

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
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TRANSMITTAL AFFIDAVIT OF DANIEL E. MEYER

I, Daniel E. Meyer, do hereby state as follows:

1. I am an attorney at Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”), counsel for Plaintiffs in the above-captioned action.

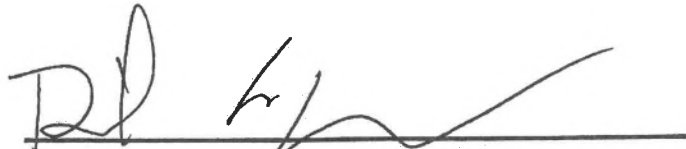
2. Pursuant to paragraph 13 of *Plaintiffs’ Proposal to Protect Privacy Interests of Objector Class Member* (“Plaintiffs’ Proposal”), attached are the objections of people who have (a) indicated that they intend to appear in person at the Settlement Hearing and have submitted redacted versions of their objections, (b) indicated that they intend to appear in person at the Settlement Hearing but have not submitted redacted versions of their objections, and (c) not indicated that they intend to appear in person at the Settlement Hearing and, since the filing of Plaintiffs’ Proposal, have indicated that they want their objections filed publicly:

Exhibit	Objector	Control Number	Redactions Supplied After Filing of Plaintiffs’ Proposal?
A	Alonso, Robert C.	OWPNOO01007	No
B	Ambeaux, Louis	OWPYOO0141	No
C	Barton, John	NONP0624	Yes
D	Brogan, Rickey	OWPYOO0189	No
E	Caesar, Jahangelo	OWPNOO00484	No

F	Campbell, Rick	OWPNOO01003	No
G	Chen, Howard	OWPNOO00454	Yes
H	Cowell, Marcus	NONP0825	No
I	Fox, Brandon D.	OWPYOO00018	No
J	Goolsby, Eric R.	OWPYOO00065	No
K	Grelish, Karen	OWPNOO000686	No
L	Groggins, Ashley	OWPYOO00012	No
M	Hains, Leanne	YONP0051	No
N	Hains, Owen	OWPYOO00176	No
O	Hernandez, Christina	OWPNOO000190	No
P	Holland, Alexander	OWPYOO00238	Yes
Q	Holland, Wina Jean	OWPNOO01235	No
R	Izzo, Rose	OWPYOO00198	No
S	Jennings IV, Thurston	YONP0072	No
T	Mander, Tejinder Singh	OWPNOO01164	No
U	Marshall, Skyler W.	OWPNOO01116	Yes
V	Porto, Zaida M.	OWPNOO01256	No
W	Rahman, Asibur	NONP0109	No
X	Ramirez, Elizabeth T.	OWPNOO000343	No
Y	Ramirez, Joseph D.	OWPNOO000649	No
Z	Rivera Jr., Victor	OWPNOO01218	No
AA	Rizzolo, Elisa J.	OWPNOO000341	Yes
BB	Robinson, Cory	OWPNOO01381	No
CC	Sanchez, Nicholas	OWPNOO000925	No
DD	Smith, Neil Curtis Joseph	OWPYOO00168	No
EE	Tuttle, Brian	YONP0016	No

I declare under penalty of perjury and under the laws of the State of Delaware
that the foregoing is true and correct.

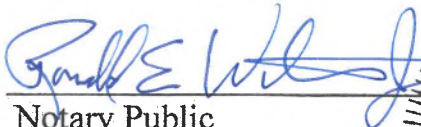
Dated: June 22, 2023



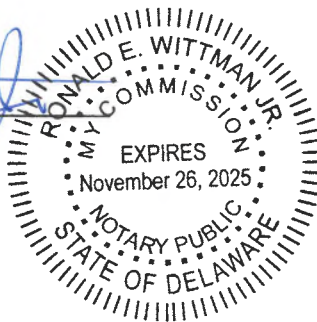
Daniel E. Meyer (Bar No. 6876)
**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**
500 Delaware Avenue, Suite 901
Wilmington, DE 19801
(302) 364-3601

Counsel for Plaintiffs

Sworn to and subscribed before
me on this 22nd day of June, 2023.



Notary Public



CERTIFICATE OF SERVICE

I, Daniel E. Meyer, hereby certify that, on June 22, 2023, a copy of the foregoing *Transmittal Affidavit of Daniel E. Meyer attaching Objections to Settlement*, along with *Exhibits A – J thereto*, were filed and served electronically via File & ServeXpress upon the following counsel of record:

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Wilmington, DE 19801

/s/ Daniel E. Meyer
Daniel E. Meyer (Bar No. 6876)

Exhibit A

From: Robert Alonso [REDACTED]
Sent: Tuesday, May 30, 2023 9:03 PM
To: AMC Settlement Objections
Subject: Objection to Settlement
Attachments: Screen Shot 2023-05-30 at 8.55.03 PM.png

[External]

**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,

Consolidated

versus **C.A. No. 2023-0215-MTZ**

**Robert Alonso
OBJECTIONS TO THE
PROPOSED SETTLEMENT**

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.

Re: Objection to the Approval and Implementation of Charter Proposals

Dear Judge Zurn,

Pursuant to the instructions from this Court, I, Robert Alonso, a member of the "Class" have enclosed the necessary documentation to establish that I am in fact a member of the "Class". 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.

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

I am writing to express my strong objection to the approval and implementation of the Charter Proposals that were voted on March 14, 2023, in the case concerning the company in which I own stock. After carefully reviewing the records and considering the concerns raised by a fellow Class Member, I firmly believe that the Plaintiffs' allegations against the Defendants, including Antara, regarding a conspiracy to circumvent shareholder wishes in a Corporate Election, raise serious questions about potential violations of Delaware law and the RICO Act.

The Plaintiffs assert that the Defendants, in collaboration with Antara, entered into a binding agreement and executed a complex scheme to implement the Charter Proposals, thus bypassing the desires of the shareholders and potentially violating Delaware law. It is troubling to see that Lead Counsel, in their handling of this case, requests the acceptance of the Proposed Settlement in its current form, effectively allowing a blatant violation of the law to go unaddressed. This is a matter that deserves closer scrutiny and should not be overlooked.

If the allegations put forth by the Plaintiffs are proven true, they may implicate violations of the RICO Act. Furthermore, Delaware law stipulates that significant corporate decisions, such as the "Charter Proposals," require the approval of at least a majority of a company's Outstanding Shareholders. Any action taken to sell a controlling interest in the Company to an institution solely for the purpose of circumventing shareholders' desires is considered a violation of Delaware law. Shareholders' decisions should not be infringed upon by external influences.

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

Under Delaware law, stockholder approval of the Charter Amendments necessitates an affirmative vote from shareholders representing at least a majority in voting power of the Company's outstanding shares. In my previous objection, it was duly noted that the proposal vote for the reverse stock split failed to meet Delaware standards, as only 128,344,709 AMC shares voted in favor, while 51,388,638 voted against, and 2,609,383 abstained.

Clearly, the vote for the Reverse Stock Split, Conversion, and the increase of AMC's Outstanding Share count to 550 million did not meet the required majority vote as mandated by Delaware law. The 128,344,709 shares in favor of the proposals only represent approximately 25% of the total Outstanding Shares held by the 517 million AMC Shareholders.

Furthermore, it is worth highlighting that if the Defendants indeed devised a scheme to bypass shareholders' denial of the questioned proposals, they succeeded. AMC's own admission states that, without the mirrored voting and the Antara Transaction, the proposals would not have passed. However, they were unable to manipulate AMC votes as they did with APE share votes. Their overall efforts to circumvent shareholders' wishes were ultimately unsuccessful.

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

Therefore, I respectfully request this Honorable Court to invalidate the implementation of the Charter Proposals voted on March 14, 2023. Instead, I urge the Court to maintain the Status Quo order until your ruling on the legality of the vote.

Furthermore, I kindly ask the Court to consider the alleged violations initially raised by the Plaintiffs. Perhaps a Civil RICO violation may have taken place, warranting further examination.

Thank you for your attention to this matter. I trust - Robert Alonso [REDACTED]

--

Robert Alonso

p: [REDACTED]

Core Account and Credit Balance Cash Flow (continued)

ROBERT CARLOS ALONSO - ROTH IRA

	This Period	Year-to-Date
Cash Management Activity		
Contributions	-	3,000.00
Total Cash Management Activity	-	\$3,000.00
Ending Balance	\$352.83	\$352.83

D Includes dividend reinvestments.

Holdings

Core Account

Description	Beginning Market Value Mar 1, 2023	Quantity Mar 31, 2023	Price Per Unit Mar 31, 2023	Ending Market Value Mar 31, 2023	Unrealized Gain/Loss Mar 31, 2023	EAI (\$) / EY (%)
FIDELITY GOVERNMENT MONEY MARKET (SPAXX)	\$351.54	352.830	\$1.0000	\$352.83	not applicable	\$6.88 1.950%
~ 7-day yield: 4.48%						
Total Core Account (5% of account holdings)	\$351.54			\$352.83		\$6.88

Stocks

Description	Beginning Market Value Mar 1, 2023	Quantity Mar 31, 2023	Price Per Unit Mar 31, 2023	Ending Market Value Mar 31, 2023	Unrealized Gain/Loss Mar 31, 2023	EAI (\$) / EY (%)
Common Stock						
AMC ENTERTAINMENT HOLDINGS INC (AMC)	\$8,211.00	1,150.000	\$5.0100	\$5,761.50	-\$2,153.01	-
CHARGEPOINT HOLDINGS INC COM CL A (CHPT)	886.08	78.000	10.4700	816.66	-690.96	-
Total Common Stock (92% of account holdings)	\$9,097.08			\$6,578.16	-\$2,843.97	-
Preferred Stock						
AMC ENTMT HLDGS INC PFD EQT UNIT (APE)	\$279.45	135.000	\$1.4700	\$198.45	-\$1,049.02	-

Exhibit B

From: louis ambeauxli [REDACTED]
Sent: Wednesday, May 24, 2023 8:09 PM
To: AMC Settlement Objections
Subject: Fw: objection letter

[External]



AMC

AMC ENTERTAINME...



Your investments

INDIVIDUAL



Total value	\$3,180.82
-------------	------------

Shares owned	651.809
--------------	---------

Average cost	\$8.32
--------------	--------

Today's gain/loss	-\$97.78(-2.99%)
----------------------	------------------

Total gain/loss	-\$2,241.28 (-41.34%)
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As of May-24-2023 5:16:53
p.m. ET

Investing



Positions

Watch Lists

Markets

All accounts ▾

List

Details

INDIVIDUAL

\$4,138.93

Available to trade **\$1.21** ⓘ



AMC
651.809...



-\$0.15

Begin forwarded message:

On Wednesday, May 24, 2023, 4:31 PM, louis ambeauxli [REDACTED] wrote:

In The Court Of Chancery Of

The State Of Delaware

Louis Ambeaux
[REDACTED]

RE: AMC Entertainment Holdings, Inc. Stockholder Litigation

Consolidated C.A. No. 2023-0815-MTZ

Statement Of Objections

Per instruction from the court, I louis Ambeaux a member of The Class have enclosed the necessary documentation to establish that I am in fact a member of the Class.

Therefore, please accept this letter as my formal desire to object to the proposed Settlement as well as opt out of The Class of which I am a member structure as well as provide video evidence to help establish the legitimacy of my claims.

Objection: 1 –Collusion among parties

It is my belief that with the proposed settlement benefiting Allegheny county employee's retirement system in compensation upwards of 100 million dollars and settlement call attorneys' receiving upwards of 20 million dollars they can no longer adequately represent the Class.

Objection: 2- While Allegheny County Employee's retirement system, and their legal team will benefit from over 100 million dollars in the settlement the remaining 3.8 million members lose 90 percent of their shares that they have purchased over a two-year period as well as majority ownership in AMC Entertainment Holdings, Inc.

Many people have purchased AMC shares ranging from 72 dollars to 10 dollars which will eliminate their ability to recoup my losses over this two-year period. 3.8 million investors will be forced to go from unrealized losses to realized losses if this Proposed Settlement is approved.

Currently AMC Entertainment Holdings, Inc. is in litigation against 17 insurance companies, who have refused to pay the lawyer's fees in the amount of 20 million dollars regarding case: 2023-0215-MTZ. It is my belief these 17 insurance companies agree that AMC Entertainment Holdings, Inc. have knowingly committed several violations and has exercised their right to refused payment based on their suspicions.

Objection: 3- Misrepresentation or omission of material facts

I believe APE was created with the intent and purpose to defraud and mislead AMC retail investors and based on that belief any settlement regarding this preferred stock class should be considered invalid.

It is my belief that AMC preferred Equity (APE) is being used as a vehicle to circumvent the will of the AMC retail investor and remove majority ownership from retail to corporate interest.

Adam Aron participate in a YouTube interview conducted by Tremayne L. Collins (Trey's Trades) on June 3rd 2021. During this interview Adam Aron explicitly states:

Statement 1: "Somebody out there in the world of Reddit and Twitter was trying to speculate that AMC was either going to split out stock or do a reverse split of our stock. I can tell you that I have never given any serious thought to splitting our stock or a reverse split of our stock that's point number one. "

Statement 2 "Point number two, we have absolutely no plans to split our stock or do a reverse split of our stock."

Statement 3: "You wanna hear point number three, we can't split our stock or do a reverse split of our stock without shareholder approval. So, if we wanted to do that and e don't we would have to go after the shareholder for a vote So guess who makes that decision? Adam Aron doesn't make that decision you the owners of AMC, you make that decision."

RE: AMC Entertainment Holdings, Inc. Stockholder Litigation, Consolidated C. A. No. 2023-015MTZ (Pg13)

Document Sent To:

AMC Investor submissions c/o John Mills, ESQ.
Bernstein Litowitz Berger & Grossmann
LLP 1251 Avenue of the Americas New York, NY 10020



AMC

AMC ENTERTAINME...



Your investments

INDIVIDUAL



Total value \$3,180.82

Shares owned 651.809

Average cost \$8.32

Today's gain/loss **-\$97.78(-2.99%)**

Total gain/loss **-\$2,241.28
(-41.34%)**

As of May-24-2023 5:16:53
p.m. ET

Buy

Sell

Investing



Positions

Watch Lists

Markets

All accounts ▾

List

Details

INDIVIDUAL

\$4,138.93

Available to trade \$1.21 ⓘ



AMC
651.809...



-\$0.15

Exhibit C

J. F. Barton III
Shareholder AMC stock

June 12, 2023

Daniel E. Meyer

BLB&G

Bernstein Litowitz Berger & Grossmann LLP
500 Delaware Avenue, Suite 901
Wilmington, Delaware 19801
Direct: (484) 680-2507

Honorable Chancellor Morgan T. Zurn,

Redacted Objection to the Reverse Split of AMC common stock. (Personal data redacted)

Objection: I am writing to you expressing my concern about the reverse split that is scheduled to happen at AMC in the near future. To be clear, I voted “yes, yes, yes” on the recent proposals, but now have grave concerns there is corruption and manipulation to disenfranchise retail investors that number close to 4 million people. (The largest number of individual investors on any stock in the world)

1. I have been a longtime retail investor, and I believe that the courts should intervene to ensure retail investors are not harmed in this upcoming move, and I list options below for protecting the many investors who jumped into this stock to save this company from what is called a “short” thesis that in recent years has become a way for hedge funds to destroy companies, while lining their pockets with hundreds of millions of dollars.
2. As a military, disabled veteran, I have spent my life defending America, and believing we have the greatest financial system in the world. I invested in AMC because I love movies, I love the theatre, and I saw a chance to be a part of something that would preserve and build America up, rather than tear it down. It was well known that greed driven financial institutions sought to drive AMC in CH11, but that attempt was thwarted, and now the company is on a road to recovery.

FACTS FOR COURT TO CONSIDER FROM A COMMON SHAREHOLDER

1. I hold a significant amount of AMC shares, and have provided plaintiff attorneys with proof of status through my brokerage account. The reverse split will drop my shares to by 10x, and despite the value being promised will be the same in my account, this reverse split grossly, as is known currently, will diminish the financial responsibility of investment firms who “shorted” AMC to create its demise. There are also no guarantees

to retail investors that after the reverse-split AMC will not drive the price back down to pay off debt. This would be to the detriment of the retail investor.

- Short selling is when a trader borrows shares and sells them in the hope that the price will fall after, so they can buy them back for cheaper.
 - Shorting can help traders profit from downturns in stocks and protect themselves from losses.
 - However, short selling is risky, and some shorting maneuvers, like naked shorting, are illegal.
2. Short Interest AMC as of May 17, 2023 = 134,013,830
Short Interest Ratio = 9.93 Days to Cover
Short interest % Float = 25.95%
Off-Exchange Short Volume = 3,052,949 shares
Off-Exchange Short Volume Ratio = 61.45%
*This data is daily found on Fintel

These numbers remain relatively the same today.

3. What is a Squeeze in the Stock Market?
- A short squeeze happens when many investors bet against a stock and its price shoots up instead. A short squeeze accelerates a stock's price rise as short sellers bail out to cut their losses. Contrarian investors try to anticipate a short squeeze and buy stocks that demonstrate a strong short interest.

This is critically important because the majority of investors, while helping AMC recover, also knew that they were fighting against a practice (shorting) which is detrimental to our success economically as a country. Greed on the behalf of destroying American companies is flat out wrong, and further the inside manipulation through dark pools, and naked shorting* is not something the courts should be allowing to happen considering the amount of people invested in the market. If investing is a playing field where one side has an advantage over the other, then what good is the system we live under concerning capitalism? If it protects hedge funds that squander investors money, but does not protect individual investors that try to correct the corruption, again, what good is the system? These practices are illegal in China and Russia.

*Naked shorting is the illegal practice of [short selling](https://www.investopedia.com/terms/n/nakedshorting.asp) shares that have not been affirmatively determined to exist. Ordinarily, traders must borrow a stock or determine that it can be borrowed before they sell it short. So naked shorting refers to short pressure on a stock that may be larger than the tradable shares in the market.
<https://www.investopedia.com/terms/n/nakedshorting.asp>

4. Reverse Split: A reverse split is normally accomplished by companies that are in financial trouble. AMC is not in financial trouble, and while they claim their cash position is lower, it only becomes a problem if they are not profitable.

There are several sources online currently where analysts have gone through the recent quarterly report from AMC, and illustrated that in every area AMC has improved financially, too include being better than pre-pandemic number of 2019. AMC traded at \$30 per share then.

All indication is they will be solvent over the next year. Additionally, see article by Eric Wold, wrote that the reverse spit deal AMC was pursuing would lead to 16 billion based on a \$5 share price, and when he wrote about this in February, it was 22 billion based on a \$7 share price. AMC would be fully solvent and pay off all of their debt.

<https://www.marketwatch.com/story/amcs-ape-conversion-settlement-could-lead-to-potentially-massive-16-billion-equity-raise-says-analyst-4116c059>

This is mainly due to “short coverage” either pre-split, during, or after. Most retail investors believe it is post-split where the average investor will now have ten times less shares. This means that to have made the potential money they could have on this investment the price point “high” would have to be ten times greater.

5. Short interest. The hedge funds whom have shorted AMC stock to the amount of 134,013,830 shares (17 MAR) / now 116,800,869 shares (12 JUN); it is not known if their position would be reduced to 13,401,383 / 11,680,086 million shares in a reverse split. This is the manipulation of this deal.
 - a. First, the shorts are not owned shares, they are borrowed. They are not investors in AMC, and therefore their positions should be closed prior to the reverse split. (More on this later)
 - b. To allow them to reduce their shares by 10x their adversary position on AMC is the kind of market manipulation that stinks of corruption. If this is the case? (Unknown, and cannot get an answer from financial institutions, AMC, or SEC.)

6. Banking corruption. Credit Suisse values AMC at .95 cents
<https://www.thestreet.com/memestocks/amc/credit-suisse-deems-amc-shares-to-be-worth-less-than-a-dollar-apiece>

<https://fintel.io/so/us/amc/credit-suisse-ag->

The second link is to Fintel Data showing Credit Suisse 13F-HR and 13F-HR/A had heavily invested in AMC, but for what purpose. Their share count went down suddenly by 18%. While there are many theories, the likely one that cannot be denied is Credit Suisse bought the shares to loan out to shorting agencies. Credit Suisse collapsed and is now trading less than the share price they predicted for AMC.

7. Markets: Markets have been on a downslide since the introduction of APE shares by AMC. The share price had reached a dollar value of \$32, before being halted and then the creation of APE. It is estimated the short interest could cost hedge funds hundreds of millions of dollars should they be required to cover their losses. Many believe the reverse split idea was created at AMC, not to save them from CH11, but more to alleviate the amount of loss to shorting entities.

Consider that more money has been lost from the three banks that have faltered recently vs. 2008 crash. (Exhibit B attached)

SITUATION:

1. The Reverse Split will harm retail investors if allowed to go through without oversight from this court, the SEC, or any other agency that has the best interest of retail investors in the market. American citizens who are not represented by greed driven hedge funds that have no oversight, or consequences for their actions. I respectfully remind the judge that no one went to jail after 2008. Bernie Madoff, while criminally charged for his dealings on Wallstreet, did not have one penny invested in the market that threatened to tear down capitalism in America. But everyone thinks he had something to do with the 2008 crash.

SOLUTION

I personally see two paths that would rectify this dilemma on the reverse split of AMC stock.

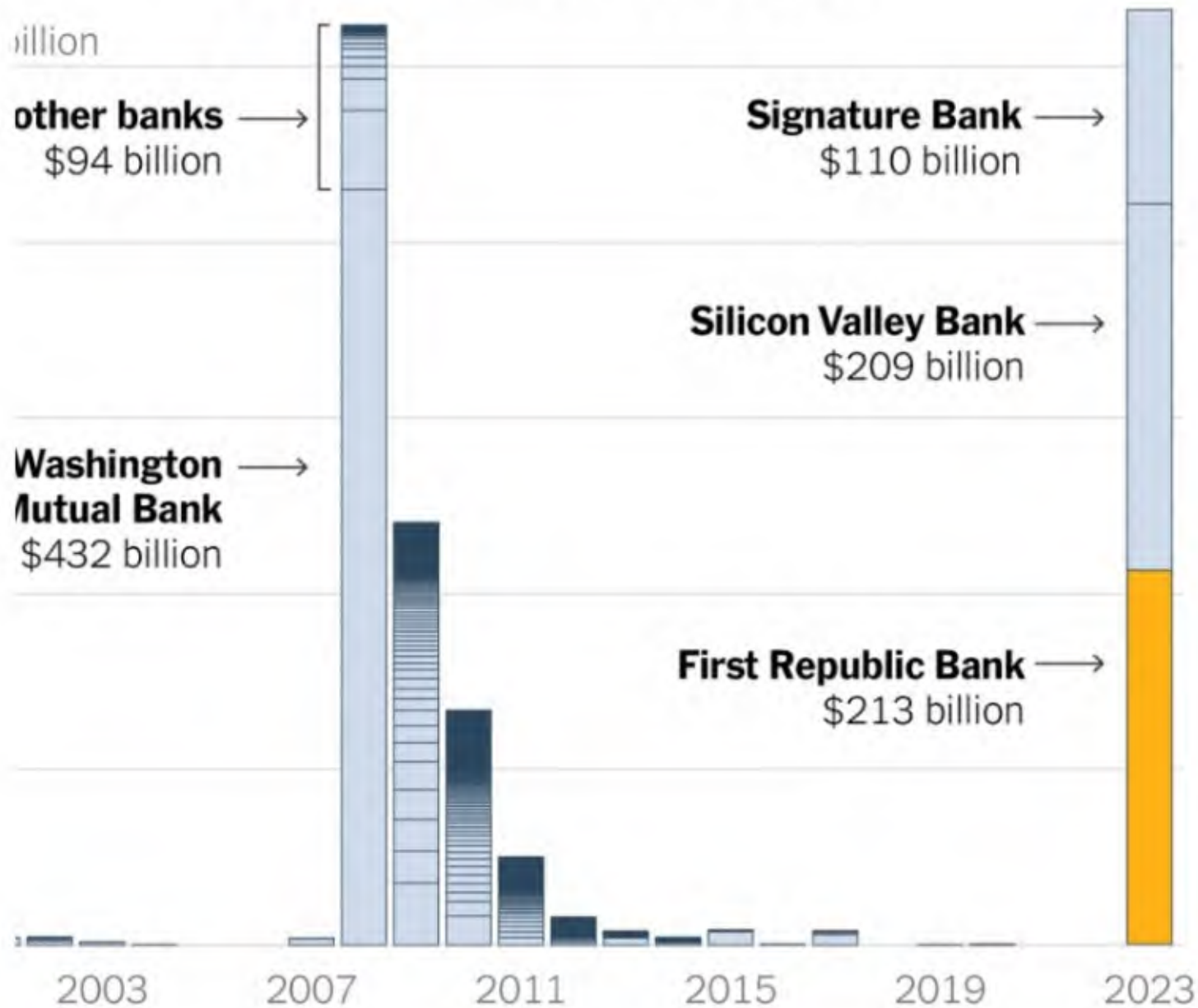
1. This option is twofold, and while when I first wrote to the court though impossible to accomplish, I have since read cases where Fintel sued companies manipulating stock through "shorting" and were made to close their "shorts". A) The court to find out the answer for investors if "shorts" will have to cover on this reverse split, and when. Before the split, during the split, or after the split. Another central question for the court to answer for investors is – "how can a shorter even ride through the reverse split when they actually do not own one share?" This plays in to the deceasing their share obligation, 134 million shares, and the idea that their short position would be reduced to 13 million shares. B) Can the courts force the shorts to cover as part of the settlement for retail investors. Inside the Plaintiff, why does one part made whole, while 3.8 million individual investors receive 10x less shares, and the premise of a downsliding stock to pay off debt at the individual investors expense. If a judge in this country would simply stand up to the corruption and stop this insanity of hedge funds being able to destroy good companies, that would be something to see, and I believe you can do it.
2. Supposing that #1 solution is impossible, this shareholder is requesting what is almost certainly something that can be done before AMC is allowed to reverse split the AMC/APE shares. **A share count.** There are approximately 3.8 million retail shareholders,

and this does not include investment hedge funds that have gone “long” on AMC. It is not hard to have AMC corporate request every single investor and their share count be tallied before any reverse split, by name, and by sharecount – to be provided to this court your honor. It is said that 4 million shareholders of AMC would be an average of 135 shares (estimate). There is no way that shorters control 134/116 million actual shares because they are borrowed. Many hedge funds loan out shares for shorting without the knowledge of the shareholder. If shorting entities cannot produce the actual shares they control, then this position should be covered.

What this lawsuit, and reverse split represents in our country right now, is “are American investors best interest being served by the people who run Wallstreet?” The answer is a flat no, and we (investors) only have you Judge Zurn to mediate and make sure that everyone receives their fair share of money for taking a chance on a company that has been in business for over 100 years. The losers in this investment (shorters) are trying to get out of it, and while it can never be proven, is AMC part of trying to help by having deals with other investment companies such as Antara who invested curiously after APE hit the markets, and who will benefit most likely making over one to several billion dollars on this market play.

Sincerely,
John F. Barton III,

U.S. bank failures each year



Source: Federal Deposit Insurance Corporation | Data is adjusted for inflation. | By Karl Russell

Exhibit D

To: AMC Settlement Objections[AMCSettlementObjections@blbglaw.com]
From: Rickey Brogan [REDACTED]
Sent: Thur 5/18/2023 10:27:07 PM (UTC-04:00)
Subject: Rickey Brogan's Objection and AMC proof of Stock Ownership
Objection Rickey Brogan.pdf
2023 April Statements.jpg

[External]

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Rik Brogan

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT
HOLDINGS, INC., STOCKHOLDER
LITIGATION

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)
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CONSOLIDATED
C.A. No. 2023-0215-MTZ

RICKEY BROGAN'S OBJECTION TO THE PROPOSED SETTLEMENT
AGREEMENT

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<i>In re Snap Inc. Section 242 Litig., Consol. C.A.</i> No. 2022-1032-JTL, at D.I. 22 (Del. Ch. Apr. 6, 2023)	22, 23
<i>In re Ortiz' Estate</i> , 27 A.2d at 374.	7
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<i>Good v. Texaco</i> , Del. Ch., 1985 Del. Ch. LEXIS 445, *39, C.A. No. 7501, Brown, C. (February 19, 1985).	8
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<i>Julian v. E. States Const. Serv., Inc.</i> , 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 <i>Franklin BalanceInv.</i> <i>Fund v. Crowley</i> , 2007 WL 2495018, at *8 (Del. Ch. Aug. 30, 2007)).....	26
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<i>Rome v. Archer</i> , 197 A.2d 49, 53 (Del. 1964).....	6, 7

<i>Rothschild Int’l Corp. v. Liggett Gp. Inc.</i> , 474 A.2d 133, 136 (Del. 1984).....	23
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<i>Sugarland Indus., Inc. v. Thomas</i> , 420 A.2d 142, 149-50 (Del. 1980).....	26
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<i>Waggoner v. Laster</i> , 581 A.2d 1127,1134 (Del.1990); see also <i>Garfield v. Boxed Inc.</i> , No.2022-1032-MTZ (Del.Ch.Dec.27,2022).....	23
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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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

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.

Rickey Brogan’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. APPROVAL 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

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

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., 38 Del. 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 Earning 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 - ProjectPopcornGate⁴⁹.

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'(ing) 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. Slight, 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.

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 letter⁶⁷ 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. 2022-1032-JTL, 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

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

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 shares 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 shares¹⁰⁸ 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 Allegheny 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, extensive 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 Complaint¹¹¹, 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

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 process¹²⁵ 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,

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 \$18.66¹³⁷. 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

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 interviews¹⁴² 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

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 overseas 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

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/apc/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 \$1.00¹⁶⁰ 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 \$6.95¹⁶³ 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 have 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-short) 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, its 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, 2022¹⁸², 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 18th, 2023

Respectfully submitted,

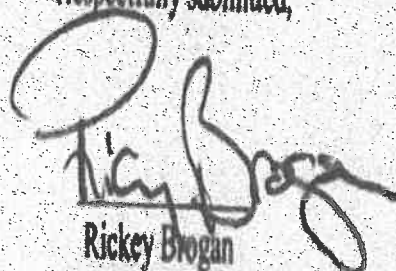

Rickey Brogan

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%	182,942,728	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	
Depository 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	
Depository 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 depository 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 =

0.00000000000000017645 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 9, 2015 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 WFP's Governing Council & Member of WFP's Executive Board, Young & Rubicam, Citicorp, Citicorp Mid-America, and Baruch-Morrell, among other corporate and non-profit positions.

Ambassador Lader served in President Clinton's Cabinet and as Administrator of the U.S. Social Security 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 Services Corporation's U.S. Holdings (including America's then-largest private health plan) and President of Sea Pines Company (development 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 P&G Corporation and several foundations, as well as a member of the boards of several private equity funds, the investment arm of Morgan Stanley Global Infrastructure and Real Estate Funds, and the Council on Foreign Relations. He currently or has previously served on the boards of DuPont, Amstar, Olin, WPP plc, Sunlight (Carter-Wall), and Rural Corporation, the Jewish Museum, American Red Cross, Smithsonian Museum of American History, St. Louis Cathedral Foundation, Atlantic Council, and several banks and universities. He is a past president of the Nelson Mullins law firm and the founder and co-chair of Westlake Wealths (non-profit advisors for innovative leaders building global divisions).

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 Knight of Malta Temple (Biblical line of Obed), he was awarded the Benjamin Franklin Medal by The Royal Society for Arts, Manufactures & Commerce for his contributions to trans-Atlantic relations.

Exhibit D



Jordan Affholter <[REDACTED]>

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter <[REDACTED]>
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 9:24 AM

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>
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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)



Jordan Affholter <[REDACTED]>

Question about AMC Shareholder Voting Data

Jordan Affholter <[REDACTED]>
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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



AMC Q2 2021 Earnings Q&A

AUGUST 8, 2021 5:00 PM EDT

This event stopped accepting questions on August 8, 2021 5:00 PM EDT

🔗 SHARE

🔼 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 ➔

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



INVESTMENT REPORT
April 1, 2023 - April 30, 2023

Holdings

Account # [REDACTED]
RICKEY LYNN BROGAN - INDIVIDUAL

Stocks

Description	Beginning Market Value Apr 1, 2023	Quantity Apr 30, 2023	Price Per Unit Apr 30, 2023	Ending Market Value Apr 30, 2023	Total Cost Basis	Unrealized Gain/Loss Apr 30, 2023	EAI (\$)/ EY (%)
Common Stock							
AMC ENTERTAINMENT HOLDINGS INC (AMC)	\$41,583.00	8,400.000	\$5.5000	\$46,200.00	\$103,291.85	-\$57,091.85	-

Preferred Stock

AMC ENTMT HLDGS INC PFD EQT UNIT (APE)	\$11,833.50	8,050.000	\$1.5000	\$12,075.00	\$49,007.37	-\$36,932.37	-
Total Preferred Stock (15% of account holdings)	\$11,833.50			\$12,075.00	\$49,007.37	-\$36,932.37	-

All positions held in cash account unless indicated otherwise.

Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

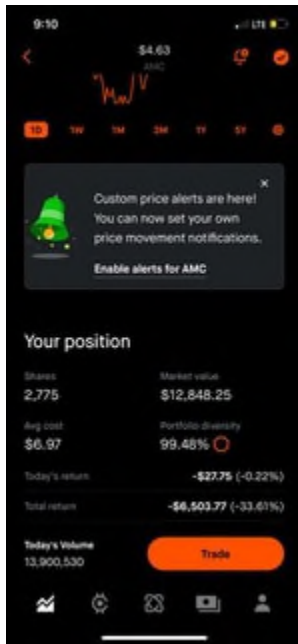
Exhibit E

From: AMC Settlement Objections <AMC.Settlement@blbglaw.com>
Sent: Tuesday, May 30, 2023 9:39 PM
To: Kelly Tucker; Jason Avellino
Subject: FW: AMC Settlement/Jahangelo Caesar
Attachments: In Person Settlement Interest Form.pdf

From: TRACY JONES-WLKER <[REDACTED]>
Sent: Tuesday, May 30, 2023 9:38 PM
To: AMC Settlement Objections <AMCSettlementObjections@blbglaw.com>
Cc: [REDACTED]
Subject: AMC Settlement/Jahangelo Caesar

[External]

>
>



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

I, Jahangelo Caesar, affirm the following to be true:

1. I own AMC common stock.
2. On May 30th, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

Name: Jahangelo Caesar

Date: May 30, 2023

Address: [REDACTED]
[REDACTED]

Email: [REDACTED]

Cell: [REDACTED]

Exhibit F

From: Rick Campbell
Sent: Wed, 31 May 2023 18:26:10 +0000
To: AMC Settlement Objections
Subject: Objection Letter for case RE: AMC Entertainment Holdings, Inc. Stockholder Litigation, Consolidated C.A. No, 2023-0215-MTZ
Attachments: Objection to AMC Lawsuit.pdf, IMG_6384.jpg, IMG_6383.jpg

[External]

To whom it may concern,

Included are my objections to the above case.

Sincerely,

Rick Campbell

from Morgan Stanley

Account Number: [REDACTED] Statement Period : March 1, 2023 - March 31, 2023

ACCOUNT HOLDINGS

CASH & CASH EQUIVALENTS (0.00% of Holdings)

DESCRIPTION
CASH BALANCE
Opening Balance
Closing Balance
TOTAL CASH & CASH EQUIVALENTS

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (73.79% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)
AJYG INC COMMON STOCK	AJYG	Cash	1	0.0321	0.03	0.00
AMC ENTERTAINMENT HOLDINGS INC CL A COM	AMC	Cash	900	5.0100	4,509.00	73.09
APPLE INC	AAPL	Cash	0.0888	164.9000	14.85	0.24
EASTON PHARMACEUTICALS INC	EAPH	Cash	10,000		0.00	0.00
TROIKA MEDIA GROUP INC COMMON STOCK	TRKA	Cash	56	0.2426	13.59	0.22
US BANCORP DEL COM	USB	Cash	0.4112	36.0500	14.83	0.24
TOTAL STOCKS, OPTIONS & ETF					\$4,552.10	73.79%

PREFERRED STOCKS (26.21% of Holdings)

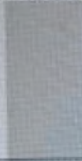
1 / 6



94%

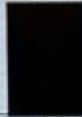


\$8,760.83



As of 02/28/23

\$6,169.17



As of 03/31/23

Net Change:

\$-2,591.66

E*TRADE
from Morgan Stanley

DETACH HERE ▲

RICK L CAMPBELL

[Redacted]

Make checks payable to E*TRADE Securities LLC

Mail deposits to:

E*TRADE SECURITIES LLC
P.O. Box 484
Jersey City, NJ 07303-0484

Use This Deposit Slip

Acct: [Redacted]

DETACH HERE ▲

Please do not send cash

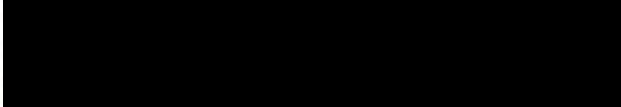
Dollars	Cents

TOTAL DEPOSIT

[Redacted]

**IN THE COURT OF CHANCERY OF
THE STATE OF DELAWARE**

Rick Campbell



RE: AMC Entertainment Holdings, Inc. Stockholder Litigation,
Consolidated C.A. No, 2023-0215-MTZ

Statement of Objections:

Pursuant to the Instructions from the court. I Rick Campbell , a member of the “Class” has enclosed the necessary documentation to establish that I am in fact a member of the “Class” 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.

Objection #1
Misleading Facts in Proposed Settlement Filing

Objection #1-

The Proposed Settlement contains misleading information in the filing

Honorable Judge,

I am composing this letter to respectfully raise an objection regarding the ongoing civil matter. It is of utmost importance that I bring to your attention a matter that significantly impacts the fairness and integrity of the present case.

I hereby lodge a strong objection against the current line of argument presented by the opposing party due to its dearth of factual substantiation and its potential to create confusion and mislead the court. This objection arises from a genuine concern to ensure the revelation of truth and the prevalence of justice within the confines of this legal proceeding.

Furthermore, I wish to emphasize that this objection extends beyond a mere exercise in legal technicalities. It is deeply rooted in the fundamental principles of due process, equity, and the pursuit of truth. Permitting unsubstantiated claims and misleading arguments to go unchallenged poses a risk of compromising the very bedrock upon which our legal system stands.

Therefore, it is my solemn obligation to humbly implore Your Honor to diligently scrutinize the assertions put forth by the opposing party, subjecting them to rigorous evaluation in light of legal integrity and fairness. This approach will ensure that the verdict rendered in this case is grounded in reliable and substantiated facts rather than baseless allegations.

In conclusion, I fervently hope that Your Honor will accord due consideration to this objection, recognizing its pivotal role in upholding the sanctity of our legal system. By addressing this concern, we can secure the triumph of truth and the dispensation of justice.

With profound gratitude for your attention to this matter,

In the ongoing matter before the court, Lead Counsel has sought the court's appointment as Class Counsel for the settlement class, assuring the court of their commitment to fairly represent and safeguard the interests of the Settlement Class.

However, upon careful examination of Lead Counsel's Proposed Settlement, it has come to light that the filing contains numerous misleading facts that have the potential to jeopardize and harm the Settlement Class. This raises concerns about the validity of the proposed settlement and necessitates the presentation of a new settlement proposal to the court.

One particular assertion made by Class Counsel in their submission to the court is the claim that on March 14th, 2023, a Special Meeting was convened by AMC, during which the Proposals were approved by a majority of Common Stock and Preferred Stock, voting together as a class.

In reality, this statement is entirely false, as a majority of Common Stock and Preferred Stockholders did not approve the proposed amendments to their corporate filing. It should be noted that only 35% of AMC Common Shares were voted and recorded. Regarding the vote on the reverse stock split proposal, AMC reported that 128,344,709 AMC shares voted in favor, 51,388,638 voted against, and 2,609,383 abstained.

The misleading information presented by Lead Counsel and Defendants in their proposed settlement filing has had a significant impact on both the court and the Shareholder Class as a whole. By distorting the facts concerning the voting results, Lead Counsel has created a false impression that the proposed filing enjoyed the support of a majority of Common Stock and Preferred Stockholders, which is far from the truth.

Furthermore, another instance highlighting the inadequacy of Class Counsel's representation of the Settlement Class is their lack of factual knowledge pertaining to the case. The records inaccurately reflect that on August 4, 2022, AMC declared a "Special Dividend" of one Preferred Equity Unit for each share of Common Stock held by a member of the Class. It is falsely stated that pursuant to a Depository Agreement dated August 4th, 2022, between AMC and Computershare Inc., they agreed to vote the Preferred Stock proportionately based on instructions received from other holders of APE (Assumed Preferred Equity). The plaintiffs alleged that this provision in the depository agreement granted enhanced voting rights to the APEs, whereby each vote cast had a pro rata effect on the allocation of voting power for absent APE holders.

This example further highlights Class Counsel's failure to provide accurate information to both the court and the Class, casting serious doubts on their ability to faithfully represent the interests of the Settlement Class as a whole.

OBJECTION #2

Defendant's Right to Immunity

I am composing this letter to respectfully raise an objection regarding the ongoing civil matter. It is of utmost importance that I bring to your attention a matter that significantly impacts the fairness and integrity of the present case.

I hereby lodge a strong objection against the current line of argument presented by the opposing party due to its dearth of factual substantiation and its potential to create confusion and mislead the court. This objection arises from a genuine concern to ensure the revelation of truth and the prevalence of justice within the confines of this legal proceeding.

Furthermore, I wish to emphasize that this objection extends beyond a mere exercise in legal technicalities. It is deeply rooted in the fundamental principles of due process, equity, and the pursuit of truth. Permitting unsubstantiated claims and misleading

arguments to go unchallenged poses a risk of compromising the very bedrock upon which our legal system stands.

Therefore, it is my solemn obligation to humbly implore Your Honor to diligently scrutinize the assertions put forth by the opposing party, subjecting them to rigorous evaluation in light of legal integrity and fairness. This approach will ensure that the verdict rendered in this case is grounded in reliable and substantiated facts rather than baseless allegations.

In conclusion, I fervently hope that Your Honor will accord due consideration to this objection, recognizing its pivotal role in upholding the sanctity of our legal system. By addressing this concern, we can secure the triumph of truth and the dispensation of justice.

With profound gratitude for your attention to this matter,

I thank you for taking the time to read my objections to the proposed settlement.

Sincerely,

Rick Campbell

[illegible]

1 / 1

+

-

+

+

+

\$0,762.00

\$0,108.17

As of 01/01/25

As of 01/01/25

Net Change:

6,2381.48

EXTRADE
Financial Markets

Use This Deposit Slip

Account

██████████

Please do not send cash

Dollars

Cents

TOTAL DEPOSIT

Make checks payable to EXTRADE Securities LLC

██████████

Web Address:

EXTRADE SECURITIES LLC

720, 8th Ave

CHICAGO, IL 60605-5544

Exhibit G

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

Objection to the Proposed Settlement, Awards, and Fees

OF OBJECTOR:

[Personal Details Removed]

Dated: May 25, 2023

[Signature Removed]

1. I write this letter to object to the Proposed Settlement. I have owned shares of the Class A Common Stock ("the Common Stock") since June of 2021, and received my first shares of APE as part of the August 22, 2022 dividend. My ownership is both beneficial through a broker and directly on the record through the Company's transfer agent, ComputerShare. The screenshot documentation of my ownership can be found in the accompanying */ownership* folder – in the same ZIP file that contains this very objection. Exhibits will be in the */exhibit* folder.
2. Since I began writing this document, the Court has ordered the release of the unredacted class complaint and unsealed discovery documents. Due to time constraints, I will not be able to incorporate material from that corpus, but I'm willing to let these objections stand on their own. I wish them luck.
3. Before discussing the legal basis for my objections, I'd like to restate the history of the events behind this lawsuit. Most of the details will be drawn from the Plaintiffs' and Defendants' ("the Parties") Briefs in Support of the Proposed Settlement, and from the [Redacted] Class Action Complaint. I will not cite them most of the time, but in many places I will paraphrase those Briefs for brevity.

Preliminary History

Before the APE Dividend

4. The first significant event was not in 2020, but in 2013, when the Company filed and established its Third Amended and Restated Certificate of Incorporation. This Certificate included four clauses of interest: a) the establishment of 50 million unissued Preferred Stock that the Board had full power over – to create any series, and a blank check to

assign the number, voting rights, preferences, special rights, etc. of each series; b) a waiver of the *DGCL 242.b* right to a class vote, for *all* classes, when voting on an amendment to modify the number of authorized shares; c) the establishment of the Class A Common Stock with 524,173,073 authorized shares, and d) the establishment of a Class B Common Stock (which has since been retired)¹.

5. The Class B Common Stock contained two special properties: first, each Class B share could be converted to 1 share of Class A at any time, at the will of the stockholder, and second, the Company was required to maintain enough *unissued shares* so that all Class B shares could be converted to Class A. Together, these two clauses ensured that the price of Class B shares could *never fall below* the price of a Class A share, because arbitrage and conversion would immediately restore price equality².
6. The years passed. In 2020, the COVID pandemic forced theaters like AMC Entertainment Holdings, Inc. ("the Company") to close their doors; the Company was forced to take on large amounts of debt, to the tune of \$5 billion. This attracted short-sellers, which is a concern that continues to this day: while this class action has unfolded, the Common stock has experienced large numbers of failures-to-deliver, appearing on the Reg Sho Threshold list multiple times, increasing short-interest, and share-borrow fees ranging from 100% to 500%, or even higher³.

¹ *Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc.* at https://www.sec.gov/Archives/edgar/data/1411579/000110465913092001/a13-26957_1ex3d1.htm

² *Id.* "Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation."; "The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock."

³ Most of this data is public on multiple market data websites. The NYSE publishes its Reg SHO list daily; AMC appeared on it for multiple contiguous days including one series around 02-27-2023 and another series around 04-17-2023.

7. In early and middle 2021, the Common Stock experienced a price surge as part of the retail meme-stock event. The Company was able to sell the remainder of its authorized Common Stock to raise money, but was left without any additional authorized shares to issue. From then until today, the total number of outstanding Common shares have numbered roughly 524 million.
8. Understandably, the Board was concerned and sought to increase its supply of unissued shares. Soon after the price surge, the Board advanced and withdrew 2 proposals for increasing the number of authorized Common Stock shares – first by 500 million, then by a mere 25 million shares. The Board acknowledged privately that its retail shareholders were still concerned about dilution – to wit, the aid it would provide to short-sellers by making it easier to borrow shares and close shorts, and the damage it could do to the market value of their Common Stock – but despite its best efforts, it was unable to convince its shareholders: the Board believed it would be defeated, and withdrew the proposals to prevent that defeat from reaching the public record (the Plaintiffs’ Brief recounts this in greater detail).
9. Defeated at the ballot box, albeit unofficially, the Board sought alternatives. In late 2021 and early 2022, the Board called upon its preferred stock powers, and began iterating on a design. Eventually, a final theme emerged in private correspondence: to create a unique preferred stock series that would enable them to force through their desired amendments. Company attorneys and executives discussed how proportional votes, or *supervoting*, could achieve these objectives. Although conversations around the role of *conversion* go unmentioned in the Plaintiffs’ Brief, it’s plain that to be effective, *supervoting* requires a proposed amendment.

10. After the design of their preferred stock was finalized, the Board named it “AMC Preferred Equity Units” (“APE”), and planned for a dividend and at-the-money (“ATM”) offerings of unissued shares. There were several revealing conversations behind this event.

Members of the Board discussed the certainty that index funds would be forced to sell their APE dividend, driving down the price. They also made a point of choosing 1 billion shares for APE, so that plenty of shares would be available for ATM offerings. And finally, they decided to *justify* the dividend with the claim that retail had been asking for a dividend to effect a share count. No official, dividend-based share count has ever been published.
11. On August 4, 2022, the Board enacted its designs: it took 10 million unissued Preferred Stock and created the Series A Preferred Stock, each with 100 votes. This new series had a special contingency: if the Board proposed a conversion and shareholders approved, each share of this class would be converted to 100 shares of Common stock. The Board then derived APE. Each APE represented a 1/100 interest in a share of Series A Preferred Stock, and thus had the right to submit 1 vote. As planned, the authorized APE numbered roughly 1 billion – twice the number of Common shares – and each was given *supervoting* through the proportional voting of unvoted APE, even though the Series A Preferred Stock from which it derived its votes *lacked* proportional voting.
12. On that same day, Adam Aron announced the dividend on Twitter. According to his ‘tweetstorm’, the dividend was for a share count, but there was no mention of APE’s supervoting powers. In a storm of information, this was the obvious thing that was missing. The Company published multiple documents to help investors understand the dividend and APE: an Open Letter to Shareholders, a Press Release, an APE-Dividend

FAQ, a Comparison Chart comparing APE and Common – and, of course, an 8K⁴. Each of these documents was full of information about conversion, about voting rights, about the ability to raise equity, but almost nothing about supervoting. *All* except the 8K asserted that APE had just 1 vote, or the “same voting rights” as the Common. The 8K, a complex document, *does* explain the supervoting provisions, and was key to understanding APE, yet Adam Aron’s Open Letter had only this to say about any SEC filings⁵ [*emphasis added*]:

Having said all of that there are a *myriad of details and cautions* related to our announcements today. SO, I STRONGLY URGE YOU TO READ OUR PRESS RELEASES AND SEC FILINGS ON THESE MATTERS, *which are incorporated herein by reference.*

13. The tweetstorm and the published documents also made a further claim: that the Company expected APE and the Common to trade for equal value, that the two securities had equal economic rights/values, and that the conversion could be done any time investors desired – if the Board proposed it.

After the APE Dividend

14. On August 22, 2022, the Company issued its APE dividend. As with all dividends, value was *pulled from the Common stock* – and in this case, *into* the value of APE. This was immediately apparent: the day before the dividend, the Common Stock closed at \$18 per share; on the day of the dividend, the Common closed at \$10.46, and APE at \$6. If the

⁴ In the /exhibits folder: Exhibits 001 to 005

⁵ Exhibit 001

Board's claims about "stock split" and "equal economic value" are to be believed, 40% of APE's value had already evaporated.

15. In the coming months, APE would continue to drop in price. As planned, the Company sold hundreds of millions of APE shares in their ATM share offerings, and in that time the Common-APE discount increased from 40% to 70%. Soon APE was worth less than a dollar on the market, and consequently, the ATM offerings could no longer be utilized. By Dec 21, 2022, the Common Stock was trading for \$5.30, and APE for \$0.685 – an 87% discount.
16. Without an ATM offering, the Board finally turned to private sales. In December 2022, they chose to sell over 200 million APE shares to Antara, and simultaneously announced a vote. The vote would accomplish three things: a 10-1 reverse split of the Common Stock, an increase of the authorized shares of Common stock to 550 million, and conversion of all APE shares to Common Stock (together, "the Board Amendments"). This would give the Board what it had failed to obtain by vote a year earlier: the right to sell more Common stock.
17. The Board bolstered their voting chances with the sales to Antara, who agreed by contract to vote Yes on every one of the Board's three proposals. The APE sales to Antara were done at phenomenally low prices – roughly \$0.66 per share – and included the elimination of \$100 million in *second-lien* bonds that Antara held. Given the size of the Company's debt, this was a great deal for Antara – in the event of bankruptcy, this subordinate debt likely wouldn't have received any value from liquidation.
18. In private, the Company was modeling the vote results to determine the best way to ensure that their proposals would be approved. But even without Antara's Yes vote, many

things had changed in the Board's favor; in particular, financial incentives were now able to drive behavior. The Common Stock was worth five times more than APE, which created a kind of *voting arbitrage* – investors now had every incentive to sell or short-sell the expensive Common, buy cheap APE, and use it to profit by voting Yes. This is not merely hypothetical; it has been borne out by market action: since the vote was announced on December 22, the price of APE more than doubled and the short interest of Common has increased from 21% to 25%⁶; after the Court allowed the vote to go forward on February 28, the price of Common began to drop from \$7.70 to \$5.00. In this time, reported stock borrow fees have skyrocketed and ranged from 100% to 900%. The Common Stock has appeared on the Reg SHO Threshold List twice.

19. On March 14, with the permission of the Court, the Company held a shareholder vote on the Board Amendments. Although the vote passed, the results indicate that without supervoting – let alone without APE – the proposals would have failed. This is not controversial; as the Plaintiffs note, the Company has acknowledged this internally.
20. Today, we are at the question of settlement, where the payment is the distribution of 7.5 shares for every 1 share of Common that is owned. The Plaintiffs project that this will be worth \$129 million – although individually, 1:7.5 is a mere 13.3% restoration for the individual, and collectively, it is only a 2.87% increase in relative ownership for the Settlement Class. In exchange, the Settlement Class will be forced to give up all claims related to this case – even unknown claims⁷.

⁶ Short-interest figures from <https://www.marketbeat.com/stocks/NYSE/AMC/short-interest/>

⁷ *Stipulation and Agreement of Compromise, Settlement, and Release*, pp. 17-18

Harms to the Class

21. Before turning to any legal arguments or objections, I'd like to first outline, in plain language, what harms the Class has suffered. Since I have no legal background, there is every chance that my legal arguments will not be cognizable, yet in spite of that I hope that the injuries I outline here will persuade the Court to scrutinize this Settlement even more fiercely. There are four harms: the APE Dividend, the intentional creation of a hostile shareholder class, the denial of a class vote, and future dilution.

First Harm: The APE Dividend

22. The APE Dividend itself is a unique harm that applies only to Common shareholders – current or former – that received the August 22, 2022 dividend. Recipients of this dividend watched in horror as the value of APE dropped in price, leaving them with close to nothing, and no redress, because the invisible hand of the market is accountable to no one. But I contend that this was not simply incidental market action. On the contrary: it was a real harm, a planned harm, an accountable harm.
23. Understanding the reasoning begins with a simple question. Why did the Board believe the dividend was “vital to shore up Company’s liquidity” ? Neither Parties’ Brief in Support has addressed this, and yet it’s an obvious question to ask. Consider the benefits of *forgoing* the dividend. Without the dividend, the Company would have the full 1 billion APE to sell, rather than half that. Without the dividend, if APE was *truly* the economic equal of the Common, the Company could have sold APE for the pre-dividend price of the Common, which was \$18 per share, or it could have sold the Series A Preferred Stock for 100 times that price – \$1800 dollars a share. At that price, with 10 million

authorized shares of Preferred Stock, the Company could have raised \$18 *billion*, well beyond the debt of 5.1 billion. Given these numbers, if the Board was truly acting in accordance with their fiduciary duty – with full loyalty and due care, as they contend – the only correct course of action would have been to dispense with the dividend, and to sell APE or Preferred Stock directly in private sales, or in an initial public offering.

24. The fact that they *did not* suggests that some or all of the following occurred: a) Citigroup's underwriter valuation of the preferred securities was incredibly low; b) no private buyers were interested in buying at remotely acceptable prices; c) Citigroup declined to underwrite an initial public offering because of risk. Both Parties' Briefs sidestep and omit any discussion of this, but each is plausible. After all, a quick review of the Company's balance sheets exposes their indebtedness, so any private sale would expose the buyer to immense risk. And if Citigroup had valued APE as nearly worthless due to the Company's debt, there's no way Citigroup would have been able to find buyers, or been willing to take on the risk of underwriting an initial public offering. Yet Citigroup has *not*, to my knowledge, been deposed, and its professional valuation of APE is not on the public record.
25. With this in mind, we can draw a simple conclusion as to why the Board opted for a dividend: to establish a market price that they could use in their ATM offering. By opting for a dividend and publicly proclaiming that APE was the *economic equal* – no, the *market equal* – nay, the *stock split equal* of the Common, they could tether APE's value to the Common's and give it a reasonable market price that they could not otherwise obtain.
26. This establishes the basic nature of the First Harm. The Board distributed the dividend with a specific aim in mind: to take *half* the value of Common holders' shares, and place

them under their own control by re-branding them as APE shares. Worse, the Board did this after withdrawing 2 separate proposals for increasing the authorized Common shares. Rather than ask shareholders, they simply took half their shares, and began diluting them.

27. Unfortunately, the First Harm goes further: the Board distributed the dividend with full knowledge that the price of APE would drop. Yes, the Board made a big show of publicly proclaiming that the dividend would be like a stock split, and that APE had the same economic rights and value as the Common. But a quick review of the facts shows they had no basis to believe this – and that even privately, they did not believe it.
28. First, recall that since 2020, AMC has had a 5 billion dollar debt. As a result, from 2020 until today, year-end shareholder equity has been *negative*, ranging from \$-1.7 billion to \$-2.8 billion⁸. This means that APE and Common had (and have) *no claim* to any assets in the event of liquidation, *ergo*, there are no economic rights here. Rather, if there is any economic value in APE and the Common, there can only be one – their market price. But the Board knew that as soon as the dividend was issued, multiple factors would bear down on APE's market price: that index funds would sell APE, that social media might react negatively, that shareholders themselves might sell.
29. Second, the Board knew from the Company's Certificate of Incorporation that APE's conversion clause would not be enough to maintain price equality with the Common. To guarantee equal economic value for APE as it did for Class B, the Board needed to give APE the right to at-will conversion to Common, and to reserve a matching number of unissued Common shares so that an APE holder could convert at any time. Had they

⁸ AMC As-Reported Financials, Balance Sheet at <https://investor.amctheatres.com/financial-performance/as-reported-financials/default.aspx>

done this, the APE dividend would have preserved equal price between Common and APE through arbitrage – but the Board knew it *could not* provide these guarantees, as all the Common Stock had already been issued. So they took a different, inferior approach: they relied on conversion through vote. But the Board knew from experience that Common shareholders did not want their shares diluted – so if the Board was relying on this to ensure equal price, they were doing so with a shareholder base that was *against* dilution, and with a conversion that *only the Board could propose*⁹ – no shareholder could. With no guarantees that it would ever occur, the conversion was incapable of providing protection, and the Board should have known that.

30. Third, given that the Board was aware of its own plans to dilute APE, and of the truism that $Assets = Liabilities + Equity$, the Board should have known or suspected that dilution would damage the price of APE, whether by reducing each APE share's claim to the (negative) equity or by reducing each APE share's claim to the total market capitalization. And indeed, the Defendants *do* acknowledge in their Brief that continuing to sell APE harms current owners¹⁰. Furthermore, given the Company's history with short-selling, the Board should have known that issuing more shares would increase the risk of short-selling, as more shares would be available to lend, to borrow, and to buy to close short positions at a profit.

31. Taking all the facts together, there is every reason to believe that the claims of "equal economic rights" and "stock split" were mere spin, and meant to tether the prices of APE

⁹ Exhibit 001. "Conversion can only take place if the *company proposes* and shareholders (including APE holders) vote to approve"

¹⁰ *Defendants' Brief in Support*. "Raising additional capital when the price of APEs is depressed relative to Common Stock results in a loss in equity value per share and dilutes the Common Stock holders' percentage ownership of AMC". This dilution occurs regardless of whether APE is selling at a discount, but the Defendants are correct: the dilution is *worse* when the Company sells APE than when the Company sells Common.

and the Common together, when the simple reality was that the claims were false. And given the 2 rejected share increase proposals, the use of the dividend to establish an ATM offering, and the spurious claims that APE had equal value to the Common, I think we must call a spade a spade:

- a. The Board used the dividend to carve out *half* the value of the Common Stock.
- b. They did so to bring that value under their own control so they could dilute it.
- c. They did so knowing that shareholders would not approve if given a vote.
- d. They did so knowing that the price of APE was likely to fall.

Indeed, had the Board forcibly passed a proposal to convert half the Common stock into APE shares, the effect would have been roughly the same.

32. Today, dividend recipients have lost roughly 75% of the value the Board took from them – value taken without a vote, without majority approval, with planned loss and dilution, and justified by a “share count” that to this date has not been released. I don’t know how to describe the Board’s actions, whether this is bad faith, disloyalty, or lack of due care. But *every dollar* that has been raised from APE sales has been taken from the value of the dividend – from dividend recipients. Their anguish is in many of the letters to the Court.

Second Harm: Passing a Vote by Creating a Hostile, Powerful Share Class

33. Two years ago, 524 million Common shares were the only shares in the company, and their owners rejected dilution. But on March 14, 2023, they were joined by 1 billion APE shares, each armed with supervoting, and many of their owners stood to profit by voting Yes on the Board Amendments. I assert that this is a harm – not because other shareholders don’t have the right to join the company, or to supervote with their APE

shares, but because the Board actively sought to engineer the APE class and manipulate their incentives to be hostile to the Common owners, and did so dishonestly.

