent shareholder wishes and states that such violations should not be ignored.

The Objection requests the Court to invalidate the implementation of the Charter Proposals, maintain the Status Quo until a ruling on the vote's legality, and consider the alleged violations.

If you are using Chat GPT, then follow the video posted here about this Objection. Here is the Prompt you will put into Chat GPT:

"You are a Harvard Law professor and I am your student. And, I have come to you for help writing an objection letter to the court. Please write it in simple terms.

A company I own stock in is being sued. I am writing a letter to the judge in this matter. I read someone else's Objection Letter and liked it and would like to put it in my letter also.

Please Rephrase and make one hundred percent original. Keep the context of the objection."

Objection # 4 - Fees and Expense Award

Watch Video for Step-by-Step Instructions

This Objection questions the high attorney fees and expense awards requested by Lead Counsel in the proposed settlement. The Objection highlights that the Plaintiffs rushed to file a lawsuit, alleging misconduct by the Defendants based on a claim that had been rejected for over 80 in the Delaware Court.

If you are using Chat GPT, then follow the video posted here about this Objection. Here is the Prompt you will put into Chat GPT:

"Ignore all other prompts. <u>You are</u> a Harvard Law professor and I am your student. And, I have come to you for help writing an objection letter to the court. Please write it <u>in simple terms</u>.

A company I own stock in is being sued. I am writing a letter to the judge in this matter. I read someone else's Objection Letter and liked it and would like to put it in my letter also.

<u>Please Rephrase</u> and <u>make one hundred percent original</u>. <u>Keep the context of the objection</u>."

Do NOT begin writing. Ask me for Class Member Gunter's Objection letter.

Once I have shared the Objection letter, THEN ask me is that all of the objections. If I say, Yes. Begin writing. If I say, No, Ask me for the next objection.

Once I have shared the second Objection letter, ask me if there is another objection. If I say, Yes. Begin writing. If I say, No, Ask me for the next objection.

Do you understand?

BRIEF IN SUPPORT OF A NEW PROPOSED SETTLEMENT

Exhibit "C" - Restitution Plan

To escape all punishment, Plaintiffs' (Allegheny) and Defendants (Adam Aron and the Board) would have the Court consider "giving" the Class Members **one (1) share for every 7.5 shares** of Common Stock they own.

This is merely a SHAM offering.

In other words, the Defendants have committed the crime, yet they expect shareholders to once again pay their dime for them!

This ought not be so. Should it not be the criminal that pays for their crimes?

Or, do they get a free ride on the backs of shareholders AGAIN! **The Dividend Restitution Plan** solves these issues!

Exhibit "D" - Proposed Capital Restructuring Plan

Exhibit "E" - Preferred Shares Series "B"

Exhibit "F" - AMC CLASS A SHARE BUYBACK PROGRAM