34. The dishonesty began with the announcement of the APE dividend. From the very beginning, the Board did everything it could to obfuscate its intentions. When APE was announced, the supervoting provisions were hidden, even though they were key to the Board's plans. In the public documents that were released to explain the dividend, *every* document but the 8K misrepresented the voting rights of APE: the Open Letter claimed the dividend was simply like a stock split; the Press Release declared the "same ... voting rights as one share of Common stock"; the Comparison Chart claimed "One (1) vote per share"; and the Dividend FAQ stated that each APE was "designed to have the same voting rights as a share of common stock"¹¹.
35. With so many misleading explanations about APE's voting rights, the Defendants cannot credibly claim that shareholders were intended to learn about the supervoting provisions in the 8K and Deposit Agreement. Indeed, Adam Aron's Open Letter merely refers to the contents of the SEC filings as "myriad details and cautions", and simply "incorporates the filings by reference"¹². Yet supervoting is not some unimportant detail – it is *extremely material* to the voting power of an APE. The Board knew that, and in their private correspondence considered it crucial to their plans to "lower the standard for an amendment"¹³. But rather than express their intentions openly, the published documents

¹¹ Exhibits 001 to 005.

¹² Exhibit 001.

¹³ *Plaintiffs' Brief in Support*. "Specifically, on May 17, 2022, D.F. King and the Company's attorneys discussed using supervoting preferred stock and proportional voting to effectively lower the standard for an amendment. On May 27, 2022, B. Riley Financial, one of the Company's advisors, sent AMC executives Sean Goodman and John Merriwether a number of prospectuses from issuers that had used supervoting preferred shares to force through Certificate amendments." Can a Company *really* avoid DGCL 242.b.1, which requires a majority, in this way?

provided a different effect: the illusion that shareholders could understand APE's voting powers without ever reading the SEC filings.

36. But the Board did not limit its dishonesty to supervoting – it was just as dishonest in its explanation of the conversion. In Adam Aron's Open Letter, he claimed that the "conversion decision is solely up to you [shareholders]", even though the Board had no intention of proposing conversion (which would undo the "vital" dividend) before they were able to raise money, or before it would be useful for approving proposals to raise the number of authorized shares. Indeed, *no one but the Board* could propose conversion¹⁴. The conversion itself was part of the Board's plans – a mechanism to take advantage of the drop in APE price, whenever it happened, after giving APE holders an incentive to vote Yes, the numerical superiority to vote Yes, and the supervoting to vote Yes.
37. By hiding its plans for supervoting and conversion, the Board left shareholders completely in the dark about its true intentions. And by pretending that APE should trade at the same price as the Common, it disguised its expectations that the price of APE would fall, which would itself *change* the meaning of conversion from a simple "undo" of the dividend to something far more contentious: the transfer of value from Common shareholders to APE shareholders.
38. But the Board's dishonesty continued. In selling APE to Antara in exchange for Antara's Yes vote, the Board *actively* sought to control the vote results. Although the Defendants will deny it, we are all aware that they were modeling vote results to determine the right proportions for the proposals to pass¹⁵. We all know why the sale to Antara and the vote

¹⁴ Exhibit 001.

¹⁵ *Plaintiffs' Brief in Support*. "...a model designed to show which combinations of APE and AMC support ... would get us to the requisite vote requirement of the majority of the combined outstanding shares."

were both announced on the same day. Perhaps the denial will work, but regardless, we know.

39. Indeed, if the sales to Antara were *truly* to raise money, the Board should have proposed the vote in the hopes that if the vote passed, Antara would buy shares for much higher prices – and if the vote failed, *then, and only then*, should the Board have sold shares so cheaply. Instead, Antara was able to buy the votes for their own windfall. It should not escape the Court’s notice that every dollar raised from Antara was taken – or rather, *intended* to be taken – from the pockets of the Common shareholders through conversion.
40. Taking all the evidence together, I submit that the Board intentionally created the conditions for a hostile, numerous, powerful shareholder class, and did so while hiding their intentions; the Board then populated that class for pennies, giving the buyers a conversion-incentive to buy shares and vote. It would be scarcely different if the Board had simply forgone the dividend and sold all 1 billion APE shares to Antara for \$5 each, and then proposed conversion¹⁶. The Defendants will no doubt claim that raising money was their primary objective – and I don’t doubt them; it was certainly a primary objective. But it was also a *prelude* to their co-primary objective: creating a vote that the Board could not lose, for a proposal that would harm Common shareholders.

Third Harm: Conversion Without a Class Vote

41. At the time of writing, Antara and other majority-APE owners stand to profit from conversion, which will transfer roughly 50% of the value from Common stockholders to

¹⁶ Since the pre-dividend Common price was \$18, this would have paid off the \$5 billion debt while still allowing Antara to profit 260% off the pockets of Common holders. But perhaps this was too shameless for the Board to consider, even though it would allow the same defenses the Defendants have proffered.

current APE holders. There are far more APE shares than Common shares, and each APE share has been given supervoting rights. Yet in spite of all this, Common holders were not given a class vote. They were forced to vote with the APE holders.

42. I assert that this is a harm, because it violates a simple standard – that is, the protection of the minority from the malice of the majority. The principles at play are plain to see, as are their violations, whether or not the law can move to protect Common stockholders.

Fourth Harm: Future Dilution and Damage

43. The Proposed Settlement will allow full implementation of the Board Amendments, release the Defendants from all claims and liability, and permit the Company to further dilute shares of the Common Stock. I assert that this *will* cause harm – but while it hasn't happened yet, I believe it deserves the Court's full attention, because it will damage the value of the Settlement Payment.
44. Based on the facts currently before the Court, there is every reason to believe that dilution will damage the Common Stock's share price after the Board Amendments are implemented. First, there is the example of APE, where the Board's dilution helped to drive its price down; indeed, the conversion is in one sense an attempt by the APE holders to recoup losses. Second, we have the equation $Assets = Liabilities + Equity$. Dilution reduces the (already negative) equity that each shareholder currently possesses. And third, this very lawsuit has exposed the Company's precarious finances to the public. This makes private fundraising *extremely* unlikely, so we can expect even more short-sellers to be attracted, even as the Company's usage of ATM offerings increases the number of shares available to short-sellers.

45. If dilution damages the price of the Common as expected, the Company will be forced to sell many more shares than it is currently projecting. If dilution is carried to its fullest, current Common stockholders will see their ownership diluted by a factor of 10, and in the worst case scenario, that 1/10 reduction will apply equally to the market price of their shares. And yet in spite of this risk, the Defendants have not explained to the Court *how many* Common shares they actually need to meet the Company's financial obligations – or whether we should even expect dilution to solve the Company's debt problems at all.
46. Finally, even *more* dilution might come from an unexpected place: the Board will still have 40 million unissued Preferred Stock with which to repeat its contested actions – supervoting, conversion, the dividend, etc. Any harm that current Common holders have experienced can still be re-visited on them in the future.

The Merits of the Legal Claims

47. Now, finally, we turn to the merits of the legal claims. I'd like to express my general support for both *DGCL 242.b* and *Blasius*. I hope the Court will be generous with what I have to say.

Merits of DGCL 242.b

48. Earlier, I alluded to the importance of a class vote in protecting the minority from the malice of the majority. DGCL 242.b would appear to be the appropriate law, yet surprisingly, neither Party believes it has any merit.
49. Both Parties' Briefs dismiss the merit of 242.b on roughly the same grounds, but to different degrees. Both agree that *Hartford* and *Orban* have established that when new

share classes with voting rights are created, or when a class increases its authorized shares, the “special rights” of *other* classes are not affected – only their relative positions. And as the Plaintiffs point out, while the “authorized share” clause of 242.b would ordinarily trigger a class vote for the Common Stock, the current Certificate of Incorporation has already waived this right, and on this note, the Plaintiffs abandon ship.

50. But where the Plaintiffs have given up, the Defendants go much, much further. They assert that under precedent, 242.b can never apply when only “relative position” is affected, that the “peculiar legal characteristics” must in some way be *explicitly* changed, and that because the Board’s actions have left the rights of the Common Stock *explicitly* untouched, 242.b could not possibly trigger a class vote.
51. But this is a strange position to take. *Hartford, Orban*, and their “relative position” standard seem tailored for their situations, where *old* classes are objecting to the creation or expansion of *new* classes. On the face of it, it makes sense that 242.b was not meant to trigger here. After all, all classes have ownership in the *same* company. New classes and new members may well *agree* with the old classes, and within an old class, members may disagree. There is no reason to assume that a new class will harm any power of the old class, and there is no reason to presume that classes must be at odds with each other. Yet none of this is revealing about whether “relative position” is applicable in other situations.
52. But in considering other situations, a brief thought into the purpose of 242.b reveals the obvious: these requirements exist to protect minority classes from the tyranny of the majorities, which may easily outnumber them. Without them, shareholder votes cannot be unified, and classes are opposed, because each class can use its “relative position” to

harm other classes. By requiring a class vote, 242.b provides each class with protection from majority malice, and by speaking vaguely of how special powers, preferences, and privileges might be adversely affected, the law gives the Court the flexibility to adapt to unknown situations. But if we follow the Defendants' insistence on examining "relative position" and "explicit changes" to determine whether a class vote is required, we reach absurd conclusions.

53. For example, consider a company with two share classes X and Y, where X has 100 issued shares with 1 vote each, and Y has 40 issued shares with 2 votes each. Relatively speaking, class X has 100 total votes and Y has 80 total votes, and for any amendment where X and Y are in complete opposition, X will of course win.
54. Now consider a Harm Amendment proposing that Class Y have its votes reduced from 2 to just 1 per share. Would Y receive a class vote under 242.b? Yes, it would: the Harm Amendment modifies the explicit, peculiar legal characteristics of Class Y, and as a consequence Y will have its voting power reduced by half. Members of Class X have every reason to approve this amendment, as it will increase the relative power of their votes at the expense of Class Y, which itself may make their Class X shares more valuable.
55. But consider a Self-Benefit Amendment proposing that Class X have its voting power *increased* from 1 vote to 2 per share. The Defendants would presumably argue that this is merely a change in "relative position", or that Class Y has not been explicitly altered – and while yes, they would be *technically* correct, the practical effects and intentions here are *exactly* the same as the Harm Amendment. The protection of minority rights cannot

simply be evaded by disguise, and I hope the Court will agree that here as well, 242.b must trigger a Y class vote.

56. But these disguises can be made even more egregious. Consider a Conversion Amendment that proposes converting all the shares of X into shares of Y. Is this not the same as the Harm and Self-Benefit Amendments? Or suppose X and Y both have 1 vote per share, but Y has liquidation preferences for a total of \$500 million, and again, the Conversion Amendment proposes to convert all shares of X to Y. It's obvious that the members of X seek to harm the members of Y for their own benefit, but now by a new mechanism: assuming the *legal identity* of the other class. Will we really claim that it's only a change in relative position, or that peculiar rights have not been modified? If a class vote can be evaded here, then 242.b is toothless. If legal identity is not protected, then what else deserves to be?
57. I stress the importance of protecting legal identity as a special right or power. This has precedent in the "authorized shares" clause of 242.b, which is itself asserting that a class has a right to protect an aspect of its legal identity – the number of authorized shares – from other classes who might seek to modify it. And although this clause has a waiver, this waiver does *not* waive other identity-based rights, like the right to protect a class from others who might seek to *forcibly join* it.
58. If all the reasoning so far holds, and the Court is willing to consider legal identity and its benefits as a kind of special right, then it's clear that under DGCL 242.b, Common stockholders were entitled to a class vote on the Board Amendments – specifically, for conversion. The same lines of reasoning hold:

- a. The conversion amendment would harm the Common stockholders while benefiting the APE stockholders.
- b. The Common stock's legal identity grants it the right to a \$5 per share market price. In voting for conversion, APE holders seek to assume this identity for the purpose of taking market value from existing Common holders.
- c. The Board purposely created the APE class and actively assisted them with supervoting privileges. The APE class far outnumbers the Common.

All of this makes the right to a class vote urgent.

59. Indeed, if a class vote had been granted, the voting results are clear: the proposals would have *failed*, as only 35% of the *total* Common Stock voted. While Defendants may argue that of the *voting* Common Stock, 72% voted Yes, that in no way implies that Yes would have won a majority if *all* the Common Stock had voted. We simply don't know why so many Common holders didn't vote – after all, perhaps they didn't vote because they knew abstaining amounted to a No.
60. Finally, I wish to point out that Common stockholders never approved the conversion clause for APE – the Board simply used their preferred stock blank check to establish it. But even if Common stockholders approved the blank check, approving a blank check does *not* waive any other rights, including the right to a class vote.

Merits of Blasius

61. I said earlier that I would like to express my support for *Blasius*, but I recognize that I am not qualified to speak about it. From the brief research that I did, I could see that fiduciary duty laws and interpretations are many, varied, nuanced, and evolving. *Blasius* has been

subsumed into *Unocal*, resurrected as a separate standard in *Coster*, placed alongside *entire fairness*, and even now, questions are still open. Although the Plaintiffs' and Defendants' Briefs are in direct opposition over *Blasius*, I cannot contribute to breaking the deadlock. Instead, I trust that the Court will make proper evaluation of its merits and demerits.

62. But that doesn't mean I have nothing to say. In particular, the Defendants have claimed that the correct standard for their conduct is the business judgment rule. I disagree.
63. The business judgment rule requires good faith¹⁷. Yet the Board repeatedly demonstrated bad faith and dishonesty with shareholders as they created APE, distributed the dividend, and effected APE sales. Many of the details have been explored earlier and in the Plaintiffs' Brief, but nevertheless, I repeat them here:
 - a. Misrepresenting APE's voting rights as merely "1 vote", and misrepresenting the 8K as "myriad details".
 - b. Misrepresenting the dividend as a gift and a boon, when its goal was to forcibly take value from Common stockholders so that it could be diluted, simply because shareholders would not approve proposals with the same effect.
 - c. Misrepresenting the dividend as a "share count", when they did not believe a share count would occur. Misrepresenting the dividend as something that the shareholder base desired, when no vote had ever approved it, and when the source of this "desire" was something far more banal: social media spam.

¹⁷ Cornell Law School - business judgment rule at https://www.law.cornell.edu/wex/business_judgment_rule. "Under this standard, a court will uphold the decisions of a director as long as they are made (1) in good faith, (2) with the care that a reasonably prudent person would use, and (3) with the reasonable belief that the director is acting in the best interests of the corporation"

- d. Misrepresenting the conversion clause as a means of reversing the dividend, when the Board intended to force proposals to be passed in the likely event that the price of APE dropped.
- e. Misrepresenting the dividend as a “stock split” and “equal economic value”, when the Board knew APE’s price would fall, that they had not guaranteed APE’s price, and that they were unable to sell APE privately for anything but pennies.
- f. Misrepresenting the sales to Antara as equity-raising, when it was to ensure the vote. The Company was no in danger of bankruptcy at the time, and the Board was constantly modeling vote results. The Board should not have sold to Antara at all if they truly believed the Board Amendments would pass on their own merits, and even if they didn’t, they should have attempted conversion *first* before selling APE votes so cheaply.
- g. Misrepresenting the vote results - trumpeting them as a victory, when without APE’s supervoting, the total Yes votes (Common and APE together) would have been 44% of the total outstanding votes, and the Board Amendments would have failed.

64. In particular, the issue of the dividend goes *beyond* bad faith. How can a Board intentionally damage the property of Common shareholders in such a brazen fashion? How can they use the dividend, not to reward their shareholders, but to *take* from them, harm them, and lie about it? There is *disloyalty* to what the Board did, and a *lack of due care*, despite their best intentions. It deserves the consideration of the Court.
65. I also wish to note that in many of the important *fiduciary duty* cases, the board of directors have acted to prevent hostile takeovers of the board, or to prevent shareholders

from voting affirmatively to harm themselves. But in this case, the Board has acted differently: to *create* a hostile takeover to further the Board's own objectives – and then to reward the hostile class for their vote by taking value from the original shareholders.

66. To conclude: the evidence is considerable that the Board has not acted in good faith, and sometimes not even with due care and loyalty. Even if *Blasius* does not apply, other standards besides *business judgment* should be considered. I hope the Court will do just that.

The Balancing of Equities

67. The Plaintiffs make several claims as to why the balance of equities favors Settlement, but I don't find them persuasive.
68. First, the Plaintiffs point out that the Company is close to financial trouble, and needs to raise money by selling more Common Stock, which limits the possible injunctions. The Plaintiffs argue that as a consequence, they cannot prevent the Amendments from being implemented, and need to seek some sort of payment injunction. They assert that the settlement ratio of 1 share per 7.5 is close – by a mere matter of “degree” – to what they would have sought by injunction. They also say that even if 242.b had merit, that APE shares could not be invalidated without harming numerous good-faith holders.
69. But while I agree that not all injunctions are appropriate, and that preventing the Company from raising money would, indeed, be damaging, it's not so clear that this requires the implementation of the Amendments. The Board still has 40 million unissued Preferred Shares that they can establish and sell, and the Defendants have not addressed why these 40 million shares – each with, for example, 100,000 votes, would

not be effective for raising money (while there is some sarcasm here, the point still stands). Similarly, while it's true that the Board cannot invalidate APE, there are alternative means of relief – the Settlement Class could be given a class vote, or be given an award of share power from the 40,000,000 unissued Preferred Shares; the current Settlement is not the only reasonable option. Finally, I disagree that the injunction *must* be a payment, and not prevention. If the Defendants provide the Court with a projection of their financial requirements and their expected sales, the Court could easily authorize a Certificate Amendment, one that permits a minor increase in the number of authorized Common Stock – and the case could proceed without implementation of the Board Amendments.

70. Second, the Plaintiffs argue that a quick settlement is needed for the Company to fundraise during Wall Street's fundraising season, which they imply is in the mid-to-late summer. But history undercuts this argument. After all, the Company did not sell their Series A Preferred Stock or APE to Wall Street in 2022, even though they had access to fundraising season; instead, they released a dividend and sold through their ATM offering. Furthermore, even when the Company *did* succeed in private sales to Wall Street, they were only able to do so because Antara *knew* it would profit from the upcoming vote – not because the APE itself had any merit. Thus, once conversion is effected, what evidence is there that anyone will want to buy the Common Stock, when they would not even buy APE on *its own merit* at sub-dollar prices? Finally, with the publication of the Company's precarious finances, and the news that it cannot bear a class action without running into bankruptcy, which Wall Street firm will want to invest, and risk their money? There's no evidence at all that the Company would have *any*

success in Wall Street's fundraising season, and the Defendants have not provided the Court with any sales projections that suggest otherwise.

71. In other words, the evidence is that the Company will use its ATM offering for Common, and this mechanism is *not* time-dependent.
72. Like the Plaintiffs, the Defendants argue that the balance of equities favors quick settlement. But their arguments are far more spurious. First, they argue that because the March 14 vote approved the Board Amendments, their implementation *must* be allowed as soon as possible, to protect the “sacrosanct shareholder vote”. But there are two issues with this. The first is obvious: the Court allowed the vote and specifically precluded implementation, regardless of the results. The Court is not ruled by the vote results – otherwise, the Court essentially sided with the Defendants in allowing the vote. Second, the Company provided notice to shareholders in its February 28, 2023 10K filing that although the March 14 vote would proceed, the Court had precluded implementation¹⁸. If, as Defendants have argued, the dividend 8K was enough to inform shareholders about APE's supervoting, then this 10K was enough to inform shareholders that the voting results were preliminary and contingent – and since voters were fully informed, there is nothing unholy about withholding the Board Amendments.
73. Second, Defendants argue that quick settlement is required to protect APE holders like Antara, who bought in good faith expecting to profit from conversion. I hope it's plain that APE holders assume risk when buying – if the vote was indeed not “fixed”, as Defendants assert, then Antara has no right to profit. There's no violation of contract involved here,

¹⁸ 10-K Filing on February 28, 2023. “On February 27, 2023, the Delaware Court of Chancery entered a status quo order that (i) will allow the March 14, 2023 vote on the Charter Amendment Proposals to proceed, but precludes the Company from implementing the Charter Amendment Proposals pending a ruling by the court on the plaintiffs' to-be-filed preliminary injunction motion, and (ii) scheduled a hearing on the plaintiffs' to-be-filed preliminary injunction motion for April 27, 2023.”

and the Court does not need to guarantee the profit of investors and speculators.

Furthermore, if APE truly has “equal economic rights”, then APE holders still have those rights. Finally, the Court should take note that Antara has already profited handsomely – according to their SEC filings, in the past few months Antara has sold tens of millions of APE shares at prices above \$1.30, when they bought the APE at an average of \$0.66 per share. And in their April 7, 2023 amendment to their Schedule 13D, Antara reported beneficial ownership of 160 million APE – so Antara has already sold at least 100 million shares. Antara does not need the Court’s protection.

74. To conclude: ultimately, both Parties’ Briefs in Support use the Company’s financial troubles as a bludgeon when balancing the equities. But the balance has more elements of nuance than they admit. Why not give the Class a class vote, or an award of unissued Preferred Stock with voting power? Why not grant authorization for a *limited* share increase – just enough for the Company to meet its obligations? Why not grant a 2-1 reverse split if it’s needed to keep the Common stock listed on the NYSE? If the Court is willing to use nuance in balancing the equities, then the Class can still have its day in court.

The Settlement is Not Fair, Reasonable, or Adequate

75. Given everything that has been written so far, it should come as no surprise that I do not find the Settlement acceptable – for multiple reasons.
76. The first reason is that the award of \$129 million is not reasonable. Since it is *in shares*, the payment is likely to be damaged by the very actions that this Settlement will allow. Recall the Fourth Harm of Dilution: we know that after this Settlement is approved, the

Company will proceed to dilute the float of the Common stock, and that as a consequence, the price of Common Stock is likely to drop, and soon the award will not be worth \$129 million. In addition, after conversion, current APE holders may also take profits by selling their new Common shares, which will damage the Common Stock's value in the same way that index funds damaged APE. But paradoxically, if the Settlement Class attempts to sell their share award to maintain its value, their attempts will *damage* the value of their existing Common shares. Only a 13% drop is necessary to negate the award entirely – and historically for the Common Stock, that can happen in just a day.

77. Ordinarily, the Court would bear no responsibility for the actions of the market. But here, the Court has full information, and is approving the very actions that will damage the award. This damage would defeat the purpose of settling, or of claiming benefit to the Settlement Class, and the Settlement Class is exposed to this risk only because the Plaintiffs have chosen to accept the \$129 million in *shares*, as payment-in-kind.
78. The Court must anticipate this before approving the Settlement, especially because reasonable alternatives are available. The award could just be in cash, immediately. Or the Company could pledge the first \$129 million that it raises through equity sales after implementation, or pay the \$129 million pro-rata from its equity sales, or the \$129 million could be secured as some kind of first-lien debt in the event of liquidation. Or the Company could pay in shares from the unissued Preferred Stock, themselves with supervoting powers. Or some combination of the above. These alternatives are much, much better: they don't bind the Settlement Class with risks and moral hazards like the current Settlement does.

79. The second reason I oppose the Settlement is that given the claims and harms, it isn't fair for each Common stockholder to receive the *same* award. Stockholders who experienced the dividend and its crash in value have experienced *more* loss, and even among dividend recipients, loss varies by how long they held their APE dividend while its value eroded. Thus, dividend recipients are not receiving a proportionate benefit. Furthermore, some dividend recipients may have already sold their Common stock, and will not receive *any* consideration according to the terms of this Settlement, which will only pay current Common Stock holders. But the record date of the APE dividend – August 22, 2022 – should already have taken a “snapshot” of all recipients. I believe these stockholders *can and should* be reached, and I urge the Court to support this.
80. Third, by virtue of the Settlement Time, all current Common stockholders will receive the award. Yet many who are stockholders now may not have been harmed at all – they may have bought Common Stock only after the vote. Even worse, APE stockholders who concurrently own a small amount of Common will benefit *twice*: by doubling the value of their holdings at the expense of majority-Common holders, and by rewarding them with Common Stock. Why should these APE holders benefit at the expense of their victims?
81. Fourth, the Settlement Payment is itself inadequate, given the magnitude of the economic damage. The problem at the heart of this issue is not, as the Plaintiffs claim, *only* dilution and voting rights, and so this Settlement cannot properly address this. If we take Defendants at their word, then Common and APE should be worth the same. But currently the Common is trading at roughly \$5, and APE at \$1.50 – a 70% discount for APE, which represents a 35% loss compared to if the dividend *had not* happened.

82. In addition, conversion will cause a loss of 50% for majority-Common holders. The dividend ratio of 1:7.5 amounts to a 13.3% restoration, which isn't remotely adequate. Although the Plaintiffs trumpet \$129 million as the "largest in history", that is only due to the large size of the class – 524 million shares – and has nothing to do with the benefit to each member. No effort has been made to consider the economic value that the class *lost*, and I remain unconvinced that a 2.87% increase in class equity is remotely enough – the number is tiny on its own, and the Plaintiffs don't explain why 2.87% is significant or adequate – they just float the number and walk away.
83. In the worst case, there are shareholders who have experienced a 68% loss – if they had \$100, they would have \$65 after the dividend and its dilution (-35%), and then only \$32.5 after the conversion (-50%). A +13% restoration is nowhere near adequate – it would leave them with a mere \$36.7. No reasonable person would be satisfied.
84. The fifth reason I oppose the Settlement is that given the amount of bad faith and manipulation that the Board has displayed, it cannot be anywhere near adequate. The list is long and was already stated in the prior section on *Blasius*, but suffice it to say that 1:7.5 shares is *not* sufficient, a 2.87% increase in ownership is *not* sufficient, for a Board-led, Board-designed, supervoting, hostile takeover. Recall that Antara was sold some 260 million votes out of 1.5 billion outstanding – that's already 17% of the entire vote – to profit from the conversion. The difference in magnitude between what occurred and the proposed reparation is comical. I urge the Court to reject it.
85. Sixth, the Board still has 40 million unissued Preferred Stock remaining, and is free to repeat its actions if diluting the Common stock fails to pay off its debts. Under the terms of this Settlement, *Defendants deny all wrongdoing, and are even released from*

*unknown claims*¹⁹. The Board is free to repeat. Nothing has truly been resolved – the Settlement Payment is just the Board's cost of doing business.

86. For these reasons, I reject that the Settlement is fair, reasonable or adequate. The representatives have not fairly and adequately protected the interests of the class, as the Court's Rule 23.a requires.

The Lead Counsel's Award/Fees Should Be Modified

87. Although I understand that the Settlement's approval is not contingent on the approval of Counsel's awards and fees, I still register my objection.
88. Counsel requests \$20 million in cash, which is 15.5% of the total Settlement Payment. This might seem reasonable, except that they have delivered for shareholders payment-in-kind, but have chosen for themselves payment-in-cash, which bears none of the risks that I discussed earlier.
89. Instead, I submit that the Counsel should be paid their awards and fees *in shares*, just as the Settlement Class will be paid in shares, and Counsel should be required to hold these shares (without lending them) for some set time period while conversion and dilution occur, so that their compensation is *truly* a percentage of what they are proposing for the class, and so that they bear the same moral hazards when they're finally able to sell. Why not have the Company's insurers buy these shares from the Company – for full price – before delivering them to Counsel?

¹⁹ *Stipulation and Agreement of Compromise, Settlement, and Release*, pp. 17-18

The Settlement Should Be Opt-Out

90. Finally, if I understand correctly, the Court is responsible for determining whether the Settlement gives the Class the right to opt-out. Both the Plaintiffs and the Defendants have argued that the right to opt-out should be withheld, but I urge the Court to provide it. I have several arguments in connection to this.
91. First, it's important to recall that within the Settlement Class, there are subclasses which have not suffered equal harm. In particular, dividend recipients were harmed more, have greater claim to relief, and thus may wish to opt out of the Settlement. In their Brief, Plaintiffs claim that this Settlement properly addresses the damage to the shareholder franchise, but even if that's true – and I have contended that it's not – the economic harm has *not* been addressed, and on that axis alone, members of the Class deserve the right to opt out.
92. However, if this Settlement *must* be approved, I urge the Court to consider separating the relevant subclasses from this Settlement in accordance with Chancery Court Rule 23.c.4.B. The subclasses could be partitioned with respect to the shareholder franchise, economic damage, or the damage solely inflicted by the dividend – even if the subclasses would not be mutually exclusive. Again – have the Plaintiffs properly represented all the claims of the Class, as Rules 23.a.3/4 require? I leave that to the Court's judgment.
93. Second, Plaintiffs have argued that because the Settlement Payment is a share distribution, it's too difficult to create an opt-out process through the DTCC. I don't know whether they are correct about the difficulty, but the right to opt-out should *not* be denied as a consequence of the *form* of the Settlement, when other reasonable alternatives are

available (I mentioned a few earlier) that don't cause problems. Otherwise, it might appear that the Settlement was constructed to impede the right to opt-out.

94. Third, Plaintiffs argue that if the goal in settling and balancing the equities is to implement the Board Amendments, then providing an opt-out process – even of 30 days – will damage the Defendants' ability to quickly raise money, and thus by proxy the Settlement Class. I reiterate that the need to raise equity is *not* a bludgeon or blank check; by this logic, the Court cannot reject the Settlement, no matter its contents, which is absurd. But to respond to the Plaintiffs: it is false that the right to opt-out must delay conversion and equity-raising. If objectors are merely opting out of the Settlement Payment, then the Company can take the planned snapshot of the Settlement Class, but *delay* the distribution of the payment until *after* the opt-out period. Meanwhile, the Company is free to implement the Board Amendments.

95. Anticipating my previous point, the Defendants argue in their Brief that it's impossible for anyone to opt out of the implementation of the Board Amendments. While this is true, those who opt out can still seek alternative forms of relief – forms of relief that are more appropriate for their claims. Without the right to opt out, the entire Class will be bound by the releases, which are extensive and bind class members even if new information comes to light²⁰. For obvious reasons, opting out of these releases will itself be desirable to certain members of the Settlement Class.

²⁰ *Stipulation and Agreement of Compromise, Settlement, and Release*, pp. 17-18. "Unknown Claims" means any Released Plaintiffs' Claims which Plaintiffs do not, or any Settlement Class Member does not, know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims ... each of the other Settlement Class Members shall be deemed to have waived ... Cal. Civ. Code § 1542'. Plaintiffs and Defendants acknowledge that this waiver was key to the Settlement.

Conclusion

For all these reasons, I respectfully request that the Court reject this Settlement and the Proposed Awards and Fees.

OF OBJECTOR:

[Personal Details Removed]

Words: 9500

Dated: May 25, 2023

[Signature Removed]

FW: Submission of objection to Settlement

From: AMC Settlement Objections <amc.settlement@blbglaw.com>
To: Kelly Tucker <ktucker@gelaw.com>, Jason Avellino <javellino@gelaw.com>
Date: Thu, 25 May 2023 01:55:46 +0000
Attachments: objection_hjc_2068876834.zip (2.6 MB)

From: Howard Cheng [REDACTED]
Sent: Thursday, May 25, 2023 2:54 AM
To: AMC Settlement Objections <AMCSettlementObjections@blbglaw.com>
Subject: Submission of objection to Settlement

[External]

Hello,

Please find attached a ZIP file containing my letter of objection, supporting documents for my objection, and documentation of my ownership of AMC Common Stock.

To document my ownership, I've included (partial) copies of brokerage statements from the recent past that show the shares I own *and* my full name. I've also included screenshots of my brokerage account to prove that I *still* own AMC Class A Common Stock, although unfortunately the website doesn't include my full name on the same page.

If you need additional documentation of ownership, please let me know at this email address.

On the other hand, if what I've given you suffices, I'd greatly appreciate it if you would send me a brief note -- just so I know my objection has been accepted.

Thank you.
Howard Chen



Hello again, Howard

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Investment Summary

Portfolio

Portfolio Value USD \$27,916.96

Holdings

Quantity

Price

Market Value

AMC
ENTERTAINMENT
HOLDINGS INC
(**AMC**)
CLASS A
COMMON STOCK

1,200

\$4.90 ▼ As
of 5/24/2023

\$5,880.00 [View Details](#) >

AMC
ENTERTAINMENT
HOLDINGS INC
(**APE**)
PREFERRED
EQUITY UNITS

1,536

\$1.585 ▼ As
of 5/24/2023

\$2,434.56 [View Details](#) >



INVESTMENT REPORT
August 1, 2022 - August 31, 2022



HOWARD JED CHEN - INDIVIDUAL

Holdings

Core Account

Description	Beginning Market Value Aug 1, 2022	Quantity Aug 31, 2022	Price Per Unit Aug 31, 2022	Ending Market Value Aug 31, 2022	Total Cost Basis	Unrealized Gain/Loss Aug 31, 2022	EAI (\$) / EY (%)
FIDELITY GOVERNMENT MONEY MARKET (SPAXX) - 7-day yield: 1.6%	\$45.41	0.320	\$1.0000	\$0.32	not applicable	not applicable	-
Total Core Account (0% of account holdings)	\$45.41			\$0.32			-

Stocks

Description	Beginning Market Value Aug 1, 2022	Quantity Aug 31, 2022	Price Per Unit Aug 31, 2022	Ending Market Value Aug 31, 2022	Total Cost Basis	Unrealized Gain/Loss Aug 31, 2022	EAI (\$) / EY (%)
Common Stock							
AMC ENTERTAINMENT HOLDINGS INC (AMC)	\$1,456.00	100.000	\$9.1200	\$912.00	\$1,328.30 ¹	-\$416.30	-



**An Open Letter to AMC Entertainment Shareholders
from Our Chairman and CEO Adam Aron**

August 4, 2022

Dear fellow owner of AMC,

Thank you for being a passionate supporter of AMC. Together, we have successfully navigated many obstacles since the onset of the COVID-19 pandemic. There is more work ahead of us still, but you can see just about every day that we are making real progress towards recovery and transformation.

I am writing you today about a major step forward for AMC Entertainment, in my view probably the biggest favorable development of all of calendar year 2022. Looking at the long-term future of our company, we believe this is truly great news for AMC and not such good news for those prophets of doom who may be rooting against us.

Earlier this year, I said that AMC intended to take important and bold steps to strengthen our company and to address some of the grievances that many of you voice repeatedly in social media and in other forums. I also said, though, that the art of leading a company as complex and one as much in the spotlight as AMC is knowing what to do and what not to do, knowing when to do it and when not to do it. I commented that, in my opinion, we should patiently wait until at least our posting of AMC's second quarter 2022 financial results.

That occurred today, and in our minds those results are spectacularly encouraging, as we showed dramatically increasing attendance and revenues, along with positive Adjusted EBITDA so very much improved versus the same quarter last year. Thank you, Doctor Stephen Strange. Thank you, Tom Cruise. Thank you, Elvis Presley, and thank you, too, to all those hungry people-eating Jurassic dinosaurs.

So, ladies and gentlemen, gentlemen and ladies, TODAY WE POUNCE.

With the backdrop of AMC's terrific results in the second quarter, it is time for us to take decisive and valorous action.

Today we are announcing 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 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.

Along with our common shares which trade now and will continue to trade on the New York Stock Exchange under the symbol AMC, this new AMC Preferred Equity unit also will be a tradable security

that will be listed on the New York Stock Exchange starting in August 22, 2022 under the ticker symbol "APE" — yes, APE, as in AMC Preferred Equity. And, informally, we now will refer to our two NYSE-listed securities as shares (the common stock) and APEs (the AMC Preferred Equity units).

For a variety of reasons, a dividend distribution in just about any form has been a longstanding request from our investor base. Today, we answered your call.

So, too, this issuance of 516,820,595 new APEs will essentially serve the same purpose as the much voiced request for a "share count," as the new AMC Preferred Equity unit will ONLY go to holders of company issued and outstanding AMC common shares. Again, today, we answered your call.

Because the dividend is only being distributed to our current shareholder base as of the dividend record date, there also is NO DILUTION from this initial issuance of the APEs associated with this dividend, because these new APEs all go, and only go to holders of company issued AMC common shares. The number of issued and outstanding AMC common shares will remain at 516,820,595 after the dividend is paid, and each shareholder also will own one APE for every share of AMC common stock held.

Think of this as being very similar to a 2-for-1 stock split, except that in a stock split you would get 2 shares of new common stock for each 1 old common share. In the AMC case being announced today, however, you would own 1 share and 1 APE in lieu of just 1 common share.

Since this stock dividend move being announced today is like a stock split, it is logical to assume that once the dividend is issued, the price of our common shares will fall. Vitality, however, as an investor, you would not own only a single share, you would own instead a share AND an APE. So, your economic interest in AMC would be the price of a share PLUS the price of an APE. And while no one's crystal ball can accurately predict stock market swings and volatility, that economic interest would be in a company that we believe is considerably stronger than AMC is now prior to this announcement being made.

The issuance of APE's now is made possible given the previously and repeatedly announced approval by AMC's shareholders back in 2013 that the creation and issuance of AMC preferred stock could occur solely at the AMC Entertainment Board of Directors' future discretion.

While each APE is designed to have the same rights as a common share, and can convert into a share of common stock, that conversion decision is solely up to you. Conversion can only take place if the company proposes and shareholders (including APE holders) vote to approve the authorization of additional common shares at a future AMC Entertainment stockholders' meeting. That is still your call to make.

But here is perhaps the most important thing of all. With the creation of APEs, AMC is deeply and fundamentally strengthening our company. Given the flexibility that APEs will give us, we likely will be able to raise money if we need or so choose, which immensely lessens any survival risk as we continue to work our way through this pandemic to recovery and transformation.

Rather than having to worry about survival, the flexibility accruing to us from APES can instead let us continue our efforts to try for AMC to soar and to thrive. This new AMC Preferred Equity provides AMC with a currency that can be used in the future to further strengthen our balance sheet, including paying down some of our debt and other liabilities. It also gives us the ability to seek shareholder value-enhancing and potentially transformative investment opportunities.

I believe that all of this makes AMC vastly, and I mean vastly, stronger. And anything that moves us so far ahead is bad news indeed for those who wish us harm.

Having said all of that there are a myriad of details and cautions related to our announcements today. **SO, I STRONGLY URGE YOU TO READ OUR PRESS RELEASES AND SEC FILINGS ON THESE MATTERS**, which are incorporated herein by reference.

To celebrate this milestone and as a token of our appreciation for your continued support, we will be offering a free “I OWN APE” NFT to all existing AMC Investor Connect members and to new members joining by August 31, 2022. Likewise, based on the popularity of the original “I OWN AMC” NFT issued in January 2022, AMC Investor Connect members who have joined by August 31, 2022 also will be entitled to receive a free updated version of the “I OWN AMC” NFT.

When I think back over this pandemic journey we all have been on together, I am ever mindful of your dedication to AMC Entertainment and of your trust in me as its CEO. I want you to know once again that my every decision and my every action is intended to work for the long-term benefit of all of our shareholders. I act and think like a shareholder, because I too am a shareholder, and a big one. At the current AMC share price, I now own outright approximately \$15 million of AMC stock, and counting in my previously granted but unvested shares (at “target” vesting levels) have more than a \$50 million economic stake in AMC. This is pretty obvious, but that is a powerful incentive to do what is right for our shareholders.

All throughout this effort with you, I always have been candid, and I have always tried to keep my word to you. I promised you we would be bold. Well, indeed, today we pounced.

My best regards to you all,

Adam

Adam Aron
Chairman and CEO

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HOWARD CHEN



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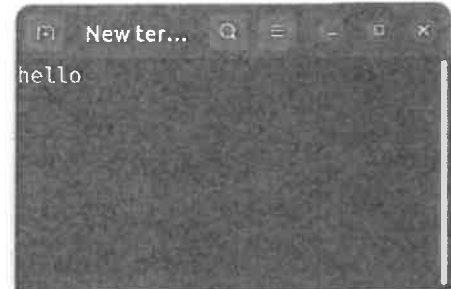
Louisville, KY 40233-5000

Within USA, US territories & Canada 800 962 4284

Outside USA, US territories & Canada 781 575 3120

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AMC ENTERTAINMENT HOLDINGS, INC. is
incorporated under the laws of the State of DE.



AMC ENTERTAINMENT HOLDINGS, INC. - Direct Registration (DRS) Advice

Transaction(s)

Date	Transaction Description	Total Shares/Units	CUSIP	Class Description
19 Aug 2022	Special Dividend	1,100.000000	00165C203	Preferred Equity Units

Account Information: Date: 22 Aug 2022 (Excludes transactions pending settlement)

Dividend Reinvestment Balance	Direct Registration Balance	Total Shares/ Units	Price Per Share (\$)	Value (\$)	CUSIP	Class Description
0.000000	1,100.000000	1,100.000000	6.000000	6,600.00	00165C203	Preferred Equity Units

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 4, 2022

AMC ENTERTAINMENT HOLDINGS, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	001-33892 (Commission File Number)	26-0303916 (I.R.S. Employer Identification Number)
---	---------------------------------------	--

One AMC Way
11500 Ash Street, Leawood, KS 66211
(Address of Principal Executive Offices, including Zip Code)

(913) 213-2000
(Registrant's Telephone Number, including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A common stock	AMC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated by reference. The special dividend of the AMC Preferred Equity Units (as defined below) to holders of the Company's Class A common stock, par value \$0.01 per share (the "Common Stock") is exempt from registration as it involves no sale for value in which any investment decision is made.

Item 3.03 Material Modification to Rights of Security Holders

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 4, 2022, in connection with the special dividend described below, the Compensation Committee of the Board of Directors of the Company approved an equitable adjustment of awards outstanding under the Company's 2013 Equity Incentive Plan (the "Plan") and certain corresponding amendments to the Plan.

In accordance with the terms of the Plan and effective upon payment of the dividend, each restricted stock unit (an "RSU") outstanding under the Plan as of the close of business on August 15, 2022 will be equitably adjusted to consist of an RSU convertible into one share of Common Stock and one AMC Preferred Equity Unit and each performance stock unit (each, a "PSU") outstanding under the Plan as of the close of business on August 15, 2022 will be equitably adjusted to consist of a PSU convertible into one share of Common Stock and one AMC Preferred Equity Unit. All other terms and conditions of outstanding RSUs and PSUs (including vesting, forfeiture and acceleration provisions, and with respect to PSUs, performance goals) that were applicable to outstanding RSUs and PSUs prior to the equitable adjustment will continue to apply. All RSUs and PSUs held by the Company's executive officers will be treated the same as those RSUs and PSUs held by other participants in the Plan.

As amended effective upon payment of the dividend, the Plan (1) provides for a number of AMC Preferred Equity Units available for future issuance under the Plan equal to the number of Common Shares available for future issuance thereunder as of August 15, 2022 and (2) stipulates that individual award limitations shall be determined by reference to AMC Preferred Equity Units, in addition to Common Shares. In addition, the amendment to the Plan clarifies that each reference to a "Common Share" throughout the Plan shall be deemed to include a corresponding reference to an "AMC Preferred Equity Unit," as the context may require.

The foregoing description is qualified in its entirety by reference to the full text of the Fourth Amendment to the Plan, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On August 4, 2022, AMC Entertainment Holdings, Inc. (the "Company") filed a Certificate of Designations (the "Certificate of Designations") with the Secretary of State of the State of Delaware, to designate 10,000,000 shares of the Company's authorized preferred stock as Series A Convertible Participating Preferred Stock, par value \$0.01 (the "Preferred Stock") with the preferences, limitations, voting powers and relative rights as set forth in the Certificate of Designations. A copy of the Certificate of Designations, which became effective upon filing on August 4, 2022, is filed as Exhibit 3.1 hereto and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure

A copy of the Company's press release announcing the special dividend is attached hereto as Exhibit 99.1. The Company has provided additional information about the AMC Preferred Equity Unit dividend on its website at <http://investor.amctheatres.com/stock-information/APE-Dividend-Info>, including the AMC Preferred Equity Unit Summary attached hereto as Exhibit 99.2 and an Open Letter to Shareholders attached hereto as Exhibit 99.3.

The information in this Item 7.01 disclosure is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section. In addition, the information in this Item 7.01 disclosure, shall not be incorporated by reference into the filings of AMC Entertainment Holdings, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events

On August 4, 2022, the Company announced that its Board of Directors declared a special dividend of one AMC Preferred Equity Unit (an “AMC Preferred Equity Unit”) for each share of Common Stock outstanding at the close of business on August 15, 2022, the record date. However, the AMC Preferred Equity Unit dividend is expected to be paid as of the close of business on August 19, 2022. The NYSE has established August 22, 2022 as the ex-dividend date. If an investor sells Common Stock before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity Unit dividend on the shares that are sold. Alternatively, if investors buy Common Stock before the ex-dividend date of August 22, 2022, such investor will be entitled to receive the AMC Preferred Equity Unit dividend on the shares purchased. **Investors who trade during this period should consult with their broker.**

Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of Preferred Stock. Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as a share of Common Stock, as described herein. The AMC Preferred Equity Units will be evidenced by a depositary receipt pursuant to a Deposit Agreement (the “Deposit Agreement”) among the Company, Computershare Inc. and Computershare Trust Company, N.A., collectively acting as depositary and conversion agent (together, the “Depositary”). The Company will deposit the underlying shares of the Preferred Stock with the Depositary pursuant to the Deposit Agreement. Subject to the terms of the Deposit Agreement, the AMC Preferred Equity Units will be entitled to all the rights and preferences of the Preferred Stock, as applicable, in proportion to the fraction of a share of Preferred Stock the AMC Preferred Equity Units represent.

Each AMC Preferred Equity Unit, by virtue of its interest in the underlying Preferred Stock:

- is automatically convertible into one (1) share of Common Stock upon effectiveness of the Common Stock Amendment (as defined below), subject to any adjustments described in the Certificate of Designations. Upon effectiveness of the Common Stock Amendment, each share of Preferred Stock will convert into one hundred (100) shares of Common Stock and each AMC Preferred Equity Unit in turn will represent an interest in one (1) share of Common Stock and such shares of Common Stock will be distributed upon conversion to holders of the AMC Preferred Equity Units on a one-to-one basis, subject to the terms described in the Deposit Agreement and any adjustments described in the Certificate of Designations;
- participates in any dividends on an as-converted basis;
- votes together with the Common Stock on certain matters, including the Common Stock Amendment; and
- represents a liquidation value of \$0.0001 in preference to the Common Stock.

Trading of the AMC Preferred Equity Units on the New York Stock Exchange (the “NYSE”) will commence on August 22, 2022 (the ex-dividend date) and at that time holders of Common Stock will no longer be entitled to receive the AMC Preferred Equity Unit dividend. The Preferred Stock will not be listed.

To provide for the authorization of a sufficient number of authorized and unissued and unreserved shares of the Common Stock into which the Preferred Stock (and, by virtue of such conversion, AMC Preferred Equity Units) can convert in full, the Company may seek to obtain the requisite stockholder approval, at such time or times as the board of directors in its sole discretion shall determine, of an amendment to its certificate of incorporation to increase the number of authorized shares of Common Stock to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Common Stock, or to such higher number of authorized shares of Common Stock (which may be issued for any purpose) as the Company’s Board of Directors may determine in its sole discretion (the “Common Stock Amendment”). Under Delaware law, the affirmative vote of holders of at least a majority in voting power of the Company’s outstanding capital stock will be required for stockholder approval of the Common Stock Amendment. The holders of the AMC Preferred Equity Units will be entitled to vote on the Common Stock Amendment.

Once listed on the NYSE, the AMC Preferred Equity Units will be a new issue of securities with no established trading market and may be subject to wide fluctuations in trading price and trading volume, including in response to numerous factors, many of which are beyond the Company's control, such as trading dynamics unrelated to the Company's underlying business, or macro or industry fundamentals. Further, because each AMC Preferred Equity Unit initially represents the right to ultimately receive one (1) share of Common Stock upon effectiveness of the Common Stock Amendment, and is otherwise designed to bear equivalent economic and voting rights as the Common Stock, if a trading market develops in the AMC Preferred Equity Units, the market price of the AMC Preferred Equity Units may be correlated with the market price of the shares of Common Stock. The market prices and trading volume of the shares of Common Stock have recently experienced, and may continue to experience, extreme volatility, which we believe has been widely publicized and with respect to which we refer investors to our public filings. An investment in the AMC Preferred Equity Units is expected to involve the same risks, including those associated with extreme volatility, as an investment in Common Stock.

The Company expects that the AMC Preferred Equity Units will serve as a "currency" to raise additional equity capital to strengthen its balance sheet, including debt repayments, and provide capital for opportunistic and value-enhancing and transformative acquisitions and/or investments. Any dilution caused by future sales of AMC Preferred Equity Units could adversely affect the market price of the AMC Preferred Equity Units and the Common Stock.

The foregoing description of the AMC Preferred Equity Units, Preferred Stock, Certificate of Designations and Deposit Agreement do not purport to be complete, and are qualified in their entirety by reference to the Certificate of Designations and Deposit Agreement attached hereto as Exhibits 3.1 and 4.1 respectively.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Exhibit Description
<u>3.1</u>	<u>Certificate of Designations for the Series A Convertible Participating Preferred Stock.</u>
<u>4.1</u>	<u>Deposit Agreement among AMC Entertainment Holdings, Inc., Computershare Inc. and Computershare Trust Company, N.A., dated as of August 4, 2022.</u>
<u>4.2</u>	<u>Form of Depositary Receipt (included as part of Exhibit 4.1).</u>
<u>10.1</u>	<u>Fourth Amendment to the AMC Entertainment Holdings, Inc. 2013 Equity Incentive Plan, effective as of August 15, 2022.</u>
<u>99.1</u>	<u>Press Release, dated August 4, 2022, related to the special dividend of AMC Preferred Equity Units.</u>
<u>99.2</u>	<u>AMC Preferred Equity Unit Summary, dated August 4, 2022.</u>
<u>99.3</u>	<u>Open Letter to Shareholders, dated August 4, 2022.</u>
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 4, 2022

AMC ENTERTAINMENT HOLDINGS, INC.

By: /s/ Sean D. Goodman

Name: Sean D. Goodman

Title: Executive Vice President and Chief Financial Officer

**CERTIFICATE OF DESIGNATIONS
OF
SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK
OF
AMC ENTERTAINMENT HOLDINGS, INC.**

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

AMC Entertainment Holdings, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify:

That, pursuant to the authority granted to and vested in the Board of Directors of the Corporation (the "Board") in accordance with the provisions of the Corporation's Amended and Restated Certificate of Incorporation and applicable law, the Board by resolution adopted on July 28, 2022: (i) authorized and established, pursuant to Section 151 of the DGCL, a series of preferred stock of the Corporation classified as "Series A Convertible Participating Preferred Stock" and approved the form of Certificate of Designations thereof and (ii) established and designated a pricing committee of the Board (the "Pricing Committee"), pursuant to Section 141(c)(2) of the DGCL, and conferred upon the Pricing Committee the power and authority of the Board, to the fullest extent permitted by law, to, among other things, determine the final terms of the Certificate of Designations of the Series A Convertible Participating Preferred Stock.

That the Pricing Committee, through action by written consent on August 4, 2022, pursuant to the authority conferred upon the Pricing Committee by the Board, adopted the following resolution approving the final terms of the Certificate of Designations in accordance with its delegation by the Board:

"NOW, THEREFORE, BE IT RESOLVED, the Certificate of Designations, setting forth the designations, rights, preferences, powers, restrictions and limitations of the Series A Convertible Participating Preferred Stock is hereby authorized and approved and an Authorized Officer (as defined therein) of the Company, any one of whom may act without the joinder of any of the others, be, and each of them hereby is, authorized, empowered and directed to execute and file with the office of the Secretary of State of the State of Delaware the Certificate of Designations, in the form attached hereto as Exhibit A."

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its duly authorized officer this 4th day of August, 2022.

AMC ENTERTAINMENT HOLDINGS, INC.

/s/ Kevin M. Connor

Name: Kevin M. Connor

Title: Senior Vice President, General Counsel and Secretary

**CERTIFICATE OF DESIGNATIONS
OF
SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK
OF
AMC ENTERTAINMENT HOLDINGS, INC.**

Pursuant to the authority vested in the Board of Directors (the "Board") by the Amended and Restated Certificate of Incorporation (as amended and/or restated from time to time, the "Certificate of Incorporation") of AMC Entertainment Holdings, Inc. (the "Corporation"), the Board does hereby designate, create, authorize and provide for the issue of a series of preferred stock, \$0.01 par value per share, which shall be designated as Series A Convertible Participating Preferred Stock (the "Preferred Stock") consisting of 10,000,000 shares having the following voting powers, preferences and relative, participating, optional and other special rights, and qualifications, limitations and restrictions thereof as follows:

SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK

Section I. Definitions

"Additional Shares of Common Stock" has the meaning specified in Section VI(c).

"Adjustment Event" has the meaning specified in Section VII(d).

"Amendment" means the Amendment to the Certificate of Incorporation increasing the number of shares of Common Stock that the Corporation is authorized to issue from 524,173,073 to such higher number of authorized shares of Common Stock as the Board may at any time determine in its sole discretion, which amount shall be not less than an amount sufficient to effect the conversion of the then-outstanding shares of Preferred Stock into Common stock.

"Applicable Conversion Rate" means the Initial Conversion Rate, subject to adjustment pursuant to Sections VI and VII for any such event occurring subsequent to the initial determination of such rate.

"Board" has the meaning specified in the preamble.

"Certificate of Incorporation" has the meaning specified in the preamble.

"Closing Date" means the date that the Preferred Stock is first issued.

"Common Equivalent Dividend Amount" has the meaning specified in Section III(a).

"Common Stock" means the Class A common stock, \$0.01 par value per share, of the Corporation.

"Conversion Date" means the first business day following the receipt of Stockholder Approval and the filing, acceptance and effectiveness of the Amendment with the Office of the Secretary of State of the State of Delaware.

"Corporation" has the meaning specified in the preamble.

"Exchange Property" has the meaning specified in Section VII(a).

"Holder" means the Person in whose name the shares of Preferred Stock are registered, which may be treated by the Corporation as the absolute owner of the shares of Preferred Stock for the purpose of making payment and settling conversion and for all other purposes.

"Initial Conversion Rate" means, one-hundred (100) shares of Common Stock for each share of Preferred Stock.

"Junior Securities" shall have the meaning specified in Section V(a).

"Liquidation Preference" means, for each share of Preferred Stock, an amount equal to \$0.01.

"Parity Securities" shall have the meaning specified in Section V(a).

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

"Preferred Stock" has the meaning specified in the preamble.

"Record Date" means, with respect to any dividend, distribution or other transaction or event in which the holders of the Common Stock (or other applicable security) have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the Common Stock (or other applicable security) entitled to receive such cash, securities or other property (whether such date is fixed by the Board or a duly authorized committee of the Board or by statute, contract or otherwise).

"Reorganization Event" has the meaning specified in Section VII(a).

"Senior Securities" shall have the meaning specified in Section V(a).

"Stockholder Approval" means the requisite approval by the requisite stockholders of the Corporation of the Amendment.

Section II. Automatic Conversion

(a) Upon the terms and in the manner set forth in this Section II, at 9:30 a.m., New York City time, on the Conversion Date, each share of Preferred Stock will automatically convert into an amount of fully-paid and non-assessable shares of Common Stock, without any action on the part of Holders or the Corporation, determined in accordance with the Applicable Conversion Rate. The shares of Preferred Stock so converted will be cancelled as described in paragraph (b) below. The Corporation may seek Stockholder Approval at such time or times as the Board in its sole discretion shall determine.

(b) As promptly as practicable after the Conversion Date, the Corporation shall provide written notice of the conversion to each Holder stating the Conversion Date and the number of shares of Common Stock issued upon conversion of each share of Preferred Stock held of record by such Holder and subject to conversion. Immediately upon conversion, the rights of the Holders with respect to the shares of Preferred Stock so converted shall cease and the persons entitled to receive the shares of Common Stock upon the conversion of such shares of Preferred Stock shall be treated for all purposes as having become the record and beneficial owners of such shares of Common Stock. In the event that a Holder shall not by written notice designate the name in which shares of Common Stock and/or cash, securities or other property (including payments of cash in lieu of fractional shares) to be issued or paid upon conversion of shares of Preferred Stock should be registered or paid or the manner in which such shares should be delivered, the Corporation shall be entitled to register and deliver such shares, and make such payment, in the name of the Holder and in the manner shown on the records of the Corporation.

(c) No fractional shares of Common Stock shall be issued upon conversion of shares of Preferred Stock. If more than one share of Preferred Stock shall be surrendered for conversion at any one time by the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Preferred Stock so surrendered. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of any shares of Preferred Stock, the Corporation shall pay an amount in cash (rounded to the nearest cent) equal to the interest in the net proceeds from the sale in the open market by the applicable conversion agent of the aggregate fractional shares of Common Stock that otherwise would have been issuable upon conversion of the Preferred Stock.

(d) The Corporation shall not be required to reserve or keep available, out of its authorized but unissued shares of Common Stock, or to have sufficient authorized shares of Common Stock to cover, the number of shares of Common Stock that would be required to effect the conversion of all of the then-outstanding shares of Preferred Stock prior to the Stockholder Approval.

(e) All shares of Common Stock which may be issued upon conversion of the shares of Preferred Stock will, upon issuance by the Corporation, be validly issued, fully paid and non-assessable.

(f) Effective immediately prior to the Conversion Date, dividends shall no longer be declared on the shares of Preferred Stock and such shares of Preferred Stock shall cease to be outstanding, in each case, subject to the rights of Holders to receive any declared and unpaid dividends on such shares and any other payments to which they are otherwise entitled pursuant to Section III or Section VII.

Section III. Dividend Rights

(a) From and after the Closing Date to but excluding the Conversion Date, (i) the Holders shall be entitled to receive, when, as and if declared by the Board or any duly authorized committee of the Board, but only out of assets legally available therefor, all cash dividends or distributions (including, but not limited to, regular quarterly dividends) declared and paid or made in respect of the shares of Common Stock, at the same time and on the same terms as holders of Common Stock, in an amount per share of Preferred Stock equal to the product of (x) the Applicable Conversion Rate then in effect and (y) any per share dividend or distribution, as applicable, declared and paid or made in respect of each share of Common Stock (the "Common Equivalent Dividend Amount"), and (ii) the Board or any duly authorized committee thereof may not declare and pay any such cash dividend or make any such cash distribution in respect of Common Stock unless the Board or any duly authorized committee of the Board declares and pays to the Holders, at the same time and on the same terms as holders of Common Stock, the Common Equivalent Dividend Amount per share of Preferred Stock. Notwithstanding any provision in this Section III(a) to the contrary, the Holders shall not be entitled to receive any cash dividend or distribution made with respect to the Common Stock after the Closing Date where the Record Date for determination of holders of Common Stock entitled to receive such dividend or distribution occurs prior to the Closing Date.

(b) Each dividend or distribution declared and paid pursuant to paragraph (a) above will be payable to Holders of record of Preferred Stock as they appear in the records of the Corporation at the close of business on the same day as the Record Date for the corresponding dividend or distribution to the holders of shares of Common Stock.

(c) Except as set forth in this Certificate of Designations, the Corporation shall have no obligation to pay, and the holders of Preferred Stock shall have no right to receive, dividends at any time, including with respect to dividends with respect to Parity Securities or any other class or series of authorized preferred stock of the Corporation. To the extent the Corporation declares dividends on the Preferred Stock and on any Parity Securities but does not make full payment of such declared dividends, the Corporation will allocate the dividend payments on a *pro rata* basis among the holders of the shares of Preferred Stock and the holders of any Parity Securities then outstanding. For purposes of calculating the allocation of partial dividend payments, the Corporation will allocate dividend payments on a *pro rata* basis among the Holders and the holders of any Parity Securities so that the amount of dividends paid per share on the Preferred Stock and such Parity Securities shall in all cases bear to each other the same ratio that payable dividends per share on the shares of the Preferred Stock and such Parity Securities (but without, in the case of any noncumulative preferred stock, accumulation of dividends for prior dividend periods) bear to each other. The foregoing right shall not be cumulative and shall not in any way create any claim or right in favor of Holders in the event that dividends have not been declared or paid in respect of any prior calendar quarter.

(d) No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on Preferred Stock or on such Parity Securities that may be in arrears.

(e) Holders shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Preferred Stock as specified in this Certificate of Designations.

Notwithstanding any provision in this Certificate of Designations to the contrary, Holders shall not be entitled to receive any dividends for any calendar quarter in which the Conversion Date occurs, except to the extent that any such dividends have been declared by the Board or any duly authorized committee of the Board and the Record Date for such dividend occurs prior to the Conversion Date.

Section IV. Voting

(a) Prior to the Conversion Date, Holders are entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are then convertible based on the Applicable Conversion Rate as of the record date for determining stockholders entitled to vote (i) on all matters presented to the holders of Common Stock for approval, voting together with the holders of Common Stock as one class, or (ii) whenever the approval or other action of Holders is required by applicable law or by the Certificate of Incorporation; *provided, however* that Holders shall not be entitled to vote together with the Common Stock with respect to any matter at a meeting of the stockholders of the Corporation, which under applicable law or the Certificate of Incorporation requires a separate class vote.

Section V. Rank; Liquidation

(a) With respect to any dividends or distributions (including, but not limited to, regular quarterly dividends) declared by the Board, the Preferred Stock shall rank (i) senior to any class or series of capital stock of the Corporation hereafter created specifically ranking by its terms junior to any Preferred Stock ("Junior Securities"); (ii) on parity with the Common Stock and any class or series of capital stock of the Corporation created specifically ranking by its terms on parity with the Preferred Stock ("Parity Securities"); and (iii) junior to any class or series of capital stock of the Corporation hereafter created specifically ranking by its terms senior to any Preferred Stock ("Senior Securities"). With respect to distributions of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, except as set forth in (b) below, the Preferred Stock shall rank (i) senior to all of the Common Stock; (ii) senior to any class or series of Junior Securities; (iii) on parity with any class or series of Parity Securities; and (iv) junior to any class or series of Senior Securities.

(b) Subject to any superior liquidation rights of the holders of any Senior Securities of the Corporation and the rights of the Corporation's existing and future creditors, upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each Holder shall be entitled to be paid out of the assets of the Corporation legally available for distribution to stockholders, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock and Junior Securities and *pari passu* with any distribution to the holders of Parity Securities: (i) an amount equal to the sum of the Liquidation Preference for each share of Preferred Stock held by such Holder and an amount equal to any dividends declared but unpaid thereon plus (ii) the amount the Holders would have received if, immediately prior to such voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Preferred Stock had converted into Common Stock (based on the then effective Applicable Conversion Rate and without giving effect to any limitations on conversion set forth herein) and if such amount in this clause (ii) exceeds the amount set forth in (i) above, minus the amount set forth in (i) above, which shall be paid out *pari passu* with any distribution to holders of the Common Stock and Parity Securities. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section V and will have no right or claim to any of the Corporation's remaining assets.

(c) For purposes of this Section V, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) or all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section VI. Anti-Dilution Adjustments

(a) In the event the Corporation shall at any time prior to the Conversion Date issue Additional Shares of Common Stock, then the Applicable Conversion Rate shall be adjusted, concurrently with such issue, to a rate determined in accordance with the following formula:

$$CR_1 = CR_0 \times \frac{OS_1}{OS_0}$$

(b) For purposes of the foregoing formula, the following definitions shall apply:

(i) “CR₀” shall mean the Applicable Conversion Rate in effect immediately before the close of business on the Record Date or effective date, as applicable, for such issuance of Additional Shares of Common Stock;

(ii) “CR₁” shall mean the Applicable Conversion Rate in effect immediately after the close of business of the Record Date or effective date, as applicable, of such issuance of Additional Shares of Common Stock;

(iii) “OS₀” shall mean the number of shares of Common Stock outstanding immediately prior to such issuance of Additional Shares of Common Stock; and

(iv) “OS₁” shall mean the number of shares of Common Stock outstanding immediately following such issuance of Additional Shares of Common Stock.

(c) For the purposes of this Section VI, “Additional Shares of Common Stock” shall mean all shares of Common Stock issued (or deemed to be issued) by the Corporation after the Closing Date and prior to the Conversion Date as a distribution, dividend, stock split, stock combination or other similar recapitalization with respect to the Common Stock (in each case excluding an issuance solely pursuant to a Reorganization Event).

(d) Notwithstanding the foregoing, if any distribution, dividend, stock split, stock combination or other similar recapitalization with respect to the Common Stock as described above is declared or announced, but not so paid or made, then the Applicable Conversion Rate in effect will be readjusted, effective as of the date the Board, or any officer acting pursuant to authority conferred by the Board, determines not to pay such distribution or dividend or to effect such stock split or stock combination or other similar recapitalization, to the Applicable Conversion Rate that would then be in effect had such dividend, distribution, stock split, stock combination or similar recapitalization not been declared or announced.

Section VII. Adjustments

(a) Upon the occurrence of a Reorganization Event prior to the Conversion Date, each share of Preferred Stock outstanding immediately prior to such Reorganization Event shall, without the consent of Holders, automatically convert into the types and amounts of securities, cash, and other property that is or was receivable in such Reorganization Event by a holder of the number of shares of Common Stock into which such share of Preferred Stock was convertible immediately prior to such Reorganization Event in exchange for such shares of Common Stock (such securities, cash, and other property, the "Exchange Property"). The Holders shall not have any separate class vote on any Reorganization Event. A "Reorganization Event" shall mean:

(i) any consolidation, merger, or conversion of the Corporation with or into another person, in each case pursuant to which the Common Stock will be converted into cash, securities, or other property of the Corporation or another person;

(ii) any sale, transfer, lease, or conveyance to another person of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, taken as a whole, in each case pursuant to which the Common Stock will be converted into cash, securities, or other property; or

(iii) any reclassification of the Common Stock into securities other than the Common Stock.

(b) In the event that holders of the shares of the Common Stock have the opportunity to elect the form of consideration to be received in such Reorganization Event, the consideration that the Holders are entitled to receive upon conversion shall be deemed to be the weighted average of the types and amounts of consideration actually received, per share of Common Stock, by the Holders, unless the Holders have the opportunity to elect the form of consideration to be received in such Reorganization Event.

(c) The Corporation (or any successor) shall, within 20 days of the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence of such event and of the type and amount of the cash, securities or other property that constitutes the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section VII.

(d) Other than with respect to an issuance of Additional Shares of Common Stock pursuant to Section VI, if at any time prior to the Conversion Date, the Corporation issues to all holders of the Common Stock shares of securities or assets of the Corporation (other than shares of Common Stock or cash) as a dividend on the Common Stock, or the Corporation issues to all holders of the Common Stock certain rights or warrants entitling them for a period of 60 days or less to purchase shares of Common Stock at less than the current market value of the Common Stock at that time, or the Corporation purchases shares of Common Stock pursuant to a tender offer or exchange offer generally available to holders of Common Stock (subject to customary securities laws limitations) at above the current market value of the Common Stock at that time, and in each such case the Record Date with respect to such event (or the date such event is effective, as the case may be) occurs on or after the Closing Date and prior to the Conversion Date (each, an "Adjustment Event"), then the Corporation will make such provision (i) to extend such tender offer or exchange offer on equivalent terms to Holders or (ii) as is necessary so that the Holder receives (upon cancellation of such shares of Preferred Stock in the event of a tender offer or exchange offer) the same dividend or other asset or property, if any, as it would have received in connection with such Adjustment Event if it had been the holder on the Record Date (or the date such event is effective, as the case may be) of the number of shares of Common Stock into which the shares of Preferred Stock held by such Holder are then convertible, or, to the extent that it is not reasonably practicable for the Corporation to make such provision, the Applicable Conversion Rate or other terms of the Preferred Stock shall be adjusted to provide the Holder with an economic benefit comparable to that which it would have received had such provision been made; it being understood that this paragraph (c) shall not apply to the extent that any Holder participates, or is permitted to participate, on a *pro rata* as-converted basis with the holders of Common Stock.

Section VIII. Reports as to Adjustments

Whenever the number of shares of Common Stock into which the shares of the Preferred Stock are convertible is adjusted as provided in Section VI or Section VII, the Corporation shall promptly compute such adjustment and furnish to the Holders a certificate, signed by the principal financial officer or treasurer of the Corporation, setting forth the number of shares of Common Stock into which each share of the Preferred Stock is convertible as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment will become effective. Amounts resulting from any calculation hereunder will be rounded to the nearest 1/10,000th.

Section IX. Exclusion of Other Rights

Except as may otherwise be required by law, the shares of Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, other than those specifically set forth herein (as this Certificate of Designations may be amended from time to time) and in the Certificate of Incorporation. The shares of Preferred Stock shall have no preemptive or subscription rights.

Section X. Severability of Provisions

If any voting powers, preferences or relative, participating, optional or other special rights of the Preferred Stock and qualifications, limitations and restrictions thereof set forth in this Certificate of Designations (as this Certificate of Designations may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other voting powers, preferences and relative, participating, optional and other special rights of Preferred Stock and qualifications, limitations and restrictions thereof set forth in this Certificate of Designations (as so amended) which can be given effect without the invalid, unlawful or unenforceable voting powers, preferences or relative, participating, optional or other special rights of Preferred Stock and qualifications, limitations and restrictions thereof shall, nevertheless, remain in full force and effect, and no voting powers, preferences or relative, participating, optional or other special rights of Preferred Stock or qualifications, limitations and restrictions thereof herein set forth shall be deemed dependent upon any other such voting powers, preferences or relative, participating, optional or other special rights of Preferred Stock or qualifications, limitations and restrictions thereof unless so expressed herein.

Section XI. Reissuance of Preferred Stock

Consistent with Section 243 of the DGCL, shares of Preferred Stock that have been issued and reacquired in any manner, including shares purchased by the Corporation or exchanged or converted, may not be reissued and shall (upon compliance with any applicable provisions of the laws of the State of Delaware) be retired and cancelled promptly after acquisition thereof. All such shares shall upon their cancellation have the status of authorized but unissued shares of preferred stock of the Corporation undesignated as to series and may be designated or redesignated and issued or reissued, as the case may be, as part of any series of preferred stock of the Corporation. The Corporation may from time to time take such appropriate action as may be necessary to reduce the authorized number of shares of Preferred Stock.

Section XII. Additional Authorized Shares

Notwithstanding anything set forth in the Certificate of Incorporation or this Certificate of Designations to the contrary, the Board or any authorized committee of the Board, without the vote of the Holders, may increase or decrease the number of authorized shares of Preferred Stock or other stock ranking junior or senior to, or on parity with, the Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section XIII. Determinations

The Corporation shall be solely responsible for making all calculations called for hereunder. Absent manifest error, such calculations shall be final and binding on all Holders. The Corporation shall have the power to resolve any ambiguity and its action in so doing, as evidenced by a resolution of the Board, shall be final and conclusive unless clearly inconsistent with the intent hereof. Amounts resulting from any calculation will be rounded, if necessary, to the nearest one ten-thousandth, with five one-hundred thousandths being rounded upwards.

Section XIV. No Redemption

The Corporation may not, at any time, redeem the outstanding shares of the Preferred Stock.

Section XV. Repurchases

Subject to the limitations imposed herein, the Corporation may purchase and sell shares of Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board or any duly authorized committee of the Board may determine.

Section XVI. No Sinking Fund

Shares of Preferred Stock are not subject to the operation of a sinking fund.

Section XVII. Notices

All notices, requests and other communications to each Holder shall be in writing (including facsimile transmission) and shall be given at the address of such Holder as shown on the books of the Corporation. A Holder may waive any notice required hereunder by a writing signed before or after the time required for notice or the action in question.

Section XVIII. No Share Certificates

Notwithstanding anything to the contrary contained in this Certificate of Designations, no shares of Preferred Stock shall be issued in physical, certificated form. All shares of Preferred Stock shall be evidenced by book-entry on the books and records of the Computershare Trust Company, N.A. or such other Person as determined by the Corporation.

Section XIX. Other Amendments

Notwithstanding anything to the contrary contained herein, while any Preferred Stock is issued and outstanding, the Certificate of Incorporation shall not be amended in any manner, including in a merger or consolidation, which would alter, change or repeal the powers, preferences or special rights of the Preferred Stock so as to affect them materially and adversely without the affirmative vote of the Holders of at least two-thirds of the outstanding shares of Preferred Stock, voting together as a single class.

DEPOSIT AGREEMENT

by and among

**AMC ENTERTAINMENT HOLDINGS, INC.
as Issuer**

and

COMPUTERSHARE INC.

and

**COMPUTERSHARE TRUST COMPANY, N.A.,
jointly as Depositary**

and

THE HOLDERS FROM TIME TO TIME OF THE DEPOSITARY RECEIPTS DESCRIBED HEREIN

Dated August 4, 2022

DEPOSIT AGREEMENT

DEPOSIT AGREEMENT, dated August 4, 2022, by and among (i) AMC Entertainment Holdings, Inc., a Delaware corporation (the "Corporation"); (ii) Computershare Inc., a Delaware corporation ("Computershare"), and its affiliate, Computershare Trust Company, N.A., a federally chartered trust company (the "Trust Company") and, together with Computershare, jointly the "Depository") and (iii) the Record Holders from time to time of the Receipts described in this Deposit Agreement.

WHEREAS, the Corporation desires to appoint Computershare and the Trust Company jointly as Depository;

WHEREAS, Computershare and the Trust Company each desires to accept such appointment and perform the services related to such appointment;

WHEREAS, it is desired to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of shares of the Preferred Stock (as defined herein) of the Corporation from time to time with the Depository for the purposes set forth in this Deposit Agreement and for the issuance hereunder of Receipts (as defined herein) evidencing AMC Preferred Equity Units (as defined herein) in respect of shares of the Preferred Stock so deposited; and

WHEREAS, the Receipts are to be substantially in the form of Exhibit A attached hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE I DEFINED TERMS

1.1 Definitions. The following definitions shall for all purposes, unless otherwise indicated, apply to the respective terms used in this Deposit Agreement:

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purpose of this definition, "controlling," "controlled by" or "under common control with" mean the ownership, direct or indirect, of the power to direct or cause the direction of the operation or management and policies of a Person, whether through the ownership or control of voting interests, by contract or otherwise.

"AMC Preferred Equity Units" means the depositary shares, each representing a one one-hundredth (1/100th) interest in one share of the Preferred Stock, and evidenced by a Receipt.

"Certificate of Designations" shall mean the Certificate of Designations of Series A Convertible Participating Preferred Stock of the Corporation with respect to the Preferred Stock filed with the Secretary of State of the State of Delaware establishing the Preferred Stock as a series of preferred stock of the Corporation.

"Computershare" shall be defined as indicated in the preamble.

"Conversion Date" has the meaning set forth in Section 2.8.

"Corporation" shall be defined as indicated in the preamble and shall include any successors of the Corporation.

"Deposit Agreement" means this Deposit Agreement, as amended or supplemented from time to time in accordance with the terms hereof.

"Depository" shall be defined as indicated in the preamble and shall include any successor as Depository hereunder.

"Depository's Agent" means an agent appointed by the Depository pursuant to Section 7.6.

"Depository's Office" shall mean the office of the Depository at which at any particular time its depository receipt business shall be administered, which is currently in Canton, Massachusetts.

"DTC" means The Depository Trust Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Event" means with respect to any Global Registered Receipt: (i) (A) the Global Receipt Depository which is the Holder of such Global Registered Receipt notifies the Corporation that it is no longer willing or able to properly discharge its responsibilities under any Letter of Representations or that it is no longer eligible or in good standing under the Exchange Act, and (B) the Corporation has not appointed a qualified successor Global Receipt Depository within ninety (90) calendar days after the Corporation received such notice, or (ii) the Corporation in its sole discretion notifies the Depository in writing that the Receipts or portion thereof issued or issuable in the form of one or more Global Registered Receipts shall no longer be represented by such Global Registered Receipt.

"Funds" has the meaning set forth in Section 2.10.

"Global Receipt Depository" means, with respect to any Receipt issued hereunder, DTC or such other entity designated as Global Receipt Depository by the Corporation in or pursuant to this Deposit Agreement, which entity must be, to the extent required by any applicable law or regulation, a clearing agency registered under the Exchange Act.

"Global Registered Receipt" means a global registered Receipt registered in the name of a nominee of the Global Receipt Depository.

"Letter of Representations" means any applicable agreement among the Corporation, the Depository and a Global Receipt Depository with respect to such Global Receipt Depository's rights and obligations with respect to any Global Registered Receipt, as the same may be amended, supplemented, restated or otherwise modified from time to time and any successor agreement thereto.

"Notice of Conversion" has the meaning set forth in Section 2.8.

"Person" means any natural person, partnership, joint venture, firm, corporation, limited liability company, limited liability partnership, unincorporated association, trust or other entity, and shall include any successor (by merger or otherwise) of the foregoing.

"Preferred Stock" means the shares of the Corporation's Series A Convertible Participating Preferred Stock, par value \$0.01 per share, designated in the Certificate of Designations.

"Receipt" means one of the depositary receipts issued hereunder, substantially in the form set forth as Exhibit A hereto, whether in definitive or temporary form, or in registered book-entry form, and evidencing the number of AMC Preferred Equity Units with respect to shares of the Preferred Stock held of record by the Record Holder of such AMC Preferred Equity Units.

"Record Holder" or "Holder" as applied to a Receipt means the Person in whose name such Receipt is registered on the books of the Depositary maintained for such purpose.

"Registrar" shall mean the Trust Company and Computershare, jointly, or such other successor bank or trust company which shall be appointed by the Corporation to register ownership and transfers of Receipts and the deposited Preferred Stock as herein provided; and if a successor Registrar shall be so appointed, references herein to "the books" of or maintained by the Depositary shall be deemed, as applicable, to refer as well to the register maintained by such Registrar for such purpose.

"Securities Act" means the Securities Act of 1933, as amended.

"Signature Guarantee" has the meaning set forth in Section 2.1.

"Transfer Agent" shall mean the Trust Company and Computershare, jointly, or such other successor bank or trust company which shall be appointed by the Corporation to transfer the Receipts or the deposited shares of Preferred Stock, as the case may be, as herein provided.

"Trust Company" shall be defined as indicated in the preamble.

ARTICLE II
FORM OF RECEIPTS, DEPOSIT OF THE PREFERRED STOCK, EXECUTION AND DELIVERY, TRANSFER, BOOK-ENTRY SYSTEM AND SURRENDER OF RECEIPTS

2.1 **Form and Transfer of Receipts.** Receipts may be issued, in accordance with the instructions of the Corporation, in book-entry form, as described in Section 2.9, or in physical form, whether as definitive or temporary Receipts. References herein to "execution" of a Receipt, in the case of a Receipt in book-entry form, will be understood to refer to the entry and registration by the Depositary of the issuance of such Receipt on the books of the Depositary. The definitive Receipts, if any, shall be substantially in the form set forth in Exhibit A attached to this Deposit Agreement, with appropriate insertions, modifications and omissions, as hereinafter provided (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary's consent). Pending the preparation of definitive Receipts, the Depositary, upon the written order of the Corporation, delivered in compliance with Section 2.2, shall be authorized and instructed to, and shall execute and deliver temporary Receipts which may be printed, lithographed, typewritten, mimeographed or otherwise substantially of the tenor of the definitive Receipts in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Persons executing such Receipts may determine, as evidenced by their execution of such Receipts. If temporary Receipts are issued, the Corporation and the Depositary will cause definitive Receipts to be prepared without unreasonable delay. After the preparation of definitive Receipts, the temporary Receipts shall be exchangeable for definitive Receipts upon surrender of the temporary Receipts at the Depositary's Office or at such other place or places as the Depositary shall determine, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Receipts, the Depositary is hereby authorized and instructed to, and shall execute and deliver in exchange therefor definitive Receipts representing the same number of AMC Preferred Equity Units as represented by the surrendered temporary Receipt or Receipts registered in the name (and only in the name) of the holder of the temporary Receipt(s); provided that, the Depositary has been provided with all necessary information that it may request in order to execute and deliver such definitive Receipt(s). Such exchange shall be made at the Corporation's expense and without any charge therefor. Until so exchanged, the temporary Receipts shall in all respects be entitled to the same benefits under this Deposit Agreement, and with respect to the Preferred Stock, as definitive Receipts.

No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose unless it shall have been executed manually, electronically or by the facsimile signature of a duly authorized officer of the Depositary or, if a Registrar for the Receipts (other than the Depositary) shall have been appointed, by manual, electronic or facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual or facsimile signature by a duly authorized officer of such Registrar. The Depositary shall record on its books each Receipt so signed and delivered as hereinafter provided. Receipts bearing the manual, electronic or facsimile signature of a duly authorized signatory of the Depositary who was at such time a proper signatory of the Depositary shall bind the Depositary, notwithstanding that such signatory ceased to hold such office prior to the execution and delivery of such Receipts by the Registrar or did not hold such office on the date of issuance of such Receipts.

Receipts shall be in denominations of any number of whole AMC Preferred Equity Units. All Receipts shall be dated the date of their issuance.

Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or changes not inconsistent with the provisions of this Deposit Agreement, all as may be reasonably required by the Depositary and approved by the Corporation or which the Corporation has determined are required to comply with any applicable law or any regulation thereunder or with the rules and regulations of any securities exchange upon which the AMC Preferred Equity Units or the Receipts may be listed for trading or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipt is subject (but which do not affect the rights, duties, obligations or immunities of the Depositary as set forth in this Deposit Agreement without the Depositary's consent).

Title to AMC Preferred Equity Units evidenced by a Receipt which is properly endorsed or accompanied by a properly executed instrument of transfer accompanied by a guarantee of the signature thereon by a guarantor institution that is a participant in a signature guarantee program approved by the Securities Transfer Association at a guarantee level acceptable to the Transfer Agent (a "Signature Guarantee") or endorsement, shall be transferable by delivery of such Receipt with the same effect as if such Receipt were a negotiable instrument; *provided, however*, that until transfer of any particular Receipt shall be registered on the books of the Depositary as provided in Section 2.3, the Depositary may, notwithstanding any notice to the contrary, treat the Record Holder thereof at such time as the absolute owner thereof for the purpose of determining the Person entitled to distributions of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

2.2 Deposit of the Preferred Stock; Execution and Delivery of Receipts in Respect Thereof. Subject to the terms and conditions of this Deposit Agreement, the Corporation may from time to time deposit shares of the Preferred Stock under this Deposit Agreement by delivery to the Depositary, including via electronic book-entry, of the shares of Preferred Stock to be deposited (or in such other manner as may be agreed to by the Corporation and the Depositary), duly endorsed and accompanied, (1) by a duly executed instrument of transfer or endorsement (if required by the Depositary), in form reasonably satisfactory to the Depositary; (2) an opinion of counsel addressed to the Depositary as more fully described in the subsequent paragraph; (3) a certificate, duly executed by an officer of the Corporation that shall include the terms and conditions of the Preferred Stock to be issued by the Corporation and deposited with the Depositary from time to time in accordance with the terms hereof and certifying as to the (i) amended and restated certificate of incorporation of the Corporation, (ii) the Bylaws of the Corporation, (iii) the Certificate of Designations of the Preferred Stock, each as then in effect; and (4) a written order of the Corporation directing the Depositary to (i) register such shares of the Preferred Stock in uncertificated form by direct registration, and (ii) execute and deliver to, or upon the written order of, the Person or Persons stated in such order a Receipt or Receipts evidencing in the aggregate the number of AMC Preferred Equity Units representing such deposited shares of the Preferred Stock.

The Corporation shall, concurrently with delivery of any Preferred Stock to the Depositary, cause to be provided an opinion of counsel to the Corporation authorizing reliance on such counsel's opinion delivered to the underwriters named therein, if applicable, and the Depositary, relating to (i) the status of the Preferred Stock and AMC Preferred Equity Units as validly issued, fully paid and non-assessable and (ii) the effectiveness of the registration statement under the Securities Act registering the AMC Preferred Equity Units and Preferred Stock or that no such registration is required.

The shares of the Preferred Stock that are deposited pursuant to this Deposit Agreement shall be held by the Depositary at the Depositary's Office or at such other place or places as the Depositary shall determine. The Depositary shall not lend any shares of the Preferred Stock deposited hereunder.

Upon receipt by the Depositary of shares of the Preferred Stock deposited in accordance with the provisions of this Section 2.2, together with the other documents required as above specified, and upon recordation of the shares of the Preferred Stock on the books of the Corporation (or its duly appointed transfer agent) in the name of the Depositary or its nominee, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver to or upon the order of the Person or Persons named in the written order delivered to the Depositary referred to in the first paragraph of this Section 2.2, a Receipt or Receipts evidencing in the aggregate the number of AMC Preferred Equity Units representing the shares of the Preferred Stock so deposited and registered in such name or names as may be requested by such Person or Persons. The Depositary shall execute and deliver such Receipt or Receipts at the Depositary's Office or such other offices, if any, as the Depositary may designate. Delivery at other offices shall be at the risk and expense of the Person requesting such delivery.

2.3 Registration of Transfer of Receipts. Subject to the express terms and conditions of this Deposit Agreement, the Trust Company and Computershare, jointly, as Transfer Agent and Registrar for the Receipts, shall register on its books from time to time transfers of Receipts upon any surrender thereof by the Holder in person or by duly authorized attorney, properly endorsed or accompanied by a properly executed instrument of transfer or endorsement, including a Signature Guarantee and any other reasonable evidence of authority that may be required by the Transfer Agent, together with (if applicable) evidence of the payment of any taxes or charges as may be required by law. Thereupon, the Depositary shall execute a new Receipt or Receipts evidencing the same aggregate number of AMC Preferred Equity Units as those evidenced by the Receipt or Receipts surrendered and deliver such new Receipt or Receipts to or upon the order of the Person entitled thereto.

The Depositary shall not be required to (i) issue, transfer or exchange any Receipts beginning at the opening of business on the day the Notice of Conversion is delivered pursuant to Section 2.8, or (ii) to transfer or exchange for another Receipt any Receipt called for conversion in whole or in part.

2.4 Split-ups and Combinations of Receipts; Surrender of Receipts and Withdrawal of the Preferred Stock. Upon surrender of a Receipt or Receipts at the Depositary's Office or at such other offices as it may designate for the purpose of effecting a split-up, adjustment or combination of such Receipt or Receipts, and the receipt by the Depositary of all other necessary information and documents, and subject to the terms and conditions of this Deposit Agreement, the Depositary shall execute by manual, electronic, or facsimile signature a new Receipt or Receipts in the authorized denomination or denominations requested, evidencing the aggregate number of AMC Preferred Equity Units evidenced by the Receipt or Receipts surrendered, and shall deliver such new Receipt or Receipts to or upon the order of the Holder of the Receipt or Receipts so surrendered; *provided, however*, that the Depositary shall not issue any Receipt evidencing a fractional AMC Preferred Equity Unit.

Any Holder of a Receipt or Receipts may withdraw the number of whole shares of the Preferred Stock and all money and other property, if any, represented thereby by surrendering such Receipt or Receipts at the Depositary's Office or at such other offices as the Depositary may designate for such withdrawals; *provided, however*, that a Holder of a Receipt or Receipts may not withdraw such whole shares of Preferred Stock (or money and other property, if any, represented thereby) which has previously been called for conversion into common stock in accordance with the terms of the Certificate of Designations. After such surrender and upon the receipt of written instructions from the Holder of such Receipt or Receipts, without unreasonable delay (provided the Corporation has provided the Depositary with all necessary documentation), the Depositary shall deliver to such Holder, or to the Person or Persons designated by such Holder as hereinafter provided, the number of whole shares of the Preferred Stock and all money and other property, if any, represented by the Receipt or Receipts so surrendered for withdrawal, but Holders of such whole shares of the Preferred Stock will not thereafter be entitled to deposit such shares of the Preferred Stock hereunder or to receive a Receipt evidencing AMC Preferred Equity Units therefor. Delivery of such shares of the Preferred Stock and such money and other property being withdrawn may be made by the delivery of such certificates, documents of title and other instruments as the Depositary may deem appropriate, which, if required by the Depositary, shall be properly endorsed or accompanied by proper instruments of transfer. Neither the Corporation nor the Depositary shall be obligated to make the Preferred Stock eligible for delivery through the book-entry system of DTC. If a Receipt delivered by the Holder to the Depositary in connection with such withdrawal shall evidence a number of AMC Preferred Equity Units in excess of the number of AMC Preferred Equity Units representing the number of whole shares of the Preferred Stock to be withdrawn, the Depositary shall at the same time, in addition to such number of whole shares of the Preferred Stock and such money and other property, if any, to be so withdrawn, deliver to such Holder, or subject to Section 2.3 upon such Holder's order, a new Receipt evidencing such excess number of AMC Preferred Equity Units.

Notwithstanding any fractional interests in Preferred Stock underlying the AMC Preferred Equity Units delivered to Holders, in no event will fractional shares of the Preferred Stock (or any cash payment in lieu thereof) be delivered by the Depositary or Computershare, as applicable.

If shares of the Preferred Stock and the money and other property, if any, being withdrawn are to be delivered to a Person or Persons other than the Record Holder of the related Receipt or Receipts being surrendered for withdrawal of such shares of the Preferred Stock, such Holder shall execute and deliver to the Depositary a written order so directing the Depositary and the Depositary may require that the Receipt or Receipts surrendered by such Holder for withdrawal of such shares of the Preferred Stock be properly endorsed in blank or accompanied by a properly executed instrument of transfer in blank.

Delivery of shares of the Preferred Stock and the money and other property, if any, represented by Receipts surrendered for withdrawal shall be made by the Depositary at the Depositary's Office, except that, at the request, risk and expense of the Holder surrendering such Receipt or Receipts and for the account of the Holder thereof, such delivery may be made at such other place as may be designated by such Holder.

2.5 Limitations on Execution and Delivery, Transfer, Surrender and Exchange of Receipts. As a condition precedent to the execution and delivery, registration of transfer, split-up, adjustment, combination, surrender or exchange of any Receipt, the Depositary, any of the Depositary's Agents or the Corporation may require (i) payment to it of a sum sufficient for the payment (or, in the event that the Depositary or the Corporation shall have made such payment, the reimbursement to it) of any charges, taxes or expenses payable by the Holder of a Receipt pursuant to Section 5.7 (including any such tax or charge with respect to the shares of Preferred Stock being deposited or withdrawn or any charges or expense pursuant to Section 3.2), (ii) the production of evidence satisfactory to it as to the identity and genuineness of any signature (which evidence may include a Signature Guarantee), and (iii) any other reasonable evidence of authority that may be required by the Depositary, and may also require compliance with such requirements, if any, as the Depositary or the Corporation may establish consistent with the provisions of this Deposit Agreement and/or applicable law and as may be required by any securities exchange on which the Preferred Stock, the AMC Preferred Equity Units or the Receipts may be listed.

The deposit of shares of the Preferred Stock may be refused, the delivery of Receipts against shares of the Preferred Stock may be suspended, the registration of transfer of Receipts may be refused and the registration of transfer, surrender or exchange of outstanding Receipts may be suspended (i) during any period when the register of stockholders of the Corporation is closed or (ii) if any such action is deemed necessary or advisable by the Depositary, any of the Depositary's Agents or the Corporation at any time or from time to time because of any requirement of law or of any government or governmental body or commission or under any provision of this Deposit Agreement.

2.6 Lost Receipts, etc. In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depositary in its discretion may, absent notice to the Depositary that such Receipt has been acquired by a *bona fide* purchaser, execute and deliver a Receipt of like form and tenor in exchange and substitution for such mutilated Receipt upon cancellation thereof, or in lieu of and in substitution for such destroyed, lost or stolen Receipt, only upon (i) the filing by the Holder thereof with the Depositary of evidence satisfactory to the Depositary of such destruction or loss or theft of such Receipt, of the authenticity thereof and of the Holder's ownership thereof; (ii) the Holder thereof furnishing the Depositary with an affidavit and an open penalty surety bond or other indemnity reasonably satisfactory to the Depositary, holding the Depositary and the Corporation harmless; and (iii) the payment of any reasonable expenses in connection with such execution and delivery. Such Holder shall also comply with such other reasonable regulations and pay such other reasonable charges as the Depositary may prescribe.

2.7 Cancellation and Destruction of Surrendered Receipts. All Receipts surrendered to the Depositary or any Depositary's Agent including Receipts surrendered in connection with any conversion of the Preferred Stock as described in the Certificate of Designations, shall be cancelled by the Depositary. Except as prohibited by applicable law or regulation, the Depositary is authorized and directed to destroy all Receipts so cancelled.

2.8 Conversion of the Preferred Stock. Subject to the Depositary's procedures, whenever the Preferred Stock shall be converted into shares of common stock in accordance with the terms of the Certificate of Designations, the Corporation shall reasonably promptly prior to the Conversion Date (unless otherwise agreed to in writing with the Depositary) give or cause to be given to the Depositary written notice of the date of such proposed conversion of shares of the Preferred Stock and instruction regarding the number of such shares held by the Depositary to be so converted ("Notice of Conversion"), which notice shall be accompanied by a certificate from the Corporation stating that such conversion of shares of the Preferred Stock is in accordance with the provisions of the Certificate of Designations. On the date of such conversion, provided that the Corporation shall then have issued and delivered to the Depositary such number of shares of common stock issuable upon conversion of the Preferred Stock to be converted, in accordance with the provisions of the Certificate of Designations, the Depositary shall cancel the number of AMC Preferred Equity Units representing such shares of the Preferred Stock and deliver in lieu thereof the shares of common stock. The Depositary shall, if requested in writing and provided with all necessary information, transmit the notice of the Corporation's conversion of shares of the Preferred Stock and the proposed simultaneous conversion of the number of AMC Preferred Equity Units representing such shares of the Preferred Stock to be converted by first-class mail, postage prepaid, at the respective last addresses as they appear on the records of the Depositary, or transmit in accordance with the applicable procedures of any Global Receipt Depositary or by such other method approved by the Depositary, in its reasonable discretion, as soon as commercially practicable prior to the date fixed for conversion of such shares of the Preferred Stock and AMC Preferred Equity Units (the "Conversion Date"), to the Record Holders of the Receipts evidencing the AMC Preferred Equity Units to be so converted at the addresses of such Holders as they appear on the records of the Depositary; but neither failure to mail or transmit any such notice of conversion of AMC Preferred Equity Units to one or more such Holders nor any defect in any notice of conversion of AMC Preferred Equity Units to one or more such Holders shall affect the sufficiency of the proceedings for the conversion.

Notice having been mailed or transmitted by the Depositary as aforesaid, from and after the Conversion Date (unless the Corporation shall have failed to issue and deliver new shares of common stock sufficient to convert shares of the Preferred Stock evidenced by the AMC Preferred Equity Units converted) (i) the AMC Preferred Equity Units being converted shall be deemed to no longer be outstanding; (ii) all rights of the Holders of Receipts evidencing such AMC Preferred Equity Units (except the right to receive the common stock) shall, to the extent of such AMC Preferred Equity Units, cease and terminate; and (iii) upon surrender, in accordance with such conversion notice, of the Receipts evidencing any such AMC Preferred Equity Units called for conversion (properly endorsed or assigned for transfer, if the Depositary or applicable law shall so require), such AMC Preferred Equity Units shall be converted by the Depositary at a conversion ratio per AMC Preferred Equity Unit equal to one one-hundredth (1/100th) of the Applicable Conversion Rate (as defined in the Certificate of Designations and which shall be stated in the Notice of Conversion) of the Preferred Stock so converted plus all money and other property, if any, represented by such AMC Preferred Equity Units, including all amounts paid by the Corporation in respect of dividends which on the Conversion Date have been declared on the shares of the Preferred Stock to be so converted and have not theretofore been paid (it being understood that, in accordance with the provisions of the Certificate of Designations, any declared but unpaid dividends payable on a Conversion Date that occurs subsequent to the record date fixed for a dividend period shall not be paid to the Holder of a Receipt entitled to receive shares of common stock on the Conversion Date, but rather shall be paid to the Holder of such Receipt on such record date).

2.9 Book Entry System; Global Registered Form. The Corporation and the Depositary shall make application to DTC, or such other entity designated as Global Receipt Depository by the Corporation, for acceptance of the Receipts for its book-entry settlement system. Any Receipts not held through the book-entry settlement system of the Global Receipt Depository pursuant to this Section 2.9 shall be held in the book-entry system of the Depositary, unless otherwise provided herein, and beneficial interests in such Receipts shall be shown on, and the transfer of such ownership shall be effected through, the records maintained by the Depositary. The Corporation hereby appoints the Depositary acting through any authorized officer thereof as its attorney-in-fact, with full power to delegate, for purposes of executing any agreements, certifications or other instruments or documents necessary or desirable in order to effect the acceptance of such Receipts for eligibility with the Global Receipt Depository. So long as the Receipts are eligible for book-entry settlement with the Global Receipt Depository, if reasonably requested by the Corporation or the Global Receipt Depository and unless otherwise required by law, all AMC Preferred Equity Units with book-entry settlement through the Global Receipt Depository shall be represented by a Global Registered Receipt, which shall be deposited with the Global Receipt Depository (or its designee) evidencing all such AMC Preferred Equity Units and registered in the name of the nominee of the Global Receipt Depository (initially expected to be Cede & Co.). The Depositary or such other entity as is agreed to by the Global Receipt Depository may hold the Global Registered Receipt as custodian for the Global Receipt Depository. Ownership of beneficial interests in the Global Registered Receipt shall be shown on, and the transfer of such ownership shall be effected through, records maintained by (i) the Global Receipt Depository or its nominee for such Global Registered Receipt or (ii) institutions that have accounts with the Global Receipt Depository. The Global Registered Receipt shall bear such legend or legends as may be required by the Global Receipt Depository in order for it to accept the AMC Preferred Equity Units for its book-entry settlement system.

Notwithstanding any other provision of this Deposit Agreement to the contrary, unless otherwise provided in the Global Registered Receipt, a Global Registered Receipt may only be transferred in whole and only by the applicable Global Receipt Depository for such Global Registered Receipt to a nominee of such Global Receipt Depository, or by a nominee of such Global Receipt Depository to such Global Receipt Depository or another nominee of such Global Receipt Depository, or by such Global Receipt Depository or any such nominee to a successor Global Receipt Depository for such Global Registered Receipt selected or approved by the Corporation or to a nominee of such successor Global Receipt Depository.

If the Global Receipt Depository subsequently ceases to make its book-entry settlement system available for the Receipts, the Corporation may instruct the Depository regarding making other arrangements for book-entry settlement. If the Receipts are not eligible for book-entry form, the Depository shall provide written instructions to the Global Receipt Depository to deliver the Global Registered Receipts to the Depository for cancellation and the Corporation shall instruct the Depository to deliver to the beneficial owners of the AMC Preferred Equity Units previously evidenced by the Global Registered Receipts definitive Receipts in physical form or in book-entry form evidencing such AMC Preferred Equity Units, as instructed by the Corporation.

Beneficial owners of AMC Preferred Equity Units through the Global Receipt Depository will not be entitled to receive Receipts in physical, certificated form or have AMC Preferred Equity Units registered in their name, except in the event the Global Receipt Depository ceases to make its book-entry settlement system available, as described herein. Definitive registered Receipts issued in exchange for a Global Registered Receipt pursuant to this Section 2.9 shall be registered in such names and in such authorized denominations as the Global Receipt Depository for such Global Registered Receipt, pursuant to instructions from its participants, shall instruct the Depository in writing. The Depository shall deliver such Receipts to the Persons in whose names such Receipts are so registered.

If an Exchange Event has occurred with respect to any Global Registered Receipt, then, in any such event, the Depository shall, upon receipt of a written order from the Corporation authorizing and directing the Depository to execute and deliver the individual definitive registered or book-entry Receipts in exchange for such Global Registered Receipt, execute and deliver, individual definitive registered Receipts, in authorized denominations and of like terms in an aggregate number of AMC Preferred Equity Units equal to the aggregate number of AMC Preferred Equity Units represented by the Global Registered Receipt being delivered in exchange for such Receipts. The Depository shall have no duties, obligations or liability under this paragraph unless and until such written order has been received by the Depository.

Receipts shall be in denominations of any number of whole AMC Preferred Equity Units. The Corporation shall deliver to the Depositary from time to time such quantities of Receipts as the Depositary may request to enable the Depositary to perform its obligations under this Deposit Agreement.

Notwithstanding anything to the contrary in this Deposit Agreement, the parties hereto shall comply with the terms of each Letter of Representations.

2.10 Receipt of Funds. All funds received by Computershare under this Deposit Agreement that are to be distributed or applied by Computershare in the performance of services hereunder (the "Funds") shall be held by Computershare as agent for the Corporation and deposited in one or more bank accounts to be maintained by Computershare in its name as agent for the Corporation. Until paid pursuant to this Deposit Agreement, Computershare may hold or invest the Funds through such accounts in: (i) obligations of, or guaranteed by, the United States of America, (ii) commercial paper obligations rated A-1 or P-1 or better by Standard & Poor's Corporation ("S&P") or Moody's Investors Service, Inc. ("Moody's"), respectively, (iii) money market funds that comply with Rule 2a-7 of the Investment Company Act of 1940, or (iv) demand deposit accounts, short term certificates of deposit, bank repurchase agreements or bankers' acceptances, of commercial banks with Tier 1 capital exceeding \$1 billion or with an average rating above investment grade by S&P (LT Local Issuer Credit Rating), Moody's (Long Term Rating) and Fitch Ratings, Inc. (LT Issuer Default Rating) (each as reported by Bloomberg Finance L.P.). Computershare shall have no responsibility or liability for any diminution of the Funds that may result from any deposit or investment made by Computershare in accordance with this paragraph, including any losses resulting from a default by any bank, financial institution or other third party. Computershare may from time to time receive interest, dividends or other earnings in connection with such deposits or investments. Computershare shall not be obligated to pay such interest, dividends or earnings to the Corporation, any Holder or any other party.

ARTICLE III CERTAIN OBLIGATIONS OF HOLDERS OF RECEIPTS AND THE CORPORATION

3.1 Filing Proofs, Certificates and Other Information. Any Holder of a Receipt may be required from time to time to file such proof of residence, or other matters or other information, to execute such certificates and to make such representations and warranties as the Depositary or the Corporation may reasonably deem necessary or proper. The Depositary or the Corporation may withhold the delivery, or delay the registration of transfer, of any Receipt or withhold or delay the withdrawal of shares of the Preferred Stock represented by the AMC Preferred Equity Units and evidenced by a Receipt or the distribution of any dividend or other distribution or the sale of any rights or of the proceeds thereof until such proof or other information is filed or such certificates are executed or such representations and warranties are made.

3.2 Payment of Taxes or Other Governmental Charges. Holders of Receipts shall be obligated to make payments to Computershare of certain taxes, charges and expenses, as provided in Section 5.7. Registration of transfer of any Receipt or any withdrawal of shares of the Preferred Stock and all money or other property, if any, represented by the AMC Preferred Equity Units evidenced by such Receipt may be refused until any such payment due is made, and any dividends, interest payments or other distributions may be withheld or any part of or all shares of the Preferred Stock or other property represented by the AMC Preferred Equity Units evidenced by such Receipt and not theretofore sold may be sold for the account of the Holder thereof (after attempting by reasonable means to notify such Holder prior to such sale), and such dividends, interest payments or other distributions or the proceeds of any such sale may be applied to any payment of such charges or expenses, with the Holder of such Receipt remaining liable for any deficiency. The Depositary or Computershare, as applicable, shall not have any duty or obligation to take any action under any section of this Deposit Agreement that requires the payment of taxes and/or charges unless and until it is satisfied that all such payments have been made.

3.3 Warranty as to the Preferred Stock. The Corporation hereby represents and warrants that shares of the Preferred Stock, when issued, will be duly authorized, validly issued, fully paid and nonassessable. Such representation and warranty shall survive the deposit of shares of the Preferred Stock and the issuance of the related Receipts.

3.4 Warranty as to Receipts and AMC Preferred Equity Units. The Corporation hereby represents and warrants that the Receipts, when issued, will evidence the legal and valid interests in the AMC Preferred Equity Units and each AMC Preferred Equity Unit will represent a legal and valid one one-hundredth (1/100th) interest in a share of the Preferred Stock. Such representation and warranty shall survive the deposit of shares of the Preferred Stock and the issuance of the related Receipts evidencing the AMC Preferred Equity Units.

ARTICLE IV THE DEPOSITED SECURITIES; NOTICES

4.1 Cash Distributions. Whenever Computershare, as dividend disbursing agent, shall receive any cash dividend or other cash distribution on the Preferred Stock, Computershare shall, subject to Sections 3.1 and 3.2 and, if received, in accordance with written instructions from the Corporation, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of such dividend or distribution as are, as nearly as practicable, in proportion to the respective numbers of AMC Preferred Equity Units evidenced by the Receipts held by such Holders; *provided, however*, that in case the Corporation or Computershare shall be required to withhold and shall withhold from any cash dividend or other cash distribution in respect of the Preferred Stock an amount on account of taxes, the amount made available for distribution or distributed in respect of AMC Preferred Equity Units shall be reduced accordingly. Computershare, as dividend disbursing agent, shall distribute or make available for distribution, as the case may be and, if received, in accordance with the Corporation's written instructions, only such amount, however, as can be distributed without attributing to any Holder of Receipts a fraction of one cent, and any balance not so distributable shall be held by Computershare (without liability for interest thereon) and shall be added to and be treated as part of the next sum received by Computershare for distribution to Record Holders of Receipts then outstanding. Each Holder of a Receipt shall provide the Depositary with its certified tax identification number on a properly completed Form W-8 or W-9 or other appropriate form, as may be applicable. Each Holder of a Receipt acknowledges that, in the event of non-compliance with the preceding sentence, the Internal Revenue Code of 1986, as amended, may require withholding by Computershare of a portion of any of the distributions to be made to such Holder hereunder.

4.2 Distributions Other than Cash, Rights, Preferences or Privileges. Whenever the Depositary shall receive any distribution other than cash, rights, preferences or privileges upon the Preferred Stock, the Depositary shall, at the direction of the Corporation, subject to Sections 3.1 and 3.2, distribute to Record Holders of Receipts on the record date fixed pursuant to Section 4.4 such amounts of the securities or property received by it as are, as nearly as practicable, in proportion to the respective numbers of AMC Preferred Equity Units evidenced by such Receipts held by such Holders, in any manner that the Depositary (with the approval of the Corporation) may deem equitable and practicable for accomplishing such distribution. If in the opinion of the Depositary and the Corporation such distribution cannot be made proportionately among such Record Holders, or if for any other reason (including any requirement that the Corporation or the Depositary or Computershare (as applicable) withhold an amount on account of taxes or charges) the Depositary deems, after consultation with the Corporation, such distribution not to be feasible, the Depositary may, with the approval of the Corporation, adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof, in a commercially reasonable manner. The net proceeds of any such sale shall, subject to Sections 3.1 and 3.2, be distributed or made available for distribution, as the case may be, by Computershare to Record Holders of Receipts as provided by Section 4.1 in the case of a distribution received in cash. The Corporation shall not make any distribution of such securities or property to the Depositary and the Depositary shall not make any distribution of such securities or property to the Holders of Receipts unless the Corporation shall have provided to the Depositary an opinion of counsel stating that such securities or property have been registered under the Securities Act or do not need to be registered in connection with such distributions.

4.3 Subscription Rights, Preferences or Privileges. If the Corporation shall at any time offer or cause to be offered to the Persons in whose names shares of the Preferred Stock is recorded on the books of the Corporation any rights, preferences or privileges to subscribe for or to purchase any securities or any rights, preferences or privileges of any other nature, such rights, preferences or privileges shall in each such instance be communicated to the Depositary in writing and made available by the Depositary to the Record Holders of Receipts in such manner as the Corporation shall direct and the Depositary shall agree, either by the issue to such Record Holders of warrants representing such rights, preferences or privileges or by such other method as may be approved by the Corporation in its discretion with the acknowledgement of the Depositary; *provided, however*, that (i) if at the time of issue or offer of any such rights, preferences or privileges the Corporation determines that it is not lawful or (after consultation with the Depositary) not feasible to make such rights, preferences or privileges available to Holders of Receipts by the issue of warrants or otherwise, or (ii) if and to the extent so instructed by Holders of Receipts who do not desire to exercise such rights, preferences or privileges, then the Corporation, in its discretion (with acknowledgement of the Depositary, in any case where the Corporation has determined that it is not feasible to make such rights, preferences or privileges available), may, if applicable laws or the terms of such rights, preferences or privileges permit such transfer, sell such rights, preferences or privileges at public or private sale, at such place or places and upon such terms as it may deem proper. The net proceeds of any such sale shall be delivered to Computershare and, if received, in accordance with the written instructions of the Corporation and, subject to Sections 3.1 and 3.2, be distributed by Computershare to the Record Holders of Receipts entitled thereto as provided by Section 4.1 in the case of a distribution received in cash.

The Corporation shall notify the Depositary in writing whether registration under the Securities Act of the securities to which any rights, preferences or privileges relate is required in order for Holders of Receipts to be offered or sold the securities to which such rights, preferences or privileges relate, and the Corporation agrees with the Depositary that it will file promptly a registration statement pursuant to the Securities Act with respect to such rights, preferences or privileges and securities and use its best efforts and take all steps available to it to cause such registration statement to become effective sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges. In no event shall the Depositary make available to the Holders of Receipts any right, preference or privilege to subscribe for or to purchase any securities unless and until the Depositary has received written notice from the Corporation that such registration statement shall have become effective, or the Corporation shall have provided to the Depositary an opinion of counsel to the effect that the offering and sale of such securities to the Holders are exempt from registration under the provisions of the Securities Act.

The Corporation shall notify the Depositary whether any other action under the laws of any jurisdiction or any governmental or administrative authorization, consent or permit is required in order for such rights, preferences or privileges to be made available to Holders of Receipts, and the Corporation agrees with the Depositary that the Corporation will use its reasonable best efforts to take such action or obtain such authorization, consent or permit sufficiently in advance of the expiration of such rights, preferences or privileges to enable such Holders to exercise such rights, preferences or privileges.

The Depositary will not be deemed to have any knowledge of any item for which it is supposed to receive notification under any section of this Deposit Agreement unless and until it has received such notification in writing.

4.4 Notice of Dividends, etc.; Fixing Record Date for Holders of Receipts. Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or if rights, preferences or privileges shall at any time be offered, with respect to the Preferred Stock, or whenever the Depositary shall receive notice of any meeting at which Holders of the Preferred Stock are entitled to vote or of which Holders of the Preferred Stock are entitled to notice, or whenever the Depositary and the Corporation shall decide it is appropriate, the Depositary shall in each such instance fix a record date (which shall be the same date as the record date fixed by the Corporation with respect to or otherwise in accordance with the terms of the Preferred Stock) for the determination of the Holders of Receipts who shall be entitled to receive such dividend, distribution, rights, preferences or privileges or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting, or who shall be entitled to notice of such meeting or for any other appropriate reasons.

4.5 Voting Rights. Subject to the provisions of the Certificate of Designations, upon receipt of notice from the Corporation of any meeting at which the Holders of the Preferred Stock are entitled to vote, the Depositary shall, if requested in writing, as soon as practicable thereafter, mail or transmit by such other method approved by the Depositary, in its reasonable discretion, to the Record Holders of Receipts, as determined on the record date fixed pursuant to Section 4.4, a notice prepared by the Corporation which shall contain (i) such information as is contained in such notice of meeting, (ii) a statement that the Holders may, subject to any applicable restrictions, instruct the Depositary as to the exercise of the voting rights pertaining to the shares of the Preferred Stock represented by their respective AMC Preferred Equity Units (including an express indication that instructions may be given to the Depositary to give a discretionary proxy to a Person designated by the Corporation), and (iii) a brief statement as to the manner in which such instructions may be given. Upon the written request of the Holders of Receipts on the relevant record date, the Depositary shall endeavor insofar as practicable to vote or cause to be voted, in accordance with the instructions set forth in such requests, the maximum number of whole shares of the Preferred Stock represented by the AMC Preferred Equity Units evidenced by all Receipts as to which any particular voting instructions are received. The Corporation hereby agrees to take all reasonable action which may be deemed necessary by the Depositary in order to enable the Depositary to vote such shares of the Preferred Stock or cause such shares to be voted. In the absence of specific instructions from Holders of Receipts, the Depositary will vote the Preferred Stock represented by the AMC Preferred Equity Units evidenced by the Receipts of such Holders proportionately with votes cast pursuant to instructions received from the other Holders.

4.6 Changes Affecting Deposited Securities and Reclassifications, Recapitalizations, etc. Upon any change in liquidation preference, split-up, adjustment, combination or any other reclassification of the Preferred Stock, subject to the provisions of the Certificate of Designations, or upon any recapitalization, reorganization, merger or consolidation affecting the Corporation or to which it is a party, the Depositary shall, upon the written instructions of the Corporation setting forth any adjustment, (i) make such adjustments as are certified by the Corporation in the fraction of an interest represented by one AMC Preferred Equity Unit in one share of the Preferred Stock and (ii) treat any securities or property (including cash) which shall be received by the Depositary or Computershare (as applicable) in exchange for or upon conversion of or in respect of the Preferred Stock as new deposited securities or property so received in exchange for or upon conversion or in respect of such Preferred Stock (except with respect to a conversion described in Section 2.8). Upon receipt of written instructions of the Corporation authorizing and directing the Depositary to execute and deliver, the Depositary shall so execute and deliver additional Receipts or may call for the surrender of all outstanding Receipts to be exchanged for new Receipts specifically describing such new deposited securities or property. Anything to the contrary herein notwithstanding, Holders of Receipts shall have the right from and after the effective date of any such change in liquidation preference, split-up, adjustment, combination or other reclassification of the Preferred Stock or any such recapitalization, reorganization, merger or consolidation to surrender such Receipts to the Depositary with instructions to convert, exchange or surrender the shares of the Preferred Stock represented thereby only into or for, as the case may be, the kind and amount of shares and other securities and property and cash into which the shares of the Preferred Stock represented by such Receipts might have been converted or for which such shares might have been exchanged or surrendered immediately prior to the effective date of such transaction; *provided*, that the Depositary shall not have any obligations under this sentence unless and until it has received written instructions from the Corporation.

4.7 Delivery of Reports. The Depositary shall, at the direction and expense of the Corporation, furnish to Holders of Receipts any reports and communications received from the Corporation which are received by the Depositary and which the Corporation is required to furnish to the Holders of the Preferred Stock, as provided in Section 5.5.

4.8 Lists of Receipt Holders. Reasonably promptly upon request from time to time by and at the expense of the Corporation, the Registrar shall furnish to it a list, as of the most recent practicable date, of the names, addresses and holdings of AMC Preferred Equity Units of all registered Holders of Receipts.

ARTICLE V
THE DEPOSITARY, THE DEPOSITARY'S AGENTS, THE REGISTRAR AND THE CORPORATION

5.1 Appointment; Maintenance of Offices, Agencies and Transfer Books by the Depositary; Registrar. The Corporation hereby appoints Computershare and Trust Company, jointly, to act as Depositary in accordance with the terms and conditions hereof, and Computershare and Trust Company accept such appointment upon the express terms and conditions of this Deposit Agreement.

Upon execution of this Deposit Agreement, the Depositary shall maintain at the Depositary's Office, facilities for the execution and delivery, registration and registration of transfer, surrender and exchange of Receipts, and at the offices of the Depositary's Agents, if any, facilities for the delivery, registration of transfer, surrender and exchange of Receipts, all in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at the Depositary's Office for the registration and registration of transfer of Receipts, which books at all reasonable times during regular business hours shall be open for inspection by the Record Holders of Receipts upon reasonable notice to the Depositary; *provided* that any Record Holder requesting to exercise such right shall certify to the Depositary that such inspection shall be for a proper purpose reasonably related to such Person's interest as an owner of AMC Preferred Equity Units evidenced by the Receipts.

The Depositary or Registrar may close such books, at any time or from time to time, when deemed necessary or advisable by the Depositary, the Registrar, any Depositary's Agent or the Corporation because of any requirement of law or of any government, governmental body or commission, stock exchange or any applicable self-regulatory body.

If the Receipts or the AMC Preferred Equity Units evidenced thereby or the shares of the Preferred Stock represented by such AMC Preferred Equity Units shall be listed on one or more national securities exchanges, the Corporation shall appoint a Registrar for registration of the Receipts or AMC Preferred Equity Units in accordance with any requirements of such exchange. Such Registrar (which may be the Depositary if so permitted by the requirements of any such exchange) may be removed and a substitute Registrar appointed by the Depositary upon the request or with the approval of the Corporation. If the Receipts, such AMC Preferred Equity Units or the Preferred Stock are listed on one or more other securities exchanges, the Depositary will, at the written request and expense of the Corporation, arrange such facilities for the delivery, registration, registration of transfer, surrender and exchange of such Receipts, such AMC Preferred Equity Units or the Preferred Stock as may be required by law or applicable securities exchange regulation.

5.2 Prevention of or Delay in Performance by the Depositary, the Depositary's Agents, the Registrar or the Corporation. Neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall incur any liability to any Holder of Receipts or any beneficial owner, if by reason of any provision of any present or future law, or regulation thereunder, of the United States of America or of any other governmental authority or, in the case of the Depositary, the Depositary's Agent or the Registrar or any Transfer Agent, as the case may be, by reason of any provision, present or future, of the Corporation's amended and restated certificate of incorporation, as it may be amended from time to time, (including the Certificate of Designations) or by reason of any act of God, terrorist acts, pandemics, epidemics, war, civil unrest or other circumstance beyond the control of the relevant party, the Depositary, the Depositary's Agent, the Registrar, the Transfer Agent or the Corporation, as the case may be, shall be prevented, delayed, or forbidden from, or subjected to any penalty on account of, doing or performing any act or thing which the terms of this Deposit Agreement provide shall be done or performed; nor shall the Depositary, any Depositary's Agent, any Registrar, any Transfer Agent or the Corporation, as the case may be, incur liability to any Holder of a Receipt or any beneficial owner (i) by reason of any nonperformance or delay, caused as aforesaid, in the performance of any act or thing which the terms of this Deposit Agreement shall provide shall or may be done or performed, or (ii) by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement except in the event of the bad faith, gross negligence or willful misconduct (each as determined by a final non-appealable judgment of a court of competent jurisdiction) of the party charged with such exercise or failure to exercise.

5.3 Obligations of the Depositary, the Depositary's Agents, the Registrar, Transfer Agent and the Corporation. The Corporation does not assume any obligation and shall not be subject to any liability under this Deposit Agreement or any Receipt to Holders of Receipts other than for its gross negligence, willful misconduct or bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction). Neither the Depositary nor any Depositary's Agent nor any Registrar or Transfer Agent, as the case may be, assumes any obligation or shall be subject to any liability under this Deposit Agreement or the Receipts to Holders of Receipts, the Corporation or to any other Person other than for its gross negligence, willful misconduct, or bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction). Notwithstanding anything in this Deposit Agreement to the contrary, neither the Depositary, nor the Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable in any event for special, punitive, incidental, indirect or consequential losses or damages of any kind whatsoever (including but not limited to lost profits), even if they have been advised of the likelihood of such loss or damage and regardless of the form of action. Any liability of the Depositary, any Depositary's Agent or the Registrar or Transfer Agent, as the case may be, under this Deposit Agreement will be limited in the aggregate to an amount equal to the fees paid by the Corporation to the Depositary pursuant to this Deposit Agreement during the twelve (12) months immediately preceding the event for which recovery from the Depositary, but not including reimbursable expenses; *provided, however*, that in the event that such liability arises as a result of bad faith, willful misconduct or fraud (each as determined by a final non-appealable judgment of a court of competent jurisdiction) by the Depositary, any of the Depositary's Agents (except for such Depositary's Agents which are not employees of the Depositary), any Registrar or any Transfer Agent, as the case may be, such limit shall not apply and such liability hereunder shall be instead limited to the amount of such misappropriated funds or the liability resulting from such bad faith, willful misconduct or fraud.

Neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of the Preferred Stock, the AMC Preferred Equity Units or the Receipts which in its reasonable opinion may involve it in expense or liability unless indemnity reasonably satisfactory to it against all expense and liability be furnished as often as may be reasonably required.

Neither the Depositary nor any Depositary's Agent nor any Registrar nor any Transfer Agent nor the Corporation, as the case may be, shall be liable for any action or any failure to act by it in reliance upon the written advice of legal counsel or accountants, or information from any Person presenting the shares of the Preferred Stock for deposit, any Holder of a Receipt or any other Person believed by it to be competent to give such information in the absence of bad faith, gross negligence, or willful misconduct (each as determined by a final non-appealable judgment of a court of competent jurisdiction) on the part of the Depositary's Agent, Registrar, Transfer Agent, or the Corporation, as the case may be. The Depositary, any Depositary's Agent, any Registrar, any Transfer Agent and the Corporation, as the case may be, may each rely and shall each be protected in respect of any action taken, suffered or omitted to be taken by it upon any written notice, request, direction or other document believed by it, in the absence of bad faith, gross negligence, or willful misconduct (each as determined by a final non-appealable judgment of a court of competent jurisdiction), to be genuine and to have been signed or presented by the proper party or parties.

The Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, shall not be responsible for any failure to carry out any instruction to vote any of the shares of the Preferred Stock or for the manner or effect of any such vote made, as long as any such action or non-action is not taken in bad faith, willful misconduct or gross negligence (each as determined by a final non-appealable judgment of a court of competent jurisdiction). The Depositary undertakes, and any Depositary's Agent, Registrar and any Transfer Agent, as the case may be, shall be required to undertake, to perform such duties and only such duties as are specifically set forth in this Deposit Agreement, and no implied covenants or obligations shall be read into this Deposit Agreement against the Depositary, any Depositary's Agent, Registrar or any Transfer Agent.

The Depositary, its parent, Affiliates, or subsidiaries, any Depositary's Agents, and any Transfer Agent and any Registrar, as the case may be, may own and deal in any class of securities of the Corporation and its Affiliates and in Receipts or AMC Preferred Equity Units or become pecuniarily interested in any transaction in which the Corporation or its Affiliates may be interested or contract with or lend money to or otherwise act as fully or as freely as if it were not the Depositary, the parent, Affiliate or subsidiary of the Depositary or the Depositary's Agent or Transfer Agent or Registrar hereunder. The Depositary may also act as transfer agent, trustee or registrar of any of the securities of the Corporation and its Affiliates or act in any other capacity for the Corporation or its Affiliates.

The Depositary shall not be under any liability for interest on any monies at any time received by it pursuant to any of the provisions of this Deposit Agreement or of the Receipts, the AMC Preferred Equity Units or the Preferred Stock nor shall it be obligated to segregate such monies from other monies held by it, except as required by law. The Depositary shall not be responsible for advancing funds on behalf of the Corporation and shall have no duty or obligation to make any payments if it has not timely received sufficient funds to make timely payments.

In the event the Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Depositary, the Depositary's Agents, any Transfer Agent or Registrar hereunder, or in the administration of any of the provisions of this Deposit Agreement, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall deem it necessary or desirable that a matter be proved or established prior to taking, omitting or suffering to take any action hereunder, the Depositary, the Depositary's Agents, any Transfer Agent or Registrar may, in its sole discretion upon providing written notice to the Corporation, refrain from taking any action and the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall be fully protected and shall not be liable in any way to the Corporation, any Holders of Receipts or any other Person for refraining from taking such action, unless the Depositary, the Depositary's Agents, any Transfer Agent or Registrar receives written instructions or a certificate of the Corporation which eliminates such ambiguity or uncertainty to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar or which proves or establishes the applicable matter to the satisfaction of the Depositary, the Depositary's Agents, any Transfer Agent or Registrar. Such written instructions shall be full and complete authorization to the Depositary, the Depositary's Agents, any Transfer Agent or Registrar, as the case may be, and the Depositary, the Depositary's Agents, any Transfer Agent or Registrar shall incur no liability for or in respect of any action taken, suffered or omitted by it under the provisions of this Deposit Agreement in reliance upon such written instructions.

In the event the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall receive conflicting claims, requests or instructions from any Holders of Receipts, on the one hand, and the Corporation, on the other hand, the Depositary, the Depositary's Agent, the Registrar or the Transfer Agent, as the case may be, shall be entitled to act on such claims, requests or instructions received from the Corporation, and shall incur no liability and shall be entitled to the full indemnification set forth in Section 5.6 hereof in connection with any action so taken.

From time to time, the Corporation may provide the Depositary or any Registrar with instructions concerning the services performed by the Depositary under this Deposit Agreement. In addition, at any time, the Depositary or any Registrar may apply to any officer of the Corporation for instruction, and may consult with legal counsel for the Depositary or any Registrar or the Corporation with respect to any matter arising in connection with the services to be performed by the Depositary or any Registrar under this Deposit Agreement. The Depositary or such Registrar and its respective agents and subcontractors shall not be liable and shall be indemnified by the Corporation for any action taken, suffered or omitted by the Depositary or such Registrar in reliance upon any instructions from the Corporation or upon the advice or opinion of such counsel. The Depositary or any Registrar shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from the Corporation.

It is intended that the Depositary shall not be deemed to be an “issuer” of the securities under the federal securities laws or applicable state securities laws, it being expressly understood and agreed that the Depositary is acting only in a ministerial capacity as Depositary for the deposited Preferred Stock. The Depositary will not be under any duty or responsibility to ensure compliance with any applicable federal or state securities laws in connection with the issuance, transfer or exchange of the Receipts, the shares of Preferred Stock or AMC Preferred Equity Units; provided, however, that the Depositary agrees to comply with all withholding requirements applicable to it under law or this Deposit Agreement in its capacity as Depositary.

The Depositary assumes no responsibility for the correctness of the description that appears in the Receipts. Notwithstanding any other provision herein or in the Receipts, the Depositary makes no warranties or representations as to the validity or genuineness of the Preferred Stock at any time deposited with the Depositary hereunder or of the AMC Preferred Equity Units, as to the validity or sufficiency of this Deposit Agreement (except as to due authorization and due execution by the Depositary), as to the value of the AMC Preferred Equity Units or as to any right, title or interest of the record holders of Receipts in and to the AMC Preferred Equity Units; nor shall the Depositary be liable or responsible for any failure of the Corporation to comply with any of its obligations relating to any registration statement filed with the U.S. Securities and Exchange Commission, including without limitation obligations under applicable regulation or law. The Depositary shall not be accountable for the use or application by the Corporation of the AMC Preferred Equity Units or the Receipts or the proceeds thereof.

Neither the Depositary (or its officers, directors, employees or agents), any Depositary’s Agent nor any Registrar or any Transfer Agent makes any representation or has any responsibility as to the validity of any registration statement pursuant to which the AMC Preferred Equity Units may be registered under the Securities Act, the deposited Preferred Stock, the AMC Preferred Equity Units, the Receipts (except its countersignature thereon) or any instruments referred to therein or herein, or as to the correctness of any statement made in any such registration statement or herein.

The Depositary may rely on and be fully authorized and protected in acting or failing to act upon (a) any Signature Guarantee or guaranty of signature by an “eligible guarantor institution” that is a member or participant in the Securities Transfer Agents Medallion Program or other comparable “signature guarantee program” or insurance program in addition to, or in substitution for, the foregoing; or (b) any law, act, regulation or any interpretation of the same even though such law, act, or regulation may thereafter have been altered, changed, amended or repealed.

The Depositary may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Depositary shall not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation, to the Holders of the Receipts or any other Person resulting from any such act, omission, default, neglect or misconduct, absent gross negligence or bad faith in the selection and continued employment thereof (which gross negligence or bad faith must be determined by a final, non-appealable judgment of a court of competent jurisdiction).

The Depositary, any Depositary's Agent, any Transfer Agent, any Registrar or any dividend disbursing agent hereunder:

- (i) shall have no duties or obligations other than those specifically set forth herein (and no implied duties or obligations), or as may subsequently be agreed to in writing by the parties;
- (ii) shall have no obligation to make payment hereunder unless the Corporation shall have provided the necessary federal or other immediately available funds or securities or property, as the case may be, to pay in full amounts due and payable with respect thereto;
- (iii) shall not be obligated to take any legal or other action hereunder; if, however, it determines to take any legal or other action hereunder, and, where the taking of such action might in its reasonable judgment subject or expose it to any expense or liability, it shall not be required to act unless it shall have been furnished with an indemnity reasonably satisfactory to it;
- (iv) may rely on and shall be authorized and protected in acting or failing to act upon any certificate, instrument, opinion, notice, letter, facsimile transmission or other document or security delivered to it and believed by it to be genuine and to have been signed by the proper party or parties, and shall have no responsibility for determining the accuracy thereof;
- (v) may rely on and shall be authorized and protected in acting or omitting to act upon the written, telephonic, electronic and oral instructions given in accordance with this Deposit Agreement, with respect to any matter relating to its actions covered by this Deposit Agreement (or supplementing or qualifying any such actions), of officers of the Corporation;
- (vi) shall not be called upon at any time to advise any Person with respect to the Preferred Stock, AMC Preferred Equity Units or Receipts;
- (vii) shall not be liable in any respect on account of the identity, authority or rights of the parties (other than with respect to the Depositary) executing or delivering or purporting to execute or deliver this Deposit Agreement or any documents or papers deposited or called for under this Deposit Agreement; and
- (viii) shall not be liable or responsible for any recital or statement contained in any documents relating hereto or to the Preferred Stock, the AMC Preferred Equity Units or Receipts (except its countersignature hereof and thereof).

The terms of this Section 5.3 shall survive the replacement, removal or resignation of any Depositary, Registrar, Transfer Agent or Depositary's Agent or termination of this Deposit Agreement.

5.4 Resignation and Removal of the Depositary; Appointment of Successor Depositary. The Depositary may at any time resign as Depositary hereunder by delivering notice of its election to do so to the Corporation upon at least forty-five (45) days prior written notice.

The Depositary may at any time be removed by the Corporation by at least forty-five (45) days prior written notice of such removal delivered to the Depositary.

In the event the transfer agency relationship in effect between the Corporation and the Depositary terminates, the Depositary will be deemed to have resigned automatically and be discharged from its duties under this Deposit Agreement.

In case at any time the Depositary acting hereunder shall resign or be removed, the Corporation shall, within forty-five (45) days after the delivery of the notice of resignation or removal, as the case may be, use its reasonable best efforts to appoint a successor Depositary, which shall be (i) a Person having its principal office in the United States of America and having a combined capital and surplus, along with its Affiliates, of at least \$50,000,000 or (ii) an Affiliate of any such Person.

If no successor Depositary shall have been so appointed and have accepted appointment within forty-five (45) days after delivery of such notice, the resigning or removed Depositary or any Holder may, petition any court of competent jurisdiction for the appointment of a successor Depositary. Every successor Depositary shall execute and deliver to its predecessor and to the Corporation an instrument in writing accepting its appointment hereunder, and thereupon such successor Depositary, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Depositary under this Deposit Agreement, and such predecessor, upon payment of all sums due it and on the written request of the Corporation, shall promptly execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the shares of the Preferred Stock and any moneys or property held hereunder to such successor, and shall deliver to such successor a list of the Record Holders of all outstanding Receipts and such records, books and other information in its possession relating thereto. Any successor Depositary shall promptly mail or transmit by such other method approved by such successor Depositary, in its reasonable discretion, notice of its appointment to the Record Holders of Receipts.

Any Person into or with which the Depositary may be merged, consolidated or converted, or any Person to which all or a substantial part of the assets of the Depositary may be transferred or which succeeds to the shareholder services business of the Depositary shall be the successor of the Depositary without the execution or filing of any document or any further act, and notice thereof shall not be required hereunder. Such successor Depositary may authenticate the Receipts in the name of the predecessor Depositary or its own name as successor Depositary.

The removal or resignation of the Depositary shall automatically be deemed to be a removal of the Registrar and Transfer Agent and dividend disbursing agent and conversion agent (to the extent Computershare is acting in such capacities) herein without any further act or deed.

5.5 Corporate Notices and Reports. The Corporation agrees that it will deliver to the Depositary, and the Depositary will, upon the Corporation's written instruction, promptly after receipt thereof transmit to the Record Holders of Receipts, in each case at the addresses recorded in the Depositary's or Registrar's books, copies of all notices and reports (including without limitation financial statements) required by law, by the rules of any national securities exchange upon which the Preferred Stock, the AMC Preferred Equity Units or the Receipts are listed or by the Corporation's amended and restated certificate of incorporation, as it may be amended from time to time, (including the Certificate of Designations), to be furnished to the Record Holders of Receipts. Such transmission will be at the Corporation's expense and the Corporation will provide the Depositary with such number of copies of such documents as the Depositary may reasonably request. In addition, the Depositary will transmit to the Record Holders of Receipts at the Corporation's expense such other documents as may be requested by the Corporation.

5.6 Indemnification by the Corporation. Notwithstanding Section 5.3 to the contrary, the Corporation shall indemnify the Depositary, any Depositary's Agent, any Registrar, any Transfer Agent, and any dividend disbursing agent or conversion agent (including each of their officers, directors, agents and employees) against, and hold each of them harmless from and against, any loss, damage, cost, penalty, liability or expense (including the reasonable costs and expenses of its legal counsel) which may arise out of actions taken, suffered or omitted to be taken in connection with its acting as Depositary, Depositary's Agent, Registrar, Transfer Agent or dividend disbursing agent or conversion agent, respectively, under this Deposit Agreement (including, without limitation, the enforcement by the Depositary, Depositary's Agent, Registrar, Transfer Agent or dividend disbursing agent or conversion agent, as the case may be, of this Deposit Agreement) and the Receipts by the Depositary, any Transfer Agent, any Registrar, dividend distribution agent or conversion agent, or any of their respective agents (including any Depositary's Agent) and any transactions or documents contemplated hereby, except for any liability arising out of gross negligence, willful misconduct or bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction) on the respective parts of any such Person or Persons. The obligations of the Corporation and the rights of the Depositary, Depositary's Agent, Registrar, Transfer Agent, dividend distribution agent and conversion agent, set forth in this Section 5.6 shall survive the termination of this Deposit Agreement and any resignation, replacement, removal, or succession of any Depositary, Registrar, Transfer Agent, dividend distribution agent, conversion agent or Depositary's Agent.

5.7 Fees, Charges and Expenses. The Corporation agrees promptly to pay the Depositary the compensation, as separately agreed upon with the Corporation, in accordance with such agreed upon terms, for all services rendered by the Depositary, Depositary's Agent, Transfer Agent, Registrar, dividend distribution agent and conversion agent hereunder and to reimburse the Depositary for its reasonable out-of-pocket expenses (including reasonable counsel fees and expenses) incurred by the Depositary, Depositary's Agent, Transfer Agent, Registrar, dividend distribution agent and conversion agent without gross negligence, willful misconduct, bad faith (each as determined by a final non-appealable judgment of a court of competent jurisdiction) on its part in connection with the services rendered by it (or any agent of the Depositary) hereunder. The Corporation shall pay all charges of the Depositary in connection with (i) the initial deposit of shares of the Preferred Stock, (ii) the initial issuance of the AMC Preferred Equity Units, (iii) all withdrawals of shares of the Preferred Stock by owners of AMC Preferred Equity Units, and (iv) all conversions of the Preferred Stock into common stock. The Corporation shall pay all transfer and other taxes and charges arising solely from the existence of the depositary arrangements. All other transfer and other taxes and charges shall be at the expense of Holders of AMC Preferred Equity Units evidenced by Receipts. If, at the request of a Holder of Receipts, the Depositary incurs charges or expenses for which the Corporation is not otherwise liable hereunder, such Holder will be liable for such charges and expenses; *provided, however*, that the Depositary may, at its sole option, require a Holder of a Receipt to prepay the Depositary any charge or expense the Depositary has been asked to incur at the request of such Holder of Receipts. The Depositary shall present its statement for charges and expenses to the Corporation at such intervals as the Corporation and the Depositary may agree.

5.8 Tax Compliance. The Depositary will comply in all material respects with all applicable certification, information reporting, and withholding (including “backup withholding”) requirements imposed upon the Depositary by applicable tax laws, regulations, or administrative practice with respect to (i) any payments made with respect to the AMC Preferred Equity Units or (ii) the issuance, delivery, holding, transfer, or exercise of rights under the Receipts or the AMC Preferred Equity Units. Such compliance shall include, without limitation, the preparation and timely filing of required returns and the timely payment of all amounts required to be withheld to the appropriate taxing authority or its designated agent. The Depositary shall comply with any written direction received from the Corporation with respect to the application of such requirements to particular payments or Holders or in other particular circumstances and may, for purposes of this Deposit Agreement, rely on any such direction and the Depositary shall have no liability for or in respect of, any action taken or omitted by it in the absence of bad faith, willful misconduct, gross negligence or fraud (which bad faith, willful misconduct, gross negligence or fraud must be determined by a final non-appealable judgment of a court of competent jurisdiction) and pursuant to such direction in accordance with the provisions of Section 5.3 hereof. The Depositary shall, in accordance with its record retention policies or procedures, maintain all appropriate records documenting compliance with such requirements, and shall make such records available on request to the Corporation or to its authorized representatives during the term of this Deposit Agreement.

ARTICLE VI AMENDMENT AND TERMINATION

6.1 Amendment. The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Corporation and the Depositary in any respect which they may deem necessary or desirable; *provided, however*, that no such amendment which shall materially and adversely alter the rights of the Holders of Receipts shall be effective against the Holders of Receipts unless such amendment shall have been approved by the Holders of Receipts representing in the aggregate a majority of the AMC Preferred Equity Units then outstanding. Every Holder of an outstanding Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right, subject to the provisions of Sections 2.5 and 2.6 and Article III, of any owner of AMC Preferred Equity Units to surrender any Receipt evidencing such AMC Preferred Equity Units to the Depositary with instructions to deliver to the Holder the shares of the Preferred Stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law or the rules and regulations of any governmental body, agency or commission, or applicable securities exchange. As a condition precedent to the Depositary’s execution of any amendment, the Corporation shall deliver to the Depositary a certificate executed by a duly authorized officer of the Corporation that states that the proposed amendment is in compliance with the terms of this Section 6.1. No amendment to this Depositary Agreement shall be effective unless duly executed by the Depositary and the Corporation.

6.2 Termination. This Deposit Agreement may be terminated by the Corporation or the Depositary only if (i) all outstanding AMC Preferred Equity Units issued hereunder have been cancelled, upon conversion of the Preferred Stock or otherwise; (ii) there shall have been made a final distribution in respect of the Preferred Stock in connection with any liquidation, dissolution or winding up of the Corporation and such distribution shall have been distributed to the Holders of Receipts representing AMC Preferred Equity Units pursuant to Section 4.1 or 4.2, as applicable; or (iii) upon the consent of Holders of Receipts representing in the aggregate not less than two-thirds of the AMC Preferred Equity Units outstanding.

Upon the termination of this Deposit Agreement, the Corporation shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary, any Depositary's Agent, any Transfer Agent, any Registrar, any dividend distribution agent or any conversion agent under Sections 5.3, 5.6 and 5.7 (including as to any services of the Depositary, any Depositary's Agent, any Registrar or any dividend distribution agent that are necessary following and in connection with the termination of this Deposit Agreement); *provided further* that Sections 5.2, 5.3, 5.6 and 5.7 shall survive the termination of this Deposit Agreement.

ARTICLE VII MISCELLANEOUS

7.1 Counterparts. This Deposit Agreement may be executed in any number of counterparts, and by each of the parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Deposit Agreement by facsimile, pdf or electronic mail (including any signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signature and Records Act or other applicable law, e.g., www.docusign.com) shall be effective as delivery of a manually executed counterpart of this Deposit Agreement.

7.2 Exclusive Benefit of Parties. This Deposit Agreement is for the exclusive benefit of the parties hereto, and their respective successors hereunder, and shall not be deemed to give any legal or equitable right, remedy or claim to any other Person whatsoever.

7.3 Representations and Warranties of the Depositary. Depositary represents and warrants to the Corporation that:

(i) each of Computershare and the Trust Company is duly organized and validly existing under the laws of its organizing jurisdiction and each has the full power and authority to execute, deliver and perform its respective obligations under this Deposit Agreement, and Computershare is in good standing under the laws of the State of Delaware;

(ii) the execution, delivery and performance of this Deposit Agreement by each of Computershare and the Trust Company has been duly authorized by all necessary corporate or other organizational action and will not conflict with, violate or result in a breach of the terms and conditions or provisions of, or constitute a default under (A) their respective organization documents, (B) any material indenture, contract, agreement, or undertaking to which Computershare or the Trust Company is a party or is bound, (C) any existing law to which Computershare or the Trust Company is subject, or (D) any judgment, order, writ, injunction, decree or award of any court, arbitrator or governmental or regulatory official, body or authority of which Computershare or the Trust Company has knowledge and which is applicable to Computershare or the Trust Company; and

(iii) this Deposit Agreement has been duly executed and delivered by each of Computershare and the Trust Company and (assuming its due execution and delivery by Corporation) constitutes the legal, valid and binding obligation of Computershare and the Trust Company, enforceable against Computershare and the Trust Company in accordance with its terms except as may be limited by bankruptcy, insolvency, moratorium, conservatorship, receivership, reorganization, and other similar laws affecting the enforcement of creditors' rights generally.

7.4 Invalidity of Provisions. In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby; *provided, however*, that if any such provision adversely affects the rights, duties, liabilities or obligations of the Depositary, the Depositary shall be entitled to resign immediately upon written notice to the Corporation.

7.5 Notices. Any and all notices to be given to the Corporation hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier service or by electronic mail, confirmed by letter, addressed to the Corporation at:

AMC Entertainment Holdings, Inc.
One AMC Way
11500 Ash Street
Leawood, Kansas 66211
Attention: Kevin Connor
Email: KConnor@amctheatres.com

with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York
Attention: Michael Stein
Email: Michael.Stein@weil.com

or at any other addresses of which the Corporation shall have notified the Depositary in writing.

Any and all notices to be given to the Depositary hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail or recognized next day courier service or by facsimile transmission or electronic mail, confirmed by letter, addressed to the Depositary at the Depositary's Office at:

Computershare Inc.
Computershare Trust Company, N.A.
150 Royall Street
Canton, Massachusetts 02021
Attention: Client Services

or at any other address of which the Depositary shall have notified the Corporation in writing.

Except as otherwise provided herein, any and all notices to be given to any Record Holder of a Receipt hereunder or under the Receipts shall be in writing and shall be deemed to have been duly given if personally delivered or sent by mail, recognized next day courier services, facsimile transmission or electronic mail, confirmed by letter, addressed to such Record Holder at the address of such Record Holder as it appears on the books of the Depositary; or if such Holder shall have timely filed with the Depositary a written request that notices intended for such Holder be mailed to some other address, at the address designated in such request; or in the case of any Global Receipt Depositary, in accordance with its applicable procedures and arrangements for notices.

Delivery of a notice sent by mail or as provided in this Section 7.5 shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a facsimile transmission or electronic mail) is deposited, postage prepaid, in a post office letter box; *provided*, that notice to a Global Receipt Depositary shall be deemed to be effected at the time such notice is delivered or made as provided in this Section 7.5; *provided, further*, that the Depositary or the Corporation may, however, act upon any facsimile transmission or electronic mail received by it from the other or from any Holder of a Receipt, notwithstanding that such facsimile transmission or electronic mail shall not subsequently be confirmed by letter or as aforesaid.

7.6 Depositary's Agents. The Depositary may from time to time appoint Depositary's Agents to act in any respect for the Depositary for the purposes of this Deposit Agreement and may at any time appoint additional Depositary's Agents and vary or terminate the appointment of such Depositary's Agents. The Depositary will promptly notify the Corporation of any such action.

7.7 Appointment of Registrar and Dividend Disbursing Agent and Conversion Agent in Respect of the Preferred Stock. The Corporation hereby appoints the Trust Company and Computershare, jointly, as Registrar, Transfer Agent, dividend disbursing agent and conversion agent in respect of the Receipts and shares of the Preferred Stock deposited with the Depositary hereunder, and the Trust Company and Computershare hereby accept their respective appointments, subject to the express terms and conditions of this Deposit Agreement (and no implied terms or conditions) and, as such, will reflect changes in the number of shares of deposited Preferred Stock held by it by notation, book-entry or other appropriate method. With respect to the appointments of the Trust Company and Computershare as Registrar, Transfer Agent, dividend disbursing agent and conversion agent in respect of the Receipts and shares of the Preferred Stock deposited with the Depositary hereunder, the Trust Company and Computershare shall be entitled to the same rights, indemnities, immunities and benefits as the Depositary hereunder as if explicitly named in each such provision.

7.8 Holders of Receipts are Parties. The Holders of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance of delivery thereof. The provisions of this Deposit Agreement are intended to benefit only the parties hereto and their respective permitted successors and assign, and no rights shall be granted to any other Person by virtue of this Deposit Agreement.

7.9 **Governing Law.** This Deposit Agreement and the Receipts and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable conflicts of law principles.

7.10 **Inspection of Deposit Agreement.** Copies of this Deposit Agreement shall be filed with the Depositary and the Depositary's Agents and shall be made available for inspection during business hours upon reasonable notice to the Depositary by any Holder of a Receipt.

7.11 **Headings.** The headings of articles and sections in this Deposit Agreement and in the form of the Receipt set forth in Exhibit A hereto have been inserted for convenience only and are not to be regarded as a part of this Deposit Agreement or the Receipts or to have any bearing upon the meaning or interpretation of any provision contained herein or in the Receipts.

7.12 **Confidentiality.** The Depositary and the Corporation agree that all books, records, information and data pertaining to the business of the other party, including, *inter alia*, personal, non-public Holder information, and the fees for services to be performed hereunder, which are exchanged or received pursuant to the negotiation or the carrying out of this Deposit Agreement, shall remain confidential, and shall not be voluntarily disclosed to any other Person, except as may be required by law or legal process. Notwithstanding anything contained herein, each party may disclose relevant aspects of the other party's confidential information to its officers, affiliates, agents, subcontractors and employees to the extent reasonably necessary to perform its duties and obligations under this Deposit Agreement and such disclosure is not prohibited by applicable law. To avoid doubt, the parties hereto shall not (otherwise as set forth in this Section 7.12) be required to keep the terms of this Deposit Agreement confidential.

7.13 **Further Assurances.** The Corporation shall perform, acknowledge and deliver or cause to be performed, acknowledged and delivered all such further and other acts, documents, instruments and assurances as may be reasonably required by the Depositary for the carrying out or performing by the Depositary of the provisions of this Deposit Agreement.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the Corporation and the Depositary have duly executed this Deposit Agreement as of the day and year first above set forth, and all Holders of Receipts shall become parties hereto by and upon acceptance by them of delivery of Receipts issued in accordance with the terms hereof.

AMC ENTERTAINMENT HOLDINGS, INC.

By: /s/ Kevin Connor

Name: Kevin Connor

Title: Senior Vice President, General Counsel and Secretary

**COMPUTERSHARE TRUST COMPANY, N.A. and COMPUTERSHARE
INC. (on behalf of both entities)**

By: /s/ Patrick Hayes

Name: Patrick Hayes

Title: Manager, Client Management

[Signature page to Deposit Agreement]

**EXHIBIT A:
FORM OF RECEIPT
[FORM OF FACE OF RECEIPT]**

Unless this receipt is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to AMC Entertainment Holdings, Inc. or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

AMC PREFERRED EQUITY UNITS
DEPOSITARY RECEIPT FOR AMC PREFERRED EQUITY UNITS,
EACH REPRESENTING A 1/100TH INTEREST IN ONE SHARE OF
SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK

OF

AMC ENTERTAINMENT HOLDINGS, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
CUSIP 00165C203

SEE REVERSE FOR CERTAIN DEFINITIONS

Number of AMC Preferred Equity Units: [●]

Certificate Number: [●]

COMPUTERSHARE INC. and COMPUTERSHARE TRUST COMPANY, N.A., acting jointly as Depositary (the "Depositary"), hereby certify that Cede & Co. is the registered owner of [●] AMC Preferred Equity Units (\$[●] aggregate liquidation preference) ("AMC Preferred Equity Units"), each AMC Preferred Equity Unit representing a 1/100th interest in one share of Series A Convertible Participating Preferred Stock (the "Preferred Stock"), of AMC Entertainment Holdings, Inc., a Delaware corporation (the "Corporation"), on deposit with the Depositary, subject to the terms and entitled to the benefits of the Deposit Agreement dated August 4, 2022 (the "Deposit Agreement"), among the Corporation, the Depositary and the holders from time to time of the Depositary Receipts. By accepting this Depositary Receipt, the holder hereof becomes a party to and agrees to be bound by all the terms and conditions of the Deposit Agreement.

This Depositary Receipt shall not be valid or obligatory for any purpose or entitled to any benefits under the Deposit Agreement unless it shall have been executed by the Depositary by the manual or facsimile signature of a duly authorized officer and, if a Registrar for the Receipts (other than the Depositary) shall have been appointed, countersigned by such Registrar in respect of the Depositary Receipts by the manual or facsimile signature of a duly authorized officer thereof.

Dated: [●], 2022

**Computershare Inc. and Computershare Trust Company, N.A., jointly as
Depository**

By: _____

Name:

Title:

[FORM OF REVERSE OF RECEIPT]
AMC ENTERTAINMENT HOLDINGS, INC.

AMC ENTERTAINMENT HOLDINGS, INC. WILL FURNISH WITHOUT CHARGE TO EACH RECEIPTHOLDER WHO SO REQUESTS A COPY OF THE DEPOSIT AGREEMENT AND A COPY OR SUMMARY OF THE CERTIFICATE OF DESIGNATIONS OF SERIES A CONVERTIBLE PARTICIPATING PREFERRED STOCK OF AMC ENTERTAINMENT HOLDINGS, INC. ANY SUCH REQUEST IS TO BE ADDRESSED TO THE DEPOSITARY NAMED ON THE FACE OF THIS RECEIPT.

The Corporation will furnish without charge to each receiptholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof of the Corporation, and the qualifications, limitations or restrictions of such preferences and/or rights. Such request may be made to the Corporation or to the Transfer Agent.

EXPLANATION OF ABBREVIATIONS

The following abbreviations when used in the form of ownership on the face of this certificate shall be construed as though they were written out in full according to applicable laws or regulations. Abbreviations in addition to those appearing below may be used.

Abbreviation	Equivalent Phrase	Abbreviation	Equivalent Phrase
JT TEN	As joint tenants, with right of survivorship and not as tenants in common	TEN IN COM	As tenants by the entireties
TEN BY ENT	As tenants in common	UNIF GIFT MIN ACT	Uniform Gifts to Minors Act

Abbreviation	Equivalent Word	Abbreviation	Equivalent Word	Abbreviation	Equivalent Word
ADM	Administrator(s), Administratrix	EX	Executor(s), Executrix	PAR	Paragraph
AGMT	Agreement	FBO	For the benefit of	PL	Public law
ART	Article	FDN	Foundation	TR	(As) trustee(s), for, of CH
CH	Chapter	GDN	Guardian	U	Under
CUST	Custodian for	GDNSHP	Guardianship	UA	Under agreement
DEC	Declaration	MIN	Minor	UW	Under will of, Of will of, Under last will & testament
EST	Estate, of Estate of				

Assignment

For value received, [●] hereby sell(s), assign(s) and transfers(s) unto
PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL CODE, OF ASSIGNEE

AMC Preferred Equity Units represented by the within Receipt, and do(es) hereby irrevocably constitute and appoint Attorney to transfer the said AMC Preferred Equity Units on the books of the within named Depositary with full power of substitution in the premises.

Dated: [●]

NOTICE: The signature to the assignment must correspond with the name as written upon the face of this Receipt in every particular, without alteration or enlargement or any change whatsoever.

SIGNATURE GUARANTEED

NOTICE: The signature(s) should be guaranteed by a participant in a signature guarantee program approved by the Securities Transfer Association at a guarantee level acceptable to the Transfer Agent.

**FOURTH AMENDMENT
TO THE
AMC ENTERTAINMENT HOLDINGS, INC.
2013 EQUITY INCENTIVE PLAN**

THIS FOURTH AMENDMENT (this "Amendment") is effective as of August 19, 2022, for the purpose of amending that certain AMC Entertainment Holdings, Inc. (the "Company") 2013 Equity Incentive Plan adopted as of December 23, 2013 (as amended from time to time, the "Plan"). Capitalized terms used in this Amendment shall have the same meanings given to them in the Plan unless otherwise indicated.

1. Amendment.

- (a) The definition of "Common Stock" in Section 2 of the Plan is hereby amended to read in its entirety as follows:

"Common Stock" means the Company's Class A common stock, par value \$0.01 per share, along with an AMC Preferred Equity Unit.

- (b) Section 2 of the Plan is hereby amended to add the following definitions:

"AMC Preferred Equity Unit" means a depositary share that represents an interest in one one-hundredth (1/100th) of a share of Preferred Stock and is designed to have the same economic and voting rights as a share of the Company's Class A common stock.

"Preferred Stock" means the Company's Series A Convertible Participating Preferred Stock, par value \$0.01, with the preferences, limitations, voting powers and relative rights as set forth in the Certificate of Designation filed with the Secretary of the State of Delaware on August 4, 2022.

- (c) Section 4.1 of the Plan is hereby amended to read in its entirety as follows:

"Number of Shares Reserved." Subject to adjustment as provided in Section 4.5 hereof, the total number of shares of Class A common stock that are reserved for issuance under the Plan shall be 15,000,000 and the total number of AMC Preferred Equity Unit that are reserved for issuance under the Plan shall be 7,306,354 (collectively, the "Share Reserve"). Upon conversion of the AMC Preferred Equity Unit into shares of Class A common stock, any remaining AMC Preferred Equity Unit reserved for issuance under the Plan shall automatically convert into shares of Class A common stock reserved for issuance under the Plan. Each share of Common Stock subject to an Award shall reduce the Share Reserve by one share; provided that Awards that are required to be paid in cash pursuant to their terms shall not reduce the Share Reserve. Any shares of Common Stock delivered under the Plan shall consist of authorized and unissued shares or treasury shares."

2. Miscellaneous.

Except as amended hereby, the Plan remains in full force and effect.



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rnoonan@amctheatres.com

**AMC ENTERTAINMENT HOLDINGS, INC. ANNOUNCES
SPECIAL DIVIDEND OF AMC PREFERRED EQUITY UNITS**

LEAWOOD, KANSAS – August 4, 2022: AMC Entertainment Holdings, Inc. (NYSE: AMC) (the “Company,” or “AMC”), announced today that it has declared a special dividend of one AMC Preferred Equity unit (an “AMC Preferred Equity Unit”) for each share of AMC Class A common stock, par value \$0.01 per share (the “Common Stock”), outstanding at the close of business on August 15, 2022. The special dividend is expected to be paid at the close of business on August 19, 2022.

The Company has applied to list its AMC Preferred Equity Units on the New York Stock Exchange (“NYSE”) under the symbol “APE” starting August 22, 2022 and each AMC Preferred Equity Unit is designed to have the same economic and voting rights as one share of Common Stock.

The AMC Preferred Equity Units can convert into Common Stock, but only if the Company proposes and investors vote to approve an increase in the number of authorized shares of Common Stock, in an amount at least sufficient to permit the conversion of the AMC Preferred Equity Units into Common Stock (through a “Common Stock Amendment”).

Regarding the dividend, Adam Aron, AMC Entertainment Chairman and CEO commented, “Today we are rewarding and recognizing our passionate and supportive shareholders, both to our shareholders in the U.S. and internationally, with a dividend of AMC Preferred Equity units that will trade on the NYSE under the ticker symbol APE. Shareholders will receive one AMC Preferred Equity unit for each company issued share of AMC common stock that they own. This means that based on our 516,820,595 shares outstanding, we will be issuing a dividend of 516,820,595 AMC Preferred Equity units.”

Aron added, “The issuance only to our shareholders of tradable AMC Preferred Equity units clarifies who is included in our current shareholder base, and provides another avenue for our investors to participate in the ongoing recovery and growth of AMC.”

Aron emphasized, “The dividend of AMC Preferred Equity units exclusively to our shareholders in our opinion is perhaps the single biggest action we will take in all of 2022 to fundamentally strengthen AMC for the long term. This new AMC Preferred Equity gives AMC a currency that can be used in the future to strengthen our balance sheet, including by paying down debt or raising fresh equity. As a result, this dramatically lessens any near-term survival risk for AMC, as we continue to work our way through this pandemic. It also can provide AMC with added capital enabling us to seek investment opportunities that could create significant shareholder value and could be transformative in nature. All of this is not good news for those who may be rooting against AMC.”

Aron continued, "As a show of appreciation of our shareholders, and to celebrate this AMC Preferred Equity unit dividend, AMC will be issuing an exclusive "I OWN APE" NFT. All 765,000 current AMC Investor Connect members, and new members who join by August 31, 2022, will be eligible to receive for free this unique NFT to symbolize ownership of the new AMC Preferred Equity unit security. In addition, based on the popularity of the original "I OWN AMC" NFT issued in January of 2022, AMC Investor Connect current members and new members who have joined by August 31, 2022 also will be entitled to receive an updated version of the original "I OWN AMC" NFT, again gratis with our compliments."

Aron concluded, "This AMC Preferred Equity unit dividend has tremendous potential to create meaningful value for both AMC and for our shareholders as we continue on our glidepath to recovery and transformation into the new AMC – bigger, bolder, and stronger than ever before."

The issuance of AMC Preferred Equity Units is made possible by the authorization approved by shareholders to issue AMC Preferred Equity in 2013. Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of the Company's Series A Convertible Participating Preferred Stock (the "Preferred Stock"). Each share of Preferred Stock in turn is potentially convertible into one hundred (100) shares of Common Stock.

If the Common Stock Amendment is adopted by shareholders, each AMC Preferred Equity Unit will convert into one share of Common Stock and such Common Stock will be distributed upon conversion to holders of AMC Preferred Equity Units on a one-to-one basis (one share of Common Stock for each AMC Preferred Equity Unit held).

The record date for the AMC Preferred Equity Unit dividend is the close of business on August 15, 2022. However, the AMC Preferred Equity Unit dividend is expected to be paid as of the close of business on August 19, 2022. The NYSE has established August 22, 2022 as the ex-dividend date. If an investor sells our Common Stock before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity Unit dividend on the shares that are sold. Alternatively, if investors buy our Common Stock before the ex-dividend date August 22, 2022, they will be entitled to receive the AMC Preferred Equity Unit dividend on the shares purchased. **Investors who trade during this period should consult with their broker.**

Trading of the AMC Preferred Equity Units will commence on August 22, 2022 (the ex-dividend date) and at that time AMC shares will no longer be entitled to receive the AMC Preferred Equity Unit dividend. Investors should note that on the ex-dividend date (August 22, 2022) the price of AMC Common Stock is likely to decline to reflect the fact that the shares purchased on or after such date will no longer be entitled to the dividend.

For additional information about the AMC Preferred Equity Units, the Preferred Stock and the convertibility of the Preferred Stock into Common Stock, please visit the Company's website at <http://investor.amctheatres.com/stock-information/APE-Dividend-Info> and refer to the Company's current report on Form 8-K filed today with the Securities and Exchange Commission. The descriptions of the AMC Preferred Equity Units and the Preferred Stock are qualified by reference to the Form 8-K disclosures and exhibits.

About AMC Entertainment Holdings, Inc.

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 950 theatres and 10,500 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, website and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming.

Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of the federal securities laws. Statements that are not historical facts, including statements about AMC’s beliefs and expectations, are forward-looking statements. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “indicates,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding future shareholder distributions, the listing of the AMC Preferred Equity Units on the NYSE for trading and the Common Stock Amendment, future balance sheet strengthening, including debt repayments, future capital and investment opportunities, potential shareholder value and potential recovery and transformation.

Additional factors, including developments related to COVID-19, that may cause results to differ materially from those described in the forward-looking statements are set forth under the caption “Risk Factors” and elsewhere in our most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as our other filings with the U.S. Securities and Exchange Commission (the “SEC”), copies of which may be obtained by visiting our Investor Relations website at investor.amctheatres.com or the SEC’s website at www.sec.gov.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

Source: AMC Entertainment Holdings, Inc.

Comparison Between AMC Preferred Equity Units and Common Stock

	Common Stock	AMC Preferred Equity Units
Convertibility	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Only upon stockholder approval one (1) AMC Preferred Equity Unit converts into one (1) share of common stock.
Stock Exchange	<ul style="list-style-type: none"> The common stock is listed on the NYSE 	<ul style="list-style-type: none"> Application has been made to list the AMC Preferred Equity Units on the NYSE.
Ticker Symbol	<ul style="list-style-type: none"> "AMC" 	<ul style="list-style-type: none"> "APE"
Voting for Election of Directors	<ul style="list-style-type: none"> One (1) vote per share. AMC Preferred Equity Units and common stock will vote together. 	<ul style="list-style-type: none"> One (1) vote per AMC Preferred Equity Unit. AMC Preferred Equity Units and common stock will vote together.
Voting for Other Corporate Matters Generally	<ul style="list-style-type: none"> One (1) vote per share. AMC Preferred Equity Units and common stock will vote together, unless Delaware law requires that they vote separately. 	<ul style="list-style-type: none"> One (1) vote per AMC Preferred Equity Unit. AMC Preferred Equity Units and common stock will vote together, unless Delaware law requires that they vote separately.
Reorganization Event (i.e. Consolidation, Merger, Sale, Reclassification, etc.)	<ul style="list-style-type: none"> Common stock to receive cash or other securities according to the agreement governing the Reorganization Event 	<ul style="list-style-type: none"> AMC Preferred Equity Units will automatically convert into the types and amounts of securities, cash and other property that a holder of common stock receives
Voting to Increase Authorized Shares of Common Stock	<ul style="list-style-type: none"> One (1) vote per share. 	<ul style="list-style-type: none"> One (1) vote per AMC Preferred Equity Unit.
Dividends	<ul style="list-style-type: none"> Should AMC institute a dividend in the future, each AMC Preferred Equity Unit and each share of common stock participate equally in any dividend. 	<ul style="list-style-type: none"> Should AMC institute a dividend in the future, each AMC Preferred Equity Unit and each share of common stock participate equally in any dividend.
Liquidation Preference	<ul style="list-style-type: none"> The right of a holder of common stock to receive a recovery would be subordinate to the rights of the AMC Preferred Equity Units to the extent of the liquidation amount of the AMC Preferred Equity Units (\$0.0001). 	<ul style="list-style-type: none"> A holder of AMC Preferred Equity Units will be entitled to the greater of (i) the liquidation preference of \$0.0001 per AMC Preferred Equity Unit plus any declared but unpaid dividends on the AMC Preferred Equity Units and (ii) the amount a holder of AMC Preferred Equity Units would have received had the AMC Preferred Equity Units been converted to common stock immediately prior to the liquidation.





**An Open Letter to AMC Entertainment Shareholders
from Our Chairman and CEO Adam Aron**

August 4, 2022

Dear fellow owner of AMC,

Thank you for being a passionate supporter of AMC. Together, we have successfully navigated many obstacles since the onset of the COVID-19 pandemic. There is more work ahead of us still, but you can see just about every day that we are making real progress towards recovery and transformation.

I am writing you today about a major step forward for AMC Entertainment, in my view probably the biggest favorable development of all of calendar year 2022. Looking at the long-term future of our company, we believe this is truly great news for AMC and not such good news for those prophets of doom who may be rooting against us.

Earlier this year, I said that AMC intended to take important and bold steps to strengthen our company and to address some of the grievances that many of you voice repeatedly in social media and in other forums. I also said, though, that the art of leading a company as complex and one as much in the spotlight as AMC is knowing what to do and what not to do, knowing when to do it and when not to do it. I commented that, in my opinion, we should patiently wait until at least our posting of AMC's second quarter 2022 financial results.

That occurred today, and in our minds those results are spectacularly encouraging, as we showed dramatically increasing attendance and revenues, along with positive Adjusted EBITDA so very much improved versus the same quarter last year. Thank you, Doctor Stephen Strange. Thank you, Tom Cruise. Thank you, Elvis Presley, and thank you, too, to all those hungry people-eating Jurassic dinosaurs.

So, ladies and gentlemen, gentlemen and ladies, TODAY WE POUNCE.

With the backdrop of AMC's terrific results in the second quarter, it is time for us to take decisive and valorous action.

Today we are announcing 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 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.

Along with our common shares which trade now and will continue to trade on the New York Stock Exchange under the symbol AMC, this new AMC Preferred Equity unit also will be a tradable security that will be listed on the New York Stock Exchange starting in August 22, 2022 under the ticker symbol "APE" — yes, APE, as in AMC Preferred Equity. And, informally, we now will refer to our two NYSE-listed securities as shares (the common stock) and APEs (the AMC Preferred Equity units).

For a variety of reasons, a dividend distribution in just about any form has been a longstanding request from our investor base. Today, we answered your call.

So, too, this issuance of 516,820,595 new APEs will essentially serve the same purpose as the much voiced request for a "share count," as the new AMC Preferred Equity unit will ONLY go to holders of company issued and outstanding AMC common shares. Again, today, we answered your call.

Because the dividend is only being distributed to our current shareholder base as of the dividend record date, there also is NO DILUTION from this initial issuance of the APEs associated with this dividend, because these new APEs all go, and only go to holders of company issued AMC common shares. The number of issued and outstanding AMC common shares will remain at 516,820,595 after the dividend is paid, and each shareholder also will own one APE for every share of AMC common stock held.

Think of this as being very similar to a 2-for-1 stock split, except that in a stock split you would get 2 shares of new common stock for each 1 old common share. In the AMC case being announced today, however, you would own 1 share and 1 APE in lieu of just 1 common share.

Since this stock dividend move being announced today is like a stock split, it is logical to assume that once the dividend is issued, the price of our common shares will fall. Vitaly, however, as an investor, you would not own only a single share, you would own instead a share AND an APE. So, your economic interest in AMC would be the price of a share PLUS the price of an APE. And while no one's crystal ball can accurately predict stock market swings and volatility, that economic interest would be in a company that we believe is considerably stronger than AMC is now prior to this announcement being made.

The issuance of APE's now is made possible given the previously and repeatedly announced approval by AMC's shareholders back in 2013 that the creation and issuance of AMC preferred stock could occur solely at the AMC Entertainment Board of Directors' future discretion.

While each APE is designed to have the same rights as a common share, and can convert into a share of common stock, that conversion decision is solely up to you. Conversion can only take place if the company proposes and shareholders (including APE holders) vote to approve the authorization of additional common shares at a future AMC Entertainment stockholders' meeting. That is still your call to make.

But here is perhaps the most important thing of all. With the creation of APEs, AMC is deeply and fundamentally strengthening our company. Given the flexibility that APEs will give us, we likely will be able to raise money if we need or so choose, which immensely lessens any survival risk as we continue to work our way through this pandemic to recovery and transformation.

Rather than having to worry about survival, the flexibility accruing to us from APES can instead let us continue our efforts to try for AMC to soar and to thrive. This new AMC Preferred Equity provides AMC with a currency that can be used in the future to further strengthen our balance sheet, including paying down some of our debt and other liabilities. It also gives us the ability to seek shareholder value-enhancing and potentially transformative investment opportunities.

I believe that all of this makes AMC vastly, and I mean vastly, stronger. And anything that moves us so far ahead is bad news indeed for those who wish us harm.

Having said all of that there are a myriad of details and cautions related to our announcements today. **SO, I STRONGLY URGE YOU TO READ OUR PRESS RELEASES AND SEC FILINGS ON THESE MATTERS**, which are incorporated herein by reference.

To celebrate this milestone and as a token of our appreciation for your continued support, we will be offering a free "I OWN APE" NFT to all existing AMC Investor Connect members and to new members joining by August 31, 2022. Likewise, based on the popularity of the original "I OWN AMC" NFT issued in January 2022, AMC Investor Connect members who have joined by August 31, 2022 also will be entitled to receive a free updated version of the "I OWN AMC" NFT.

When I think back over this pandemic journey we all have been on together, I am ever mindful of your dedication to AMC Entertainment and of your trust in me as its CEO. I want you to know once again that my every decision and my every action is intended to work for the long-term benefit of all of our shareholders. I act and think like a shareholder, because I too am a shareholder, and a big one. At the current AMC share price, I now own outright approximately \$15 million of AMC stock, and counting in my previously granted but unvested shares (at "target" vesting levels) have more than a \$50 million economic stake in AMC. This is pretty obvious, but that is a powerful incentive to do what is right for our shareholders.

All throughout this effort with you, I always have been candid, and I have always tried to keep my word to you. I promised you we would be bold. Well, indeed, today we pounced.

My best regards to you all,

Adam

Adam Aron
Chairman and CEO

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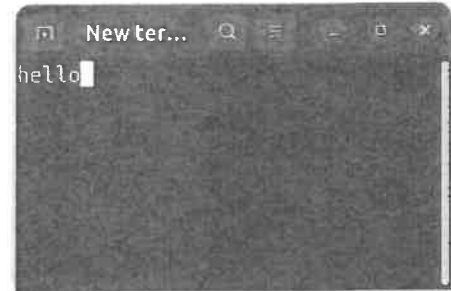
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AMC ENTERTAINMENT HOLDINGS, INC. is
Incorporated under the laws of the State of DE.



AMC ENTERTAINMENT HOLDINGS, INC. - Direct Registration (DRS) Advice

Transaction(s)

Date	Transaction Description	Total Shares/Units	CUSIP	Class Description
10 Oct 2022	Dic Stock Withdrawals (Drs)	100.000000	00165C104	Class A Common Stock

Account Information: Date: 10 Oct 2022 (Excludes transactions pending settlement)

Dividend Reinvestment Balance	Direct Registration Balance	Total Shares/ Units	Price Per Share (\$)	Value (\$)	CUSIP	Class Description
0.000000	1,200.000000	1,200.000000	6.350000	7,620.00	00165C104	Class A Common Stock

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

Objection to the Proposed Settlement, Awards, and Fees

OF OBJECTOR:

Howard J. Chen



Dated: May 25, 2023

/s/ Howard J. Chen

Howard J. Chen

1. I write this letter to object to the Proposed Settlement. I have owned shares of the Class A Common Stock ("the Common Stock") since June of 2021, and received my first shares of APE as part of the August 22, 2022 dividend. My ownership is both beneficial through a broker and directly on the record through the Company's transfer agent, ComputerShare. The screenshot documentation of my ownership can be found in the accompanying */ownership* folder – in the same ZIP file that contains this very objection. Exhibits will be in the */exhibit* folder.
2. Since I began writing this document, the Court has ordered the release of the unredacted class complaint and unsealed discovery documents. Due to time constraints, I will not be able to incorporate material from that corpus, but I'm willing to let these objections stand on their own. I wish them luck.
3. Before discussing the legal basis for my objections, I'd like to restate the history of the events behind this lawsuit. Most of the details will be drawn from the Plaintiffs' and Defendants' ("the Parties") Briefs in Support of the Proposed Settlement, and from the [Redacted] Class Action Complaint. I will not cite them most of the time, but in many places I will paraphrase those Briefs for brevity.

Preliminary History

Before the APE Dividend

4. The first significant event was not in 2020, but in 2013, when the Company filed and established its Third Amended and Restated Certificate of Incorporation. This Certificate included four clauses of interest: a) the establishment of 50 million unissued Preferred Stock that the Board had full power over – to create any series, and a blank check to

assign the number, voting rights, preferences, special rights, etc. of each series; b) a waiver of the *DGCL 242.b* right to a class vote, for *all* classes, when voting on an amendment to modify the number of authorized shares; c) the establishment of the Class A Common Stock with 524,173,073 authorized shares, and d) the establishment of a Class B Common Stock (which has since been retired)¹.

5. The Class B Common Stock contained two special properties: first, each Class B share could be converted to 1 share of Class A at any time, at the will of the stockholder, and second, the Company was required to maintain enough *unissued shares* so that all Class B shares could be converted to Class A. Together, these two clauses ensured that the price of Class B shares could *never fall below* the price of a Class A share, because arbitrage and conversion would immediately restore price equality².
6. The years passed. In 2020, the COVID pandemic forced theaters like AMC Entertainment Holdings, Inc. ("the Company") to close their doors; the Company was forced to take on large amounts of debt, to the tune of \$5 billion. This attracted short-sellers, which is a concern that continues to this day: while this class action has unfolded, the Common stock has experienced large numbers of failures-to-deliver, appearing on the Reg Sho Threshold list multiple times, increasing short-interest, and share-borrow fees ranging from 100% to 500%, or even higher³.

¹ *Third Amended and Restated Certificate of Incorporation of AMC Entertainment Holdings, Inc.* at https://www.sec.gov/Archives/edgar/data/1411579/000110465913092001/a13-26957_1ex3d1.htm

² *Id.* "Each share of Class B Common Stock shall be convertible into one (1) fully paid and nonassessable share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the Corporation."; "The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock."

³ Most of this data is public on multiple market data websites. The NYSE publishes its Reg SHO list daily; AMC appeared on it for multiple contiguous days including one series around 02-27-2023 and another series around 04-17-2023.

7. In early and middle 2021, the Common Stock experienced a price surge as part of the retail meme-stock event. The Company was able to sell the remainder of its authorized Common Stock to raise money, but was left without any additional authorized shares to issue. From then until today, the total number of outstanding Common shares have numbered roughly 524 million.
8. Understandably, the Board was concerned and sought to increase its supply of unissued shares. Soon after the price surge, the Board advanced and withdrew 2 proposals for increasing the number of authorized Common Stock shares – first by 500 million, then by a mere 25 million shares. The Board acknowledged privately that its retail shareholders were still concerned about dilution – to wit, the aid it would provide to short-sellers by making it easier to borrow shares and close shorts, and the damage it could do to the market value of their Common Stock – but despite its best efforts, it was unable to convince its shareholders: the Board believed it would be defeated, and withdrew the proposals to prevent that defeat from reaching the public record (the Plaintiffs' Brief recounts this in greater detail).
9. Defeated at the ballot box, albeit unofficially, the Board sought alternatives. In late 2021 and early 2022, the Board called upon its preferred stock powers, and began iterating on a design. Eventually, a final theme emerged in private correspondence: to create a unique preferred stock series that would enable them to force through their desired amendments. Company attorneys and executives discussed how proportional votes, or *supervoting*, could achieve these objectives. Although conversations around the role of *conversion* go unmentioned in the Plaintiffs' Brief, it's plain that to be effective, *supervoting* requires a proposed amendment.

10. After the design of their preferred stock was finalized, the Board named it “AMC Preferred Equity Units” (“APE”), and planned for a dividend and at-the-money (“ATM”) offerings of unissued shares. There were several revealing conversations behind this event.

Members of the Board discussed the certainty that index funds would be forced to sell their APE dividend, driving down the price. They also made a point of choosing 1 billion shares for APE, so that plenty of shares would be available for ATM offerings. And finally, they decided to *justify* the dividend with the claim that retail had been asking for a dividend to effect a share count. No official, dividend-based share count has ever been published.
11. On August 4, 2022, the Board enacted its designs: it took 10 million unissued Preferred Stock and created the Series A Preferred Stock, each with 100 votes. This new series had a special contingency: if the Board proposed a conversion and shareholders approved, each share of this class would be converted to 100 shares of Common stock. The Board then derived APE. Each APE represented a 1/100 interest in a share of Series A Preferred Stock, and thus had the right to submit 1 vote. As planned, the authorized APE numbered roughly 1 billion – twice the number of Common shares – and each was given *supervoting* through the proportional voting of unvoted APE, even though the Series A Preferred Stock from which it derived its votes *lacked* proportional voting.
12. On that same day, Adam Aron announced the dividend on Twitter. According to his ‘tweetstorm’, the dividend was for a share count, but there was no mention of APE’s supervoting powers. In a storm of information, this was the obvious thing that was missing. The Company published multiple documents to help investors understand the dividend and APE: an Open Letter to Shareholders, a Press Release, an APE-Dividend

FAQ, a Comparison Chart comparing APE and Common – and, of course, an 8K⁴. Each of these documents was full of information about conversion, about voting rights, about the ability to raise equity, but almost nothing about supervoting. *All* except the 8K asserted that APE had just 1 vote, or the “same voting rights” as the Common. The 8K, a complex document, *does* explain the supervoting provisions, and was key to understanding APE, yet Adam Aron’s Open Letter had only this to say about any SEC filings⁵ [*emphasis added*]:

Having said all of that there are a *myriad of details and cautions* related to our announcements today. SO, I STRONGLY URGE YOU TO READ OUR PRESS RELEASES AND SEC FILINGS ON THESE MATTERS, *which are incorporated herein by reference.*

13. The tweetstorm and the published documents also made a further claim: that the Company expected APE and the Common to trade for equal value, that the two securities had equal economic rights/values, and that the conversion could be done any time investors desired – if the Board proposed it.

After the APE Dividend

14. On August 22, 2022, the Company issued its APE dividend. As with all dividends, value was *pulled from the Common stock* – and in this case, *into* the value of APE. This was immediately apparent: the day before the dividend, the Common Stock closed at \$18 per share; on the day of the dividend, the Common closed at \$10.46, and APE at \$6. If the

⁴ In the /*exhibits* folder: Exhibits 001 to 005

⁵ Exhibit 001

Board's claims about "stock split" and "equal economic value" are to be believed, 40% of APE's value had already evaporated.

15. In the coming months, APE would continue to drop in price. As planned, the Company sold hundreds of millions of APE shares in their ATM share offerings, and in that time the Common-APE discount increased from 40% to 70%. Soon APE was worth less than a dollar on the market, and consequently, the ATM offerings could no longer be utilized. By Dec 21, 2022, the Common Stock was trading for \$5.30, and APE for \$0.685 – an 87% discount.
16. Without an ATM offering, the Board finally turned to private sales. In December 2022, they chose to sell over 200 million APE shares to Antara, and simultaneously announced a vote. The vote would accomplish three things: a 10-1 reverse split of the Common Stock, an increase of the authorized shares of Common stock to 550 million, and conversion of all APE shares to Common Stock (together, "the Board Amendments"). This would give the Board what it had failed to obtain by vote a year earlier: the right to sell more Common stock.
17. The Board bolstered their voting chances with the sales to Antara, who agreed by contract to vote Yes on every one of the Board's three proposals. The APE sales to Antara were done at phenomenally low prices – roughly \$0.66 per share – and included the elimination of \$100 million in *second-lien* bonds that Antara held. Given the size of the Company's debt, this was a great deal for Antara – in the event of bankruptcy, this subordinate debt likely wouldn't have received any value from liquidation.
18. In private, the Company was modeling the vote results to determine the best way to ensure that their proposals would be approved. But even without Antara's Yes vote, many

things had changed in the Board's favor; in particular, financial incentives were now able to drive behavior. The Common Stock was worth five times more than APE, which created a kind of *voting arbitrage* – investors now had every incentive to sell or short-sell the expensive Common, buy cheap APE, and use it to profit by voting Yes. This is not merely hypothetical; it has been borne out by market action: since the vote was announced on December 22, the price of APE more than doubled and the short interest of Common has increased from 21% to 25%⁶; after the Court allowed the vote to go forward on February 28, the price of Common began to drop from \$7.70 to \$5.00. In this time, reported stock borrow fees have skyrocketed and ranged from 100% to 900%. The Common Stock has appeared on the Reg SHO Threshold List twice.

19. On March 14, with the permission of the Court, the Company held a shareholder vote on the Board Amendments. Although the vote passed, the results indicate that without supervoting – let alone without APE – the proposals would have failed. This is not controversial; as the Plaintiffs note, the Company has acknowledged this internally.
20. Today, we are at the question of settlement, where the payment is the distribution of 7.5 shares for every 1 share of Common that is owned. The Plaintiffs project that this will be worth \$129 million – although individually, 1:7.5 is a mere 13.3% restoration for the individual, and collectively, it is only a 2.87% increase in relative ownership for the Settlement Class. In exchange, the Settlement Class will be forced to give up all claims related to this case – even unknown claims⁷.

⁶ Short-interest figures from <https://www.marketbeat.com/stocks/NYSE/AMC/short-interest/>

⁷ *Stipulation and Agreement of Compromise, Settlement, and Release*, pp. 17-18

Harms to the Class

21. Before turning to any legal arguments or objections, I'd like to first outline, in plain language, what harms the Class has suffered. Since I have no legal background, there is every chance that my legal arguments will not be cognizable, yet in spite of that I hope that the injuries I outline here will persuade the Court to scrutinize this Settlement even more fiercely. There are four harms: the APE Dividend, the intentional creation of a hostile shareholder class, the denial of a class vote, and future dilution.

First Harm: The APE Dividend

22. The APE Dividend itself is a unique harm that applies only to Common shareholders – current or former – that received the August 22, 2022 dividend. Recipients of this dividend watched in horror as the value of APE dropped in price, leaving them with close to nothing, and no redress, because the invisible hand of the market is accountable to no one. But I contend that this was not simply incidental market action. On the contrary: it was a real harm, a planned harm, an accountable harm.
23. Understanding the reasoning begins with a simple question. Why did the Board believe the dividend was “vital to shore up Company’s liquidity” ? Neither Parties' Brief in Support has addressed this, and yet it’s an obvious question to ask. Consider the benefits of *forgoing* the dividend. Without the dividend, the Company would have the full 1 billion APE to sell, rather than half that. Without the dividend, if APE was *truly* the economic equal of the Common, the Company could have sold APE for the pre-dividend price of the Common, which was \$18 per share, or it could have sold the Series A Preferred Stock for 100 times that price – \$1800 dollars a share. At that price, with 10 million

authorized shares of Preferred Stock, the Company could have raised \$18 *billion*, well beyond the debt of 5.1 billion. Given these numbers, if the Board was truly acting in accordance with their fiduciary duty – with full loyalty and due care, as they contend – the only correct course of action would have been to dispense with the dividend, and to sell APE or Preferred Stock directly in private sales, or in an initial public offering.

24. The fact that they *did not* suggests that some or all of the following occurred: a) Citigroup's underwriter valuation of the preferred securities was incredibly low; b) no private buyers were interested in buying at remotely acceptable prices; c) Citigroup declined to underwrite an initial public offering because of risk. Both Parties' Briefs sidestep and omit any discussion of this, but each is plausible. After all, a quick review of the Company's balance sheets exposes their indebtedness, so any private sale would expose the buyer to immense risk. And if Citigroup had valued APE as nearly worthless due to the Company's debt, there's no way Citigroup would have been able to find buyers, or been willing to take on the risk of underwriting an initial public offering. Yet Citigroup has *not*, to my knowledge, been deposed, and its professional valuation of APE is not on the public record.
25. With this in mind, we can draw a simple conclusion as to why the Board opted for a dividend: to establish a market price that they could use in their ATM offering. By opting for a dividend and publicly proclaiming that APE was the *economic equal* – no, the *market equal* – nay, the *stock split equal* of the Common, they could tether APE's value to the Common's and give it a reasonable market price that they could not otherwise obtain.
26. This establishes the basic nature of the First Harm. The Board distributed the dividend with a specific aim in mind: to take *half* the value of Common holders' shares, and place

them under their own control by re-branding them as APE shares. Worse, the Board did this after withdrawing 2 separate proposals for increasing the authorized Common shares. Rather than ask shareholders, they simply took half their shares, and began diluting them.

27. Unfortunately, the First Harm goes further: the Board distributed the dividend with full knowledge that the price of APE would drop. Yes, the Board made a big show of publicly proclaiming that the dividend would be like a stock split, and that APE had the same economic rights and value as the Common. But a quick review of the facts shows they had no basis to believe this – and that even privately, they did not believe it.
28. First, recall that since 2020, AMC has had a 5 billion dollar debt. As a result, from 2020 until today, year-end shareholder equity has been *negative*, ranging from \$-1.7 billion to \$-2.8 billion⁸. This means that APE and Common had (and have) *no claim* to any assets in the event of liquidation, *ergo*, there are no economic rights here. Rather, if there is any economic value in APE and the Common, there can only be one – their market price. But the Board knew that as soon as the dividend was issued, multiple factors would bear down on APE's market price: that index funds would sell APE, that social media might react negatively, that shareholders themselves might sell.
29. Second, the Board knew from the Company's Certificate of Incorporation that APE's conversion clause would not be enough to maintain price equality with the Common. To guarantee equal economic value for APE as it did for Class B, the Board needed to give APE the right to at-will conversion to Common, and to reserve a matching number of unissued Common shares so that an APE holder could convert at any time. Had they

⁸ AMC As-Reported Financials, Balance Sheet at <https://investor.amctheatres.com/financial-performance/as-reported-financials/default.aspx>

done this, the APE dividend would have preserved equal price between Common and APE through arbitrage – but the Board knew it *could not* provide these guarantees, as all the Common Stock had already been issued. So they took a different, inferior approach: they relied on conversion through vote. But the Board knew from experience that Common shareholders did not want their shares diluted – so if the Board was relying on this to ensure equal price, they were doing so with a shareholder base that was *against* dilution, and with a conversion that *only the Board could propose*⁹ – no shareholder could. With no guarantees that it would ever occur, the conversion was incapable of providing protection, and the Board should have known that.

30. Third, given that the Board was aware of its own plans to dilute APE, and of the truism that $Assets = Liabilities + Equity$, the Board should have known or suspected that dilution would damage the price of APE, whether by reducing each APE share's claim to the (negative) equity or by reducing each APE share's claim to the total market capitalization. And indeed, the Defendants *do* acknowledge in their Brief that continuing to sell APE harms current owners¹⁰. Furthermore, given the Company's history with short-selling, the Board should have known that issuing more shares would increase the risk of short-selling, as more shares would be available to lend, to borrow, and to buy to close short positions at a profit.

31. Taking all the facts together, there is every reason to believe that the claims of "equal economic rights" and "stock split" were mere spin, and meant to tether the prices of APE

⁹ Exhibit 001. "Conversion can only take place if the *company proposes* and shareholders (including APE holders) vote to approve"

¹⁰ *Defendants' Brief in Support*. "Raising additional capital when the price of APEs is depressed relative to Common Stock results in a loss in equity value per share and dilutes the Common Stock holders' percentage ownership of AMC". This dilution occurs regardless of whether APE is selling at a discount, but the Defendants are correct: the dilution is worse when the Company sells APE than when the Company sells Common.

and the Common together, when the simple reality was that the claims were false. And given the 2 rejected share increase proposals, the use of the dividend to establish an ATM offering, and the spurious claims that APE had equal value to the Common, I think we must call a spade a spade:

- a. The Board used the dividend to carve out *half* the value of the Common Stock.
- b. They did so to bring that value under their own control so they could dilute it.
- c. They did so knowing that shareholders would not approve if given a vote.
- d. They did so knowing that the price of APE was likely to fall.

Indeed, had the Board forcibly passed a proposal to convert half the Common stock into APE shares, the effect would have been roughly the same.

32. Today, dividend recipients have lost roughly 75% of the value the Board took from them – value taken without a vote, without majority approval, with planned loss and dilution, and justified by a “share count” that to this date has not been released. I don’t know how to describe the Board’s actions, whether this is bad faith, disloyalty, or lack of due care. But *every dollar* that has been raised from APE sales has been taken from the value of the dividend – from dividend recipients. Their anguish is in many of the letters to the Court.

Second Harm: Passing a Vote by Creating a Hostile, Powerful Share Class

33. Two years ago, 524 million Common shares were the only shares in the company, and their owners rejected dilution. But on March 14, 2023, they were joined by 1 billion APE shares, each armed with supervoting, and many of their owners stood to profit by voting Yes on the Board Amendments. I assert that this is a harm – not because other shareholders don’t have the right to join the company, or to supervote with their APE

shares, but because the Board actively sought to engineer the APE class and manipulate their incentives to be hostile to the Common owners, and did so dishonestly.

34. The dishonesty began with the announcement of the APE dividend. From the very beginning, the Board did everything it could to obfuscate its intentions. When APE was announced, the supervoting provisions were hidden, even though they were key to the Board's plans. In the public documents that were released to explain the dividend, *every* document but the 8K misrepresented the voting rights of APE: the Open Letter claimed the dividend was simply like a stock split; the Press Release declared the "same ... voting rights as one share of Common stock"; the Comparison Chart claimed "One (1) vote per share"; and the Dividend FAQ stated that each APE was "designed to have the same voting rights as a share of common stock"¹¹.
35. With so many misleading explanations about APE's voting rights, the Defendants cannot credibly claim that shareholders were intended to learn about the supervoting provisions in the 8K and Deposit Agreement. Indeed, Adam Aron's Open Letter merely refers to the contents of the SEC filings as "myriad details and cautions", and simply "incorporates the filings by reference"¹². Yet supervoting is not some unimportant detail – it is *extremely material* to the voting power of an APE. The Board knew that, and in their private correspondence considered it crucial to their plans to "lower the standard for an amendment"¹³. But rather than express their intentions openly, the published documents

¹¹ Exhibits 001 to 005.

¹² Exhibit 001.

¹³ *Plaintiffs' Brief in Support*. "Specifically, on May 17, 2022, D.F. King and the Company's attorneys discussed using supervoting preferred stock and proportional voting to effectively lower the standard for an amendment. On May 27, 2022, B. Riley Financial, one of the Company's advisors, sent AMC executives Sean Goodman and John Merriwether a number of prospectuses from issuers that had used supervoting preferred shares to force through Certificate amendments." Can a Company *really* avoid DGCL 242.b.1, which requires a majority, in this way?

provided a different effect: the illusion that shareholders could understand APE's voting powers without ever reading the SEC filings.

36. But the Board did not limit its dishonesty to supervoting – it was just as dishonest in its explanation of the conversion. In Adam Aron's Open Letter, he claimed that the "conversion decision is solely up to you [shareholders]", even though the Board had no intention of proposing conversion (which would undo the "vital" dividend) before they were able to raise money, or before it would be useful for approving proposals to raise the number of authorized shares. Indeed, *no one but the Board* could propose conversion¹⁴. The conversion itself was part of the Board's plans – a mechanism to take advantage of the drop in APE price, whenever it happened, after giving APE holders an incentive to vote Yes, the numerical superiority to vote Yes, and the supervoting to vote Yes.
37. By hiding its plans for supervoting and conversion, the Board left shareholders completely in the dark about its true intentions. And by pretending that APE should trade at the same price as the Common, it disguised its expectations that the price of APE would fall, which would itself *change* the meaning of conversion from a simple "undo" of the dividend to something far more contentious: the transfer of value from Common shareholders to APE shareholders.
38. But the Board's dishonesty continued. In selling APE to Antara in exchange for Antara's Yes vote, the Board *actively* sought to control the vote results. Although the Defendants will deny it, we are all aware that they were modeling vote results to determine the right proportions for the proposals to pass¹⁵. We all know why the sale to Antara and the vote

¹⁴ Exhibit 001.

¹⁵ *Plaintiffs' Brief in Support*. "...a model designed to show which combinations of APE and AMC support ... would get us to the requisite vote requirement of the majority of the combined outstanding shares."

were both announced on the same day. Perhaps the denial will work, but regardless, we know.

39. Indeed, if the sales to Antara were *truly* to raise money, the Board should have proposed the vote in the hopes that if the vote passed, Antara would buy shares for much higher prices – and if the vote failed, *then, and only then*, should the Board have sold shares so cheaply. Instead, Antara was able to buy the votes for their own windfall. It should not escape the Court's notice that every dollar raised from Antara was taken – or rather, *intended* to be taken – from the pockets of the Common shareholders through conversion.
40. Taking all the evidence together, I submit that the Board intentionally created the conditions for a hostile, numerous, powerful shareholder class, and did so while hiding their intentions; the Board then populated that class for pennies, giving the buyers a conversion-incentive to buy shares and vote. It would be scarcely different if the Board had simply forgone the dividend and sold all 1 billion APE shares to Antara for \$5 each, and then proposed conversion¹⁶. The Defendants will no doubt claim that raising money was their primary objective – and I don't doubt them; it was certainly a primary objective. But it was also a *prelude* to their co-primary objective: creating a vote that the Board could not lose, for a proposal that would harm Common shareholders.

Third Harm: Conversion Without a Class Vote

41. At the time of writing, Antara and other majority-APE owners stand to profit from conversion, which will transfer roughly 50% of the value from Common stockholders to

¹⁶ Since the pre-dividend Common price was \$18, this would have paid off the \$5 billion debt while still allowing Antara to profit 260% off the pockets of Common holders. But perhaps this was too shameless for the Board to consider, even though it would allow the same defenses the Defendants have proffered.

current APE holders. There are far more APE shares than Common shares, and each APE share has been given supervoting rights. Yet in spite of all this, Common holders were not given a class vote. They were forced to vote with the APE holders.

42. I assert that this is a harm, because it violates a simple standard – that is, the protection of the minority from the malice of the majority. The principles at play are plain to see, as are their violations, whether or not the law can move to protect Common stockholders.

Fourth Harm: Future Dilution and Damage

43. The Proposed Settlement will allow full implementation of the Board Amendments, release the Defendants from all claims and liability, and permit the Company to further dilute shares of the Common Stock. I assert that this *will* cause harm – but while it hasn't happened yet, I believe it deserves the Court's full attention, because it will damage the value of the Settlement Payment.
44. Based on the facts currently before the Court, there is every reason to believe that dilution will damage the Common Stock's share price after the Board Amendments are implemented. First, there is the example of APE, where the Board's dilution helped to drive its price down; indeed, the conversion is in one sense an attempt by the APE holders to recoup losses. Second, we have the equation $Assets = Liabilities + Equity$. Dilution reduces the (already negative) equity that each shareholder currently possesses. And third, this very lawsuit has exposed the Company's precarious finances to the public. This makes private fundraising *extremely* unlikely, so we can expect even more short-sellers to be attracted, even as the Company's usage of ATM offerings increases the number of shares available to short-sellers.

45. If dilution damages the price of the Common as expected, the Company will be forced to sell many more shares than it is currently projecting. If dilution is carried to its fullest, current Common stockholders will see their ownership diluted by a factor of 10, and in the worst case scenario, that 1/10 reduction will apply equally to the market price of their shares. And yet in spite of this risk, the Defendants have not explained to the Court *how many* Common shares they actually need to meet the Company's financial obligations – or whether we should even expect dilution to solve the Company's debt problems at all.
46. Finally, even *more* dilution might come from an unexpected place: the Board will still have 40 million unissued Preferred Stock with which to repeat its contested actions – supervoting, conversion, the dividend, etc. Any harm that current Common holders have experienced can still be re-visited on them in the future.

The Merits of the Legal Claims

47. Now, finally, we turn to the merits of the legal claims. I'd like to express my general support for both *DGCL 242.b* and *Blasius*. I hope the Court will be generous with what I have to say.

Merits of DGCL 242.b

48. Earlier, I alluded to the importance of a class vote in protecting the minority from the malice of the majority. DGCL 242.b would appear to be the appropriate law, yet surprisingly, neither Party believes it has any merit.
49. Both Parties' Briefs dismiss the merit of 242.b on roughly the same grounds, but to different degrees. Both agree that *Hartford* and *Orban* have established that when new

share classes with voting rights are created, or when a class increases its authorized shares, the “special rights” of *other* classes are not affected – only their relative positions. And as the Plaintiffs point out, while the “authorized share” clause of 242.b would ordinarily trigger a class vote for the Common Stock, the current Certificate of Incorporation has already waived this right, and on this note, the Plaintiffs abandon ship.

50. But where the Plaintiffs have given up, the Defendants go much, much further. They assert that under precedent, 242.b can never apply when only “relative position” is affected, that the “peculiar legal characteristics” must in some way be *explicitly* changed, and that because the Board’s actions have left the rights of the Common Stock *explicitly* untouched, 242.b could not possibly trigger a class vote.
51. But this is a strange position to take. *Hartford, Orban*, and their “relative position” standard seem tailored for their situations, where *old* classes are objecting to the creation or expansion of *new* classes. On the face of it, it makes sense that 242.b was not meant to trigger here. After all, all classes have ownership in the *same* company. New classes and new members may well *agree* with the old classes, and within an old class, members may disagree. There is no reason to assume that a new class will harm any power of the old class, and there is no reason to presume that classes must be at odds with each other. Yet none of this is revealing about whether “relative position” is applicable in other situations.
52. But in considering other situations, a brief thought into the purpose of 242.b reveals the obvious: these requirements exist to protect minority classes from the tyranny of the majorities, which may easily outnumber them. Without them, shareholder votes cannot be unified, and classes are opposed, because each class can use its “relative position” to

harm other classes. By requiring a class vote, 242.b provides each class with protection from majority malice, and by speaking vaguely of how special powers, preferences, and privileges might be adversely affected, the law gives the Court the flexibility to adapt to unknown situations. But if we follow the Defendants' insistence on examining "relative position" and "explicit changes" to determine whether a class vote is required, we reach absurd conclusions.

53. For example, consider a company with two share classes X and Y, where X has 100 issued shares with 1 vote each, and Y has 40 issued shares with 2 votes each. Relatively speaking, class X has 100 total votes and Y has 80 total votes, and for any amendment where X and Y are in complete opposition, X will of course win.
54. Now consider a Harm Amendment proposing that Class Y have its votes reduced from 2 to just 1 per share. Would Y receive a class vote under 242.b? Yes, it would: the Harm Amendment modifies the explicit, peculiar legal characteristics of Class Y, and as a consequence Y will have its voting power reduced by half. Members of Class X have every reason to approve this amendment, as it will increase the relative power of their votes at the expense of Class Y, which itself may make their Class X shares more valuable.
55. But consider a Self-Benefit Amendment proposing that Class X have its voting power *increased* from 1 vote to 2 per share. The Defendants would presumably argue that this is merely a change in "relative position", or that Class Y has not been explicitly altered – and while yes, they would be *technically* correct, the practical effects and intentions here are *exactly* the same as the Harm Amendment. The protection of minority rights cannot

simply be evaded by disguise, and I hope the Court will agree that here as well, 242.b must trigger a Y class vote.

56. But these disguises can be made even more egregious. Consider a Conversion Amendment that proposes converting all the shares of X into shares of Y. Is this not the same as the Harm and Self-Benefit Amendments? Or suppose X and Y both have 1 vote per share, but Y has liquidation preferences for a total of \$500 million, and again, the Conversion Amendment proposes to convert all shares of X to Y. It's obvious that the members of X seek to harm the members of Y for their own benefit, but now by a new mechanism: assuming the *legal identity* of the other class. Will we really claim that it's only a change in relative position, or that peculiar rights have not been modified? If a class vote can be evaded here, then 242.b is toothless. If legal identity is not protected, then what else deserves to be?
57. I stress the importance of protecting legal identity as a special right or power. This has precedent in the "authorized shares" clause of 242.b, which is itself asserting that a class has a right to protect an aspect of its legal identity – the number of authorized shares – from other classes who might seek to modify it. And although this clause has a waiver, this waiver does *not* waive other identity-based rights, like the right to protect a class from others who might seek to *forcibly join* it.
58. If all the reasoning so far holds, and the Court is willing to consider legal identity and its benefits as a kind of special right, then it's clear that under DGCL 242.b, Common stockholders were entitled to a class vote on the Board Amendments – specifically, for conversion. The same lines of reasoning hold:

- a. The conversion amendment would harm the Common stockholders while benefiting the APE stockholders.
- b. The Common stock's legal identity grants it the right to a \$5 per share market price. In voting for conversion, APE holders seek to assume this identity for the purpose of taking market value from existing Common holders.
- c. The Board purposely created the APE class and actively assisted them with supervoting privileges. The APE class far outnumbers the Common.

All of this makes the right to a class vote urgent.

- 59. Indeed, if a class vote had been granted, the voting results are clear: the proposals would have *failed*, as only 35% of the *total* Common Stock voted. While Defendants may argue that of the *voting* Common Stock, 72% voted Yes, that in no way implies that Yes would have won a majority if *all* the Common Stock had voted. We simply don't know why so many Common holders didn't vote – after all, perhaps they didn't vote because they knew abstaining amounted to a No.
- 60. Finally, I wish to point out that Common stockholders never approved the conversion clause for APE – the Board simply used their preferred stock blank check to establish it. But even if Common stockholders approved the blank check, approving a blank check does *not* waive any other rights, including the right to a class vote.

Merits of Blasius

- 61. I said earlier that I would like to express my support for *Blasius*, but I recognize that I am not qualified to speak about it. From the brief research that I did, I could see that fiduciary duty laws and interpretations are many, varied, nuanced, and evolving. *Blasius* has been

subsumed into *Unocal*, resurrected as a separate standard in *Coster*, placed alongside *entire fairness*, and even now, questions are still open. Although the Plaintiffs' and Defendants' Briefs are in direct opposition over *Blasius*, I cannot contribute to breaking the deadlock. Instead, I trust that the Court will make proper evaluation of its merits and demerits.

62. But that doesn't mean I have nothing to say. In particular, the Defendants have claimed that the correct standard for their conduct is the business judgment rule. I disagree.

63. The business judgment rule requires good faith¹⁷. Yet the Board repeatedly demonstrated bad faith and dishonesty with shareholders as they created APE, distributed the dividend, and effected APE sales. Many of the details have been explored earlier and in the Plaintiffs' Brief, but nevertheless, I repeat them here:

- a. Misrepresenting APE's voting rights as merely "1 vote", and misrepresenting the 8K as "myriad details".
- b. Misrepresenting the dividend as a gift and a boon, when its goal was to forcibly take value from Common stockholders so that it could be diluted, simply because shareholders would not approve proposals with the same effect.
- c. Misrepresenting the dividend as a "share count", when they did not believe a share count would occur. Misrepresenting the dividend as something that the shareholder base desired, when no vote had ever approved it, and when the source of this "desire" was something far more banal: social media spam.

¹⁷ Cornell Law School - business judgment rule at https://www.law.cornell.edu/wex/business_judgment_rule. "Under this standard, a court will uphold the decisions of a director as long as they are made (1) in good faith, (2) with the care that a reasonably prudent person would use, and (3) with the reasonable belief that the director is acting in the best interests of the corporation"

- d. Misrepresenting the conversion clause as a means of reversing the dividend, when the Board intended to force proposals to be passed in the likely event that the price of APE dropped.
 - e. Misrepresenting the dividend as a “stock split” and “equal economic value”, when the Board knew APE’s price would fall, that they had not guaranteed APE’s price, and that they were unable to sell APE privately for anything but pennies.
 - f. Misrepresenting the sales to Antara as equity-raising, when it was to ensure the vote. The Company was no in danger of bankruptcy at the time, and the Board was constantly modeling vote results. The Board should not have sold to Antara at all if they truly believed the Board Amendments would pass on their own merits, and even if they didn’t, they should have attempted conversion *first* before selling APE votes so cheaply.
 - g. Misrepresenting the vote results - trumpeting them as a victory, when without APE’s supervoting, the total Yes votes (Common and APE together) would have been 44% of the total outstanding votes, and the Board Amendments would have failed.
64. In particular, the issue of the dividend goes *beyond* bad faith. How can a Board intentionally damage the property of Common shareholders in such a brazen fashion? How can they use the dividend, not to reward their shareholders, but to *take* from them, harm them, and lie about it? There is *disloyalty* to what the Board did, and a *lack of due care*, despite their best intentions. It deserves the consideration of the Court.
65. I also wish to note that in many of the important *fiduciary duty* cases, the board of directors have acted to prevent hostile takeovers of the board, or to prevent shareholders

from voting affirmatively to harm themselves. But in this case, the Board has acted differently: to *create* a hostile takeover to further the Board's own objectives – and then to reward the hostile class for their vote by taking value from the original shareholders.

66. To conclude: the evidence is considerable that the Board has not acted in good faith, and sometimes not even with due care and loyalty. Even if *Blasius* does not apply, other standards besides *business judgment* should be considered. I hope the Court will do just that.

The Balancing of Equities

67. The Plaintiffs make several claims as to why the balance of equities favors Settlement, but I don't find them persuasive.
68. First, the Plaintiffs point out that the Company is close to financial trouble, and needs to raise money by selling more Common Stock, which limits the possible injunctions. The Plaintiffs argue that as a consequence, they cannot prevent the Amendments from being implemented, and need to seek some sort of payment injunction. They assert that the settlement ratio of 1 share per 7.5 is close – by a mere matter of “degree” – to what they would have sought by injunction. They also say that even if 242.b had merit, that APE shares could not be invalidated without harming numerous good-faith holders.
69. But while I agree that not all injunctions are appropriate, and that preventing the Company from raising money would, indeed, be damaging, it's not so clear that this requires the implementation of the Amendments. The Board still has 40 million unissued Preferred Shares that they can establish and sell, and the Defendants have not addressed why these 40 million shares – each with, for example, 100,000 votes, would

not be effective for raising money (while there is some sarcasm here, the point still stands). Similarly, while it's true that the Board cannot invalidate APE, there are alternative means of relief – the Settlement Class could be given a class vote, or be given an award of share power from the 40,000,000 unissued Preferred Shares; the current Settlement is not the only reasonable option. Finally, I disagree that the injunction *must* be a payment, and not prevention. If the Defendants provide the Court with a projection of their financial requirements and their expected sales, the Court could easily authorize a Certificate Amendment, one that permits a minor increase in the number of authorized Common Stock – and the case could proceed without implementation of the Board Amendments.

70. Second, the Plaintiffs argue that a quick settlement is needed for the Company to fundraise during Wall Street's fundraising season, which they imply is in the mid-to-late summer. But history undercuts this argument. After all, the Company did not sell their Series A Preferred Stock or APE to Wall Street in 2022, even though they had access to fundraising season; instead, they released a dividend and sold through their ATM offering. Furthermore, even when the Company *did* succeed in private sales to Wall Street, they were only able to do so because Antara *knew* it would profit from the upcoming vote – not because the APE itself had any merit. Thus, once conversion is effected, what evidence is there that anyone will want to buy the Common Stock, when they would not even buy APE on *its own merit* at sub-dollar prices? Finally, with the publication of the Company's precarious finances, and the news that it cannot bear a class action without running into bankruptcy, which Wall Street firm will want to invest, and risk their money? There's no evidence at all that the Company would have *any*

success in Wall Street's fundraising season, and the Defendants have not provided the Court with any sales projections that suggest otherwise.

71. In other words, the evidence is that the Company will use its ATM offering for Common, and this mechanism is *not* time-dependent.
72. Like the Plaintiffs, the Defendants argue that the balance of equities favors quick settlement. But their arguments are far more spurious. First, they argue that because the March 14 vote approved the Board Amendments, their implementation *must be allowed* as soon as possible, to protect the "sacrosanct shareholder vote". But there are two issues with this. The first is obvious: the Court allowed the vote and specifically precluded implementation, regardless of the results. The Court is not ruled by the vote results – otherwise, the Court essentially sided with the Defendants in allowing the vote. Second, the Company provided notice to shareholders in its February 28, 2023 10K filing that although the March 14 vote would proceed, the Court had precluded implementation¹⁸. If, as Defendants have argued, the dividend 8K was enough to inform shareholders about APE's supervoting, then this 10K was enough to inform shareholders that the voting results were preliminary and contingent – and since voters were fully informed, there is nothing unholy about withholding the Board Amendments.
73. Second, Defendants argue that quick settlement is required to protect APE holders like Antara, who bought in good faith expecting to profit from conversion. I hope it's plain that APE holders assume risk when buying – if the vote was indeed not "fixed", as Defendants assert, then Antara has no right to profit. There's no violation of contract involved here,

¹⁸ 10-K Filing on February 28, 2023. "On February 27, 2023, the Delaware Court of Chancery entered a status quo order that (i) will allow the March 14, 2023 vote on the Charter Amendment Proposals to proceed, but precludes the Company from implementing the Charter Amendment Proposals pending a ruling by the court on the plaintiffs' to-be-filed preliminary injunction motion, and (ii) scheduled a hearing on the plaintiffs' to-be-filed preliminary injunction motion for April 27, 2023."

and the Court does not need to guarantee the profit of investors and speculators.

Furthermore, if APE truly has “equal economic rights”, then APE holders still have those rights. Finally, the Court should take note that Antara has already profited handsomely – according to their SEC filings, in the past few months Antara has sold tens of millions of APE shares at prices above \$1.30, when they bought the APE at an average of \$0.66 per share. And in their April 7, 2023 amendment to their Schedule 13D, Antara reported beneficial ownership of 160 million APE – so Antara has already sold at least 100 million shares. Antara does not need the Court’s protection.

74. To conclude: ultimately, both Parties’ Briefs in Support use the Company’s financial troubles as a bludgeon when balancing the equities. But the balance has more elements of nuance than they admit. Why not give the Class a class vote, or an award of unissued Preferred Stock with voting power? Why not grant authorization for a *limited* share increase – just enough for the Company to meet its obligations? Why not grant a 2-1 reverse split if it’s needed to keep the Common stock listed on the NYSE? If the Court is willing to use nuance in balancing the equities, then the Class can still have its day in court.

The Settlement is Not Fair, Reasonable, or Adequate

75. Given everything that has been written so far, it should come as no surprise that I do not find the Settlement acceptable – for multiple reasons.
76. The first reason is that the award of \$129 million is not reasonable. Since it is *in shares*, the payment is likely to be damaged by the very actions that this Settlement will allow. Recall the Fourth Harm of Dilution: we know that after this Settlement is approved, the

Company will proceed to dilute the float of the Common stock, and that as a consequence, the price of Common Stock is likely to drop, and soon the award will not be worth \$129 million. In addition, after conversion, current APE holders may also take profits by selling their new Common shares, which will damage the Common Stock's value in the same way that index funds damaged APE. But paradoxically, if the Settlement Class attempts to sell their share award to maintain its value, their attempts will *damage* the value of their existing Common shares. Only a 13% drop is necessary to negate the award entirely – and historically for the Common Stock, that can happen in just a day.

77. Ordinarily, the Court would bear no responsibility for the actions of the market. But here, the Court has full information, and is approving the very actions that will damage the award. This damage would defeat the purpose of settling, or of claiming benefit to the Settlement Class, and the Settlement Class is exposed to this risk only because the Plaintiffs have chosen to accept the \$129 million in *shares*, as payment-in-kind.
78. The Court must anticipate this before approving the Settlement, especially because reasonable alternatives are available. The award could just be in cash, immediately. Or the Company could pledge the first \$129 million that it raises through equity sales after implementation, or pay the \$129 million pro-rata from its equity sales, or the \$129 million could be secured as some kind of first-lien debt in the event of liquidation. Or the Company could pay in shares from the unissued Preferred Stock, themselves with supervoting powers. Or some combination of the above. These alternatives are much, much better: they don't bind the Settlement Class with risks and moral hazards like the current Settlement does.

79. The second reason I oppose the Settlement is that given the claims and harms, it isn't fair for each Common stockholder to receive the *same* award. Stockholders who experienced the dividend and its crash in value have experienced *more* loss, and even among dividend recipients, loss varies by how long they held their APE dividend while its value eroded. Thus, dividend recipients are not receiving a proportionate benefit. Furthermore, some dividend recipients may have already sold their Common stock, and will not receive *any* consideration according to the terms of this Settlement, which will only pay current Common Stock holders. But the record date of the APE dividend – August 22, 2022 – should already have taken a “snapshot” of all recipients. I believe these stockholders *can and should* be reached, and I urge the Court to support this.
80. Third, by virtue of the Settlement Time, all current Common stockholders will receive the award. Yet many who are stockholders now may not have been harmed at all – *they* may have bought Common Stock only after the vote. Even worse, APE stockholders who concurrently own a small amount of Common will benefit *twice*: by doubling the value of their holdings at the expense of majority-Common holders, and by rewarding them with Common Stock. Why should these APE holders benefit at the expense of their victims?
81. Fourth, the Settlement Payment is itself inadequate, given the magnitude of the economic damage. The problem at the heart of this issue is not, as the Plaintiffs claim, *only* dilution and voting rights, and so this Settlement cannot properly address this. If we take Defendants at their word, then Common and APE should be worth the same. But currently the Common is trading at roughly \$5, and APE at \$1.50 – a 70% discount for APE, which represents a 35% loss compared to if the dividend *had not* happened.

82. In addition, conversion will cause a loss of 50% for majority-Common holders. The dividend ratio of 1:7.5 amounts to a 13.3% restoration, which isn't remotely adequate. Although the Plaintiffs trumpet \$129 million as the "largest in history", that is only due to the large size of the class – 524 million shares – and has nothing to do with the benefit to each member. No effort has been made to consider the economic value that the class *lost*, and I remain unconvinced that a 2.87% increase in class equity is remotely enough – the number is tiny on its own, and the Plaintiffs don't explain why 2.87% is significant or adequate – they just float the number and walk away.
83. In the worst case, there are shareholders who have experienced a 68% loss – if they had \$100, they would have \$65 after the dividend and its dilution (-35%), and then only \$32.5 after the conversion (-50%). A +13% restoration is nowhere near adequate – it would leave them with a mere \$36.7. No reasonable person would be satisfied.
84. The fifth reason I oppose the Settlement is that given the amount of bad faith and manipulation that the Board has displayed, it cannot be anywhere near adequate. The list is long and was already stated in the prior section on *Blasius*, but suffice it to say that 1:7.5 shares is *not* sufficient, a 2.87% increase in ownership is *not* sufficient, for a Board-led, Board-designed, supervoting, hostile takeover. Recall that Antara was sold some 260 million votes out of 1.5 billion outstanding – that's already 17% of the entire vote – to profit from the conversion. The difference in magnitude between what occurred and the proposed reparation is comical. I urge the Court to reject it.
85. Sixth, the Board still has 40 million unissued Preferred Stock remaining, and is free to repeat its actions if diluting the Common stock fails to pay off its debts. Under the terms of this Settlement, *Defendants deny all wrongdoing, and are even released from*

*unknown claims*¹⁹. The Board is free to repeat. Nothing has truly been resolved — the Settlement Payment is just the Board's cost of doing business.

86. For these reasons, I reject that the Settlement is fair, reasonable or adequate. The representatives have not fairly and adequately protected the interests of the class, as the Court's Rule 23.a requires.

The Lead Counsel's Award/Fees Should Be Modified

87. Although I understand that the Settlement's approval is not contingent on the approval of Counsel's awards and fees, I still register my objection.
88. Counsel requests \$20 million in cash, which is 15.5% of the total Settlement Payment. This might seem reasonable, except that they have delivered for shareholders payment-in-kind, but have chosen for themselves payment-in-cash, which bears none of the risks that I discussed earlier.
89. Instead, I submit that the Counsel should be paid their awards and fees *in shares*, just as the Settlement Class will be paid in shares, and Counsel should be required to hold these shares (without lending them) for some set time period while conversion and dilution occur, so that their compensation is *truly* a percentage of what they are proposing for the class, and so that they bear the same moral hazards when they're finally able to sell. Why not have the Company's insurers buy these shares from the Company — for full price — before delivering them to Counsel?

¹⁹ *Stipulation and Agreement of Compromise, Settlement, and Release*, pp. 17-18

The Settlement Should Be Opt-Out

90. Finally, if I understand correctly, the Court is responsible for determining whether the Settlement gives the Class the right to opt-out. Both the Plaintiffs and the Defendants have argued that the right to opt-out should be withheld, but I urge the Court to provide it. I have several arguments in connection to this.
91. First, it's important to recall that within the Settlement Class, there are subclasses which have not suffered equal harm. In particular, dividend recipients were harmed more, have greater claim to relief, and thus may wish to opt out of the Settlement. In their Brief, Plaintiffs claim that this Settlement properly addresses the damage to the shareholder franchise, but even if that's true – and I have contended that it's not – the economic harm has *not* been addressed, and on that axis alone, members of the Class deserve the right to opt out.
92. However, if this Settlement *must* be approved, I urge the Court to consider separating the relevant subclasses from this Settlement in accordance with Chancery Court Rule 23.c.4.B. The subclasses could be partitioned with respect to the shareholder franchise, economic damage, or the damage solely inflicted by the dividend – even if the subclasses would not be mutually exclusive. Again – have the Plaintiffs properly represented all the claims of the Class, as Rules 23.a.3/4 require? I leave that to the Court's judgment.
93. Second, Plaintiffs have argued that because the Settlement Payment is a share distribution, it's too difficult to create an opt-out process through the DTCC. I don't know whether they are correct about the difficulty, but the right to opt-out should *not* be denied as a consequence of the *form* of the Settlement, when other reasonable alternatives are

available (I mentioned a few earlier) that don't cause problems. Otherwise, it might appear that the Settlement was constructed to impede the right to opt-out.

94. Third, Plaintiffs argue that if the goal in settling and balancing the equities is to implement the Board Amendments, then providing an opt-out process – even of 30 days – will damage the Defendants' ability to quickly raise money, and thus by proxy the Settlement Class. I reiterate that the need to raise equity is *not* a bludgeon or blank check; by this logic, the Court cannot reject the Settlement, no matter its contents, which is absurd. But to respond to the Plaintiffs: it is false that the right to opt-out must delay conversion and equity-raising. If objectors are merely opting out of the Settlement Payment, then the Company can take the planned snapshot of the Settlement Class, but *delay* the distribution of the payment until *after* the opt-out period. Meanwhile, the Company is free to implement the Board Amendments.
95. Anticipating my previous point, the Defendants argue in their Brief that it's impossible for anyone to opt out of the implementation of the Board Amendments. While this is true, those who opt out can still seek alternative forms of relief – forms of relief that are more appropriate for their claims. Without the right to opt out, the entire Class will be bound by the releases, which are extensive and bind class members even if new information comes to light²⁰. For obvious reasons, opting out of these releases will itself be desirable to certain members of the Settlement Class.

²⁰ *Stipulation and Agreement of Compromise, Settlement, and Release*, pp. 17-18. "Unknown Claims" means any Released Plaintiffs' Claims which Plaintiffs do not, or any Settlement Class Member does not, know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims ... each of the other Settlement Class Members shall be deemed to have waived ... Cal. Civ. Code § 1542'. Plaintiffs and Defendants acknowledge that this waiver was key to the Settlement.

Conclusion

For all these reasons, I respectfully request that the Court reject this Settlement and the Proposed Awards and Fees.

OF OBJECTOR:

Howard J. Chen



Words: 9500

Dated: May 25, 2023

/s/ Howard J. Chen
Howard J. Chen

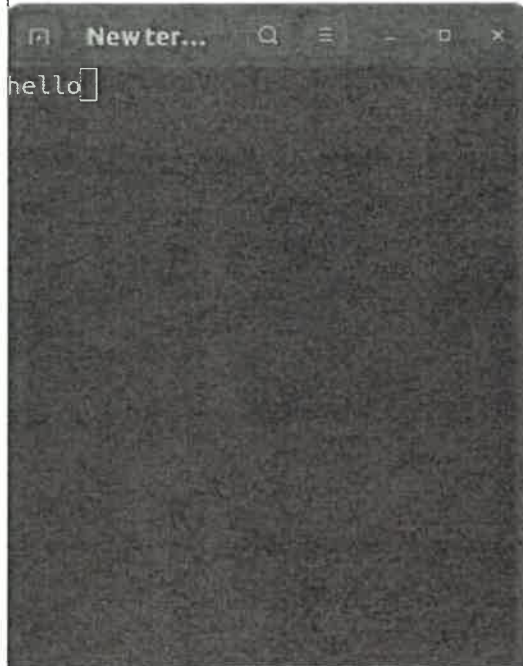
Comparison Between AMC Preferred Equity Units and Common Stock

	Common Stock	AMC Preferred Equity Units
Convertibility	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Only upon stockholder approval one (1) AMC Preferred Equity Unit converts into one (1) share of common stock.
Stock Exchange	<ul style="list-style-type: none"> The common stock is listed on the NYSE 	<ul style="list-style-type: none"> Application has been made to list the AMC Preferred Equity Units on the NYSE.
Ticker Symbol	<ul style="list-style-type: none"> "AMC" 	<ul style="list-style-type: none"> "APE"
Voting for Election of Directors	<ul style="list-style-type: none"> One (1) vote per share. AMC Preferred Equity Units and common stock will vote together. 	<ul style="list-style-type: none"> One (1) vote per AMC Preferred Equity Unit. AMC Preferred Equity Units and common stock will vote together.
Voting for Other Corporate Matters Generally	<ul style="list-style-type: none"> One (1) vote per share. AMC Preferred Equity Units and common stock will vote together, unless Delaware law requires that they vote separately. 	<ul style="list-style-type: none"> One (1) vote per AMC Preferred Equity Unit. AMC Preferred Equity Units and common stock will vote together, unless Delaware law requires that they vote separately.
Reorganization Event (i.e. Consolidation, Merger, Sale, Reclassification, etc.)	<ul style="list-style-type: none"> Common stock to receive cash or other securities according to the agreement governing the Reorganization Event 	<ul style="list-style-type: none"> AMC Preferred Equity Units will automatically convert into the types and amounts of securities, cash and other property that a holder of common stock receives
Voting to Increase Authorized Shares of Common Stock	<ul style="list-style-type: none"> One (1) vote per share. 	<ul style="list-style-type: none"> One (1) vote per AMC Preferred Equity Unit.
Dividends	<ul style="list-style-type: none"> Should AMC institute a dividend in the future, each AMC Preferred Equity Unit and each share of common stock participate equally in any dividend. 	<ul style="list-style-type: none"> Should AMC institute a dividend in the future, each AMC Preferred Equity Unit and each share of common stock participate equally in any dividend.
Liquidation Preference	<ul style="list-style-type: none"> The right of a holder of common stock to receive a recovery would be subordinate to the rights of the AMC Preferred Equity Units to the extent of the liquidation amount of the AMC Preferred Equity Units (\$0.0001). 	<ul style="list-style-type: none"> A holder of AMC Preferred Equity Units will be entitled to the greater of (i) the liquidation preference of \$0.0001 per AMC Preferred Equity Unit plus any declared but unpaid dividends on the AMC Preferred Equity Units and (ii) the amount a holder of AMC Preferred Equity Units would have received had the AMC Preferred Equity Units been converted to common stock immediately prior to the liquidation.

AS OF May-24-2023 11:14 AM ET



< Accounts



Summary

Positions

Balances

Activity & Or

Closed Positions

Overview

Dividend View

Symbol

▲ Last Price ◆ Quantity

◆ Tot
Gai



AMC
AMC ENTERTAINMENT HOLDINGS INC
APE
AMC ENTERTAINMENT HOLDINGS INC PFD EQT UNIT

\$4.905

-\$0.125

\$1.588

-\$0.012

99

99

AMC Preferred Equity unit (“APE”) Dividend

Frequently Asked Questions

The following information about the AMC Preferred Equity unit dividend is qualified in its entirety by reference to the full text of the Company’s current report on Form 8-K filed with the SEC on August 4, 2022 (the first filing on such date) and the accompanying exhibits.

We encourage you to review our securities filings about the APE dividend together with our information page, [AMC Preferred Equity Unit Comparison to AMC Common Stock](#), for detailed information about the AMC Preferred Equity units and the dividend.

1. What is an AMC Preferred Equity unit?

- Each AMC Preferred Equity unit (sometimes referred to herein as “APEs”) is designed to have the same economic value as a share of Class A Common Stock (the “common stock”).
- Each AMC Preferred Equity unit is designed to have the same voting rights as a share of common stock.
- The AMC Preferred Equity unit will trade on the New York Stock Exchange under the ticker symbol “APE”.
- An AMC Preferred Equity unit is a depositary share with each AMC Preferred Equity unit representing a one one-hundredth (1/100th) interest in a share of AMC’s authorized Series A Convertible Participating Preferred stock.

2. When is the AMC Preferred Equity unit dividend being issued?

- Dividend Payment Date: Friday, August 19, 2022 (close of business).
- Important Date: Ex-dividend Date – Monday, August 22, 2022 (first trading day after dividend payment).
- If an investor sells shares of our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity unit dividend on the shares of common stock that are sold.
- If an investor buys our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will be entitled to receive the AMC Preferred Equity unit dividend on the shares of common stock purchased.
- AMC Preferred Equity units will begin trading on the NYSE on the ex-dividend date of August 22, 2022. However, the first initial trade of the AMC Preferred Equity units may not commence exactly with the market opening. We expect the first APE trade will occur on the NYSE sometime between the market opening at 9:30 am EDT and 12:00 pm EDT on August 22, 2022. After the first trade is made, we would expect to see continuous trading thereafter.

3. Are the AMC Preferred Equity units convertible into common stock? If so, when?

- Technically yes, the AMC Preferred Equity units can convert into common stock, ***but only if*** the AMC Board proposes and then investors vote to approve an increase in the number of authorized shares of common stock, in an amount at least sufficient to permit the conversion of the AMC Preferred Equity units into common stock.
- However, we do not currently expect the AMC Board to make such a proposal any time soon.
- It is more likely than not that the two securities, the common stock and AMC Preferred Equity units will trade as two separate securities for quite some time to come.

4. Do I need to do anything to receive the AMC Preferred Equity unit dividend?

- To receive the dividend, you must own shares of common stock at the end of trading on Friday, August 19, 2022.
- If an investor sells our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity unit dividend on the shares of common stock that are sold.
- If an investor buys our common stock on the NYSE before the ex-dividend date of August 22, 2022, that investor will be entitled to receive the AMC Preferred Equity unit dividend on the shares of common stock purchased.
- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company ("DTC") who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- In most cases, you will need to take no action, and APEs will automatically go into your account. However, if that does not happen, you should immediately contact your broker.
- Some brokerage firms will deposit your APEs quickly, while others may take several days to do so.
- If you have any questions about the distribution of your AMC Preferred Equity units, please contact your brokerage firm.

5. Is the AMC Preferred Equity unit dividend a cash dividend?

- No, the dividend is not a cash dividend.
- AMC will issue one AMC Preferred Equity unit as a dividend for every share of common stock.
- The AMC Preferred Equity unit will trade on the NYSE under the ticker symbol "APE".
- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company ("DTC") who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Some investors own an amount of common stock that includes a fraction of a share of common stock. AMC will not deliver any fractional AMC Preferred Equity units.
- If you hold shares of common stock directly in the DRS system of Computershare, you will receive APEs for the whole number of shares you own, plus any fractional shares of common stock will receive cash in lieu of a fractional AMC Preferred Equity unit. (Hypothetically, for example if you own 43.4 shares of common stock, you would receive 43 APEs and cash for the 0.4 shares). Computershare will sell AMC Preferred Equity units on the open market in order to deliver cash to the applicable holders in lieu of any fractional AMC Preferred Equity units.
- If you hold fractional shares of common stock through a broker and have questions about the treatment of your fractional share, please contact your brokerage firm.
- Each broker determines what types of securities it will support on its trading platform.
- If you have any questions about the distribution of your AMC Preferred Equity units, please contact your brokerage firm.

6. Do the AMC Preferred Equity units have voting rights?

- Yes, the AMC Preferred Equity units are designed to have the same voting rights as common stock.
- We encourage you to visit the [AMC Preferred Equity unit Comparison to AMC Common Stock](#) page on our investor relations website.

7. How many AMC Preferred Equity units are there?

- Theoretically, over the lifetime of the security, the maximum number of AMC Preferred Equity units that could be authorized over time is up to 5 billion (based on a total number of authorized preferred stock of 50 million).
- However, the AMC Board currently has only authorized the equivalent of 1 billion of these AMC Preferred Equity units that can be issued now. 516,820,595 of these 1 billion AMC Preferred Equity units are being issued this month to shareholders as a dividend.
- The AMC Board currently has no plan or intention in calendar years 2022 or 2023 to authorize more than this initial 1 billion amount of APEs. However, AMC's Board of directors may authorize additional AMC Preferred Equity units at any time in the future at its sole discretion, including in 2022 or 2023 if it deems such an issuance to be in AMC's best interests.
- We encourage you to visit the [AMC Preferred Equity unit Comparison to AMC Common Stock](#) page on our investor relations website.

8. If you are issuing 516,820,595 AMC Preferred Equity units as a dividend, what happens to the other approximately 483.2 million AMC Preferred Equity units?

- The Preferred Stock underlying AMC Preferred Equity units remaining after issuance of the dividend, approximately 483.2 million AMC Preferred Equity units, will be categorized as authorized but unissued units on AMC's balance sheet.

9. Can AMC issue the 483.2 million AMC Preferred Equity units in the future without shareholder approval?

- The shareholders of AMC already approved the creation of AMC preferred equity back in 2013 and delegated its future issuance solely to the AMC Board of Directors.
- Authorized but unissued AMC Preferred Equity units can be issued in the future in the same way that AMC can issue authorized but unissued shares of common stock. Normal regulations and requirements with respect to share issuances apply, including potential filings with the SEC and public disclosure, along with the circumstances under which shareholder approval is or is not required.
- AMC Preferred Equity units provide AMC with a currency that can be used in the future to further strengthen our balance sheet, including by reducing our debt and other liabilities. The AMC Preferred Equity units also give AMC the ability to invest in shareholder value-enhancing and transformative M&A investment opportunities. In addition, the flexibility provided by the Company's AMC Preferred Equity units immensely lessens any survival risk as we continue to work our way through the impact of the COVID pandemic towards recovery and transformation.

10. When will AMC issue or sell the remaining AMC Preferred Equity units?

- If and when the Board of Directors chooses to issue or sell a portion of the authorized but unissued AMC Preferred Equity units, AMC will file any required documentation with the SEC and make appropriate public disclosures.
- The mere existence of authorized but unissued AMC Preferred Equity units does not imply anything about the amount or timing of future issuances or sales.

11. When do the AMC Preferred Equity units start trading and what will the price of the AMC Preferred Equity units be?

- AMC Preferred Equity units are expected to begin trading on the NYSE on the ex-dividend date of August 22, 2022. The AMC Preferred Equity units are expected to begin trading on the NYSE sometime between the market opening at 9:30am EDT and 12:00pm EDT on August 22, 2022.
- The price of the AMC Preferred Equity units will be determined by buyers and sellers in the open market.
- Because the AMC Preferred Equity unit is designed to have the same economic value and voting rights as a share of common stock, in theory, the common stock and AMC Preferred Equity unit should have similar market values and the impact of the AMC Preferred Equity unit dividend should be similar to a 2/1 stock split.
- An investor owning one share of common stock on August 19, 2022 will hold one share of common stock and one AMC Preferred Equity unit on August 22, 2022.
- An investor should therefore expect that the price of a stand-alone share of common stock logically should at least initially decline, however that investor's economic interest will be the sum of the price of a share of common stock plus the price of an APE.

12. What happens to option contracts related to AMC after the dividend is paid?

- AMC is not responsible for the terms or interpretations of option contracts. Please contact your broker for additional information.
- It is our general understanding that the strike price of option contracts related to our common stock should not change. Instead, each contract should apply to an equal number of shares of common stock and AMC Preferred Equity units. For example, a contract on 100 shares of common stock would become a contract on 100 shares of common stock plus 100 AMC Preferred Equity units. However, those trading options should consult with your brokers for more precise information about your situations.

13. Is there any common stock dilution due to the AMC Preferred Equity unit dividend?

- The number of shares of common stock outstanding (516,820,595) remains unchanged as a result of the distribution of the AMC Preferred Equity units.
- In addition to the 516,820,595 shares of common stock outstanding on August 19, 2022 an additional 516,820,595 AMC Preferred Equity units will become outstanding on the ex-dividend date of August 22, 2022.
- Therefore, because these APEs are all going, and only going, to existing shareholders, there is no dilution from this initial APE dividend.
- Dilution occurs only when the AMC Board decides that the Company should issue additional AMC Preferred Equity units in the future. AMC expects that it will decide to issue more APEs with the express purpose of debt reduction or repayment, along with other potential uses for additional APEs as has previously been communicated publicly.

14. When will I receive the AMC Preferred Equity units in my brokerage account?

- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company ("DTC") who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Each broker determines what securities it will support on its trading platform.
- Some brokerage firms may deposit your APEs quickly, while others may take several days to do so.
- If you have any questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

15. I am an international shareholder. Will I receive the AMC Preferred Equity unit dividend?

- AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company ("DTC") for all shareholders who will then deliver them to your broker, regardless of whether you are a U.S. or international shareholder. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Shares of common stock held through a depositary receipt program will be subject to the terms of that arrangement.
- AMC does not control how brokers choose to process the dividend.
- Each broker determines what securities it will support on its trading platform.
- If you have questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

16. Is it accurate that my broker may sell my AMC Preferred Equity units and give me the cash equivalent rather than the AMC Preferred Equity unit dividend?

- If your shares of common stock are held at a broker, AMC will be delivering the AMC Preferred Equity unit dividend via Computershare to the Depository Trust Company ("DTC") who will then deliver them to your broker. How each individual broker then handles the dividend is determined by the broker and is governed by your brokerage agreement.
- AMC does not have control over how each broker chooses to process the dividend.
- Each broker determines what types of securities it will support on its trading platform.
- If you have questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

17. How is the issuance of the AMC Preferred Equity unit dividend taxed?

- In the United States, the AMC Preferred Equity unit dividend is not expected to be a taxable dividend. However, any investors who receive cash in lieu of a fractional unit may recognize a taxable gain or loss in respect of the receipt of such cash.
- For the AMC Preferred Equity units received in the dividend, the holding period used in determining whether capital gains and losses are short-term or long-term is expected to be the same dates as are used for the common stock on which the AMC Preferred Equity units were distributed.
- An IRS Form 8937 will be published on our website when finalized, which is expected to be by August 31, 2022.
- Tax laws do vary from country to country, and international shareholders should check the laws in their respective countries.
- The above does not constitute tax advice and you should consult with a tax professional.

18. I am seeing references that people are calling this a spin-off. Are you selling off any part of the company?

- No, we are paying an AMC Preferred Equity unit dividend.
- The NYSE is categorizing AMC's payment of the AMC Preferred Equity unit dividend as a spin-off because AMC is issuing a new security that is different from our common stock.

19. I am still confused about the dividend; can you delay the dividend until the fourth quarter?

- We encourage you to review our securities filings with respect to the AMC Preferred Equity unit dividend together with our information page, [AMC Preferred Equity Unit Comparison to AMC Common Stock](#), for detailed information about the AMC Preferred Equity units and the dividend.
- The dividend process has begun, the necessary documents have been filed with the SEC, legal notice has been given to the NYSE, and significant numbers of shares of our common stock already have traded in the market informed by the knowledge and expectation that the dividend will issue under the terms announced.
- Therefore, the dividend will and must proceed as outlined in our filings.

20. What shares will be used in the diluted earnings per share calculation when you report third quarter earnings?

- The diluted earnings per share calculation for third quarter 2022 earnings will include both common stock and AMC Preferred Equity units.

21. Can investors short the AMC Preferred Equity units?

- The AMC Preferred Equity units are expected to trade in a manner similar to other equity securities on the New York Stock Exchange. Short selling is legal in the United States and permitted by the New York Stock Exchange. Therefore, AMC Preferred Equity units can be sold short in the same way that other equity securities on the NYSE can be sold short, and there is no action that AMC can take to prevent short selling.

22. How can I buy or sell AMC Preferred Equity units after they begin trading?

- AMC Preferred Equity units will trade on the NYSE under the ticker symbol, "APE".
- AMC Preferred Equity units can be bought and sold through brokerage firms that offer the AMC Preferred Equity unit security on their trading platform.

23. Do I need to register my shares of common stock with AMC's transfer agent, Computershare, in order to receive the dividend?

- No, you do not need to register your shares of common stock with AMC's transfer agent, Computershare, in order to receive the dividend.
- AMC will be delivering the AMC Preferred Equity unit dividends via Computershare to the Depository Trust Company ("DTC") who will then deliver them to your broker. How each individual broker then handles the dividends is determined by the broker and is governed by your brokerage agreement.
- Each broker determines what securities it will support on its trading platform.
- If you have any questions about the distribution of your AMC Preferred Equity units please contact your brokerage firm.

24. Are the AMC Preferred Equity units automatically direct registered with AMC's transfer agent, Computershare?

- No, the AMC Preferred Equity units are not automatically direct registered with AMC's transfer agent, Computershare, except in the case of common stock that is direct registered.

25. How do I sign up to get my “I OWN APE” and “I OWN AMC 9/2022” NFTs?

- To be eligible for the two current NFT offers, you need to sign up as a member of AMC Investor Connect and self-identify as a shareholder by August 31, 2022.
- To become a member, please visit our AMC Investor Connect webpage at: <https://www.amctheatres.com/stockholders>.
- U.S. Investors will need to create a free AMC Stubs account and self-identify as a shareholder by checking the box indicating “I am an AMC Stockholder” in the AMC Stubs Account profile. You will NOT receive an email confirmation.
- International investors may sign up to receive AMC Investor Connect emails by providing their email address and country of residence using the web page link provided above and scrolling down to the international section.
- NFT redemption instruction emails will be sent to eligible AMC Investor Connect members during or before the week of September 19, 2022.
- If you do not have a Wax Wallet, please do not try to open one until you have received the redemption instruction email.

26. If I am just signing up now for AMC Investor Connect, can I get the past NFTs?

- Congratulations, you are now eligible to receive future NFTs and other offers that are exclusive to Investor Connect members.
- The very nature of NFT’s is that they are finite in quantity. Therefore, unfortunately, we are not able to issue past NFT offers that have already expired.
- However, in knowing that those of you who are getting an “I OWN APE” NFT might also want a matching “I OWN AMC” NFT (which was issued in January 2022), we have created a new updated version (dated September 2022) of the original “I OWN AMC” NFT. If you are already a member of AMC Investor Connect, or enroll by August 31, 2022 you will get both of these new NFTs free, with our compliments.

Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of the federal securities laws. Statements that are not historical facts, including statements about AMC’s beliefs and expectations, are forward-looking statements. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “indicates,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding future shareholder distributions, the listing of the AMC Preferred Equity Units on the NYSE for trading, the conversion of the AMC Preferred Equity Units into common stock and any future authorization of additional AMC Preferred Equity Units, future balance sheet strengthening, including debt repayments, future capital and investment opportunities, potential shareholder value and potential recovery and transformation.

Additional factors, including developments related to COVID-19, that may cause results to differ materially from those described in the forward-looking statements are set forth under the caption “Risk Factors” and elsewhere in our most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as our other filings with the U.S. Securities and Exchange Commission (the “SEC”), copies of which may be obtained by visiting our Investor Relations website at <http://investor.amctheatres.com> or the SEC’s website at www.sec.gov.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.



WE MAKE MOVIES BETTER™

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**AMC ENTERTAINMENT HOLDINGS, INC. ANNOUNCES
SPECIAL DIVIDEND OF AMC PREFERRED EQUITY UNITS**

LEAWOOD, KANSAS – August 4, 2022: AMC Entertainment Holdings, Inc. (NYSE: AMC) (the “Company,” or “AMC”), announced today that it has declared a special dividend of one AMC Preferred Equity unit (an “AMC Preferred Equity Unit”) for each share of AMC Class A common stock, par value \$0.01 per share (the “Common Stock”), outstanding at the close of business on August 15, 2022. The special dividend is expected to be paid at the close of business on August 19, 2022.

The Company has applied to list its AMC Preferred Equity Units on the New York Stock Exchange (“NYSE”) under the symbol “APE” starting August 22, 2022 and each AMC Preferred Equity Unit is designed to have the same economic and voting rights as one share of Common Stock.

The AMC Preferred Equity Units can convert into Common Stock, but only if the Company proposes and investors vote to approve an increase in the number of authorized shares of Common Stock, in an amount at least sufficient to permit the conversion of the AMC Preferred Equity Units into Common Stock (through a “Common Stock Amendment”).

Regarding the dividend, Adam Aron, AMC Entertainment Chairman and CEO commented, “Today we are rewarding and recognizing our passionate and supportive shareholders, both to our shareholders in the U.S. and internationally, with a dividend of AMC Preferred Equity units that will trade on the NYSE under the ticker symbol APE. Shareholders will receive one AMC Preferred Equity unit for each company issued share of AMC common stock that they own. This means that based on our 516,820,595 shares outstanding, we will be issuing a dividend of 516,820,595 AMC Preferred Equity units.”

Aron added, “The issuance only to our shareholders of tradable AMC Preferred Equity units clarifies who is included in our current shareholder base, and provides another avenue for our investors to participate in the ongoing recovery and growth of AMC.”

Aron emphasized, “The dividend of AMC Preferred Equity units exclusively to our shareholders in our opinion is perhaps the single biggest action we will take in all of 2022 to fundamentally strengthen AMC for the long term. This new AMC Preferred Equity gives AMC a currency that can be used in the future to strengthen our balance sheet, including by paying down debt or raising fresh equity. As a result, this dramatically lessens any near-term survival risk for AMC, as we continue to work our way through this pandemic. It also can provide AMC with added capital enabling us to seek investment opportunities that could create significant shareholder value and

could be transformative in nature. All of this is not good news for those who may be rooting against AMC.”

Aron continued, “As a show of appreciation of our shareholders, and to celebrate this AMC Preferred Equity unit dividend, AMC will be issuing an exclusive “I OWN APE” NFT. All 765,000 current AMC Investor Connect members, and new members who join by August 31, 2022, will be eligible to receive for free this unique NFT to symbolize ownership of the new AMC Preferred Equity unit security. In addition, based on the popularity of the original “I OWN AMC” NFT issued in January of 2022, AMC Investor Connect current members and new members who have joined by August 31, 2022 also will be entitled to receive an updated version of the original “I OWN AMC” NFT, again gratis with our compliments.”

Aron concluded, “This AMC Preferred Equity unit dividend has tremendous potential to create meaningful value for both AMC and for our shareholders as we continue on our glidepath to recovery and transformation into the new AMC – bigger, bolder, and stronger than ever before.”

The issuance of AMC Preferred Equity Units is made possible by the authorization approved by shareholders to issue AMC Preferred Equity in 2013. Each AMC Preferred Equity Unit is a depositary share and represents an interest in one one-hundredth (1/100th) of a share of the Company’s Series A Convertible Participating Preferred Stock (the “Preferred Stock”). Each share of Preferred Stock in turn is potentially convertible into one hundred (100) shares of Common Stock.

If the Common Stock Amendment is adopted by shareholders, each AMC Preferred Equity Unit will convert into one share of Common Stock and such Common Stock will be distributed upon conversion to holders of AMC Preferred Equity Units on a one-to-one basis (one share of Common Stock for each AMC Preferred Equity Unit held).

The record date for the AMC Preferred Equity Unit dividend is the close of business on August 15, 2022. However, the AMC Preferred Equity Unit dividend is expected to be paid as of the close of business on August 19, 2022. The NYSE has established August 22, 2022 as the ex-dividend date. If an investor sells our Common Stock before the ex-dividend date of August 22, 2022, that investor will not be entitled to the AMC Preferred Equity Unit dividend on the shares that are sold. Alternatively, if investors buy our Common Stock before the ex-dividend date August 22, 2022, they will be entitled to receive the AMC Preferred Equity Unit dividend on the shares purchased.

Investors who trade during this period should consult with their broker.

Trading of the AMC Preferred Equity Units will commence on August 22, 2022 (the ex-dividend date) and at that time AMC shares will no longer be entitled to receive the AMC Preferred Equity Unit dividend. Investors should note that on the ex-dividend date (August 22, 2022) the price of AMC Common Stock is likely to decline to reflect the fact that the shares purchased on or after such date will no longer be entitled to the dividend.

For additional information about the AMC Preferred Equity Units, the Preferred Stock and the convertibility of the Preferred Stock into Common Stock, please visit the Company’s website at <http://investor.amctheatres.com/stock-information/APE-Dividend-Info> and refer to the Company’s current report on Form 8-K filed today with the Securities and Exchange Commission. The

descriptions of the AMC Preferred Equity Units and the Preferred Stock are qualified by reference to the Form 8-K disclosures and exhibits.

About AMC Entertainment Holdings, Inc.

AMC is the largest movie exhibition company in the United States, the largest in Europe and the largest throughout the world with approximately 950 theatres and 10,500 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty and subscription programs, website and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming.

Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of the federal securities laws. Statements that are not historical facts, including statements about AMC’s beliefs and expectations, are forward-looking statements. In many cases, these forward-looking statements may be identified by the use of words such as “will,” “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “indicates,” “projects,” “goals,” “objectives,” “targets,” “predicts,” “plans,” “seeks,” and variations of these words and similar expressions. Examples of forward-looking statements include statements we make regarding future shareholder distributions, the listing of the AMC Preferred Equity Units on the NYSE for trading and the Common Stock Amendment, future balance sheet strengthening, including debt repayments, future capital and investment opportunities, potential shareholder value and potential recovery and transformation.

Additional factors, including developments related to COVID-19, that may cause results to differ materially from those described in the forward-looking statements are set forth under the caption “Risk Factors” and elsewhere in our most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as our other filings with the U.S. Securities and Exchange Commission (the “SEC”), copies of which may be obtained by visiting our Investor Relations website at investor.amctheatres.com or the SEC’s website at www.sec.gov.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

Source: AMC Entertainment Holdings, Inc.

Exhibit H

From: Marcus Cowell <[REDACTED]>
Sent: Tuesday, May 23, 2023 10:56 PM
To: Marcus Cowell; AMC Settlement Objections
Subject: AMC Notification

[External]

I Marcus Dion Cowell have yet the receive my post card on how to handle my AMC claim

From: Marcus Cowell <[REDACTED]>
Sent: Wednesday, May 31, 2023 11:18 PM
To: AMC Settlement Objections; Marcus Cowell

[External]

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

Marcus Cowell,'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 ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement ("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. 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" 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 ("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. 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. 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. 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.

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". 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. By design, the APE "special dividend" was designated to automatically convert into Common Stock upon a share increase sufficient to permit full conversion. This gave AMC Defendants the ability to circumvent the rights and powers of shareholders and sell a mirror-image security without the required authorization. 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. 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”.

On August 4th, 2022, subsequent to the filing of Certificate of Designations, AMC Defendants entered into an Agreement with Computershare Inc. without shareholder approval. 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. 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. AMC common stock has no such arrangement with brokers holding common stock. On September 26th, 2022, AMC Defendants disclosed that they entered into an equity distribution agreement with Citigroup to offer and sell 425 million APE. 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. With the “expand(ing) trade differential”, Defendant Aron urged the pricing committee to lower the \$2 minimum price Citibank could distribute APE for. Citigroup obliged, then after crashing the price per APE to below a dollar, introduced Defendant Aron to Antara Capital (“Antara”) in early December 2022. 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. 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. 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. 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.

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

ARGUMENTS

I. APPROVAL 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. 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. Although Delaware has long favored the voluntary settlement of litigation, the fiduciary character of a class action requires the Court to independently examine the fairness of a class action settlement before approving it. Approval of a class action settlement requires more than a cursory scrutiny by the court of the issues presented. The Court must exercise its own judgment to determine whether the settlement is reasonable and intrinsically fair to the affected class members. In doing so, the Court evaluates not only the claim, possible defenses, and obstacles to its successful prosecution, but also the reasonableness of the 'give' and the 'get', 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." In assessing these factors, the Court must bring their business judgment to bear on the issue. The business judgment 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.'" "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." "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."

Under Delaware law the business and affairs of a corporation are managed by and under the direction of its board of directors. In performing their duties the directors owe fundamental fiduciary duties of loyalty and care to the corporation and its shareholders. 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."

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 justification." 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) 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. 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 Earning Call, held on February 28th, 2023, Defendant Aron was asked a question 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?" 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."

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" 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 .

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").

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." 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." 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 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](https://www.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."

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

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. AMC's total debt reportedly amounts to around \$5.1 billion (including short-term and long-term debt). 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: "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."

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. In summary, had AMC and Defendant Aron been 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'(ing) nothing in return. Amongst other inequities, the settlement hinges on a stipulation requires the bulk of the purported 3.8 million shareholders to release nearly a years' worth of claims yet receive no settlement distribution. 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.

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.

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.

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. 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. This Court has cautioned against parties performing even partial settlement obligations before a settlement hearing, as doing so prevents the Court from meeting its obligation to oversee class action settlements. 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."

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.

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 addressing the parties' filing of the settlement stipulation, proposed scheduling order, and proposed notice. 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 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. On April 12, that firm appealed that decision to the Delaware Supreme Court. 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."

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." 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 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. 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.

The automatic conversion clause was a special right and power. 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.

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.”

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.

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.”

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 prime consideration. This Court may award attorneys’ fees to counsel whose efforts conferred a common benefit. This principle applies to both financial and non-monetary benefits. The determination of any attorney fee and expense award is within the Court’s discretion. 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.

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.”

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 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. 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.”

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.

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. 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. 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. 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. 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.

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)." As of May 3rd, 2023, the combined market capitalization of the company, for purposes of illustration, remained at \$4,493,182,066. 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 (\$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."

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), while APE has traded between \$0.65 (low) and \$10.50 (high) since its debut on August 22nd, 2022 until May 3, 2023. 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 Conversion." 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. And then on May 4th, 2023, after the reverse split was effectuated, MULN shares dropped about another 8%. 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 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) 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). 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." 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 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 shares 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.

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), 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 deliver (FTDS), average holdings, and the stockholder voter turnout during the Say Technologies call. 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 analysis 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). 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.

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. 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, 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 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 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." 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.

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 Allegheny 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, 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"
- "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." 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." "The fact that a fee is negotiated . . . does not obviate the need for independent judicial 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."

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*:

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

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." 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."

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. 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 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." "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."

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. Delaware law contemplates the use of a record date for delivering notice. 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. 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 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 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?

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.

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?
- 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?
- 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 directly or indirectly through their private equity investment partners (reported on their Quarterly Investment Report for Q4 2022) are shorting AMC and APE. 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 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." 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. 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." 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,

"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."

Of note, between June and December of 2021, AMC was trading a range of around \$20 to \$72 in that time frame. 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. 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. Then, again on March 23rd, 2023, Citigroup's analyst issued a sell rating on AMC with a price target of \$1.60. 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 . At that moment in time, there were reported to be 516,820,595 outstanding authorized AMC shares. 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."

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..."

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." 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 and on stockholder calls. 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."

By design, the APE "special dividend" was designated to automatically convert into Common Stock upon a share increase sufficient to permit full conversion. This gave AMC Defendants the ability to circumvent the rights and powers of shareholders and sell a mirror-image security without the required authorization. On August 4th, 2022, subsequent to the filing of Certificate of Designations, AMC Defendants entered into an Agreement with Computershare Inc. without shareholder approval. 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. 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. AMC common stock has no such arrangement with brokers holding common stock.

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. 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. However, many investors particularly with overseas 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.

For those investors that did receive the correct number of APE shares, they found that AMC opened on August 22nd, 2022 at \$11.33, and APE opened the day at \$6.95. 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). 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 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), while APE has traded between \$0.65 (low) and \$10.50 (high) since its debut on August 22, 2022 until May 3, 2023.

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." 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 and AMC closed at \$8.17. 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 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."

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 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 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. 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." 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." 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 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.

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, 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 single investor or to a small number of investors." 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.” 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. 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 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. 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, 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. 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.

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 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.

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, 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.

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

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. 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 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. 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, its 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, 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, 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 31, 2023
Marcus Cowell


Respectfully submitted,

Exhibit A

Proposal One Voting Analysis from the March 14, 2023 Vote

Proposal Two Voting Analysis from the March 14, 2023 Vote

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

Exhibit C

Exhibit D

Exhibit E

From: Marcus Cowell <[REDACTED]>
Sent: Wednesday, May 31, 2023 11:06 PM
To: AMC Settlement Objections; Marcus Cowell

[External]

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

I, Marcus Cowell, affirm the following to be true:

1. I own AMC common stock.
2. On May 31, 2023 I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.
5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081

Date

May 31 2023____
Marcus Dion Cowell

Exhibit I

From: Brandon Fox
Sent: Wed, 31 May 2023 17:47:41 +0000
To: AMC Settlement Objections
Subject: AMC Objection
Attachments: B Fox In Person Settlement Interest Form.pdf, B Fox Objection.pdf, TD AMC 1.JPG

[External]


Good Afternoon,

I have attached:

1. Stock Ownership Record of AMC through my TDA Account
2. Objection Document
3. Settlement Interest Form

Thank You,

Brandon Fox

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My Account Trade Research & Ideas Planning & Retirement Education Client Services

My Account: Positions

AMC options position expires this week. [Learn what you can do](#)

brandondfox Combined accounts brandondfox1 + Link/Add Acct

Combined value	Total cash	Avail for withdrawal	Uncleared deposits	Unsettled cash	Total positions val
\$76,990.00	\$314.82	\$105.48	\$0.00	\$209.34	\$76,675.18
↓ \$1,033.13 (1.32%)	↑ \$209.34 (66.50%)				↓ \$1,242.47 (1.62%)

Asset type All positions

Balances Order status Transaction history Cost Basis

Stocks

Microcharts

View: Stock (default)

Symbol	Account	Qty	Price	Chg(\$)	Cost	Mkt value*	Maint req	Gain(\$)*	Gain(%)*
AMC	--	4,239	4.45	-0.18	28,524.56	18,905.94	--	-9,618.62	-33.72%
APE	brandondfox1	239	1.59	-0.01	2,540.65	380.01	--	-2,160.64	-85.04%

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

I, Brandon D. Fox, affirm the following to be true:

1. I own AMC common stock.
2. On May 30th, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

May 30th, 2023
Date

X *Brandon Fox*

Brandon Fox

Brandon D. Fox



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

BRANDON D. FOX 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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

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.

Brandon D. Fox 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. APPROVAL 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

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

³⁷ *Polk v. Good*, 507 A.2d at 536 (quoting *Aronson v. Lewis*, Del.Sup., 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., 38 Del. 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 - ProjectPopcornGate⁴⁹.

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'(ing) 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.

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 letter⁶⁷ 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

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

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 shares 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 shares¹⁰⁸ 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 Allegheny 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, extensive 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 Complaint¹¹¹, 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

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 letter¹²⁴

¹²³ DI 257, 258, 259

¹²⁴ DI 190 Final Draft Exhibit I

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 process¹²⁵ 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,

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 \$18.66¹³⁷. 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

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 interviews¹⁴² 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

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 overseas 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

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 \$1.00¹⁶⁰ 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/09013c2c853aa8d6>

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-short) 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, its 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, 2022¹⁸², 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 30th, 2023

Respectfully submitted,

Brandon Fox

Brandon D Fox:



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	
Depository 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	
Depository 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 depository 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			
Total as of 4/5/2023					164,296,087	net long			
							market value APE portfolio on closing price	Estimated Rolling Total P&L (profit/loss)	
							\$ 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 =
0.00000000000000017645 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

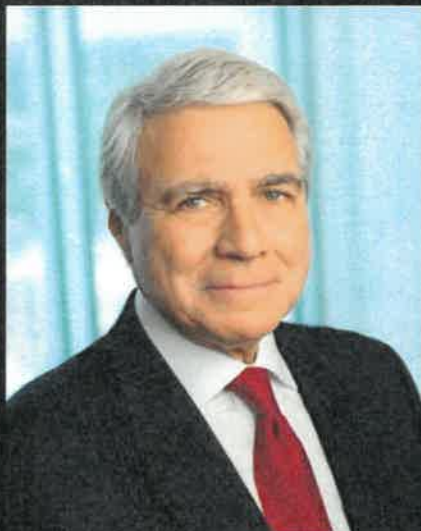
- **Chief of Staff to the Global COO**

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 Benchler 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



Jordan Affholter

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 9:24 AM

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

Jordan Affholter <jordanaffholter@gmail.com>
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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
[Quoted text hidden]



Jordan Affholter

Question about AMC Shareholder Voting Data

Jordan Affholter
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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

Exhibit E



https://pr.saytechnologies.com/amc-2021-q2-earnings-q&sort=most-shares



AMC Q2 2021 Earnings Q&A

AUGUST 9, 2021 5:00 PM EDT

The Amc-2021-q2-earnings-q&a-2021-08-09-5-00 PM EDT

SHARE

[Ask a Question](#)

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

67.6M AMC Shares Represented



Answered

[View Answer](#)

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

Exhibit J

From: Eric Goolsby <[REDACTED]>
Sent: Tuesday, May 30, 2023 7:40 PM
To: AMC Settlement Objections
Subject: AMC Investor Settlement Objection...
Attachments: Fidelity 4-1-23 Account Statement I Redacted.jpg; Fidelity 4-1-23 Account Statement AMC I.jpg; In-Person Settlement Objector Interest Form Eric Goolsby.pdf; Objection Letter 5-30-2023.docx

[External]

Hello All,

Attached are all of the documentation requested to object to the settlement agreement being proposed for the AMC lawsuit. As this is my first time ever attempting to put together paperwork of this nature, please accept my apologies for all of its discombobulation. If it is not clear, let me reiterate that I 100% object to this settlement!

The four attachments include the proof of my AMC holdings as well as my objection letter.

Thanks,
Mr. Eric Goolsby
[REDACTED]



INVESTMENT REPORT
April 1, 2023 - April 30, 2023

FIDELITY ACCOUNT ERIC GOOLSBY - INDIVIDUAL TOD

► Account Number: [REDACTED]

Your Account Value:

[REDACTED]

Change from Last Period:

▲ \$164.44

Envelope # BNTWRPBBBCCGF

ERIC GOOLSBY

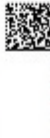
[REDACTED]

	This Period	Year-to-Date
Beginning Account Value	[REDACTED]	[REDACTED]
Subtractions	-	-185.01
Transaction Costs, Fees & Charges	-	-0.01
Change in Investment Value *	164.44	1,253.73
Ending Account Value **	[REDACTED]	[REDACTED]

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.
** Excludes unpriced securities.

Contact Information

Online Fidelity.com
FAST®-Automated Telephone (800) 544-5555
Customer Service (800) 544-6666





INVESTMENT REPORT
April 1, 2023 - April 30, 2023

Account # XXXXXXXXXX
ERIC GOOLSBY - INDIVIDUAL - TOD

Core Account and Credit Balance Cash Flow

	This Period	Year-to-Date
Beginning Balance	\$0.25	\$0.47
Investment Activity		
Securities Bought	-	-\$75.65
Securities Sold	-	260.36
Dividends, Interest & Other Income D	-	0.07
Total Investment Activity	-	\$184.78
Cash Management Activity		
Withdrawals	-	-185.00
Total Cash Management Activity	-	-\$185.00
Ending Balance	\$0.25	\$0.25

D Includes dividend reinvestments.

Holdings

Core Account

Description	Beginning Market Value Apr 1, 2023	Quantity Apr 30, 2023	Price Per Unit Apr 30, 2023	Ending Market Value Apr 30, 2023	Total Cost Basis	Unrealized Gain/Loss Apr 30, 2023	EAI (\$) / EY (%)
CASH	\$0.25	0.250	\$1.0000	\$0.25	not applicable	not applicable	-

For balances below \$99,999,999.99, the current interest rate is 2.44%.

Total Core Account (0% of account holdings)	\$0.25			\$0.25			-
--	---------------	--	--	---------------	--	--	---

Stocks

Description	Beginning Market Value Apr 1, 2023	Quantity Apr 30, 2023	Price Per Unit Apr 30, 2023	Ending Market Value Apr 30, 2023	Total Cost Basis	Unrealized Gain/Loss Apr 30, 2023	EAI (\$) / EY (%)
Common Stock							
AMC ENTERTAINMENT HOLDINGS INC (AMC)	\$3,106.20	620.000	\$5.5000	\$3,410.00	unknown	unknown	-

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

ERIC GOOLSBY 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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

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.

Mr. Goolsby’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. APPROVAL 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

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

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., 38 Del. 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 Earning 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 - ProjectPopcornGate⁴⁹.

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'(ing) 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.

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 letter⁶⁷ 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. 2022-1032-JTL, 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

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

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 shares 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 shares¹⁰⁸ 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 Allegheny 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, extensive 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 Complaint¹¹¹, 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

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 letter¹²⁴

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 process¹²⁵ 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,

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 \$18.66¹³⁷. 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

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 shareholder 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 interviews¹⁴² 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

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 overseas 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

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/apc/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 \$1.00¹⁶⁰ 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 \$6.95¹⁶³ 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/apc/history/>. Accessed on May 12, 2023

¹⁶⁴ APE Historical Data. Yahoo. Ongoing updates on trading days. Link: <https://finance.yahoo.com/quote/apc/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.srourules.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-shortened) 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, its 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, 2022¹⁸², 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 30, 2023

Respectfully submitted,

Eric Goolsby

Eric Goolsby



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	
Depository 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	
Depository 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 depository 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 [i](#)

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 Borsari-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



Jordan Affholter

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 9:24 AM

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

Jordan Affholter
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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
[Quoted text hidden]



Jordan Affholter

Question about AMC Shareholder Voting Data

Jordan Affholter
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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

Exhibit E

+

https://app.saytechnologies.com/amc-2021-q2?filter=all&sort=num_shares

AMC

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



All written objections accompanied by proof of stock ownership and submitted to Plaintiffs' counsel will be considered by the Court, even if the stockholder does not attend the settlement hearing to object in-person.

Only stockholders planning to attend the settlement hearing in-person to supplement their written objection with an oral statement under oath are required to fill out this form.

In-Person Settlement Objector Interest Form

5-30-23

Date

Eric R. Goolsby

Stockholder Name [First Name, Middle Initial, Last Name]

In Re AMC Entertainment Holdings, Inc. Stockholder Litigation

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

Case Caption

Case Number

Objector Information

Phone Number

Email Address

Address

City

State

ZIP Code

Objector Affirmations

Please indicate "yes" or "no" and sign to affirm.

I own AMC common stock.

Yes



No



I have submitted a compliant written objection to Plaintiffs' counsel, which states the basis for my objection and any support thereof, between the dates of **May 3, 2023** and **May 31, 2023**.

Yes



No



I have attached to my compliant written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.

Yes



No*



I will attend the **June 29 and 30, 2023** settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

Yes



No



I understand that each of the above statements must be true, and I must send this form to the below address in order to be eligible to object in person at the settlement hearing.

Yes



No



Stockholder Signature

Date

5-30-23

* Written objections not accompanied by proof of stock ownership will not be considered.

Exhibit K

**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

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

**KAREN GRELISH'S
OBJECTIONS TO THE
PROPOSED SETTLEMENT**

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.

Statement of Objections

Pursuant to the instructions from this Court, I, Karen Grelish, 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 objection to the AMC proposed settlement.

¹ Exhibit 1

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I recommend that AMC consider engaging the services of financial specialists to develop a comprehensive plan that mutually benefits the company and its retail investors. This plan should address the temporary financing needs of AMC until theatrical releases reach pre-pandemic levels. By tapping into its substantial retail investor base, AMC can create a win-win situation where both the company and its investors stand to gain. Such an approach would foster collaboration and support, ultimately contributing to the long-term success and stability of AMC.	22
There seems to be a promising trajectory towards reaching 2019 levels of theatrical releases in the near future. As of April 25, 2023, one hundred movies have already been scheduled for release in 2023, indicating a visible turnaround. Bloomberg reports on March 26, 2023 that Apple and Amazon make billion-dollar bets on movie theaters. Apple plans to release its biggest movies in theaters at least a month before they appear on its streaming service, Apple TV+.	22
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INTRODUCTION

Upon careful review of the Plaintiff's Brief and the Defendant's Brief, I am compelled to express my thoughts. It is truly astonishing how the Plaintiffs, who initially seemed convinced of the merits of this case, have now presented a weak position in their brief.

In their brief, the Plaintiffs mention that despite facing threats from the Defendants, they decided to proceed with bringing the case forward. One cannot help but question whether these threats had any influence on the Plaintiffs' decision to sign the proposed settlement, considering such a one hundred and eighty degree turn on their conviction.

The Plaintiffs argue that the best outcome for AMC common stockholders is to leverage their claims for valuable consideration for the Class. However, considering the manipulative tactics employed to disenfranchise common shareholders, I cannot arrive at the same conclusion by any stretch of the imagination. This is not a settlement in my perspective; it is an attempt to disregard several DGCL laws and NYSE regulations.

The Defendants' actions not only disregarded and undermined the common shareholders' fundamental right to a single class vote on the proxy proposals, but they are now attempting to side-step the DGCL itself. By sidestepping a comprehensive review and evading the appropriate consequences, they seek to avoid accountability for their actions. It is alarming to witness such a clear attempt to circumvent the law and disregard the rights of shareholders.

Furthermore, the proposed settlement's payout to shareholders, after they have already suffered a significant loss of 90% of their shares and their voting power, cannot be considered a fair resolution. It is evident that this so-called settlement is merely an attempt to evade a thorough examination by the DGCL court and deny shareholders the justice they deserve.

The shareholders deserve a fair and impartial review of the case. The Defendants should not be allowed to escape accountability and justice through a settlement. It is crucial that the court recognizes the gravity of this situation and ensures that the rights and interests of the shareholders are protected.

Upon careful examination of the Defendant's Brief, it becomes painfully clear that there are significant misrepresentations of the truth and deliberate attempts to mislead the court. Throughout this Objection Letter, I have made a sincere effort to highlight the extent of these distortions and misleading facts.

In the interest of fairness and transparency, it is imperative that the court recognizes and thoroughly examines the misleading nature of the Defendant's arguments. The truth should prevail, and any attempts to manipulate the facts should not go unnoticed or unaddressed.

ARGUMENTS

Objection 1: Lifting of the Status-Quo

I am vehemently opposed to the lifting of the status-quo and officiating the Proxy Proposals of March 14, 2023. The majority votes obtained were manufactured through a voting structure that was not in alignment with various laws and regulations put in place to prevent such occurrences. It would be an injustice to approve these actions prior to the court's review of the voting structure and its legalities.

Applicability of Section 242(b)(2) of DGCL:

I contend that Section 242(b)(2)² of the Delaware General Corporation Law (DGCL) is applicable to the AMC's proposed amendments. This section explicitly states that the holders of outstanding shares of a class are entitled to vote as a class upon a proposed amendment if it would increase or decrease the aggregate number of authorized shares of such class, alter the par value of the shares, or affect the powers, preferences, or special rights of the shares adversely. Therefore, I formally challenge the assertions and contentions put forth in relation to (P.B. 89) and (D.B. 84) with the following substantiated arguments:

Contextual Information and Timelines:

To provide further context, it is crucial to consider the timelines of the relevant documents. The Third and Amended Certificate of Incorporation (Original Charter) was filed by the Secretary of State on December 17, 2013, at 9:34 p.m., evidenced by ([Exhibit A](#)).³ Prior to this, the "Notice of Effectiveness" S-1 Form, Registration No. 333-190904, was issued by the Securities and Exchange Commission on December 17, 2013 at 4 p.m.⁴, as confirmed by ([Exhibit B](#)). Trading of IPO Class A shares on the NYSE began on the morning of December 18, 2013, within a short timeframe subsequent to the filing of the Third and Amended Certificate of Incorporation with the Office of the Secretary of State of Delaware, as supported by ([Exhibit C](#)). Under the Securities Act of 1933, any material changes to the information disclosed in the registration statement must be duly filed with the Securities and Exchange Commission and made accessible to investors, and considering the 9:34 p.m. filing time of the Original Charter, this was not adhered to.

² DGCL 242(b)(2)

³ Filing of The Third and Amended Certificate of Incorporation with the Secretary of State of Delaware

⁴ S-1 Form Notice of Effectiveness Issued by the Securities and Exchange Commission

Voting Rights as Stated and Two Separate Class Status:

AMC website under Financial Performance tab, Sec Filing Form S-1 Form, 6th Amendment ([Exhibit D](#)), in HTML version in the Table of Contents under the heading "Description of Capital Stock" stating "Voting Rights" on page 159 ([Exhibit E](#)):

Holders of our Class A common stock are entitled to one vote per share and holders of our Class B common stock are entitled to three votes per share. Holders of shares of Class A common stock and Class B common stock will vote together as a single class on all matters submitted to a vote of stockholders, unless otherwise required by law.

Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of our outstanding voting power. Except as otherwise required by the DGCL, our certificate of incorporation or the voting rights granted to any preferred stock we subsequently issue, the holders of outstanding shares of common stock and preferred stock entitled to vote thereon, if any, will vote as one class with respect to all matters to be voted on by our stockholders. Under the DGCL, amendments to our certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class.

The prospectus distinctly establishes the existence of two distinct classes of shares, namely Class A common stock and Class B common stock, as stated: "Upon consummation of this offer, we will have two classes of stock: Class A common stock and Class B common stock" ([Exhibit F](#)).

242(b)(2) of DGCL Opt -Out Clause Inserted into Articles of Incorporation

The opt-out clause was inserted into the Articles of Incorporation on December 17, 2013 at 9.34 p.m.

The Articles of Incorporation ([Exhibit A](#)) amended at Article VI, under "Capital Stock", which would permit AMC to opt out of DGCL Section 242(b)(2)'s class voting requirement for class share increases or decreases. Page two of The Article of Incorporation states that the number of authorized shares of any of the Common Stock or the Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor.

The provisions of the Delaware General Corporation Law (DGCL) offer clear and explicit guidance with respect to the stipulations outlined in Section 242(b)(2). This section sets forth the conditions under which the opt-out clause may be adopted. As per this section,

that the holders of the outstanding shares of a class shall be entitled to vote as a separate class upon a proposed amendment.

Contravention of Section 241(a) of DGCL:

It is imperative that the amended Articles of Incorporation align with the Notice of Effectiveness S-1 Form filed with the Securities and Exchange Commission, and that the specified voting rights within are both identical. This requirement, which mandates consistency between the amended Articles of Incorporation and the information disclosed in the IPO prospectus, upholds a fundamental principle of securities law. The Prospectus filed by AMC to the Securities and Exchange Commission, dated December 3, 2013 states that neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense (Exhibit F).⁵

241. Amendment of certificate of incorporation before receipt of payment for stock.

(a) Before a corporation has received any payment for any of its stock, it may amend its certificate of incorporation at any time or times, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of filing the amendment

I contend that the filing of AMC's Third Amended and Restated Certificate of Incorporation contravened Section 241(a) of the DGCL. This section prohibits the incorporation of provisions that are unlawful or improper to include in the original certificate of incorporation at the time of filing the amendment. It is essential to ensure consistency between the amended Articles of Incorporation and the information disclosed in the IPO prospectus to avoid being a misrepresentation and a criminal offence.

Objection 2: Violation of NYSE Listed Company Manual Regulations 312.03(c):

The overissuance of AMC Preferred Equity Units violates **NYSE Listed Company Manual Regulations 312.03(c)**,⁶ recently amended on April 2, 2021. This regulation states that Class A common shareholder approval is required for issuances that exceed 20% of voting power of common stock or 20% of the number of common stock outstanding shares, unless they are classified as "public offerings for cash" or does not meet the Minimum Price requirement.

⁵ DGCL 241(a)

⁶ NYSE Listed Company Manual 312.03(c)

A. Shareholder Approval is Required

(c) Shareholder approval is required prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, in any transaction or series of related transactions if:

(1) the common stock has, or will have upon issuance, voting power equal to or in excess of 20 percent of the voting power outstanding before the issuance of such stock or of securities convertible into or exercisable for common stock; or

(2) the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20 percent of the number of shares of common stock outstanding before the issuance of the common stock or of securities convertible into or exercisable for common stock.

B. Shareholder Approval is not Required

However, shareholder approval will not be required for any such issuance involving:

- any public offering for cash;

- any other financing (that is not a public offering for cash) in which the company is selling securities for cash, if such financing involves a sale of common stock, or securities convertible into or exercisable for common stock, at a price at least as great as the Minimum Price, provided that if the securities in such financing are issued in connection with an acquisition of the stock or assets of another company, shareholder approval will be required if the issuance of such securities alone or when combined with any other present or potential issuance of common stock, or securities convertible into common stock in connection with such acquisition, is equal to or exceeds either 20 percent of the number of shares of common stock or 20 percent of the voting power outstanding before the issuance.

Supplemental Information on Determination:

(Information that AMC Preferred Equity Units are not a public offering for cash:

*Do You Have to Register the New Shares? The first question that arises under the Securities Act is whether the shares to be issued in the dividend or split need to be registered. The answer to that question is usually no, but the reasons differ. Forward splits and stock dividends are generally regarded as not involving a "sale" of a security within the meaning of Section 2(a)(3) of the Securities Act. As the Second Circuit once put it, "[a] stock dividend does not distribute property but simply dilutes the shares as they existed before." *Hafner v. Forest Laboratories, Inc.*, 1964 U.S. Dist. LEXIS 8892, at *13 (S.D.N.Y. 1964), *aff'd*, 345 F.2d 167 (2d Cir. 1965). That's a position that the Staff appears to have endorsed in Securities Act Sections CDI 103.01: Question: If a company declares a dividend that is payable in either cash or securities at the election of the recipients, does the declaration of the dividend need to be registered under the Securities Act? Answer: No, as there is no sale of the dividend shares under the Securities Act. [Nov. 26, 2008]*

Issuers seeking to ensure that an offering meets the public offering exemption should plan to market the offering broadly, including to both retail and institutional investors. Morrison & Foerster LLP)

Contravention of NYSE Listed Company Manual Regulation 312.03(c)

AMC's issuance of AMC Preferred Equity Units violated NYSE 312.03(c) regulations, as it required a separate majority vote by Class A shareholders for issuances exceeding 20%. Neither the Special Dividend nor the further issuance of AMC Preferred Equity Units qualified as a "public offering for cash." Based on calculations, the total number of authorized AMC Preferred Equity Units for allowable for issuance would be 103,155,196, derived from the 516.34 million outstanding Class A shares at the time. Additionally, Antara failed to meet the NYSE Manual Minimum Price Requirement of 312.03(c) for exceptions under "any other financing." The objections regarding the ATM purchases and private placement of APE's by Antara are covered in Objection 3.

The significant dilution suffered by AMC shareholders is undeniable. The value of their investments has plummeted by two-thirds since the initial distribution of APE shares to stockholders. It is vital to highlight that the issuance of APE shares took place despite the clear violation of NYSE Rule 312.03(c). It is of significance that the APE issue was orchestrated by Citi, a highly experienced and knowledgeable investment bank. I must acknowledge my limited expertise in investment banking, and yet I was able to uncover this blatant disregard for NYSE regulations and restrictions. It concludes that the AMC Board and Citi must have been aware, or certainly should have been aware, that their actions would be in violation of NYSE 312.03(c) prior to the issuance of APE shares, but willingly chose to ignore them.

Upholding the Importance of Law Enforcement and Fairness

When laws and regulations are not effectively enforced, it creates a dangerous precedent where individuals and entities can freely deviate from them without consequences. This lack of enforcement empowers those who are willing to disregard the boundaries set by the law, potentially overpowering those who abide by it. It is essential to ensure that laws and regulations are upheld and enforced consistently to maintain fairness and prevent abuse of power.

Contravention of NYSE Listed Company Manual 312.03(b)(i). Violation Regarding Minimum Price and Shareholder Approval

Inadequate Pricing and Excessive Acquisition of AMC Preferred Equity Units by Antara

Referring to the Forward Purchase Agreement ([Exhibit G](#)) between AMC and Antara, signed and effective on December 22, 2022, the price that Antara purchased the AMC Preferred Equity Units at did not meet the "minimum price" stipulated in NYSE Listed Manual 312.03(b). The closing prices of December 15, 2022 was .8111, December 16, 2022 was .7297, December 19, 2022 was .6726, December 20, 2022 was .6743,

December 21, 2022 was .6850. The average closing price on the five days immediately preceding the signing of the Forward Purchasing Agreement calculated .7145.⁷ As per the Forward Purchasing Agreement, Antara purchased the AMC Preferred Equity Units for .704. The closing price of AMC Preferred Equity Units on December 22, 2022, the date of the Forward Purchase Agreement was \$1.20 and did not meet the minimum closing price required on the day of the signing of the agreement. The historical closing price data was obtained from the Nasdaq website under historical quotes ([Exhibit H](#)). On August 4, 2022, there were 516.82 AMC Class A shares outstanding. As stated in The Forward Purchase Agreement Antara purchased 60,000 APE's at \$0.582 and 197,621,297 at \$.704; both below the average Official Closing Price on the day of signing the Forward Agreement and on the five trading days immediately preceding the signing of the binding agreement and did not meet the Minimum Price requirement.

Further to being in violation of the minimum price provision, the Antara purchases were in violation of NYSE 312.03(b)(ii) by being in excess of 5 percent before receiving Class A shareholder approval.

Supplemental Information:

SECURITIES AND EXCHANGE COMMISSION (Release No. 34-88572; File No. SR-NYSE-2020-30)⁸ for purposes of Section 312.03(b)(i)⁹, Section 312.04(e)¹⁰ provides that: "An interest consisting of less than either five percent of the number of shares of common stock or five percent of the voting power outstanding of a company or entity shall not be considered a substantial interest or cause the holder of such an interest to be regarded as a substantial security holder."

For purposes of Section 312.03(b): Section 312.04(h)(i)(ii)¹¹ defines the "Minimum Price" as follows: "Minimum Price" means a price that is the lower of: (i) the Official Closing Price immediately preceding the signing of the binding agreement; or (ii) the average Official Closing Price for the five trading days immediately preceding the signing of the binding agreement. As proposed, Section 312.04(j) defines "Official Closing Price" as follows: "Official Closing Price" of the issuer's common stock means the official closing price on the Exchange as reported to the Consolidated Tape immediately preceding the signing of a binding agreement to issue the securities. For example, if the transaction is signed after the close of the regular session at 4:00 pm Eastern Standard Time on a Tuesday, then Tuesday's official closing price is used. If the transaction is signed at any time between the close of the regular session on Monday and the close of the regular session on Tuesday, then Monday's official closing price is used.

⁷ Forward Purchasing Agreement

⁸ Securities and Exchange Commission Release 34-88572, File No. SR-NYSE-2020-30

⁹ NYSE Listed Company Manual 312.03(b)(i)

¹⁰ NYSE Listed Company Manual 312.04(e)

¹¹ NYSE Listed Company Manual 312.04 (h)(i)(ii)

NYSE Listed Company Manual 312.03(b)(i)

Shareholder approval is a prerequisite to issuing securities in the following situations:

(b)(i) Shareholder approval is required prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, in any transaction or series of related transactions, to a director, officer or substantial security holder of the company (each a "Related Party") if the number of shares of common stock to be issued, or if the number of shares of common stock into which the securities may be convertible or exercisable, exceeds either one percent of the number of shares of common stock or one percent of the voting power outstanding before the issuance. However, shareholder approval will not be required if such transaction is a cash sale for a price that is at least the Minimum Price.

(ii) Shareholder approval is also required prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, where such securities are issued as consideration in a transaction or series of related transactions in which a Related Party has a five percent or greater interest (or such persons collectively have a ten percent or greater interest), directly or indirectly, in the company or assets to be acquired or in the consideration to be paid in the transaction or series of related transactions and the present or potential issuance of common stock, or securities convertible into common stock, could result in an issuance that exceeds either five percent of the number of shares of common stock or five percent of the voting power outstanding before the issuance.

Antara faced limitations in acquiring APE shares beyond one percent of the total outstanding 516.34 million Class A shares and corresponding voting power, equivalent to 516,034 APEs. This restriction was imposed because Antara did not meet the Minimum Price requirement specified in NYSE Manual Provision 312.03(b)(i)¹².

If provision 312.03(b)(i) had been met, Antara's purchases of AMC Preferred Equity (APE) would also have then been subject to the NYSE Manual's Provision 312.03(b)(ii)¹³, which imposes a 5 percent limitation.

2nd Upholding the Importance of Law Enforcement and Fairness

Once again, we witness a clear disregard for the securities law regulations. Antara, being an experienced Distressed Credit Fund with prior involvement in private placements, should be well aware of the NYSE Listed Company Manual Regulations and the corresponding restrictions. Both Citi and Antara have no justification for evading the rules outlined in the NYSE Listed Company Manual Regulations, and undermining common shareholders voting power. In an article by Eddie Pan on March 16, 2023, it was reported that Antara recently sold 48 million shares of APE at an average price of \$1.51 per share,

¹² NYSE Listed Company Manual 312.03(b)(i)

¹³ NYSE Listed Company Manual 312.03(b)(ii)

resulting in a total sale value of \$72.48 million. Despite this transaction, Antara still retains ownership of 179.23 million shares of APE. Antara hold no shares of AMC common common stock.

NYSE LISTED COMPANY MANUAL, SECTION 313: VOTING RIGHTS

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.¹⁴

Objection 3: EXISTING IRREPARABLE HARM AND FUTURE IRREPARABLE HARM

The action of the AMC Board have caused unjustifiable and irreparable harm to common shareholders by the actions they took without obtaining the required single class vote by common shareholder, by issuing more APE shares than 20 percent of common shares outstanding, transacting super-voting powers to Antara and conducting a private placement with Antara that superseded 1% of common share outstanding . By going forward these actions they have thwarted the voting rights of common shareholders.

Present

Common shareholders have suffered irreparable harm due to the misrepresentations contained in the current Third and Amended Certificate of Incorporation, which falsely asserted the inclusion of the 242(b)(2)¹⁵ opt-out clause in violation of DGCL 241(a).¹⁶ The entirety of the irreparable harm inflicted by the necessity of initiating this legal proceeding is hoped to be rectified, albeit the entirety unlikely, through the potential reversal of the damages incurred and the restoration of the voting structure pertaining to the proxy proposals of March 14, 2023.

¹⁴ NYSE Listed Company Manual 313(A), Voting Rights Policy

¹⁵ DGCL 242(b)(2)

¹⁶ DGCL 241(a)

Additionally, the execution of a Forward Purchasing Agreement that contravened the regulations outlined in the NYSE Listed Company Manual, resulting in an exceeding of the 1% threshold specified in NYSE 312.03(b)(i)¹⁷, further exacerbated the irreparable harm by the sale of an overabundance of APE shares to Antara which has put significant downward pressure on the share price of AMC common shares.

Moreover, by implementing a Deposit Agreement that deposited more than 20% of the voting power of Class A common shares, as per the provisions of NYSE Listed Company Manual Regulation 312.03(c)¹⁸, in a convertible APE unit, the company acted in a manner detrimental to common shareholders and has caused irreparable harm through, once again, stripping common shareholders of their voting power and causing monetary damage to AMC stock price, declining from \$19.75 on August 4, 2022 to \$5 on May 24, 2023. The issuance of 929 million shares of AMC Preferred Equity Units, in violation of NYSE regulations, has resulted in a significant dilution of the share price for the 3.8 million long time AMC shareholders.

Future

The company's decision to conduct the proxy vote on March 14, 2023, addressing three proposals without affording Class A common shareholders their lawful separate voting rights, if not fully reversed will cause undeniable and long suffering consequences. Be it noted that only 25.4% of common shareholder voted in favour on all three proxy proposals.

Proxy Proposal 1, if effectuated, will lead to the unlawful common share issuances under DGCL 241(a), and further, the likeliness of court cases being brought forward after the evidence of DGCL 241(a) if made public could cause a myriad of future costs to AMC and depressed shareholder prices for common shareholders.

Proposal 2, if effectuated, will in most every circumstance, lead to a temporary and unsustainable incremental rise of AMC stock price and then will lose much of its value and go back down to its original price. AMC is heavily shorted with a 971.66% cost-to-borrow shortable share fee ([Exhibit I](#)), 55 to 65% dark pool trading on a daily basis, failure-to-delivers for over 30 days (naked shorted), and price depression. Reverse stock-splits bring forth a bad sentiment to investors and they are viewed negatively as the company trying to inflate the stock price, yet the fundamentals of the company have not changed. Investors know this scenario and it invites heavy short selling and decimates the stock price; almost in every case.

Proposal No. 3: To approve one or more adjournments of the Special Meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting to approve and adopt the Charter Amendment Proposals (the

¹⁷ NYSE Listed Company Manual, Regulation 312.03(b)(i)

¹⁸ NYSE Listed Company Manual, Regulation 312.03(c)

“Adjournment Proposal”), would allow another repeat and future irreparable harm by a change to the Charter Amendments and the elimination of Class A separate voting rights. With over 929 million shares of APE on the market this would remove the voting rights of Class A shareholders, even though many alleged contraventions of DGCL laws and NYSE Listed Manual Regulations have taken place.

Under Delaware law, Plaintiff and the Company’s Class A common shareholders will be irreparably harmed if they are denied a separate class vote on the Class A Share Increase Amendment and the Opt-Out clause is not revoked. “Courts have consistently found that corporate management subjects shareholders to irreparable harm by denying them the right to vote their shares.” *Telecom SNI Investors, L.L.C. v. Sorrento Networks, Inc.*, 2001 WL 1117505, at *9 (Del. Ch. Sept. 7, 2001)¹⁹ (internal citation and quotations omitted); see also *In re Inergy L.P.*, 2010 WL 4273197, at *17 (Del. Ch. Oct. 29, 2010)²⁰ (“wholly depriv[ing] a rightful vote” irreparably harms stockholders for the same reason that insufficient disclosure results in irreparable harm).

In the absence of the denial of Proxy Proposals 1 and 2 on March 14, 2023, Class A Stockholders will suffer irreparable harm. See, e.g., *In re: IXC Commc’ns, Inc. S’holders Litig.*, 1999 WL 1009174, at *10 (Del. 7 Ch. Oct. 27, 1999)²¹ (Certainly, the irreversible nature of a shareholder vote on a merger supports the argument that any possible harm caused by a tainted voting process would be irreparable. Considering the irreversible nature of a reverse stock split, which carries unknown implications for share prices likely to decline significantly due to the high percentage of short sellers in AMC stock and the negative perception of reverse stock splits among investors, coupled with the tainted voting process of the AMC proxy votes, the harm would indeed be irreparable. As would be a conversion of over 929 million shares of APE into Class A common shares. No more than 20% of common outstanding shares of APE convertible into AMC Common should have been legally issued, without a separate common shareholder majority vote.

Reverse Stock Splits, Negative Investor Sediment and Share Price Decline:

Article by Wall Street Prep:

Reverse Stock Split Impact on Share Price (and Market Valuation)²²

The concern with reverse stock splits, however, is that they tend to be perceived negatively by the market.

¹⁹ *Telecom SNI Investors, L.L.C. v. Sorrento Networks, Inc.*, 2001 WL 1117505, at *9 (Del. Ch. Sept. 7, 2001)

²⁰ *Inergy L.P.*, 2010 WL 4273197, at *17 (Del. Ch. Oct. 29, 2010)

²¹ *IXC Commc’ns, Inc. S’holders Litig.*, 1999 WL 1009174, at *10 (Del. 7 Ch. Oct. 27, 1999)

²² [What is Reverse Stock Split? | Formula + Calculator \(wallstreetprep.com\)](https://www.wallstreetprep.com/reverse-stock-split-formula-calculator), Right Click

The announcement of a reverse stock split often sends out a negative signal to the market, so companies are typically hesitant to perform reverse stock splits unless necessary.

In theory, the impact of reverse splits on a company's valuation should be neutral, as the total [equity value](#) and relative ownership remain fixed despite the change in share price. But in reality, investors can view reverse splits as a "sell" signal, causing the share price to decline even further.

Article by Finra - Reverse Splits²³

A reverse stock split tends to occur with small companies that believe their stock price is too low to attract investors. Companies also might do reverse splits to maintain their listing on a stock market that has a minimum per-share price or to appeal to certain institutional investors who might not buy stock priced below a certain amount.

More often than not, a reverse split involves a company that trades in the over-the-counter markets (OTC). Reverse stock splits are less common among seasoned companies that trade on one of the major U.S. stock exchanges.

If a reverse split is announced and actually occurs, proceed with caution. Reverse splits tend to go hand in hand with low-priced, high-risk stocks. This is especially true with reverse splits that result in a post-split share price that is many times the price of the stock's current price.

²³ [Stock Splits | FINRA.org](#), (Right Click)

Objection 4: FIDUCIARY DUTIES OF CARE AND LOYALTY

I want to emphasize that it is not an exaggeration to say that the AMC Board has seriously breached their fiduciary responsibilities of due care, good faith, and loyalty.

Their deliberate actions in conducting a Proxy Vote, along with the meticulous execution of its implementation with the expertise of an Investment Banker on March 14, 2023, clearly demonstrate their knowledge that these actions were unethical, disloyal, and in direct violation of the DGCL and other relevant regulations. Some may argue that they were unaware of the extent to which they were violating DGCL laws and NYSE Regulations, but considering the extent of the violations, it appears that they consciously chose to take the risk, believing that the potential benefits outweighed the potential consequences.

- Violations of DGCL 241(a) and 242(b)(2).
- NYSE Regulation 312.03(c) was violated by issuing APE shares in excess of 20% of the outstanding common shares.
- NYSE Regulations 312.03(b)(ii) was violated by selling a private placement to Antara that exceeded 1% of the common outstanding shares that did not meet the minimum price required.
- By violating DGCL 242(b)(2), AMC has granted APE shares a Proportional Depository Voting special right, which has artificially inflated the number of "in favor" proxy votes and undermined the rights of non-voting shareholders.
- Through deliberate and unethical actions, AMC has engaged in behavior that not only violates established norms but has also led to a court case, incurring substantial costs and weakening the company's balance sheet.

The Defendant's actions can only be described as contradictory and double faced. On one hand, Mr. Aron presented himself as loyal and appreciative, publicly acknowledging the significant financial support provided by retail investors, which helped AMC survive and avoid bankruptcy during the challenging times of the Covid crisis. However, behind the scenes, his actions were in direct opposition to the best interests of Class A shareholders and their separate voting status.

Despite Mr. Aron's public expressions of gratitude and his engagement with AMC's retail base through interviews and media coverage, it is evident that his true intentions were to

undermine and work against the supporters of the company. This is demonstrated by the implementation of a disloyal and unethical proxy voting structure, aimed at disregarding the voting rights of common shareholders.

The stark contrast between Mr. Aron's public facade and his behind-the-scenes actions highlights a betrayal of trust and a breach of loyalty towards the retail investors who stood by AMC during its most challenging times.

It is important to acknowledge that there is a significant number of investors who have taken short positions in AMC stock. It is disloyal to turn a blind eye to these retail investors and engage in a private placement agreement with Antara, a hedge fund, while attempting to capture a majority vote for the March 14, 2023 proxy proposals and implement a reverse stock split that does not benefit the company. The only beneficiaries of a reverse stock split are short sellers who can reduce their short positions by tenfold and walk away. There are also concerning practices happening in the background, such as dark pools, unlit market selling, failure-to-delivers, and naked shorting, which suppress price discovery and manipulate stock prices. The AMC Board is aware of these manipulations that have been ongoing for years, and they understand that a depressed stock price is detrimental to the company's public image and ability to raise capital. Engaging in private placements with Distress Credit Funds at discounted prices and lending from the very entities that are taking control of your company is a no win proposition. These funds generate substantial profits at the expense of AMC. Antara, for instance, acquired 258 million shares of Ape at very low prices, making millions of dollars in a short period. This arrangement is essentially making a deal with the very forces that benefit from your own demise.

AMC faces a critical choice between its loyalty to two parties: the large short sellers and lenders who show no concern for the company's survival, or the retail investors who genuinely care about AMC's well-being. Regrettably, being under the grip of short sellers means that AMC's decision-making is restricted by their financial demands, resulting in high costs and inefficiencies for the company. AMC finds itself trapped in a cycle of reliance on credit distress funds and opportunistic lenders, and this cycle will persist unless it can break free from such lending arrangements.

By employing strategic thinking and innovative approaches, AMC has the opportunity to tap into its substantial retail customer base—the very individuals who frequent their theaters and contribute to their revenue.

AMC holds a unique opportunity to leverage its dedicated base of retail investors and break free from the constraints imposed by burdensome lenders. One promising idea is to introduce online gift cards tailored specifically for these retail investors. By offering \$100 or \$200 gift cards with attractive bonuses for higher spending, AMC can entice its supporters to contribute even more. Additionally, discounts on food, extra movie showings

during specific times, and enticing offers can be provided to further incentivize their participation. This strategic approach capitalizes on the fact that AMC's profits are largely generated through food and concessions.

The passionate retail investors who have already demonstrated their commitment to AMC are eager to help the company eliminate its debt. By tapping into their dedication and providing them with exclusive benefits, such as free movies for reaching a certain spending threshold on meals, AMC can further strengthen its bond with its retail investor base. These 3.8 million retail investors possess a vested interest in AMC's success and have the financial incentive to actively contribute to the company's victory over its current debt burden.

By seizing this opportunity and appealing to the loyalty of its retail investors, AMC can generate substantial funds that will significantly reduce its debt and pave the way towards achieving a debt-free status. This approach not only empowers AMC but also allows its dedicated supporters to actively participate in the company's journey towards financial stability and success.

The AMC Board's decision to prioritize a less advantageous funding option, without exploring more favorable alternatives, is a clear betrayal of their duty of loyalty and care towards shareholders. It is undeniable that superior funding avenues existed, yet the Board chose to disregard them, demonstrating a lack of commitment to the best interests of the company and its stakeholders.

The Defendants' claim of an 87% and 88% victory in the March 14, 2023 proxy votes is misleading and does not reflect the true picture. These figures are based on the "votes cast" rather than considering the requirement of a majority of votes entitled to vote as specified in AMC's Certificate of Incorporation.

In reality, only 25% of common shareholders voted in favor of all three proxy proposals, which falls far short of a majority. Furthermore, when considering the votes of APE and common shareholders together as a class, only 47% voted in favor of all three proposals. It is important to note that this percentage includes 258 million Antara share "in favor" votes that were "bought" by AMC through pre-purchased shares prior to the proxy meeting vote date. Furthermore, the involvement of Citi in devising and implementing a manipulated voting structure raises serious concerns about the integrity and fairness of the voting process. The Defendants, in collaboration with Citi and the AMC Board, have manipulated the voting structure in a way that undermines the true voice of the shareholders.

These actions are deceptive and disloyal to shareholders no matter what other factors are underlying or may be of importance, such as equity balance. Public traded companies have a fiduciary duty to act in the best interests of their shareholders. Suppressing the voices of shareholders contradicts their best interests and underscores the necessity of creating and enforcing laws and regulations. AMC has a duty to conduct business in an trustworthy, loyal and ethical manner. The AMC Board actively worked to weaken the voting influence of common shareholders, fully aware of how proxy votes are calculated. Their actions were aimed at concealing the manipulated voting structure and diverting attention from their true intentions. This deliberate effort to undermine the single class voting system demonstrates a lack of loyalty and a disregard for the rights of common shareholders. All of the above Defendant's' actions were direct breaches of loyalty and care to the trust of millions of retail investors and to say different would only be wrong in my opinion.

The word loyalty is defined as a duty towards someone or something.

During the challenging times of the COVID-19 crisis, AMC faced a dire situation with little hope for survival. However, it was the collective efforts of individual investors that came to the rescue, rallying in large numbers to prevent its demise. Their unwavering support and loyalty amounted to a remarkable lifeline of 1.8 billion dollars.

In comparison, Individual investors now find themselves in a dire situation, with their AMC investment having suffered a significant decline of over two-thirds. The implementation of a reverse stock split would only exacerbate the damage, offering no means of restitution. Unfair and unethical practices by short-sellers have prevented AMC from trading freely and transparently in the market. Despite these adversities, AMC shareholders are resolute in their refusal to sell their shares, standing firm against such unjust conduct. They are relentlessly holding on, as no one, including AMC, has taken action to address these inequities in the marketplace. Encouragingly, banks have begun raising their voices, demanding an end to short selling on their stocks and making notable progress in their efforts.

At present, it is the individual investors who are in a dire situation, who are relying on AMC's assistance to take decisive measures and halt the manipulation of the stock price by short-sellers. This action is vital to enable investors to recover from substantial losses they have incurred. The plight of AMC investors closely parallels the challenges the company faced during the Covid shutdown. Just as AMC received support from its investors to survive, these individual investors need AMC's advocacy to protect their rights and safeguard their investments. The banking institutions joining forces to voice their concerns and demand changes that curb the ability of large short-sellers to undermine stock prices.

Furthermore, AMC had the opportunity to implement procedures to accurately determine its true voting base, which would expose large short-sellers and restore accountability, but failed to do so. Instead, the company is pursuing a 10-for-1 reverse stock split, which would have detrimental effects on shareholder value and eliminate accountability for short positions in AMC. AMC's proposed reverse stock split is an alarming attempt to confiscate 90 percent of shareholders' shares, fully aware that this action will result in significant, irreparable losses for individual investors. This deliberate maneuver disregards the financial well-being and interests of shareholders, prioritizing short-term gain for the company at the expense of long-term shareholder value. Introducing super-voting powers, in contravention of NYSE Listed Manual 313, to crush and extinguish common shareholders voting rights, is the very definition of disloyal. This attempted proxy proposal operation exhibits a profound disloyalty towards shareholders by AMC Board, that they know will inflict permanent harm and be a lethal depreciation of shareholder value. By pushing forward with these proposals, the interests and well-being of shareholders have been callously disregarded.

AMC violated their legal and ethical obligations that are meant to protect shareholders' rights and interests.

As defined above, loyalty has a duty, in this case, to individual investors.

AMC has breached its duty of loyalty to individual shareholders. This act of betrayal by the strategizing of a voting structure that violates DGCL laws and NYSE regulations is a stark departure from the duty of loyalty owed to shareholders.

Objection 5: PROPOSED SETTLEMENT IS A SIGNIFICANT BENEFIT

The Defendants' claim that the proposed settlement is beneficial to shareholders is deceptive and misleading. This settlement fails to address the crucial issues of excessive issuance of APE shares convertible into common shares and the violation of common shareholders' voting rights. The Defendants have clearly engaged in over-issuance and manipulation to secure a majority vote, which is a direct violation of both shareholder rights and several DGCL laws. Approving this proposed settlement would result in common shareholders losing their voting power and relinquishing ninety percent of their shares through an unjust and unlawful process. It is essential that the court upholds the law and does not allow the Defendants to evade accountability by hiding behind claims of "equity balances."

The majority of investors in AMC have maintained their positions for a duration exceeding two years, with a break-even point ranging from \$20 to \$30 per share. It is worth noting that prior to the announcement of the issuance of AMC Preferred Equity Units (APE) on August 4, 2022, the stock price of AMC stood at \$19.75.

However, in the event that a reverse stock split ratio of 10-1 is implemented, shareholders would inevitably find themselves holding a mere 1/10th of their initial share holdings. This proposed reverse stock split, when coupled with the potential dilutive effect ensuing from the implementation of Proxy Proposal 1, exacerbates the already pressing issue of dilution of shareholder ownership.

The prevailing scenario for the vast majority of long-term investors, comprising the majority of the 3.8 million Class A shareholders, necessitates the AMC stock price to reach a range of \$100 to \$200 per share in order for them to recoup their initial investment should a reverse stock split take effect.

Presently, in the absence of a 10-1 stock split, these investors are dependent on the AMC stock price to rise to an average of \$20 to \$25, a level that remains attainable at any point in time, given the substantial short position shown in ([Exhibit I](#)) evidenced by a 971.66% cost-to-borrow shortable fee on April 6, 2023 at Interactive Brokers.

An overabundance of APE shares were issued in violation of NYSE Regulation 312.03(c) and a fair settlement would be nothing less than a settlement bringing the AMC price back up to its original price of \$19.75 before 825,000,000 were over-issued.

Shareholders are entitled to safeguard the value of their investments, and it is their right to be protected from any loss resulting from unethical schemes that violate the laws set forth by the Delaware General Corporation Law (DGCL) and regulations established by the New York Stock Exchange (NYSE).

Objection 6: BALANCE OF EQUITIES

I raise an objection to the assertions made by both Plaintiff's Counsel and Defendant's Counsel regarding the present financial condition of AMC and the proposed settlement as a viable solution.

Share increases and dilution, reverse stock splits, don't save a company from its own demise. Success of a company is dependent and contingent on the management team implementing operating initiatives for real-long term value creation. Cost and spending control is crucial.

Reverse stock splits do not change the value of a stock because it does not change the fundamentals or growth prospects of the underlying company.

A company that continuously relies on issuing additional shares and relies heavily on retail investors to generate funds demonstrates poor financial management practices. Furthermore, awarding annual equity packages worth \$18 million and \$26 million to key personnel during a period of Covid shutdown is excessive and conveys a contradictory message about the company's financial difficulties.

The expenditure of \$28 million to acquire a 22% stake in Hycroft Mines in March 2022 does not align with the notion of a company facing imminent demise and raises questions about the decision-making of the management, particularly when the company's financial situation is reportedly tight and Defendant is purporting that bankruptcy is a possibility. This transaction took place just more than one year ago.

As reported by Reuters²⁴ on March 15, 2022, AMC Entertainment is using the cash it raised during last year's meme-stock craze to buy a stake in a junior gold and silver miner based in Nevada.

Aron has his retail investors to thank for the investment in Hycroft mining, as the retail surge that sparked a massive short-squeeze in the stock allowed the movie theater chain to raise more than a billion in cash last year by selling stock.

"In 2021, our retail shareholders armed us with a \$1.8 billion war chest to play on offense and grow our company," Aron said.

These actions do not align with those of a financially distressed company. Rather, they reflect the optimism of a company that believes investing \$28 million in a junior gold mine will not have a negative impact on its future prospects. Once again, this purchase was in March 2022. One year later, the proposed settlement is suggesting that if the proxy proposals are not approved, AMC may face the risk of bankruptcy.

AMC has had long term debt in the billions since 2017.

AMC's long term debt as follows:²⁵

September 30, 2017	4.87 Billion
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²⁴ [Movie theater operator AMC invests in troubled miner Hycroft | Reuters](#) (Right Click)

²⁵ [AMC Entertainment Holdings Long Term Debt 2013-2023 | AMC | MacroTrends](#) (Right Click)

September 30, 2018	5.35 Billion
September 30, 2019	4.80 Billion
September 30, 2020	5.88 Billion
September 30, 2021	5.49 Billion
September 30, 2022	5.24 Billion

I respectfully propose that AMC undertakes the hiring of financial specialists to formulate a strategic plan that serves the best interests of both the company and its retail investors. This plan will address the temporary financing requirements necessary until theatrical releases rebound to levels comparable to those seen in 2019. Leveraging the substantial retail investor base of AMC, would establish a mutually beneficial relationship that promotes equity and fairness. AMC has a very unique option to obtain the necessary financing for the carry-over period through the retail base that is available to them. The current proposed settlement disregards the opportunity to leverage this investor base and is inherently unjust and inequitable towards the common shareholders.

I recommend that AMC consider engaging the services of financial specialists to develop a comprehensive plan that mutually benefits the company and its retail investors. This plan should address the temporary financing needs of AMC until theatrical releases reach pre-pandemic levels. By tapping into its substantial retail investor base, AMC can create a win-win situation where both the company and its investors stand to gain. Such an approach would foster collaboration and support, ultimately contributing to the long-term success and stability of AMC.

There seems to be a promising trajectory towards reaching 2019 levels of theatrical releases in the near future. As of April 25, 2023, one hundred movies have already been scheduled for release in 2023, indicating a visible turnaround.²⁶ Bloomberg reports on March 26, 2023 that Apple and Amazon make billion-dollar bets on movie theaters. Apple plans to release its biggest movies in theaters at least a month before they appear on its streaming service, Apple TV+.²⁷

On March 26, 2023 Macquarie Analyst Chad Beynon expects to see big growth in AMC.²⁸

Aron said, "Our results for the first quarter of 2023 represent AMC's strongest first quarter in four full years. All told, the first quarter North American box office easily surpassed 2022 by some 29%, totaling more than \$1.7 billion. The recover in the European box

²⁶ [AMC CEO Adam Aron Thinks They Are Out of the Woods \(thewrap.com\)](#) (Right Click)

²⁷ [Why Apple, Amazon Are Making \\$1 Billion Bets on Movie Theaters - Bloomberg](#) (Right Click)

²⁸ <https://franknez.com/macquarie-analyst-expects-to-see-big-growth-in-amc/> (Right Click)

office was even stronger in getting to pre-pandemic norms than that in the U.S. As I have said for many years, when our studio partners showcase their magical storytelling, there is robust demand to be realized at AMC theatres both in the U.S. and abroad. We believe the first quarter of 2023 is just the tip of the iceberg for what's coming in the remainder of the year. Road to recovery is getting better with box-office strength," said Macquarie Research analyst Chad Beynon. According to Mr. Aron and several analyst comments, AMC is ramping up its earnings through the recovery of theatrical releases and is the key element to reaching pre-pandemic levels.

Based on Mr. Aron's comments and analyst statements, there is a consensus that AMC is poised for a relatively rapid recovery. The prevailing sentiment suggests that it won't be long before AMC experiences a resurgence in its business and financial performance.

It must be remembered, perhaps and very likely, AMC would not be on its feet at all on this date had retail investors not stepped in and saved AMC with the 1.8 BILLION infusion that they brought in 2021.

This proposed settlement leaves these same saviours in a position of nothing but losses that will never be recovered. This settlement is set forward to be a saviour to the short sellers; the very entities that have been responsible for AMC's restricted and manipulative stock price and a major reason that it does not have access to capital. AMC stock price is not free flowing. The price does not go up on good news or major events because it is depressed by short sellers as. Stocks that don't have massive short positions do not have cost-to-borrow shortable share fees that are near 1,000 percent.

I state with confidence, that if AMC were trading on a transparent and lit market, without the massive suppression of short-sellers by means of re-routing order through dark pools, naked shorting and various other strategies to depress AMC price, that AMC would be trading at a much higher price than it presently is. Capital would then be available and drawing down debt would not be a problem.

I urge the court to require AMC to provide a shareholder list and that the list is verified under the microscope of the court. If the list does not pass the inspection then I suggest every brokerage be ordered to produce a list of shareholder list with share count of each and confirm that these shares are held in that shareholder's account. It is a large task perhaps, but this is the fair and equitable way that leads to the transparency that is equitable for both AMC and shareholders. The shareholders have been harmed by many actions that are against DGCL laws and NYSE Regulations as outlined throughout. The court is the only avenue that shareholders, and AMC for that matter, have to bring light and justice to those that invest through the Wall Street system.

This is not a fair **or necessary** (as outlined within) proposed settlement and I strongly object to it because due diligence will not have occurred through a more thorough

investigation of the case and those that flagrantly disregarded the DGCL and NYSE Regulations will have been the only ones served. The proposed settlement is unnecessary given the increasing success of theatrical releases, which are quickly generating the necessary financial resources for AMC to thrive.

The court must also take into account an email exchange presented in the court documents in respect to introducing the proxy proposals, wherein Adam Aron expressed his concern regarding the potential adverse consequences for AMC if a significant number of retail investors were to suddenly liquidate their positions. This acknowledgment highlights and underscores the importance of addressing the interests and concerns of the large retail investor base when discerning the fairness and legalities of the proposed settlement in relation to equity balances.

I recommend that the court consider requiring AMC to undertake enticing gift card promotions targeted at its investors, as outlined in the section on "Fiduciary Duties." This would serve as a litmus test to assess whether the proposed capital inflow would materialize before lifting the status quo and approving the settlement. By implementing this test, the court can carefully evaluate the potential impact on shareholder participation and gauge the effectiveness of such promotions in generating the desired financial support for AMC. It is crucial to thoroughly scrutinize the viability and feasibility of alternative measures before making any decisions that may significantly affect the shareholders' rights and the overall outcome of the case.

Further, AMC share price would need to reach \$100 to \$200 for most shareholders to breakeven on their investment if a reverse stock split was approved. In effect, the approval of a stock split would decimate many individual stock holders by no fault of their own and no laws disregarded by them.

I would also like to put forward that the precedent set forth to public corporations to disregard the DGCL laws and shareholders voting rights, as their ambition motivated, them, would create an open door to this unethical conduct.

Lastly, the Defendants are relying of "The Balance of Equities" considered by the court being their trump card in lifting the Status-Quo in this case where the court does not have to consider merely the laws. Businesses should be responsible for the debt they incur. They should implement stringent cost cutting strategies and buckle down the hatches which does not include a 28 million dollar purchase of a junior gold mine.

Mr. Aron and the Board did not buckle down on their pay packages. Mr. Aron's pay packages were in fact extravagant in 2020 he received \$20.9 million, in 2021 he received \$18.9 million and 2022 he received \$23.7 million.

I implore the court to give careful consideration to these facts when determining the outcome that will impact the lives of millions of investors who have no means to recover their losses. The stakes are incredibly high, and the decisions made will have far-reaching consequences for those who have placed their trust and financial well-being in the hands of the court.

The court's duty in this matter is not to be taken lightly. It holds the power to bring justice to those who have been wronged and to provide a resolution that maintains faith in the legal system. The fate of these investors hangs in the balance, and their hopes for a just outcome rely on the court's careful evaluation of the evidence and thorough consideration of the facts presented.

The court's decision will determine whether they have a chance to recoup their losses and regain their financial stability.

OBJECTION 7: DEFENDANT'S RIGHT TO IMMUNITY

The Plaintiffs brought forth a series of accusations against the Defendants on February 20, 2023. These allegations include:

Defendants engaged in a complex and disloyal corporate scheme to bypass shareholder preferences in a corporate election.

Plaintiffs have violated DGCL laws and NYSE Listed Company Manual Regulations.

Upon reviewing the actual complaint, Plaintiff's Opening Brief in Support of Proposed Settlement, and Defendant's Brief in Support of Proposed Settlement, it is perplexing to comprehend why Class Counsel would level such damning accusations against CEO Aron and the Board, only to completely reverse their stance.

The Lead Counsel, in fact, assured the Court and Members of the Class that there would be no difficulty in managing this litigation and substantiating their claims. Furthermore, Plaintiffs stated their commitment to prosecuting this Action and retained experienced counsel in this type of litigation.

It is disconcerting that the plaintiffs now suggest that their previous complaints to the court are now frivolous and lack merit, claiming that their claims would easily be defeated by the Defendants' Lead Counsel. Yet, they seek millions of dollars in attorneys' fees for

these purportedly baseless and unmeritorious claims. Such inconsistencies raise serious concerns and warrant further scrutiny.

This state of affairs is unacceptable not only to me but also to many other members of the Class. It is imperative that the fairness and adequacy of the settlement terms be thoroughly examined to ensure the preservation and protection of shareholders' rights.

The case highlights the Court's responsibility to diligently evaluate the merits of the claims against the Defendants and assess the extent of the alleged wrongdoing, all while safeguarding the interests of the class members.

I strongly oppose the inclusion of an immunity clause in the Proposed Settlement, particularly if the violations I have outlined in this objection letter are proven to be factual by the court.

The plaintiffs have hastily approached the Court, rushing towards a settlement and disrupting the status quo. Given the numerous misrepresentations, false statements, and disingenuous assertions present in this case, it is essential for the court to exercise meticulous examination and scrutiny.

In conclusion, I urge the Court to carefully consider the objections raised in this letter and ensure that fairness and justice prevail in the resolution of this matter.

CORPORATION SERVICE COMPANY

www.cscglobal.com

EXHIBIT A

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Matter# AMC
 ENTERTAINMENT
 HOLDINGS

Order# 931194-5

Project Id :

Order Date 12/17/2013

Entity Name: AMC ENTERTAINMENT HOLDINGS, INC.

Jurisdiction: DE - Secretary of State

Request for: Amendment/Correction/Restated/Designation Filing

File#: 4365546

File Date: 12/17/2013

Result: Restated Filed & Approved

Ordered by MEERA SITARAM, ESQ. at WEIL, GOTSHAL & MANGES LLP

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Tenola Price

tprice@cseinfo.com

The responsibility for verification of the files and determination of the information therein lies with the filing officer, we accept no liability for errors or omissions.

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "AMC ENTERTAINMENT HOLDINGS, INC.", FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF DECEMBER, A.D. 2013, AT 9:44 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

4365546 8100

131440397

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 0992499

DATE: 12-18-13

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF

AMC ENTERTAINMENT HOLDINGS, INC.

AMC Entertainment Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware (hereinafter, the "Corporation"), hereby certifies as follows:

FIRST: The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware (the "Secretary of State") on June 6, 2007. An Amended and Restated Certificate of Incorporation was filed with the Secretary of State on June 11, 2007, a Second Amended and Restated Certificate of Incorporation was filed with the Secretary of State on August 30, 2012 and a Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation was filed with the Secretary of State on December 21, 2012.

SECOND: This Third Amended and Restated Certificate of Incorporation has been duly adopted by the board of directors of the Corporation (the "Board of Directors") and by the stockholders in accordance with Sections 228, 242 and 245 of the Delaware General Corporation Law and amends and restates the provisions of the existing Amended and Restated Certificate of Incorporation of the Corporation.

THIRD: The text of the Second Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

ARTICLE I
NAME

The name of the Corporation is AMC Entertainment Holdings, Inc. (the "Corporation").

ARTICLE II
REGISTERED OFFICE

The address of the Corporation's registered office in the State of Delaware is to be located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 and the name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE

The purpose or purposes of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (the "DGCL").

ARTICLE IV CAPITAL STOCK

A. The total number of shares of capital stock that the Corporation has authority to issue is 650,000,000 shares, consisting of (i) 524,173,073 shares of Class A Common Stock, par value \$0.01 per share (the "Class A Common Stock"), (ii) 75,826,927 shares of Class B Common Stock, par value \$0.01 per share (the "Class B Common Stock"), together with the Class A Common Stock, the "Common Stock", and (iii) 50,000,000 shares of Preferred Stock, par value \$0.01 per share (the "Preferred Stock").

B. Except as otherwise provided by law or as set forth herein, the shares of stock of the Corporation, regardless of class, may be issued by the Corporation from time to time in such amounts, for such consideration and for such corporate purposes as the Board of Directors may from time to time determine.

C. The Board of Directors is hereby expressly authorized, by resolution or resolutions, to establish, out of the unissued shares of Preferred Stock, one or more series of Preferred Stock and to determine, with respect to each such series, the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

D. The number of authorized shares of any of the Common Stock or the Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor.

E. Each holder of record of Class A Common Stock shall have one vote for each share of Class A Common Stock that is outstanding in his, her or its name on the books of the Corporation and which is entitled to vote. Each holder of record of Class B Common stock shall have three votes for each share of Class B Common Stock that is outstanding in his, her or its name on the books of the Corporation and which is entitled to vote. Except as otherwise provided in this Third Amended and Restated Certificate of Incorporation or by applicable law, the holders of shares of Class A Common Stock and Class B Common Stock shall at all times vote together as one class on all matters submitted to a vote or for the consent of the stockholders of the Corporation.

F. In the election of directors, stockholders shall be entitled to cast for any one candidate no greater number of votes than the number of shares held by such stockholder; no stockholder shall be entitled to cumulate votes on behalf of any candidate. Except as otherwise required by law, holders of record of Common Stock shall not be entitled to vote on any amendment to this Third Amended and Restated Certificate of Incorporation (including any

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

Notice of Effectiveness

Effectiveness Date: December 17, 2013 4:00 P.M.

Form: S-1

CIK: 0001411579

Company Name: AMC ENTERTAINMENT HOLDINGS, INC.

File Number: 333-190904

EXHIBIT B

EXHIBIT C

QUICK LINKS [Goldman Sachs Conviction Buy List](#) [Warren Buffett News](#) [Elliot Management News](#)

AMC Entertainment Holdings, Inc. IPO Info

Company Name: AMC Entertainment Holdings, Inc.

Stock Symbol: AMC

Exchange: NYSE

Status: Priced

IPO Date: 12/18/2013

IPO Price: 18.00 (14.17%)

Underwriters

Citigroup and BofA Merrill Lynch

Amount of Offering: N/A

Number of Shares Offered: 18,421 Mil

Shares Outstanding After Offering: N/A

Valuation: N/A

Company Description

AMC Entertainment is one of the world's largest theatrical exhibition companies and an industry leader in innovation and operational excellence.

Financial Data

Financial summary from the company: "Across our entire circuit, approximately 200 million guests visited our theatres during calendar year 2012 and during the twelve months ended June 30, 2013. For the year ended December 31, 2012, our best ever, we had total revenues of \$2.7 billion; Adjusted EBITDA of \$438.3 million and net income of \$51.5 million, and for the twelve months ended June 30, 2013, we generated total revenues of \$2.7 billion, Adjusted EBITDA of \$436.5 million and net income of \$82.8 million. According to publically available information for our peers, during the calendar year ended December 31, 2012, our circuit led in revenues per head (\$13.56), average ticket price (\$9.04) and concessions per head (\$3.92). For the same period, our attendance per screen (41,900) and admissions gross profit per screen (\$179,000) were among the highest of our peers. In the last two years ended June 30, 2013, we have deployed a total of \$144.4 million in growth-oriented capital, including \$16.7 million contributed by landlords, into our circuit and infrastructure to help generate those results. We believe that it is the quality of our theatre locations and our customer-focused innovation that continue to drive improved productivity per location, return on investment and shareholder value."

SEC Filings

News Headlines

- [Reddit IPO: After Confidentially Filing To Go Public, Here's What We Know So Far](#)
- [AMC is working with Citi on potential \\$2 billion float of Odeon cinemas: sources](#)
- [AMC Entertainment \(AMC\) Pops Higher Following IPO Launch](#)
- [AMC Entertainment \(AMC\) Prices 18.4M Common IPO at \\$18/Share](#)
- [AMC Entertainment \(AMC\) Launches 18.4M Common IPO, Sees Price of \\$18 - \\$20/Share](#)
- [Theatre Giant AMC Entertainment \(AMC\) Files \\$400M IPO](#)
- [AMC Entertainment \(AMC\) Files \\$450M IPO](#)

Close



EXHIBIT D

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As filed with the Securities and Exchange Commission on December 3, 2013

Registration No. 333-199904

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

EXHIBIT D

AMENDMENT NO. 6
TO

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMC ENTERTAINMENT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	7831 (Primary Standard Industrial Classification Code Number)	26-0303916 (I.R.S. Employer Identification Number)
---	---	--

One AMC Way
11500 Ash Street
Lenexa, Kansas 66211
(913) 213-2000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Kevin M. Connor, Esq.
Senior Vice President, General Counsel & Secretary
AMC Entertainment Inc.
One AMC Way
11500 Ash Street
Lenexa, Kansas 66211
(913) 213-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of Communications to:

Matthew D. Bloch, Esq.
Alexander D. Lynch, Esq.
Douglas Ryder, Esq.
Weit, Gotsdiner & Mangano LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Manish K. Thurnmond, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
(212) 373-3000

Approximate date of commencement of proposed sale to public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒
(Do not check if a
smaller reporting company)

Smaller reporting company ☐

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

EXHIBIT E

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As filed with the Securities and Exchange Commission on December 3, 2013

Registration No. 333-190904

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

AMENDMENT NO. 6
TO

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMC ENTERTAINMENT HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	7832 (Primary Standard Industrial Classification Code Number)	26-0363916 (I.R.S. Employer Identification Number)
---	---	--

One AMC Way
11500 Ash Street
Lenexa, Kansas 66211
(913) 213-2000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Kevin M. Connor, Esq.
Senior Vice President, General Counsel & Secretary
AMC Entertainment Inc.
One AMC Way
11500 Ash Street
Lenexa, Kansas 66211
(913) 213-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of Communications to:

Matthew D. Bloch, Esq.
Alexander D. Lynch, Esq.
Douglas Ryder, Esq.
Well, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Monica K. Thurmond, Esq.
Paul, Weiss, Ruffolo, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
(212) 373-3000

Approximate date of commencement of proposed sale to public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

☐ If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

☐ If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒
(Do not check if a
smaller reporting company)

Smaller reporting company ☐

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 3, 2013

PRELIMINARY PROSPECTUS



18,421,053 Shares

AMC Entertainment Holdings, Inc.

Class A Common Stock
\$ per share

This is the initial public offering of our Class A common stock. We are selling 18,421,053 shares of our Class A common stock. We currently expect the initial public offering price to be between \$18.00 and \$20.00 per share of Class A common stock.

We have granted the underwriters an option to purchase up to 2,631,579 additional shares of Class A common stock.

We will apply to have the Class A common stock listed on the New York Stock Exchange under the symbol "AMC."

Upon consummation of this offering, we will have two classes of common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock will be identical, except with respect to voting and conversion applicable to the Class B common stock. Each share of Class A common stock will be entitled to one vote. Each share of Class B common stock will be entitled to three votes and will be convertible at any time into one share of Class A common stock.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 21.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	\$	\$
Underwriting Discount (1)	\$	\$
Proceeds to AMC Entertainment Holdings, Inc. (before expenses)	\$	\$

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See "Underwriting."

The underwriters expect to deliver the shares to purchasers on or about , 2013 through the book-entry facilities of The Depository Trust Company.

Citigroup
Barclays

BofA Merrill Lynch
Credit Suisse

B. Riley & Co.
LOYAL3 Securities

Barrington Research

FBR

Piper Jaffray

Stifel

HSBC
Wedbush Securities

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We are responsible for the information contained in this prospectus. We have not authorized anyone to provide you with different information, and we take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

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PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, especially the risks of investing in our Class A common stock discussed under "Risk Factors" and our Consolidated Financial Statements and accompanying notes.

AMC Entertainment Holdings, Inc. ("Parent"), an entity created on June 6, 2007, is the sole stockholder of AMC Entertainment Inc. ("AMCE"). As used in this prospectus, unless the context otherwise requires, references to "we," "us," "our," the "Company," "AMC" or "AMC Entertainment" refer to Parent and its consolidated subsidiaries.

On November 15, 2012, we announced that we changed our fiscal year to a calendar year so that the calendar year shall begin on January 1st and end on December 31st of each year. Prior to the change, fiscal years refer to the fifty-two weeks, and in some cases fifty-three weeks, ending on the Thursday closest to the last day of March.

As used in this prospectus, the term "pro forma" refers to, in the case of pro forma financial information, such information after giving pro forma effect to (i) the Merger (as defined below) and (ii) this offering and the use of proceeds therefrom and related transactions (collectively, the "Transactions"). Except as stated otherwise herein, the share data set forth in this prospectus reflects the reclassification of Parent's capital stock as described below under "— The Reclassification."

Certain financial measures presented in this prospectus, such as Adjusted EBITDA and Theatre Level Adjusted EBITDA are not recognized terms under accounting principles generally accepted in the United States ("GAAP"). These measures exclude a number of significant items, including our interest expense and depreciation and amortization expense. For a discussion of the use of these measures and a reconciliation to the most directly comparable GAAP measures, see "— Summary Historical and Unaudited Financial and Operating Data." We also use "cash on cash return" as a measure of the performance of our theatres after implementation of one or more of the strategic initiatives described below under "— Our Strategy: The Customer Experience Leader." Management uses this metric to measure the increase in operating performance of our theatres relative to the capital invested in them and to guide the allocation of future capital deployment. We believe that securities analysts and investors also view this measure as an important tool for measuring our performance. We define "cash-on-cash" return on the capital investment for a strategic initiative as the increase in Theatre-level Adjusted EBITDA (as defined on page 19) attributable to such capital investment for the twelve month period following completion of the capital investment over the preceding 12 month period divided by the amount of such capital expenditures, net of landlord contribution (as defined on page 19).

Our Company

We are one of the world's largest theatrical exhibition companies and an industry leader in innovation and operational excellence. We introduced Multiplex theatres in the 1960s and the North American stadium-seated Megaplex theatre format in the 1990s. Our field operations teams win recognition from national organizations like the Motion Picture Association of America and local groups in "Best of" competitions, while maintaining greater than 50% top-box customer satisfaction and industry leading theatre productivity metrics.

As of September 30, 2013, we owned, operated or held interests in 343 theatres with a total of 4,950 screens primarily in North America. Our theatres are predominantly located in major metropolitan markets, which we believe give our circuit a unique profile and offer strategic and operational advantages. Our top five markets, in each of which we hold the #1 or #2 share position, are New York (42% share), Los Angeles (27%), Chicago (44%), Philadelphia (29%) and Dallas (28%). For the twelve months ended September 30, 2013, these five metro markets comprised 40% of our revenues and 38% of our attendance. Strategically, these markets and our theatres in them are diverse.

	The Offering
Class A common stock offered by us	18,421,053 Shares
Class A common stock to be outstanding immediately after this offering	19,225,779 Shares
Class B common stock to be outstanding immediately after this offering	75,826,927 Shares
Option to purchase additional shares	We have granted to the underwriters a 30-day option to purchase up to 2,631,579 additional shares of our Class A common stock from us at the initial public offering price less underwriting discounts and commissions.
Common stock voting rights	<p>Upon consummation of this offering, the holders of our Class A common stock will be entitled to one vote per share, and the holders of our Class B common stock will be entitled to three votes per share.</p> <p>Each share of Class B common stock may be converted into one share of Class A common stock at the option of the holder.</p> <p>If, on the record date for any meeting of the stockholders, the number of shares of Class B common stock then outstanding is less than 30% of the aggregate number of shares of Class A common stock and Class B common stock outstanding, then each share of Class B common stock will automatically convert into one share of Class A common stock.</p> <p>In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, except for certain transfers to other holders of Class B common stock or their affiliates or to certain unrelated third parties as described under "Description of Capital Stock—Conversion and Restrictions on Transfer."</p> <p>Holders of Class A common stock and Class B common stock will vote together as a single class on all matters unless otherwise required by law.</p> <p>Upon consummation of this offering, assuming no exercise of the underwriters' option to purchase additional shares, (1) holders of Class A common stock will hold approximately 7.79% of the combined voting power of our outstanding common stock and approximately 20.23% of our total equity ownership and (2) holders of Class B common stock will hold approximately 92.21% of the combined voting power of our outstanding common stock and approximately 79.77% of our total equity ownership.</p>

Dividend policy	<p>If the underwriters exercise their option to purchase additional shares of Class A common stock in full, (1) holders of Class A common stock will hold approximately 8.77% of the combined voting power of our outstanding common stock and approximately 22.38% of our total equity ownership and (2) holders of Class B common stock will hold approximately 91.23% of the combined voting power of our outstanding common stock and approximately 77.62% of our total equity ownership. See "Description of Capital Stock—Voting Rights."</p> <p>The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion applicable to the Class B common stock. See "Description of Capital Stock—Common Stock" for a description of the material terms of our common stock.</p> <p>We intend to pay cash dividends commencing from the closing date of this offering. We expect that our first dividend will be with respect to the first quarter of 2014. The declaration and payment of future dividends to holders of our common stock will be at the sole discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, legal requirements, restrictions in our senior secured credit facility and the indentures governing our debt securities and other factors our board of directors deem relevant. See "Risk Factors—We may not generate sufficient cash flows or have sufficient restricted payment capacity under our senior secured credit facility or the indentures governing our debt securities to pay our intended dividends on the common stock," and "Dividend Policy."</p>
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Use of proceeds	We estimate that our net proceeds from this offering without exercise of the underwriters' option to purchase additional shares will be approximately \$322.6 million after deducting the estimated underwriting discounts and commissions and expenses, assuming the shares are offered at \$19.00 per Class A share, which represents the midpoint of the range set forth on the front cover of this prospectus. We intend to use the net proceeds to us primarily to retire outstanding indebtedness, including possibly our 8.75% Senior Fixed Rate Notes which mature on June 1, 2019. Any net proceeds that we do not apply to reduce outstanding indebtedness will be used for general corporate purposes, including capital expenditures. However, we have not made a definitive determination as to how to allocate these proceeds among these and other possible general corporate purposes and we do not anticipate doing so prior to the completion of the offering. See "Risk Factors—We may apply the proceeds of this offering to uses that do not improve our operating results or increase the value of your investment."
Proposed national securities exchange trading symbol	"AMC"
LOYAL3 platform	At our request, the underwriters have reserved up to 110,527 shares, or 0.6%, of our Class A common stock offered by this prospectus for sale, and up to 230,264 shares, or 1.25%, for sale through a directed share program, at the public offering price, through the LOYAL3 platform. See "Underwriting—The LOYAL3 Platform."
Unless otherwise stated herein, the information in this prospectus (other than our historical financial statements and historical financial data) assumes that:	
<ul style="list-style-type: none"> the Reclassification has been completed; the underwriters have not exercised their option to purchase up to 2,631,579 additional shares of Class A common stock from us; the initial offering price is \$19.00 per share, the midpoint of the range set forth on the cover page of this prospectus; and our amended and restated certificate of incorporation and amended and restated bylaws are in effect, pursuant to which the provisions described under "Description of Capital Stock" will become operative. 	
In the Reclassification, each holder of shares of existing Class A common stock will receive _____ shares of Class B common stock for one share of existing Class A common stock, and each holder of shares of Class N common stock will receive 49,514 shares of new Class A common stock for one share of Class N common stock. In addition, we anticipate shares of Class A Common Stock having an aggregate value of \$12.0 million (representing 631,579 shares based upon the midpoint of the price range set forth on the cover page of this prospectus) (the "Offering Bonus Shares") will be issued to members of management upon the consummation of this offering. See "Compensation Discussion & Analysis—Post-offering Compensation—Anticipated Awards under the 2013 Plan." The number of shares of common stock to be outstanding after completion of this offering is based on 18,421,053 shares of our common stock to be sold in this offering and, except where we state otherwise, the common stock information we present in this prospectus excludes shares of common stock we will reserve for future issuance under our equity incentive plan.	

more difficult to remove incumbent directors or for a third party to acquire us, even if a takeover would benefit our stockholders. These provisions include:

- a dual class common stock structure, which provides Wanda with the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A and Class B common stock;
- a classified board of directors;
- the sole power of a majority of the board of directors to fix the number of directors;
- limitations on the removal of directors;
- the sole power of the board of directors or Wanda, in the case of a vacancy of a Wanda board designee, to fill any vacancy on the board of directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- the ability of our board of directors to designate one or more series of preferred stock and issue shares of preferred stock without stockholder approval; and
- the inability of stockholders to call special meetings.

Our issuance of shares of preferred stock could delay or prevent a change of control of our company. Our board of directors has the authority to cause us to issue, without any further vote or action by the stockholders, up to 50,000,000 shares of preferred stock, par value \$0.01 per share, in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. The issuance of shares of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares.

Our incorporation under Delaware law, the ability of our board of directors to create and issue a new series of preferred stock or a stockholder rights plan and certain other provisions of our amended and restated certificate of incorporation and amended and restated bylaws could impede a merger, takeover or other business combination involving Parent or the replacement of our management or discourage a potential investor from making a tender offer for our Class A common stock, which, under certain circumstances, could reduce the market value of our Class A common stock. See "Description of Capital Stock."

The distributions we pay on our Class A common stock may not qualify as dividends for U.S. federal income tax purposes, which could adversely affect the U.S. federal income tax consequences to you of owning our Class A common stock.

For U.S. federal income tax purposes, a distribution that we pay on a share of our Class A common stock will be treated as a dividend only to the extent the distribution is paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes (which we refer to as "Tax E&P").

We had no accumulated Tax E&P as of September 30, 2013. Furthermore, we do not anticipate any Tax E&P for the current year, and our ability to generate Tax E&P in any future year is subject to a number of variables that are uncertain and difficult to predict.

To the extent that our Tax E&P is insufficient and distributions we pay on a share of our Class A common stock are not treated as dividends for U.S. federal income tax purposes, if you are a domestic corporation, you will not be entitled to claim a "dividends-received" deduction, which generally applies to dividends received from other domestic corporations. In addition, if all or any portion of a

DESCRIPTION OF CAPITAL STOCK

Authorized Capital

The following description of material terms of our capital stock and certain provisions of our certificate of incorporation and bylaws, each of which will be in effect on the closing of this offering, are summaries and are qualified by reference to the certificate of incorporation and the bylaws, copies of which have been filed as exhibits to the registration statement, of which this prospectus forms a part.

Our authorized capital stock consists of:

- shares of Class A common stock, par value \$0.01 per share;
- shares of Class B common stock, par value \$0.01 per share; and
- shares of preferred stock, par value \$0.01 per share.

Common Stock

At the completion of this offering, there will be 19,225,779 shares of Class A common stock issued and outstanding and 75,826,927 shares of Class B common stock issued and outstanding.

Voting Rights

Holders of our Class A common stock are entitled to one vote per share and holders of our Class B common stock are entitled to three votes per share. Holders of shares of Class A common stock and Class B common stock will vote together as a single class on all matters submitted to a vote of stockholders, unless otherwise required by law.

Our directors will be elected by all of our common stockholders voting together as a single class.

Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of our outstanding voting power. Except as otherwise required by the DGCL, our certificate of incorporation or the voting rights granted to any preferred stock we subsequently issue, the holders of outstanding shares of common stock and preferred stock entitled to vote thereon, if any, will vote as one class with respect to all matters to be voted on by our stockholders. Under the DGCL, amendments to our certificate of incorporation that would alter or change the powers, preferences or special rights of the common stock so as to affect them adversely also must be approved by a majority of the votes entitled to be cast by the holders of the shares affected by the amendment, voting as a separate class.

Conversion

Our Class A common stock is not convertible into any other shares of our capital stock.

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock shall convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our certificate of incorporation.

All authorized shares of Class B common stock shall automatically convert to Class A common stock if and when the holders of our Class B common stock collectively hold less than 30% of the aggregate number of outstanding shares of our common stock. Once transferred and converted into Class A common stock, the Class B common stock shall not be reissued. No class of common stock may be subdivided or combined unless the other class of common stock concurrently is subdivided or combined in the same proportion and in the same manner.

EXHIBIT F

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 3, 2013

PRELIMINARY PROSPECTUS



18,421,053 Shares

AMC Entertainment Holdings, Inc.

Class A Common Stock
\$ per share

This is the initial public offering of our Class A common stock. We are selling 18,421,053 shares of our Class A common stock. We currently expect the initial public offering price to be between \$18.00 and \$20.00 per share of Class A common stock.

We have granted the underwriters an option to purchase up to 2,631,579 additional shares of Class A common stock.

We will apply to have the Class A common stock listed on the New York Stock Exchange under the symbol "AMC."

* Upon consummation of this offering, we will have two classes of common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock will be identical, except with respect to voting and conversion applicable to the Class B common stock. Each share of Class A common stock will be entitled to one vote. Each share of Class B common stock will be entitled to three votes and will be convertible at any time into one share of Class A common stock.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 21.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Public Offering Price

Underwriting Discount (1)

Proceeds to AMC Entertainment Holdings, Inc. (before expenses)

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See "Underwriting."

Per Share	Total
\$	\$
\$	\$
\$	\$

EXHIBIT G

Exhibit 10.1

EXECUTION VERSION

FORWARD PURCHASE AGREEMENT

This Forward Purchase Agreement (this "Agreement") is entered into as of December 22, 2022, by and between AMC Entertainment Holdings, Inc. a Delaware corporation (the "Company") and Antara Capital LP. (the "Purchaser").

WHEREAS, Purchaser has informed the Company that concurrently with the execution of this Agreement it has purchased 60,000,000 AMC Preferred Equity Units ("APEs"), each unit constituting of a depository share representing a 1/100th interest in a share of the Company's Series A Convertible Participating Preferred Stock ("Preferred Stock"), for \$0.582 per APE, offered under the Company's at-the-market program (the "ATM APEs").

WHEREAS, the parties wish to enter into this Agreement, pursuant to which immediately after completion of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") has expired, the Company shall (i) issue and sell, and the Purchaser shall purchase, on a private placement basis, an additional 106,595,106 of APEs (the "Forward Purchase APEs") and (ii) purchase, and the Purchaser shall sell, on a private basis, \$100 million aggregate principal amount of the Company's 10%/12% Cash/PIK Toggle Second Lien Notes due 2026 (the "Notes") in exchange for 91,026,191 APEs (the "Note Purchase APEs" and together with the ATM APEs and Forward Purchase APEs, the "Purchased APEs"), in each case, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises, representations, warranties and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

I. Sale and Purchase.

(a) Forward Purchase APEs.

(i) Subject to the conditions set forth in this Agreement, the Company shall issue and sell to the Purchaser, and the Purchaser shall purchase from the Company, 106,595,106 Forward Purchase APEs at \$0.704 per APE, for an aggregate purchase price of \$75,065,000 (the "Forward Purchase Price").

(ii) The closing of the sale of the Forward Purchase APEs (the "Closing") shall occur on the Business Day after the applicable waiting period under the HSR Act has expired or been terminated (such date being referred to as the "Closing Date"), in the following steps: (a) the Purchaser shall pay the Forward Purchase Price, by wire transfer of United States dollars in immediately available funds to an account specified by the Company and (b) the Company shall issue and register the Forward Purchase APEs in the name of the Purchaser with the Company's transfer agent by book entry. For the purposes of this Agreement, "Business Day" means any day, other than a Saturday or a Sunday, that is neither a legal holiday nor a day on which banking institutions are generally authorized or required by law or regulation to close in the City of New York, New York.

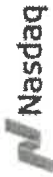
(b) Delivery of Forward and Note Purchase APEs. Each register and book entry for the Private Placement APEs (as defined herein) shall contain a legend, in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE TRANSFERRED IN VIOLATION OF SUCH ACT AND LAWS. THE SALE, PLEDGE, HYPOTHECATION, OR TRANSFER OF THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN FORWARD PURCHASE AGREEMENT BY AND AMONG THE HOLDER AND THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY"

Historical NOCP
Earnings
Option Chain
Institutional Holdings
SEC Filings

EXHIBIT H

Financials
P/E & PEG Ratios
Short Interest
Insider Activity
Revenue EPS



APE > APE HISTORICAL DATA

APE Historical Data

1M 5Y MAX

DOWNLOAD DATA

Date	Close/Last	Volume	Open	High	Low
01/10/2023	\$1.39	15,068,080	\$1.37	\$1.45	\$1.35
01/09/2023	\$1.39	15,029,340	\$1.40	\$1.46	\$1.36
01/06/2023	\$1.36	14,788,840	\$1.33	\$1.41	\$1.33
01/05/2023	\$1.35	17,784,170	\$1.29	\$1.42	\$1.26
01/04/2023	\$1.33	18,978,330	\$1.21	\$1.37	\$1.2002
01/03/2023	\$1.20	25,249,790	\$1.41	\$1.46	\$1.17
12/30/2022	\$1.41	20,636,760	\$1.42	\$1.46	\$1.33
12/29/2022	\$1.47	30,857,620	\$1.40	\$1.59	\$1.35
12/28/2022	\$1.45	53,759,230	\$1.70	\$1.85	\$1.40
12/27/2022	\$1.91	82,169,500	\$2.06	\$2.06	\$1.69
12/23/2022	\$1.73	149,791,800	\$1.69	\$1.90	\$1.51
12/22/2022	\$1.20	Agreement Date	\$1.23	\$1.38	\$1.03

12/21/2022	*	\$0.685	8,337,470	\$0.6994	\$0.7199	\$0.675
12/20/2022	*	\$0.6743	7,254,474	\$0.6845	\$0.719	\$0.6585
12/19/2022	*	\$0.6726	12,141,400	\$0.74	\$0.74	\$0.65
12/16/2022	*	\$0.7297	19,173,430	\$0.825	\$0.84	\$0.7203
12/15/2022	*	\$0.8111	10,549,260	\$0.869	\$0.8738	\$0.8102
12/14/2022		\$0.8852	10,998,760	\$0.8727	\$0.9187	\$0.865

< 1 2 3 4 5 >

< BACK TO APE OVERVIEW

Get up to 10 years of daily historical stock prices & volumes. The "Close/Last" is the "adjust consolidated close price". Data provided by [Edgar Online](#). The net and percent change in the quote bar is based on the Nasdaq Official Close Price (NOCP).

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Trending Stocks

AAPL

Apple Inc. Common Stock
\$174.47 -0.59 0.39% ▼

NVDA

NVIDIA Corporation Common Stock
\$313.55 +0.91 0.29% ▲

AMZN

Amazon.com, Inc. Common Stock
\$115.5403 -0.7097 0.61% ▼

TSLA

Tesla, Inc. Common Stock
\$188.285 +8.145 4.52% ▲

EXHIBIT I

INTERACTIVE BROKERS

Watchlists									
Instrument	Short Sale Restricted	AMC	ETF	Possible	Mine	Index Funds	Possible	Bar	Am
Pos	P&L	Last	Change	Change %	Volume	Fee rate	Shortable	Shares	Am
AMC NYSE	•	4.81	+0.76	18.74%	34.1M	971.66% maybe shortable	*	3	
Pos 7.00K	5,319	Urlz -46,247				SHORTABLE SHARE FEE			
APE NYSE	•	1.52	-0.20	-11.40%	12.4M	7.23% shortable		15,536,119	2
Pos 8.70K	-1,681	Urlz -67,704							
BBBY NASDAQ.NMS	•	0.3059	-0.0312	-9.26%	44.9M	45.99% shortable		797,818	
COSM NASDAQ.SCM	•	3.16	+0.09	2.93%	64.1K	64.34% shortable		206,280	
ETXS TSE		C20.00				4.69% shortable		10,300	
FR TSE		9.87	-0.16	-1.60%	426	1.13% shortable		18,950	
GMBL NASDAQ.SCM		2.09	-0.03	-1.24%	15.2K	92.72% shortable		4,089	
GME NYSE	•	22.40	+0.33	1.50%	586K	11.44% shortable		209,500	
GNS AMEX		1.24	-0.06	-4.62%	545K	155.62% shortable		179,809	
GOF NYSE		16.33	+0.04	0.25%	81.3K	16.12% shortable		1,655,332	
HYMC NASDAQ.SCM	•	0.4297	+0.0055	1.30%	847K	5.10% shortable		384,035	

Exhibit L

FW: AMC Settlement Objection Letter - Ashley Groggins

From: AMC Settlement Objections <amc.settlement@blbglaw.com>
To: Kelly Tucker <ktucker@gelaw.com>, Jason Avellino <javellino@gelaw.com>
Date: Mon, 29 May 2023 19:40:44 +0000
Attachments: Fidelity Ashley Groggins Portfolio_Positions_May-28-2023.pdf (66.15 kB); Objection - Ashley Groggins.docx (2.41 MB); Charles Schwab Ashley Groggins - 412-Positions-2023-05-28-195116.pdf (64.57 kB)

From: Ashley VGroggins <[REDACTED]>
Sent: Monday, May 29, 2023 3:38 PM
To: AMC Settlement Objections <AMCSettlementObjections@blbglaw.com>
Subject: AMC Settlement Objection Letter - Ashley Groggins

[External]

To: AMC Investor Submissions
c/o John Mills, Esq.
Bernstein Litowitz Berger & Grossman LLP
1251 Avenue of Americas
NY, NY 10020

Hello, attached you will find my AMC Settlement Objection and Proof of Stock Ownership of AMC Holdings in two accounts with Fidelity and Charles Schwab.
Please reach reply via email with any questions.
Thank you,
Ashley Groggins

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

ASHLEY GROGGINS' 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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

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.

Mrs. Groggins’ 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. APPROVAL 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

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

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., 38 Del. 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 Earning 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 - ProjectPopcornGate⁴⁹.

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'(ing) 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.

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 letter⁶⁷ 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. 2022-1032-JTL, 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

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

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 shares 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 shares¹⁰⁸ 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 Allegheny 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, extensive 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 Complaint¹¹¹, 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

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 process¹²⁵ 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,

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

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 interviews¹⁴² 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

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 overseas 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

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-nyscamc-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 \$1.00¹⁶⁰ 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/apc/history/>. Accessed on May 12, 2023

¹⁶⁴ APE Historical Data. Yahoo. Ongoing updates on trading days. Link: <https://finance.yahoo.com/quote/apc/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 have 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-short) 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, its 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, 2022¹⁸², 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 29, 2023

Respectfully submitted,

Ashley Groggins

Ashley Groggins



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	
Depository 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	
Depository 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 depository 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 portfolio on closing price	APE 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			
Total as of 4/5/2023					164,296,087	net long		market value APE portfolio on closing price	Estimated Rolling Total P&L (profit/loss)
								\$ 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 =
0.00000000000000017645 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

Philip Lader



Ambassador Lader's education includes Duke, Michigan, Oxford and Harvard Law School, and he has been awarded honorary doctorates by 34 universities. An Honorary Fellow of Oxford University's Pembroke College and London Business School and Honorary Benchler 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



Jordan Affholter

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 9:24 AM

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

Jordan Affholter
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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
[Quoted text hidden]



Jordan Affholter

Question about AMC Shareholder Voting Data

Jordan Affholter
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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

Exhibit E



AMC Q2 2021 Earnings Q&A

AUGUST 9, 2021 5:00 PM EDT

SHARE

Ask a Question

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 ▾

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

Individual -AIG														
Symbol	Description	Quantity	Price	Price Change %	Price Change \$	Market Value	Buy Change \$	Day Change \$	Cost Basis	Gain/Loss %	Gain/Loss \$	Turnover	Percent Change(%)	Capital Gain?
AMEC	AMC ENTERTAINMENT CLAS A	2,300	\$4.64	-1.25%	-\$2.95	\$10,672.75	-1.99%	-\$229.54	\$16,572.67	-23.52%	-\$1,458.41	---	---	---
AIG	AIG INSURANCE GROUP	9,300	\$7.56	1.80%	\$16.75	\$69,828.00	1.67%	\$154.21	\$6,912.12	-42.86%	-\$5,240.81	---	---	---
ATLI	ATLI EQUITY MANAGEMENT	2	\$1.66	N/A	N/A	\$3.32	N/A	N/A	\$175.00	-92.46%	-\$299.44	---	---	---
BNDL	BNDL BOND F	32	\$7.56	-0.39%	-\$0.24	\$242.88	-0.32%	-\$0.15	\$215.00	-23.14%	-\$47.88	---	---	---
BNDL	BNDL BOND F	250	\$5.15	2.56%	\$12.88	\$1,287.50	2.56%	\$1.29	\$288.75	-41.72%	-\$144.00	---	---	---
Cash & Cash Equivalents		---	---	---	---	---	---	---	---	---	---	---	---	---
Account Total		---	---	---	---	\$16,511.85	-0.41%	-\$229.54	\$27,512.49	-47.85%	-\$312.12	---	---	---

Exhibit M

Cc: [REDACTED]
To: AMC Settlement Objections[AMCSettlementObjections@blbglaw.com]
From: Leanne Hains [REDACTED]
Sent: Sun 5/28/2023 10:23:58 PM (UTC-04:00)
Subject: AMC objection from Owen Hains , [REDACTED]
Copy of Objection.pdf
IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE.pdf
Acknowledgement to the many AMC stockholders who contributed their time..pdf

[External]

Begin forwarded message:

From: Leanne Hains <[REDACTED]>
Date: May 28, 2023 at 10:01:18 PM EDT
To: Leanne Hains <[REDACTED]>

1000

1990-1991

*This is a reprint of an interview with a young, practicing public accountancy student who will be required to take a course in support of the AICPA's efforts to increase the number of women in the profession. The interview was conducted by the author, who is a public accountancy student at the University of Illinois at Chicago.

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IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

Owen Hains ,**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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

¹ DI 206

² DI 200

³ DI 206 at 1, 25 DI 200 at 6, 29

⁴ DI 206 at 4

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 ("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

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.*

to automatically convert into Common Stock upon a share increase sufficient to permit full conversion.¹¹ This gave AMC 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

¹¹ *Id* at 10

¹² *Id.*

¹³ DI 1

¹⁴ *Id.*

¹⁵ DI 200 at 11

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ DI 206 at 19

around the same price” the preferred stock equity units traded at just a fraction of AMC.²⁰ With 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.

Mr. Owen Hains’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

²⁰ DI 200 at 12,13

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.

representing the lawyer class in order procure a quick payout at the determinant of the stockholders. An alternative settlement proposal should be considered that is actually beneficial to the stockholders.

ARGUMENTS

I. APPROVAL 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

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).

defenses.”³⁵ In assessing these factors, the Court must bring their business judgment to bear on the issue.³⁶ The business judgment 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

³⁵ *Ryan vs Gifford*, 2009 WL 18143, at *5 (Del. Ch. Jan. 2., 2009).

³⁶ *Id.*

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., 38 Del. 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.

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 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

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

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 Earning Call, held on February 28th, 2023, Defendant Aron was asked a question 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 - ProjectPopcornGate⁴⁹.

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

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**

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

⁵⁰ D.I. 200 at 1

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.

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 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

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.

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 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.

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.

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:

“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

⁵⁵ The official number has not been verified by a third party

⁵⁶ February 28, 2023 AMC Form 10-K (Ex. C) at 23

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.

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 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

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

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 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

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

⁶⁰ *Id.* at 10

⁶¹ *Id.*

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.

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

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

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 performing even partial settlement obligations before a settlement hearing, as doing so prevents the Court from meeting its obligation to oversee class

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 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).”).

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.

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

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 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 letter⁶⁷ 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 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

⁶⁷ DI 175

⁶⁸ DI 165

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 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

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)

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

Petition to Opt Out

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).

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.

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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

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

billion, this 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.

AMC's Market Cap Analysis

⁸⁵ D.I. 206 page 11

⁸⁶ D.I. 254

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 (\$9,643,872,302.70), the resulting figure, \$5,150,690,236.70, represents the total market

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

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 Conversion.”⁹⁷ While this statement holds partial truth, recent historical trends of small to

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>

⁹⁷ D.I. 206 page 9-10

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

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>

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 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.

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

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 shares 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.

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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 holdings, and the stockholder voter turnout during the Say Technologies call.¹⁰⁵ However,

¹⁰³ DI 206

¹⁰⁴ D.I. 188

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.

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.

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

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.

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

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

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 shares¹⁰⁸ 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 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

¹⁰⁸ DI 206 at 9, 31, 52

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

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

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, 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 Allegheny 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 Complaint¹¹¹, 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"
- "weaponizing this 'blank check' to undermine common stockholders' voting powers and economic interests"

¹¹¹ DI 1

- "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 scrutiny of the fee because of the omnipresent threat that plaintiffs would

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).

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

¹¹⁵ 2006 WL 75310, at *1 (Del. Ch. Jan. 4, 2006), cited in *Isacson 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.

yields such a negligible 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

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 letter¹²⁴ addressed to AMC stockholders emphasized adherence to due process and ensuring that each

¹²³ DI 257, 258, 259

¹²⁴ DI 190 Final Draft Exhibit 1

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 process¹²⁵ 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 interests of judicial economy, the preservation of Allegheny's, AMC's, and AMC

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

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,

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

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>

AMC with a price 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 \$18.66¹³⁷. 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

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 interviews¹⁴² and

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

on stockholder 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

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 overseas 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

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.

higher than 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 \$1.00¹⁶⁰ 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 122,399 shares of AMC at the post merger value of \$4.59, which would net a profit of

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>

\$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

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>

planning on diluting 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 \$6.95¹⁶³ 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 8.9 million shares (previously owned) the same day of the announcement

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>

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 have 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

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.

shares sold may be to a 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-short) 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

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.

Director and responsible 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

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

“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 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.

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

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 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, its 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, 2022¹⁸², 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.

¹⁸¹ (AMC_00000050; see also AMC_000006419)

¹⁸² (AMC_00019706, 19797)

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, 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 26 , 2023

Respectfully submitted,

Owen Hains

[REDACTED]

[REDACTED]

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	
Depository 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	
Depository 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 depository 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	\$ 88,227,424.25	\$ 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 =
0.0000000000000000017845 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, 2010 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 and Chairman of WPP plc (including Ogilvy & Mather, L. Walter Thompson, Young & Rubicam, Grey Group, M. Kantar Hill & Knowlton, and Boston-McCann, among other companies in 20 countries).

Ambassador Lader served in President Clinton's Cabinet and as Administrator of the US Small Business Administration. While House Deputy Chief of Staff, Ambassador to the President, and Deputy Director of the Office of Management & Budget. Previously, he was Executive Vice President of St. James Holdings (NYSE: US Holdings) (including America's then largest private foundations) and President of Sea Pines Company (development of high-end resort communities, all over the world in South America and Australia, and Florida's Executive 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 Committee of Morgan Stanley's Global Infrastructure and Real Estate Funds, and the Council on Foreign Relations. He currently has previously served on the boards of Lloyds of London, Marsh & McLennan, AEC, WPP plc, Longford (Cinema World), and Royal Caribbean, the British Museum, American and Chinese Foundation Museum of American History, St. Paul's Cathedral, Foundation Atlantic Council, and several banks and universities. He is particularly known for the Nelson Mandela Foundation and the foundation and support of Renaissance Wines, a family-owned business for innovative wines utilizing traditional methods.

Ambassador Lader's education includes Duke, Michigan, Oxford and Harvard Law School, and he has been awarded honorary doctorates by Maastricht University, Honorary Fellow of Oxford University's Peter Hall College and London Business School and Honorary Bishop of Middle Temple (Bar of 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



Jordan Affholter

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter <[REDACTED]>
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 8:24 AM

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

Jordan Affholter <[REDACTED]>
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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
(Quoted text hidden)



Jordan Affholter

Question about AMC Shareholder Voting Data

Jordan Affholter <[REDACTED]>
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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

Exhibit E



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

🔽 All 🔽 🔽 Most Shares 🔽 🔍 Search

6833 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 ➔

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

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**
)
)

I, Owen Hains , affirm the following to be true:

1. I own AMC common stock.
2. On May 24, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

Owen Hains


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, 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 26 , 2023

Respectfully submitted,

Owen Hains

Owen Hains

[REDACTED]

[REDACTED]

To: AMC Settlement Objections[AMCSettlementObjections@blbglaw.com]
From: Leanne Hains [REDACTED]
Sent: Sun 5/28/2023 9:28:54 PM (UTC-04:00)
Subject: Re: IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
AMC objection letter .mht
IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE.pdf
ACKNOWLEDGEMENT.pdf

[External]

On May 28, 2023, at 7:01 PM, Leanne Hains <[REDACTED]> wrote:

Sent from my iPhone. Leanne Hains

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**
)
)

I, Leanne Hains , affirm the following to be true:


1. I own AMC common stock.
2. On May 24, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

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**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

Leanne Hains

Leanne Hains



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, 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 25, 2023

Respectfully submitted,


sign here)



First Last Name: Leanne Hains

Address:

Email:



[External]

From: Leanne Hains <[REDACTED]>
Subject: Re: IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE
Date: May 28, 2023 at 9:28:54 PM EDT
To: AMCSettlementobjections@blbglaw.com

[illegible]

On May 28, 2023, at 7:01 PM, Leanne Hains <[REDACTED]> wrote:

Sent from my iPhone. Leanne Hains

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT
HOLDINGS, INC., STOCKHOLDER
LITIGATION

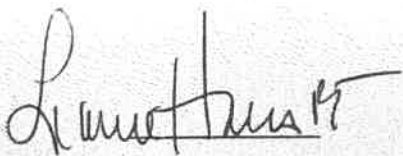
)
) **CONSOLIDATED**
) **C.A. No. 2023-0215-MTZ**
)
)

I, Leanne Hains, affirm the following to be true:

1. I own AMC common stock.
2. On May 24, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbgllaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**



Leanne Hains



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, 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 25 , 2023

Respectfully submitted,

sign here)



First Last Name: Leanne Hains

Address:

Email:



Exhibit N

FW: AMC objection from Owen Hains , [REDACTED]

From: AMC Settlement Objections <amc.settlement@blbglaw.com>
To: Kelly Tucker <ktucker@gelaw.com>, Jason Avellino <javellino@gelaw.com>
Date: Mon, 29 May 2023 02:35:33 +0000
Attachments: Copy of Objection.pdf (2.5 MB); IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE.pdf (437.52 kB); Acknowledgement to the many AMC stockholders who contributed their time,.pdf (211.52 kB)

From: Leanne Hains <[REDACTED]>
Sent: Sunday, May 28, 2023 10:24 PM
To: AMC Settlement Objections <AMCSettlementObjections@blbglaw.com>
Cc: [REDACTED]
Subject: AMC objection from Owen Hains , [REDACTED]

[External]

Begin forwarded message:

From: Leanne Hains <[REDACTED]>
Date: May 28, 2023 at 10:01:18 PM EDT
To: Leanne Hains <[REDACTED]>

[illegible]

Page 3 of 30

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10. **10.10.2019**

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1000

Year	Number of Deaths	Rate per 100,000
1991	1,000	1.0
1992	1,000	1.0
1993	1,000	1.0
1994	1,000	1.0
1995	1,000	1.0
1996	1,000	1.0
1997	1,000	1.0
1998	1,000	1.0
1999	1,000	1.0
2000	1,000	1.0
2001	1,000	1.0
2002	1,000	1.0
2003	1,000	1.0
2004	1,000	1.0
2005	1,000	1.0
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IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

Owen Hains ,**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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

¹ DI 206

² DI 200

³ DI 206 at 1, 25 DI 200 at 6, 29

⁴ DI 206 at 4

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 ("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

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.*

to automatically convert into Common Stock upon a share increase sufficient to permit full conversion.¹¹ This gave AMC 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

¹¹ *Id* at 10

¹² *Id.*

¹³ DI 1

¹⁴ *Id.*

¹⁵ DI 200 at 11

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ DI 206 at 19

around the same price” the preferred stock equity units traded at just a fraction of AMC.²⁰ With 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.

Mr. Owen Hains’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

²⁰ DI 200 at 12,13

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.

representing the lawyer class in order procure a quick payout at the determinant of the stockholders. An alternative settlement proposal should be considered that is actually beneficial to the stockholders.

ARGUMENTS

I. APPROVAL 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

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).

defenses.”³⁵ In assessing these factors, the Court must bring their business judgment to bear on the issue.³⁶ The business judgment 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

³⁵ *Ryan vs Gifford*, 2009 WL 18143, at *5 (Del. Ch. Jan. 2., 2009).

³⁶ *Id.*

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., 38 Del. 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.

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 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

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

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 Earning Call, held on February 28th, 2023, Defendant Aron was asked a question 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 - ProjectPopcornGate⁴⁹.

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<https://www.fool.com/earnings/call-transcripts/2023/02/28/amc-entertainment-amc-q4-2022-earnings-call-transc/>

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<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

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

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

⁵⁰ D.I. 200 at 1

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.

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 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

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.

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 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.

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.

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:

“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

⁵⁵ The official number has not been verified by a third party

⁵⁶ February 28, 2023 AMC Form 10-K (Ex. C) at 23

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.

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 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

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

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'(ing) 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 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

⁵⁹ DI 181 Sec: Notice of Pendency of Stockholder Class Action and Proposed Settlement.

⁶⁰ *Id.* at 10

⁶¹ *Id.*

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.

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

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

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. Slight, 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 performing even partial settlement obligations before a settlement hearing, as doing so prevents the Court from meeting its obligation to oversee class

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 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).”).

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.

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

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 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 letter⁶⁷ 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 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

⁶⁷ DI 175

⁶⁸ DI 165

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 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

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)

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

Petition to Opt Out

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).

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.

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https://www.change.org/p/petition-to-opt-out-of-amc-s-proposed-class-settlement?recruiter=1279237536&recruited_by_id=82d8a6d0-45e4-11ed-89ab-6fbdf770987&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

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

billion, this 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.

AMC's Market Cap Analysis

⁸⁵ D.I. 206 page 11

⁸⁶ D.I. 254

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 (\$9,643,872,302.70), the resulting figure, \$5,150,690,236.70, represents the total market

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

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 Conversion.”⁹⁷ While this statement holds partial truth, recent historical trends of small to

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>

⁹⁷ D.I. 206 page 9-10

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

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>

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 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.

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

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 shares 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.

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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 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 deliver (FTDS), average holdings, and the stockholder voter turnout during the Say Technologies call.¹⁰⁵ However,

¹⁰³ DI 206

¹⁰⁴ D.I. 188

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.

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.

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

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.

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

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

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 shares¹⁰⁸ 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 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

¹⁰⁸ DI 206 at 9, 31, 52

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

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

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, 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 Allegheny 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 Complaint¹¹¹, 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"
- "weaponizing this 'blank check' to undermine common stockholders' voting powers and economic interests"

¹¹¹ DI 1

- "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 scrutiny of the fee because of the omnipresent threat that plaintiffs would

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).

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

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.

yields such a negligible 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

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 letter¹²⁴ addressed to AMC stockholders emphasized adherence to due process and ensuring that each

¹²³ DI 257, 258, 259

¹²⁴ DI 190 Final Draft Exhibit 1

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 process¹²⁵ 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 interests of judicial economy, the preservation of Allegheny's, AMC's, and AMC

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

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,

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

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>

AMC with a price 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 \$18.66¹³⁷. 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

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 interviews¹⁴² and

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

on stockholder 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

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 overseas 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

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.

higher than 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 \$1.00¹⁶⁰ 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 122,399 shares of AMC at the post merger value of \$4.59, which would net a profit of

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>

\$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

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>

planning on diluting 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 \$6.95¹⁶³ 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 8.9 million shares (previously owned) the same day of the announcement

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>

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

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.

shares sold may be to a 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-short) 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

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.

Director and responsible 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

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

“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 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.

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

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 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, its 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, 2022¹⁸², 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.

¹⁸¹ (AMC_00000050; see also AMC_000006419)

¹⁸² (AMC_00019706, 19797)

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, 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 26 , 2023

Respectfully submitted,

Owen Hains



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	
Depository 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	
Depository 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 depository 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	\$ 7,775,564.18	\$ 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			
Total as of 4/5/2023					164,296,087	net long			
							market value APE portfolio on closing price	Estimated Rolling Total P&L (profit/loss)	
							\$ 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 =

0.0000000000000000017645 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](#)

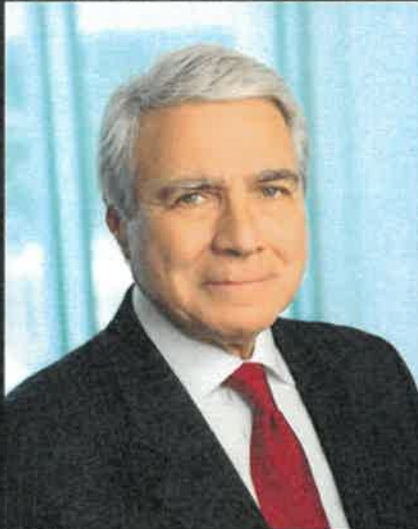
- **Chief of Staff to the Global COO**

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 Royal 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 Inn 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



Jordan Affholter

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 9:24 AM

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

Jordan Affholter
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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
(Quoted text hidden)



Jordan Affholter

Question about AMC Shareholder Voting Data

Jordan Affholter
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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

Exhibit E



AMC Q2 2021 Earnings Q&A

AUGUST 9, 2021 5:00 PM EDT

This Event Happened Around This Time
2:00 PM EDT

🔗 SHARE

Ask a Question

🔼 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

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
71.8M SHARES REPRESENTED

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**
)
)

I, Owen Hains , affirm the following to be true:

1. I own AMC common stock.
2. On May 24, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

Owen Hains



VII. ACKNOWLEDGEMENT

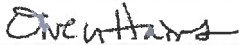
Acknowledgement to the many AMC stockholders who contributed their time, knowledge, and effort as part of this objection brief. These stockholders gave their consent that their writing, research, and analysis can be shared and presented in this brief in an effort to fight for justice regarding their 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 26, 2023

Respectfully submitted,



Owen Hains



Exhibit O

From: Christina Hernandez
Sent: Wed, 31 May 2023 23:46:43 +0000
To: AMC Settlement Objections
Subject: Fwd: C. Hernandez
Attachments: SCAN0222.JPG, SCAN0224.JPG, SCAN0220.JPG, SCAN0221.JPG, SCAN0223.JPG, SCAN0225.JPG, SCAN0233.JPG

[External]

Cristina Hernandez

----- Forwarded message -----

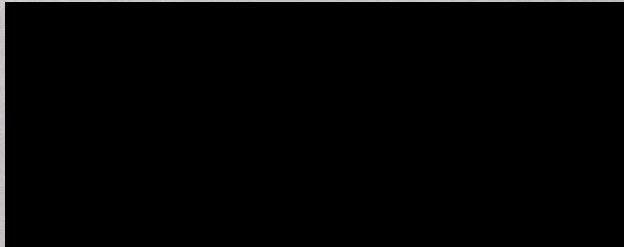
From: Robert Santos <[REDACTED]>
Date: Wed, May 31, 2023 at 4:40 PM
Subject: C. Hernandez
To: <[REDACTED]>

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081

5-30-23
Date

Christina L. Leland



February 1, 2023 - February 28, 2023

Account Number:

INDIVIDUAL

Account Type:

Pro Elite

Account Status:

Pro Elite

E*TRADE Securities LLC

P.O. Box 484

Jersey City, NJ 07303-0484

1-800-387-2331 etrade.com

Member SIPC

Customer Update:

All your tax info in one place
Forms 1099 for 2022, FAQs, key deadlines, cost basis info, and
more—find them all in our Tax Center at etrade.com/tax.

PAGE 1 OF 10

Important Information:

April 18 is Tax Day, but it's also the last day to
make a 2022 contribution to your IRA.

CHRISTINA M HERNANDEZ

Account At A Glance

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

Christina m Hernandez OBJECTION TO THE PROPOSED
SETTLEMENT AGREEMENT

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

I, C. Hernandez, affirm the following to be true:

1. I own AMC common stock.
2. On May 1, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

around the same price" the preferred stock equity units traded at just a fraction of AMC.²⁰ With 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.

Christina Hernandez 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

²⁰ DI 200 at 12,13

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.

5 / 10 — 98% +

EXTRADE
from Morgan Stanley

E*TRADE Pro Elite
Investment Account

Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

ACCOUNT HOLDINGS

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (94.36% of Holdings)

DESCRIPTION	SYMBOL/ CRYPT	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
AMC ENTERTAINMENT HOLDINGS INC. CL A COM	AMC	Margin	368	7.1400	2,627.52	18.23		
AMERICAN BATTERY TECHNOLOGY COMPANY COMMON STOCK	ABML	Margin	250	0.8399	209.99	1.46		
AMERICAN GREEN INC. COMMON STOCK	ERBB	Cash	40,000	0.0012	48.00	0.33		
ANYTHING TECHNOLOGIES MEDIA INC	EXMT	Cash	100,000	0.0007	70.00	0.49		
ATERNAN INC. COMMON STOCK	ATER	Margin	50	1.2000	60.00	0.42		
***AURORA CANNABIS INC	ACB	Margin	50	0.9350	41.75	0.79		
COM NEW								
BED BATH & BEYOND INC	BBBY	Margin	15	1.4100	21.15	0.15		
CANNABIS GLOBAL INC	CBGL	Cash	1,000	0.0006	0.65	0.00		
CANNABIS SUISSE COMP	CSU	Cash	4,000	0.0752	300.80	2.09		
COMMON STOCK								
***CANOPY GROWTH CORPORATION	CGC	Margin	50	2.2000	115.00	0.80		
COMMON SHARES								

Brokerage Statement...pdf

Brokerage Stalem...pdf

73°F Sunny ^ 6x 12:36 PM

VIII. CONCLUSION

For the following above six reason, this Court should deny the Settlement, Fee and Expense

Award, and incentive Award.

1. Defendants violated DGCL 242 when they designated voting rights to APE without Shareholders approval.
2. Defendants violated DGCL 242 when they designated an automatic conversion clause to APE with approval.
3. Defendants violated DGCL 242 when they entered into the Computershare Inc. depositary agreement.

Dated: May 30, 2023

Respectfully submitted,

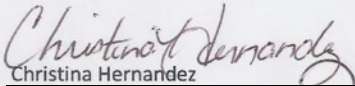

Christina Hernandez



Exhibit P

)	
IN RE AMC ENTERTAINMENT)	
HOLDINGS, INC.,)	
STOCKHOLDER LITIGATION)	
)	

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

Page 1

II. THE BASE STRUCTURE OF THE SETTLEMENT UNFAIRLY SHIFTS THE BURDEN OF COMPENSATION FROM THE DEFENDANTS ONTO THE SHAREHOLDERS

A. The burden of compensation is unfairly being shifted from the defendants onto the innocent shareholders.

The defendant executives are responsible for the alleged wrongdoing, which caused the litigation in the first place. As a legal entity, the company AMC itself cannot be held responsible for any wrongdoing, because the employed executives make decisions on the companies' behalf. Therefore, the defendant executives should be the ones to bear the costs associated with the litigation³. By making the company bear these costs by using the company's equity⁴ to compensate the class members, **the defendants are effectively transferring their own liability to the innocent shareholders**. This is not fair, as the shareholders had no involvement in the alleged wrongdoing and should not have to pay for it, neither through an equity distribution - as proposed by the settlement - nor with cash reserves of AMC, but they have to be compensated. The defendants are ultimately punishing millions of innocent shareholders for the actions of a few individuals⁵. Doing so would be a violation of their rights as owners of the company, as they should be protected from financial harm by the defendants' fiduciary duties.

B. The executives should bear the costs

It is only fair that the executives who are accused of wrongdoing should be the ones to bear the costs associated with the litigation. The defendants are highly compensated for their responsibilities⁶ to their shareholders and have insurance⁷ that can cover the costs associated

³ **Delaware Business Law:** Directors like the defendants have a duty of loyalty and a duty of care to the corporation and its shareholders. The defendants' decision to shift the burden of compensation onto the innocent shareholders and victims is not in the best interests of the corporation and its shareholders.

⁴ **Violation of the doctrine of equitable distribution of costs:** This principle states that costs should be distributed fairly among parties according to their respective degrees of fault or responsibility. In this case, the defendants are the ones who allegedly engaged in wrongdoing and caused the litigation in the first place, and therefore they should bear the majority of the costs associated with the settlement, not the innocent shareholders, who have done nothing wrong.

⁵ **The Business Judgement Rule:** In general, the business judgment rule presumes that a corporate board of directors acted in good faith, in the best interests of the company, and with reasonable care in making business decisions. The structure of the settlement is a clear breach of the defendants' duty of loyalty to the corporation and its shareholders. By transferring their own liability to the innocent shareholders, the defendants have not acted in good faith or with due care. Therefore, the defendants' decision to shift the burden of compensation onto the shareholders is **again** a violation of their fiduciary duties and a breach of the business judgement rule.

⁶ See Exhibit II, Figure 6: Executive compensation AMC Entertainment year 2020, 2021, 2022, Figure 7: Director Compensation 2022

⁷ AMC Ent. Holdings Inc. v. XL Spec. Ins. Co., Del. Super. Ct., No. N23C-05-045, complaint filed 5/5/23 Link: https://www.bloomberglaw.com/public/desktop/document/AMCEntertainmentHoldingsvXLSpecialtyDocketNoN23C05045DelSuperCtMa?doc_id=X2RHN73S83C8D99CMS6U1K6UNFM

with the litigation. In Exhibit II the salaries of defendants and stock trades are shown as evidence for my argument. In addition to that, **the defendants have the means to bear the costs themselves and should be held accountable⁸ for any misconduct that occurred under their watch.** This would ensure that those who are responsible for any misconduct are held accountable for their actions. It would also send a clear message to other executives that they will be held responsible for any wrongdoing that occurs under their watch.

III. INSUFFICIENT COMPENSATION FOR THE FINANCIAL HARM CAUSED BY DEFENDANTS TO CLASS MEMBERS

A. The proposed settlement does not fairly and adequately compensate the class members for the harm they have suffered so far.

The equity distribution as compensation payment in the settlement⁹ offered is merely a redistribution of new shares of the company. **This means that while shareholders may receive more shares, the total value of the company remains the same. Therefore, shareholders are not receiving any real benefit from this settlement.** On the contrary, the issuance of more shares of AMC dilutes the value of the existing shares, resulting in a decrease in their market value. This means that the shares that the class members already hold will be worth less after the issuance of additional shares. This further highlights the inadequacy of the proposed settlement and **reveals its unfair structure** because it does not provide any real financial compensation to the class members and dilutes the value of their existing shares after the reverse split and conversion. The lack of real financial compensation for the class members and the potential loss of value to their existing shares make this settlement unjust and unacceptable for class members.

To highlight the sinister approach of the defendant executives trying to compensate class members, **they are attempting to use the company's equity from future dilution on shareholders and at a strategic moment¹⁰.** This moment occurs before the conversion of APE into AMC common, when shareholders have a minimum number of shares. It coincides with the amendment of the certificate of incorporation¹¹, raising the authorized AMC common

⁸ **The principle of executive accountability:** As fiduciaries of the company, executives have a duty to act in the best interests of the shareholders and to exercise due care and diligence in their decision-making. If they breach this duty by engaging in misconduct, they should be held accountable for their actions and bear the costs associated with any resulting litigation. Accountability also means personal responsibility for wrongdoings.

⁹ As described in STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464

¹⁰ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464; Page 16/17, Section A. Definitions, "aa. "Settlement Payment" means one share of Common Stock for every 7.5 shares of Common Stock owned by record holders of Common Stock as of the Settlement Class Time (after giving effect to the Reverse Stock Split) & y. "Settlement Class Time" means the record time, expected to be set as of the close of business on the business day prior to Conversion on which the Reverse Stock Split is effective."

¹¹ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464; Page 3, Summary of the Action Section B: "to amend the Company's Third Amended and Restated

shares to 550 million, and the proposed 10:1 reverse split. By withdrawing unissued shares from this new available pool, they plan to distribute them to class members, thereby avoiding the distribution of additional shares resulting from the conversion process.

B. Damages to Common Stockholders through the APE issuance.

Based on the facts presented in Exhibit III, the class members were forced, without being asked to give up a **significant portion 39% or \$3,591,903,135.25¹² on market capitalization** respectively \$6.95¹³ AMC common share price without receiving sufficient compensation in return. The fact that the APE units have lost significant value of 77%¹⁴ since their release further exacerbates this issue brought upon shareholders by the actions and decisions of the defendants. Additionally, the introduction of 929,849,612 APE units¹⁵ already diluted the voting power by 22.84%¹⁶ of Common Stockholders, further disadvantaging them. This places an unfair burden on the innocent shareholders.

C. The settlement will ultimately result in huge financial harm of class members.

Dilution and financial harm to class members should be taken seriously and should be considered when evaluating the terms of a settlement, as it is not reflected by the settlement proposal itself. Part of this settlement is also the approval of the controversial vote from March 14, 2023, where the Defendants evidently created a “fait accompli” to get the legal permission of processing a 10:1 reverse stock split both on AMC common shares and APE units, increase of the number of outstanding and preferred shares and converting all 5 billion APE¹⁷ units into AMC common shares. In Exhibit IV I present a detailed mathematical analysis, about all the impacts on certain groups of shareholders through the reverse stock split and conversion process. While in this analysis prices can differ pending future situations, the underlying principles remain the same. The conversion of APE units into AMC common shares will ultimately result in a transfer of wealth¹⁸ from the Common Stockholders to the preferred

Certificate of Incorporation (the “Certificate”) to: (i) increase the authorized number of shares of Common Stock (the “Share Increase”); and (ii) thereafter effect a 1-to-10 reverse stock split of AMC equity (the “Reverse Stock Split,” and collectively with the “Share Increase,” the “Proposals”). The Proposals would allow for the full conversion of all outstanding AMC Preferred Equity Units into shares of Common Stock (the “Conversion”).”

¹² See Exhibit III, Table 5: Analysis of changes in market capitalization allocation since the introduction of APE

¹³ APE opening price on Aug 22, 2022: \$6.95; Source: <https://www.nasdaq.com/market-activity/stocks/apc/historical>

¹⁴ See Exhibit III, Table 5: Analysis of changes in market capitalization allocation since the introduction of APE: Value lost: 1- (\$1.57 / \$6.95) = 0.7716, APE closing price as of 08/05/2023

¹⁵ DEF 14A, Proxy Statement (definitive), Filing Date 02/14/2023. “At the close of business on the record date, the Company had 517,580,416 shares of Common Stock and 9,298,497 shares of Series A Preferred Stock (with 929,849,612 APEs representing such shares of Series A Preferred Stock) outstanding and entitled to vote”. Page 7.

¹⁶ See Exhibit III, Table 7: Analysis of ownership changes since the introduction of APE

¹⁷ See Exhibit III, AMC Preferred Equity unit (“APE”) Dividend Frequently Asked Questions, Question 7. How many AMC Preferred Equity units are there?

¹⁸ IN RE APPRAISAL OF DELL INC Consol. C.A. No. 9322: Delaware Supreme Court's decision, where the court found that the proposed merger of Dell Inc. would have resulted in a transfer of wealth from the Common Stockholders to the preferred

stockholders and non-class members, such as Antara Capital, who will benefit from the arbitrage effect¹⁹. **This will result in significant financial harm to the Common Stock class members, as they will bear the brunt of the financial losses resulting from the conversion²⁰ process.**

IV. LACK OF TRANSPARENCY / DUE DILLIGENCE

A. The lack of transparency and due diligence in this case may be an indication that the defendants are not acting in good faith

The lack of transparency and due diligence in this case may be an indication that the defendants are not acting in good faith and are more interested in protecting their own interests than in providing fair, reasonable and adequate compensation to the class members as shown in III.A-C. **The plaintiffs allegedly engaged in extensive document discovery, but class members have not been presented with any of those documents but only provided with especially selected information in their briefs and summaries.** Class members are therefore not fully informed²¹ about the case and may be at a disadvantage when deciding whether to accept the settlement.

In addition to that, plaintiffs and defendants added a confidentiality clause²² in the settlement that prevents class members from fully understanding the case and the terms of the settlement and disproportionately benefits defendants. Without access to all relevant information, class members are practically not able to make an informed decision about whether to accept the settlement or pursue other legal options. This lack of transparency is unfair to the class members and may suggest that the defendants have something to hide. To object or support the settlement, shareholders must prove their status as shareholders. Therefore shareholders should have the right to access all relevant information about the case and should not be hindered in their efforts to obtain it. Neither plaintiffs nor defendants provide any process or possibility for class members to access all the relevant information around the case. It seems

stockholders and management, and therefore, the proposed merger was not fair to the Common Stockholders. The court ordered a fair value determination for the Common Stockholders, which resulted in an increase in the merger consideration paid to the Common Stockholders.

¹⁹ Investopedia: "Understanding Arbitrage: Arbitrage can be used whenever any stock, commodity, or currency may be purchased in one market at a given price and simultaneously sold in another market at a higher price. The situation creates an opportunity for a risk-free profit for the trader."; Source: <https://www.investopedia.com/terms/a/arbitrage.asp>

²⁰ Weinberger v. UOP Inc., where the Delaware Supreme Court held that the board of directors breached its fiduciary duty of loyalty by approving a merger that unfairly favored the majority shareholder, and that the board had failed to take adequate steps to ensure that the minority shareholders received a fair price for their shares.

²¹ In re Trados Incorporated Shareholder Litigation, 73 A.3d 17 (Del. Ch. 2013). In that case, the court held that the settlement was not fair and reasonable because the disclosures provided to shareholders were inadequate and did not fully inform them of the **risks associated with the settlement**. The court also noted that the plaintiffs' attorneys had **a conflict of interest** because they had negotiated a side deal with the defendants that was not disclosed to the class members.

²² STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27, 2023: Transaction ID 69906464; Summary of the Action, Section G., Page 5 & §45 & 46 Page 35.

the defendants and plaintiffs purposely want to let the class members in the dark about the details in this case.

However, a group of class members opposed this limitation and successfully obtained access to the discovery files on May 20, 2023²³. Regrettably, the court's deadline for submitting Objection Letters, which is May 31, 2023, does not provide sufficient time for class members to thoroughly analyze this information and incorporate it into their objections. Furthermore, as of the early morning of May 23, 2023, discovery had been offered but not yet set up for stockholders. Additionally, the unredacted exhibits for both the plaintiffs and defendants were released to stockholders several weeks late, on May 20, 2023, which goes against the Court's orders. **As a result, the availability and timeliness of this information have been severely limited and delayed.**

B. Unacceptable dismissal of the action with prejudice before adequate discovery

Based on the grounds that §4²⁴ of the settlement terms dismisses the action with prejudice before adequate discovery of the wrongdoings of the defendants²⁵. Dismissing the case before discovery is completed deprives the class members of the opportunity to fully investigate and pursue potential claims against the defendants. This is not in the best interest of the class members. It seems that the defendants and plaintiffs may be rushing to settle to avoid the risk of being held liable for their misconduct, and that dismissing the case before adequate discovery is completed²⁶. **Rushing into a settlement without adequate discovery of the wrongdoings of the defendants is not in the best interest of shareholders and class members** especially considering the serious accusations of severe breaches of fiduciary duties and potential criminal activities such as insider trading²⁷ by the defendants. Without a thorough investigation and discovery process, it is difficult to assess the extent of harm caused to the class members. The plaintiffs did not even depose CEO Adam Aron. It is important to ensure that the settlement is fair and reasonable to all class members, and not just a quick way for the defendants to avoid further legal action.

V. INADEQUATE REPRESENTATION OF THE CLASS MEMBERS

A. Flawed Assertions and Misleading Claims in the Notice of Settlement by Plaintiffs and Defendants

²³ Letter Opinion Adopting Special Master Report, EFiled: May 20 2023, Transaction ID 70053696

²⁴ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464; Page 20

²⁵ JPMorgan Chase & Co. Securities Litigation, "the Court cannot meaningfully evaluate the proposed settlement until the merits of the plaintiffs' claims have been fully developed through discovery."

²⁶ UnitedHealth Group Inc. Shareholder Derivative Litigation, "the Court cannot evaluate the fairness, reasonableness, and adequacy of the proposed settlement without the benefit of further discovery."

²⁷ See Exhibit II Figure 11: Insider transactions (sells only) between 2016 – 2023

In the Notice of Pendency of Stockholders Class Action, the lead counsel for the plaintiffs presents false and misleading claims in §36²⁸. They assert that holders of Common Stock who have not sold their APEs since the Distribution would not experience dilution of the value of their equity when the Conversion took place. Quote:

*“...holders of Common Stock who never sold their
APEs since the distribution would not suffer
dilution of the value of their equity
when the Conversion took place...”*

In fact, neither the lead counsel nor AMC themselves possess accurate information regarding the number of Common Stock holders who have sold their APE holdings received through the dividend distribution on August 22, 2022. Unless they have direct access to the books of all brokers worldwide and can compare individual customer holdings, their claims are unfounded and misleading. Furthermore, it is crucial to clarify that no "conversion" has taken place thus far. The APE issuance, as a special dividend distribution, was technically handled and processed by the company in a manner similar to a 2:1 forward stock split²⁹. Lastly, it is a factual matter that AMC common shareholders have indeed suffered from share and voting power dilution. The defendants sold an additional 413,029,017 APE units to investors, in addition to the original number of 516,820,595 distributed with the special dividend, causing a loss of ownership and voting power of 22.84%³⁰ for AMC common shareholders. This is based on the assumption that AMC common shareholders did not sell their APE dividend, nor did they buy any. In reality, the defendants took advantage of shareholder sentiments, attempting to compel them to purchase APE from institutional holders and who were desperate to recover their lost ownership.

In addition to the aforementioned issues, the lead counsel makes another false and misleading claim in the same sentence. They suggest that a significant number, potentially a majority, of the APEs were purchased by bona fide purchasers for value from holders of Common Stock or the Company through the at-the-market sales program. Quote:

*“...but a significant number (and potentially a majority)
of the APEs had been purchased by bona fide purchasers
for value from holders of Common Stock or the
Company through the at-the-market sales program.”*

²⁸ NOTICE OF PENDENCY OF STOCKHOLDER CLASS ACTION AND PROPOSED SETTLEMENT, SETTLEMENT HEARING, AND RIGHT TO APPEAR, EFiled: May 01 2023; Transaction ID 69929995, Page 11

²⁹ AMC Preferred Equity unit (“APE”) Dividend, Frequently Asked Questions; Question 11, Page 7; Source: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001411579/7de104e3-190f-4677-9f3f-961d2442acd3.pdf>

³⁰ See Exhibit III, Table 7: Analysis of ownership changes since the introduction of APE

It appears that the lead counsel and their staff are unable to perform basic arithmetic in this case. As demonstrated in Exhibit III, the board authorized 1 billion APE units. From this pool of available APE, the board issued 516,820,595 APE units to all AMC common shareholders as a 1:1 special dividend. Therefore, based on mathematical facts, the board could have issued a maximum of 483,179,405 APE units. However, according to SEC filings from the Proxy vote³¹, they issued additional 413,029,017 APE units. Furthermore, out of this portion, the board sold 258,439,472 APE units exclusively to Antara Capital L.P. This means that a mere 154,589,545 APE units or roughly 37.43%, were legally available for purchase by AMC common and new shareholders. Astonishingly, the defendants managed to sell approximately 27.7% of all outstanding APE units to a single entity, generating meager \$300 million, despite the taken value of \$3,591,903,135 (~ 3.6 billion!) out of AMC common shareholders pockets³² without asking.

This is just one example of the false and misleading claims present in the notice, and it raises serious doubts about the qualifications and intentions of the lead counsel for the class members. **When the counsel fails to accurately present the facts, class members have no basis to trust their recommendations.** Objectively, class members rely on counsel who act in good faith and advocate on behalf of all class members. Such statements cannot be brushed off as simple mistakes or apologies, as they fail to acknowledge the harm caused by the issuance of APE and the severe mismanagement of the limited number of shares by the defendants. **This level of disregard for the suffered harm by class members demonstrates an unacceptable lack of understanding the underlying facts.** Class members are entitled to transparency, accurate information, and a counsel that truly represents their best interests. The misleading claims made in the notice undermine the trust between the plaintiffs and their counsel, and raise concerns about the counsel's ability to effectively advocate for the class.

B. Failed challenge of the Delaware General Corporation Law

In §37³³ of the notice of pendency of stockholder class action and proposed settlement, plaintiffs lead counsel describes, that in seeking to invalidate the APEs, the primary basis relied upon was a claim under Section 242(b)(2) of the Delaware General Corporation Law. Recent case law and the underlying facts led Lead Counsel to believe that the issuance of the APEs was unlikely to be voided, as the "special right" required for a separate vote of stockholders was not expressly granted in AMC's certificate of incorporation. While a recent decision is being appealed, it is argued that AMC's certificate of incorporation allowed for the issuance of

³¹ SEC filing DEF 14A, Proxy Statement (definitive); filed on Feb 14 2023, Page 12; Source:

<https://d18m0p25nwr6d.cloudfront.net/CIK-0001411579/4e923416-1963-4c40-8c23-e82b168b6647.pdf>

³² APE shares issued 516,820,595 on Aug 22, 2022, \$6.95 x 516,820,595 = \$3,591,903,135; AMC closing price \$18.02 on Aug 19, 2022; Source: <https://www.nasdaq.com/market-activity/stocks/amc/historical>

³³ NOTICE OF PENDENCY OF STOCKHOLDER CLASS ACTION AND PROPOSED SETTLEMENT, SETTLEMENT HEARING, AND RIGHT TO APPEAR, EFiled: May 01 2023; Transaction ID 69929995, Page 11

preferred shares with voting rights, making a challenge to the validity of the APEs under Section 242(b)(2) unlikely to succeed.

The APEs were deemed legal by the board of directors through a provision in their corporate laws, seemingly supported by Delaware corporate law, without obtaining explicit authorization from the company's owners through a vote of approval. This raises concerns about the board's authority to unilaterally create a new class of shares in numbers they wish for, without proper shareholder consent, undermining the principles of corporate governance and shareholder rights.

Plaintiffs' counsel's narrow focus on DCGL Section 242(b)(2) without considering the broader scopes of the law and the overall implications is a significant overlook. The defendants' actions can be likened to a "magic trick" that **circumvented the legal limits on authorized shares, pushing the boundaries of investor protection to the extreme** by creating a new subclass of shares without any legal boundaries in terms of its features and magnitude. While the defendants opted for a ratio of 1:100, the inherent flexibility of the "law" theoretically permits any ratio, even reaching astronomical numbers like 1:1,000,000,000,000,000,000, potentially resulting in the creation of trillions of new shares. This manipulation of authorized shares undermines the purpose of investor protection laws and highlights the need for a comprehensive examination of the defendants' actions beyond the narrow scope of Section 242(b)(2).

The crucial question in this case is not whether Delaware corporate law allows companies to customize their certificate of incorporation, but rather the extent to which the law imposes limits on such customization. Plaintiffs' lead counsel has neglected to address the significant issues arising from the board of directors granting themselves the power to exercise such broad abilities. This "blank check" approach directly contradicts the fundamental principles of Delaware corporate law, including the authorization of shares by shareholders, investor protection, adherence to statutory compliance, and the fiduciary duties of executives. **By allowing unchecked power in the hands of the board of directors, the core objectives of Delaware corporate law are unquestionably compromised.**

Investor protection is a fundamental aspect of corporate law and is considered to be of significant importance. It is a core principle aimed at safeguarding the rights and interests of shareholders, who provide capital and contribute to the success of a company. By implementing regulations such as the limitation on authorized shares, Delaware corporate law seeks to ensure that shareholders are ultimately protected from excessive dilution and have transparency regarding their ownership and voting rights while providing a framework that balances the flexibility of the company with the protection of shareholder interests. Investor protection is crucial for maintaining trust and confidence in the corporate sector. In this case,

investors were neither protected against excessive dilution, nor did they receive the necessary transparency regarding their ownership.

By providing a legal framework that promotes fairness, disclosure, and accountability, Delaware aims to create an environment where investors can make informed decisions and have confidence in the integrity of the corporate governance system. When investing in publicly traded companies, retail shareholders typically receive certain disclosures and materials, such as prospectuses, annual reports, and proxy statements, that provide important information about the company's operations, financials, governance structure, and potential risks. While there is no specific legal requirement for individual investors to have comprehensive knowledge of all financial and legal details, it is generally considered prudent for investors to have a basic understanding of the legal framework and governance structure of the company they are investing in. **In this case, it is an undeniable and deeply concerning fact that retail investors, lacking the resources and access to information available to institutional investors, were left entirely vulnerable and unaware of the far-reaching implications tied to the issuance and inherent features of preferred shares. The complex and opaque nature of these mechanisms effectively rendered retail investors unable to protect themselves or make informed decisions, as they had no means of knowing or foreseeing the actions that the board could undertake with such preferred shares.**

This creates a distorted relationship between company executives and retail shareholders, where shareholders, as owners, find themselves at the mercy of executive powers. Such unlimited power granted to the board of directors has the potential to undermine investor safeguards established by Delaware corporate law. It enables the board to issue shares in a manner that disproportionately impacts existing shareholders, dilutes their ownership stakes, and allows for self-serving actions by the directors – as further shown in this Objection Letter.

Due to the plaintiffs' lead counsel's failure to address the broader implications of the defendant's "blank check" move and challenge their actions within the context of relevant regulations and principles of business law, it is evident that class members are not being adequately represented by the plaintiffs' counsel. As a result, class members have the right to object to the settlement proposal, as their interests and concerns have not been effectively advocated for in the proceedings.

C. The duty of defendants and plaintiffs in a lawsuit is to act in good faith

The duty of defendants and plaintiffs in a lawsuit is to act in good faith and negotiate a settlement that is fair and reasonable for all parties involved³⁴, including the class members.

³⁴ In re Alcoa, Inc. Derivative Litigation, 2015 WL 4742432 (Del. Ch. Aug. 10, 2015), plaintiffs' counsel in class action lawsuits must take steps to avoid conflicts of interest and **ensure** that they are acting in the best interests of the class members they represent. The court noted that plaintiffs' counsel should not enter into settlement agreements that primarily benefit themselves at

Rushing to settle without proper consideration of all relevant factors could result in a settlement that is not in the best interests of the class members. The plaintiffs' counsel has a fiduciary duty to act in the best interests of the class members they represent and not just for their own benefit³⁵ or that of the defendants. If they have failed to act in the best interests of all class members, it could be a breach of their fiduciary duty.

In this specific lawsuit, there seems to be a potential conflict of interest as the plaintiffs appear to have accepted terms that only benefit the defendants (e.g. §26 and §27 in the settlement³⁶) and they stand to benefit from the settlement through incentive awards or fees and expenses, potentially harming the interests of retail shareholders³⁷.

As stated in section II.A. of this Objection Letter, it is also an indication that plaintiffs' counsel do not work in the best interest of class members, because the proposed compensation to shareholders has zero net gains and with closer inspection, **it brings solely financial harm to class members**³⁸. Furthermore, by agreeing to prevent any future legal proceedings related to the settled claims, the plaintiffs' counsel seem to be failing to fulfill his duty. On top of that by agreeing to oppose any request for interim or final relief³⁹ that may be filed by any Settlement Class Members such as myself, who seek to challenge the settlement or asserts any claim that has been released against any of the Released Defendants' Persons, the parties are essentially attempting to silence any dissenting voices and prevent them from being heard. The provision in question may be in violation of public policy, as it seeks to limit the ability of class members to seek redress for their grievances.

D. Unclear grounds for incentive payments for plaintiffs' counsel

Over and above that the incentive payments for plaintiffs' counsel, as stated in §19⁴⁰ of the settlement agreement, paid by the company and ultimately by shareholders, creates conflicts of interest. It appears that the named plaintiffs may be incentivized to settle the case

the expense of the class members they represent." The court also noted that "the primary goal of a class action settlement should be to provide a fair and reasonable recovery for the class members, not to provide a windfall for the attorneys."

³⁵ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Page 57, Section III. THE REQUESTED FEE AND EXPENSE AWARD IS MERITED." Plaintiffs request attorneys' fees of \$20 million, inclusive of \$121,641.74 in expenses."

³⁶ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464; Page 30.

³⁷ In re Walt Disney Co. Derivative Litigation, 907 A.2d 693 (Del. 2005), "The plaintiff's attorney in a shareholder derivative suit stands in a fiduciary relationship to the shareholders whom he or she represents. The plaintiff's attorney must put the interests of the shareholders above his or her own pecuniary interests and may not use the lawsuit primarily as a means of obtaining a benefit for the attorney or any other third party. Additionally, the plaintiff's attorney must investigate the claims thoroughly, pursue all reasonable strategies and tactics to maximize the recovery for the class, and avoid conflicts of interest that would undermine the vigorous prosecution of the litigation on behalf of the class."

³⁸ See section III.C. of this Objection Letter

³⁹ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464; §15, Page 24

⁴⁰ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464; §19, Page 25 f.

quickly to secure their incentive payment, rather than seeking the best outcome for the class as a whole. Ultimately, whether or not such incentive payments are appropriate and ethical depends on the specific circumstances of the case and the motivations of the parties involved. **Plaintiffs' counsel failed to provide information and comprehensible grounds for such incentive payments.** Without sufficient evidence provided by the plaintiffs, it is unclear why they have earned such payments, **and whether they have addressed the issue of conflicts of interest.**

E. Failure to achieve Sugarland Factor: Beneficial Settlement Outcome for Class Members by Plaintiffs' Counsel

Plaintiffs request attorneys' fees of \$20 million, inclusive of \$121,641.74 in expenses⁴¹. To "verify" these requests, the plaintiffs refer to the *Sugarland factors*⁴². In analyzing the plaintiffs' request for attorneys' fees and their reference to the Sugarland factors, one cannot help but observe that the plaintiffs selectively address only five out of the seven factors outlined in the Sugarland Industries case⁴³, with Delaware courts placing the greatest emphasis on the benefit achieved in litigation. However, it becomes evident that the plaintiffs fall short in this regard as their settlement proposal offers no benefit to class members but instead inflicts serious financial harm. In fact, the claims of the plaintiffs are false and misleading⁴⁴.

To provide a clear demonstration of this failure, the mathematical evidence presented in Exhibit IV reveals, that the reverse split and conversion, as outlined in the settlement, will have significant negative impacts on all AMC Common Stockholders while only benefiting non-class APE holders due to the arbitrage effect. Moreover, the following example demonstrates unequivocally that the mere redistribution of shares itself holds no financial benefits for class members. Consider the following simple mathematical example using a fictive Company XYZ:

Company XYZ before the settlement:

Share price:	\$1.00
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⁴¹ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Page 51, Section III. THE REQUESTED FEE AND EXPENSE AWARD IS MERITED

⁴² Sugarland Industries v. Thomas, 420 A.2d 142 (Del. 1980).

⁴³ (1) The time and effort expended by the attorneys. (2) The contingent nature of the case and the risks involved. (3) The quality of the attorneys' work. (4) The results obtained and benefits achieved for the class. (5) The standing and ability of the attorneys who represented the class. (6) The novelty and difficulty of the issues presented. (7) The extent to which the litigation precluded other employment by the attorneys.

⁴⁴ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Page 52, Section III. THE REQUESTED FEE AND EXPENSE AWARD IS MERITED, b. The Benefits of the Settlement: "As set forth in Section 3 herein, the proposed Settlement confers substantial and quantifiable financial and non-economic benefits on the Class, achieved on an extremely tight timeline. Should the Court approve the proposed Settlement of this Action, the benefit achieved—a distribution of approximately 6.9 million shares of Common Stock to Class members—would reflect a financial benefit currently worth approximately \$129 million, as detailed in Section 3 above and the Ripley Affidavit".

Outstanding shares:	1,000,000
Market capitalization:	\$1,000,000.00

Company XYZ After settlement, following the distribution of shares to shareholders (resulting in dilution):

New share price (due to dilution):	\$0.91
Outstanding shares:	1,100,000
Market capitalization:	\$1,000,000.00

As shown in this simple example, the market capitalization of Company XYZ remains unchanged and constant on the day of the settlement transactions. **Neither Company XYZ nor AMC has the ability to create value out of thin air by issuing new shares to shareholders. Each share represents a percentage of ownership in the company, and with a higher number of shares, the percentage of ownership held by each shareholder decreases (this is [ownership] dilution).** The market capitalization of a company is always evaluated based on the outstanding shares. If the number of outstanding shares increases because the company issues more shares into the market, the existing shares must have a loss in ownership percentage and thus a loss in market valuation. **Failure to acknowledge this basic principle results in misleading conclusions.** In fact, shareholders do not receive shares of AMC worth \$129 million, but rather they are diluted by this amount. Conclusively, it is clear that the proposed settlement offers absolutely no financial benefit to class members.

In light of these observations and **the failure to demonstrate a tangible benefit achieved for the class, it becomes crucial to question the justification for the requested attorneys' fees of \$20 million. The plaintiffs have not fulfilled the most crucial aspect of the *Sugarland factors*, which is the attainment of a meaningful benefit for the class members.** This critical failure casts doubt on the adequacy and reasonableness of the requested attorneys' fees as well as the settlement proposal itself.

In the pursuit of justice and fairness, it is imperative that the court carefully scrutinizes the plaintiffs' failure to meet the key requirement of achieving a benefit for the class. By doing so, the court can ensure that the interests of the class members are protected and that any attorneys' fees awarded are truly commensurate with the results obtained and real benefits for class members achieved.

VI. NO ADMISSION OF WRONGDOING BY THE DEFENDANTS

A. Failure by the defendants and plaintiffs' counsel to include an admission of wrongdoing in the settlement agreement

The failure by the defendants and plaintiffs' counsel to include an admission of wrongdoing in the settlement agreement⁴⁵ is significant and unacceptable to class members, because it suggests that the defendants are not willing to take any responsibility for their actions. By refusing to acknowledge any wrongdoing, the defendants are ultimately denying that they have done anything wrong. This raises questions about their motives and their willingness to act in the best interests of the shareholders, especially in the future. To strengthen the argument see section II.1.A of this Objection Letter, where the parties also try to shift the burden of compensation to the class members. **The purpose of the lawsuit is to hold the defendants accountable for their actions** and to provide justice for the class members. By allowing the defendants to deny liability, the settlement undermines this purpose and sends the message that the defendants can act with impunity. On the contrary, by holding the defendants accountable, the court can send a message that such behavior will not be tolerated⁴⁶.

B. Fundamental aspects of corporate governance are not taken into account

The relationship between a company's executives (defendants) and its shareholders (class members) is a fundamental aspect of corporate governance. Shareholders entrust their investments to the company and rely on its executives to act in their best interests. If executives violate this trust, it can have serious consequences for the company and its shareholders. In this case, the defendants are accused of severe breaches of their fiduciary duties to the shareholders by engaging in misconduct, including corporate voting fraud (allegation of a “fait accompli” in this lawsuit) and misrepresentation (See Exhibit IV). These allegations are serious and, if proven guilty⁴⁷, would indicate a serious and severe breach of trust. **The settlement agreement does not address the issue of trust between the defendants and class members with one single word. By allowing the defendants to avoid admitting fault and to keep their positions in the company, the settlement fails to address the underlying issue of trust.** This sends a message to the class members that their trust is not valued and that executives can engage in future misconduct without facing consequences.

C. History of being sued, executive engages in misconduct without fear of legal repercussions

⁴⁵ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27, 2023: Transaction ID 69906464; §26, §27, Page 30.

⁴⁶ In legal proceedings, an admission of wrongdoing can carry significant weight in determining liability and establishing accountability. It serves as an acknowledgment by the defendants that they have acted improperly or in violation of their obligations. Without such an admission, it becomes more challenging to hold the defendants accountable and to ensure that justice is served for the class members.

⁴⁷ The evidence of wrongdoings by the defendants is overwhelming grievous, as the discovery documents show.

The defendant Adam Aron has a history⁴⁸ of being sued by shareholders for breaching his fiduciary duties⁴⁹. This raises serious concerns about his character and ability to act in the best interests of the shareholders. If the defendants have truly violated their fiduciary duties, they should not be allowed to continue in their positions in the company. The failure to address the issue of trust in the settlement agreement is a missed opportunity to restore confidence in the company and prevent similar betrayals from occurring in the future and truly protect the class members from future harm of the defendants. The shareholders have a right to expect that their investments are being managed responsibly and ethically. By allowing the defendants to avoid admitting fault and to keep their positions in the company, the settlement agreement undermines this expectation and sends a message that the interests of the executives are more important than those of the shareholders. This is unacceptable for class members.

In fact, the history of defendant CEO Adam Aron already shows the potential consequences of allowing executives to avoid admitting fault. In prior lawsuits where he was accused of breaching his fiduciary duties to shareholders⁵⁰, Aron was allowed to deny any wrongdoing, so he was able to keep his position as CEO in the company. Had he been required to admit his wrongdoing, he may have faced more serious consequences, and it is possible that the current lawsuit may have been prevented altogether. Therefore, it is essential for me as a class member that the provisions in the settlement agreement is examined and revised to ensure that it does not send a dangerous message to corporate executives. The purpose of the lawsuit must be upheld, and executives must be held accountable for their actions to ensure that they act in the best interests of their shareholders.

For further strengthening my argument, **the defendants seem to breach their fiduciary duties very lightly⁵¹. The payments that executives allow themselves while the company struggles with a heavy debt burden⁵², significant losses in shareholder value⁵³, and 14**

⁴⁸ In re Oracle Corp. Derivative Litigation (2012). In this case, Oracle's CEO, Larry Ellison, faced multiple shareholder derivative lawsuits over several years. The court, in its order, acknowledged the history of lawsuits against Ellison and considered his past involvement in similar litigation when evaluating the claims brought by the shareholders.

⁴⁹ E.g. Lao v. Dalian Wanda Group Co., Ltd. et al., C.A. No. 2019-0303-JRS; e.g. John R. Lyon III v. Adam M. Aron et al, U.S. District Court for the Southern District of New York, No. 1:21-cv-07940.

⁵⁰ Lao v. Dalian Wanda Group Co., Ltd. et al., C.A. No. 2019-0303-JRS, Page 56: "On April 22, 2019, Plaintiff filed a Verified Class Action and Derivative Complaint, directly on behalf of a purported class of AMC stockholders and derivatively on behalf of Nominal Defendant AMC, against Defendants Dalian Wanda Group Co., Ltd., Wanda America Entertainment, Inc., Wanda America Investment Holding Co. Ltd., Wang Jianlin, Silver Lake Group, L.L.C., Silver Lake Alpine, L.P., Adam Aron, Howard W. Koch, Jr., Gary Locke, and Anthony Saich (the "Complaint"), asserting direct and derivative claims for breach of fiduciary duty against the Director Defendants and Wanda and direct and derivative claims against Silver Lake for aiding-and-abetting those alleged breaches." Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/0be0a66b-b0a8-4de3-aad1-dbbc27ef31c6.pdf>

⁵¹ See details in Exhibit II

⁵² See Exhibit II, Table 2: AMC ENTERTAINMENT INC, Business Performance since 2016

⁵³ AMC Common Stock lost approx. 90.57% in regards to closing price June 2, 2021: \$62.55; closing price May 8, 2023: \$5.90, and losses in assets compared to pre-pandemic levels, See Exhibit II, Table 2: AMC ENTERTAINMENT INC, Business Performance since 2016

straight quarters in financial losses⁵⁴ are hard to comprehend for shareholders. Even in 2020, the worst year in the history of the company with an astronomical \$4.589 billion loss⁵⁵ CEO Adam Aron lashed out himself an unashamedly greedy 116% payment raise to \$20.9 million⁵⁶ and has a significantly higher payment as in only two years the company was slightly profitable during his leadership. Moreover, Exhibit II Figure 7: Director Compensation 2022 starkly exposes the alarming practice of directors granting themselves substantial pay raises and bonuses, despite overseeing a company that consistently failed to generate profits for its shareholders. This egregious mismanagement directly contributed to the financial detriment of the owners of the company and is underlined by the fact, that executive insiders of the company have only sold their self-gifted bonus shares since 2018⁵⁷.

D. Provisions of the settlement appear to be designed primarily to protect the interests of the Released Persons

To make matters worse, some of the provisions (e.g. §40)⁵⁸ of the settlement appear **to be designed primarily to protect the interests of the Released Persons**, rather than those millions of impacted class members by the actions and decisions of a few defendants. Allowing the defendants to avoid admitting fault undermines the priority to the class and sends the message that the interests of the executives are more important than those of the shareholders. This is unacceptable for class members, as the purpose of the lawsuit is to hold the defendants accountable for their actions and to ensure that the interests of the class members - 3.8 million shareholders - are protected. The interests of the class members should be the top priority, and any settlement agreement should reflect this.

E. Future immunity regarding the allegations

The fact that the settlement provides the defendants through several paragraphs in this settlement with future immunity⁵⁹ regarding the allegations in this lawsuit for further litigations through Common Stockholders is deeply troubling for class members. **This effectively shields them from any future claims, regardless of the merits of those claims.** This is unfair to the class members, who have a right to seek redress in court should the defendants engage in similar misconduct in the future.

⁵⁴ See Exhibit II, Table 2: AMC ENTERTAINMENT INC, Business Performance since 2016

⁵⁵ See Exhibit II, Table 2: AMC ENTERTAINMENT INC, Business Performance since 2016

⁵⁶ See Exhibit II, Table 1: Salary evolution and analysis of ADAM M ARON

⁵⁷ See Exhibit II, Figure 12: Insider trading AMC Entertainment Holdings, Inc. May 2018 - May 2023

⁵⁸ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27, 2023: Transaction ID 69906464; §40, Page 34.

⁵⁹ In re American International Group, Inc. Consolidated Derivative Litigation (2013). In this case, the settlement agreement included a provision that granted the defendants future immunity from any claims arising out of the same subject matter as the lawsuit. The court approved the settlement but expressed concerns about the provision granting future immunity, stating that it raised significant questions about the fairness and adequacy of the settlement.

F. “Unknown Claims” clause in the settlement

The part of “Unknown Claims” described in §1 section o., r. and dd. of the settlement⁶⁰ is inadequate and unfair to class members. The release of unknown claims is too broad and could potentially bar class members from bringing claims that they were not aware of at the time of the settlement. **This risk to class members is strengthened by the confidentiality clauses in this settlement, because class members are forced to make a crucial decision based on fragmentary information**⁶¹. Plaintiffs and defendants have decided on their own which information is released to shareholders and class members and this results ultimately in an unfair treatment of class members who may later discover additional valid claims against the defendants, if new information comes to light.

Additionally, the waiver of Cal. Civ. Code § 1542 and similar laws are also unfair to class members who may not fully understand the implications of the waiver. This may result in some class members unwittingly giving up their rights to unknown claims that could potentially be significant for them.

The provided information in the stipulation and settlement agreement between plaintiffs and defendants regarding the inclusion of the waiver of unknown claims and Cal. Civ. Code § 1542 is not clear about the importance of those provisions. They may not have been separately bargained for and as a class member I do not see how these provisions are a key and material element of the settlement, as the settlement agreement claims. Therefore I argue this clause is unacceptable to class members.

VII. UNEQUAL TREATMENT

A. The settlement unfairly favors certain class members and non-class members the most

The settlement unfairly favors certain class members over others and has serious beneficial effects on non-class members like Antara Capital⁶². As argued in Section III.C. the approval of the settlement will give the defendants legal permission of processing a 10:1 reverse stock split both on AMC common shares and APE units, increase the number of outstanding shares to 550,000,000 and preferred shares from 40,000,000 to 50,000,000 and it will allow the conversion of approx. 9,298 million APE⁶³ units (adjusted to reverse split ratio)

⁶⁰ STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, Efiled April 27.2023: Transaction ID 69906464; §1, Page 12, 13 & 17.

⁶¹ See also Section IV.A.

⁶² **Prioritization of non-class members:** The fact that non-class members, such as APE unit holders like Antara Capital, stand to benefit the most from the proposed transactions raises concerns about the priorities and interests being served by the settlement as factually shown in Exhibit IV.

⁶³ DEF 14A, Proxy Statement (definitive), Filing Date 02/14/2023. “At the close of business on the record date, the Company had 517,580,416 shares of Common Stock and 9,298,497 shares of Series A Preferred Stock (with 929,849,612 APEs representing such shares of Series A Preferred Stock) outstanding and entitled to vote”. Page 7.

into AMC common shares⁶⁴. In Exhibit IV I present a detailed mathematical analysis, about all the impacts on certain groups of shareholders through the reverse stock split and conversion process. While prices can differ, the underlying principles remain the same. This transaction will not have a uniform impact⁶⁵ on all class members, because it depends how many APE units in addition to their AMC common shares they hold and what the cost average of their investments are. Compared with that, I clearly show in Exhibit IV, that non-class members of this lawsuit, APE unit holders without having AMC common ownership like Antara Capital, will benefit the most by these transactions because of the arbitrage effect. By implication of the foregoing, **the settlement is unfair to class members by design⁶⁶. It is absolutely unacceptable to class members to approve a settlement proposal which will ultimately result in financial benefit of non-class members⁶⁷ (specifically, APE unit holders betting on arbitrage) while causing further financial harm to the class members themselves.** The court should not allow the defendants to proceed with their plans of a 10:1 reverse stock split and conversion of APE units into AMC common shares – **especially not, if the legal permission of those transactions is based on committed voting fraud by the defendants, which they have internally accepted as fact⁶⁸.**

VIII. ORCHESTRATED CONSPIRACY AGAINST AMC COMMON SHAREHOLDERS TO DEFRAUD THE VALUE OF THEIR HOLDINGS

A. Preamble

In general, a conspiracy refers to an agreement between two or more people to engage in unlawful or illegal activities or to achieve a legal objective through unlawful means. The key elements of a conspiracy typically include:

- i. **Agreement:** There must be an agreement or understanding between two or more individuals. This agreement can be explicit or implied, and it does not require a formal or written contract. It can be established through words, actions, or a combination of both.

⁶⁴ SEC filing DEF 14A, Proxy Statement (definitive); filed on Feb 14 2023, Amended of certificate of incorporation, Page 51; Source: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001411579/4e923416-1963-4c40-8c23-e82b168b6647.pdf>

⁶⁵ **Disproportionate impact on class members:** As demonstrated in Exhibit IV, the reverse stock split and conversion process will disproportionately affect certain class members based on their holdings and investment costs. This unequal impact further highlights the subvert unfairness of the settlement.

⁶⁶ **Lack of justification:** The settlement agreement does not provide sufficient justification for why these transactions (10:1 reverse split & conversion) are necessary or how they benefit the class members.

⁶⁷ **Need for a level playing field:** The court should ensure that any settlement agreement provides a level playing field for all class members, where the benefits and burdens are distributed in a fair and equitable manner. Allowing transactions that disproportionately favor non-class members over class members undermines this principle.

⁶⁸ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section E, Page 27, "Without the mirrored voting and the Antara Transaction, the proposals would not have passed—a fact acknowledged by AMC internally"

- ii. Intent: The individuals involved in the conspiracy must have the intention to commit an unlawful act or achieve a legal objective through illegal means. Mere discussions or idle talk about illegal activities may not be sufficient to establish a conspiracy.
- iii. Overt Act: An overt act is an act that furthers the purpose of the conspiracy and is required to prove the existence of a conspiracy. This act may be relatively minor and does not necessarily have to be criminal in nature.

The meticulously orchestrated conspiracy executed by, with knowledge and help of the defendants unfolded between 2021 and 2023. While defendant CEO Adam Aron was leading shareholders to believe in the prospect of a monumental short squeeze, he purportedly promised to support retail investors in their battle against short sellers of the company. However, instead of genuinely aiding the shareholders, the executives intentionally caused excessive dilution on shareholders, resulting in substantial losses for the unsuspecting investors and against their expressed will. Adding fuel to the fire, all of the defendant executives took advantage of the situation by selling their own self-gifted bonus shares at inflated prices⁶⁹. The sequence of events in the last 2.5 years raises questions about the fiduciary responsibility of company executives for personal gains.

In the following analysis, I will show the court the available evidence and scrutinize the details surrounding this conspiracy. My objective is to present a comprehensive examination that aims to substantiate the existence of this plot, shedding light on the actions and consequences that have left shareholders disillusioned and questioning the integrity of those in power. By closely evaluating the events, financial transactions, and patterns of behavior exhibited by the accused executives, I will endeavor to provide a compelling case that supports the claim of a deliberate scheme to deceive and exploit shareholders for personal enrichment. Through this analysis, I seek to expose the truth behind the conspiracy based on available information and provide a deeper understanding of its impact on the shareholders involved.

B. Context

To comprehend the conclusion of a meticulously orchestrated conspiracy against the common retail shareholders of AMC, it is crucial for the court to grasp the underlying reasons behind the involvement of 3.8 million individual investors from all corners of the globe.

Fueled by the so-called "meme stock frenzy", retail investors rallied behind heavily shorted stocks, aiming to avert the looming bankruptcy of these companies amidst the repercussions of the COVID-19 pandemic in early 2021. These investors, where I am part of, refused to witness the demise of their cherished enterprises while short sellers stood to profit from the expedited collapse. AMC Entertainment Holdings became one such company that retail investors fervently

⁶⁹ See Exhibit II, Table 3: AMC Executives/Director Insider Transactions 2016-2023

embraced⁷⁰. This surge in buying exerted immense pressure on short sellers, propelling the stock price to unprecedented heights, culminating in an all-time adjusted close price of \$62.55 on June 2nd. These individuals united under the banner of the "Ape Movement," with their sole creed in the financial "battle" against purportedly criminal, counterfeiting, and abusive (naked)⁷¹ short sellers being "BUY&HODL". Consequently, their objective was not simply to sell their shares but to compel the short sellers – enemies of the shareholders and the company - to repurchase what they owed.

Undeniably, the defendant Adam Aron, possessing a shrewd understanding of the driving forces behind retail investors, deliberately and proactively aligned himself with their cause, saving the company and beating the short sellers⁷². This alignment between Mr. Aron and his dedicated shareholder base manifested through deliberate and compelling interactions⁷³. From his astute utilization of social media platforms such as Twitter and captivating interviews with prominent AMC influencers on YouTube, he swiftly earned the title 'Silverback'⁷⁴ among his new retail shareholder base. Of particular significance was his initial interview with YouTube influencer Treys Trades on April 15, 2021, where Adam Aron, fully aware of the subscribers' sentiments⁷⁵,

⁷⁰ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section A, Page 11.

⁷¹ "Naked shorting is the illegal practice of short selling shares that have not been affirmatively determined to exist. Ordinarily, traders must borrow a stock or determine that it can be borrowed before they sell it short. So naked shorting refers to short pressure on a stock that may be larger than the tradable shares in the market." Source: <https://www.investopedia.com/terms/n/nakedshorting.asp#:~:text=Naked%20shorting%20is%20the%20illegal%20practice%20of%20short,larger%20than%20the%20tradable%20shares%20in%20the%20market>

⁷² E.g.

- i. Interview Adam Aron with Trey's Trades on YouTube on April 15, 2021: Source: <https://www.youtube.com/watch?v=XjqCaNKsSbc&t=4209s>
- ii. Interview Adam Aron with Trey's Trades on YouTube on June 06, 2021: Minute: 13:50, Adam Aron repositions his Laptop Camera to show his "naked shorts" for a slight second. Retail investors interpreted this as a "secret" Message from the "Silverback" that there are "naked shorts" around AMC. Source: <https://www.youtube.com/watch?v=Z-EkPZMIAeM&t=2227s>
- iii. Adam Aron speaking to a theatre audience of his retail shareholders: "Miracle 2: We put out a press release on Jan 25, 2021, that says, we made it, we raised \$1 billion, bankruptcy is off the table and we're fine. Tuesday night around 6 o'clock in after hours trading, Apes arise and our stock started to explode. And on the Wednesday, Jan 27, 2021 our stock went from \$5 a share to \$20 a share in one day. And we traded on the New York Stock Exchange more shares than I cannot account. At the time we had 100 million shares outstanding, total share count. And 50 million of them were in the pocket of one large institutional holder who was not trading stock. So we had really around 50 million that traded, on that one day, that our stock quadrupled we traded 1 billion 250 million shares. In a day! We had only 50 million shares that traded at all and they turned over like 25 times. That's like every 15 minutes the whole shareholder base of the company is a new shareholder base in the company. And what became very clear in a very short period of time is that all the institutions have sold their shares to all of you." Video posted on July 31, 2022, Source: <https://www.youtube.com/watch?v=zyL2ceKTZZA>

⁷³ Tweet from Adam Aron Okt 8, 2021: "Some of you have suggested that as CEO of @AMCTheatres I've been playing chess while detractors played checkers. On the weekend that James Bond's No Time to Die opens in the U.S., it feels more like AMC is playing 3-Dimensional Chess. To the naysayers, I say it loud: #CHOKEonTHAT" Source: <https://twitter.com/CEOAdam/status/1446266769648259075>

⁷⁴ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Page 12.

⁷⁵ Interview Adam Aron with Trey's Trades on YouTube on April 15, 2021: Minute 37:47, Adam Aron: "...but you're focusing on the wrong issue when you look at this recent share price decline, because that occurred after Wanda sold, not before...and on a favorite subject to your subscribers. The new short sale report just came out. And in March 15 ish we had 49 million in short shares. On March 30 we had 73 million in short shares. So, that means that our short share count increased by 50 percent, almost. Between march 15 and march 30. I think our company is under attack, again."

introduced and portrayed himself skillfully as one of the group⁷⁶, emphasizing the shared goal of protecting AMC from its enemies⁷⁷.

During this pivotal interview, he addressed the issue of short sales, acknowledging the company's vulnerability and the ongoing attack it faces. Furthermore, he highlighted his significant ownership of AMC shares, emphasizing that the executives' compensation primarily consisted of stock rather than cash⁷⁸. This was intended to instill confidence among retail shareholders, assuring them that the executives' interests aligned with theirs, as a growing stock price directly benefited both parties. Throughout the interview, Adam Aron consistently endeavored to bolster shareholder faith and confidence in his leadership and the board of directors⁷⁹. He publicly declared that AMC had already amassed a formidable cash reserve surpassing \$1.822 billion and still possessed 43 million shares that could be issued at their discretion if the company would need it. Although he addressed the sale of stock by some executives during the January 2021 surge, he attributed it to their human nature, having endured relentless “attacks” for over a year, and their desire to secure some gains⁸⁰—a calculated move aimed at leveraging the sentiment against short sellers 'attacking' the company and driving down the share price.

The actions of the defendants clearly show the inconsistencies in the presented narrative. Despite publicly declaring a binding commitment, filed with the SEC, not to sell a single share in 2021 if the new share authorization was granted, they simultaneously suggested to shareholders that AMC had sufficient cash reserves for 2021. However, later in 2021, they contradicted themselves by selling the remaining authorized AMC shares⁸¹, thrusting the company into a precarious situation where raising additional funds through stock sales became unattainable – a predicament Adam Aron himself described as the worst-case scenario during the interview. It becomes unequivocally clear that Adam Aron, through strategic maneuvers and eloquent rhetoric, embarked upon a calculated mission to fortify the bond between himself and his new shareholder base. In a revealing slip of the tongue during the interview, he inadvertently conveyed his true intention: “...if you give us the flexibility to use **those shareholders, those shares**, when it makes sense for you, the shareholder, that’s when we’ll use them...”⁸² A mistake, the majority of retail investors watching the whole interview not realized. His actions and proclamations during both of the interviews with the YouTube Influencer, carefully calibrated to inspire confidence and rally support, laid the groundwork for an enduring relationship built upon mutual trust and shared objectives with the “Ape-Movement” specifically.

⁷⁶ Interview Adam Aron with Trey’s Trades on YouTube on April 15, 2021: Minute 04:40 Adam Aron: “...I am a shareholder. You have no idea how much I care about the share price of AMC stock...”

⁷⁷ Interview Adam Aron with Trey’s Trades on YouTube on April 15, 2021: Minute 17:30 Adam Aron: “they [retail shareholders] don’t want to see enemies of AMC to put us under and run us out, and I certainly share that view”

⁷⁸ Interview Adam Aron with Trey’s Trades on YouTube on April 15, 2021: Minute 07:15 Adam Aron: “...What this is doing, when we pay our executive team in stock we are making sure, that they are shareholders of the company...”

⁷⁹ Interview Adam Aron with Trey’s Trades on YouTube on April 15, 2021: Minute 3:43, Adam Aron: “...so I actually work for you...”

⁸⁰ Interview Adam Aron with Trey’s Trades on YouTube on April 15, 2021: Minute 42:23

⁸¹ See Figure 4: Chart AMC Entertainment Shares Outstanding from 2018 to 2023

⁸² Interview Adam Aron with Trey’s Trades on YouTube on April 15, 2021: Minute 56:55

Even as the stock price of AMC experienced a continuous decline over the course of two years, retail investors affiliated with the "Ape Movement" demonstrated unwavering conviction, thus refraining from selling and instead increasing their shareholdings. One of the indicators used by retail investors to assess this situation is the "On-Balance-Volume" ("OBV")⁸³ a technical stock indicator that gauges the cumulative total of a stock's trading volume (both positive and negative). The OBV follows three rules⁸⁴ in its calculation, which determine whether it increases, decreases, or remains unchanged based on the day's closing price relative to the previous day's closing price. Naturally, the OBV should move in tandem with the stock's price. In the case of AMC's Common Stock, although the stock price experienced a continuous downward trend over a two-year period, the OBV remained persistently high and exhibited a slight upward trend⁸⁵. Shareholders raised repeatedly questions and suggested potential anomalies in trading activity regarding the suspicious OBV behavior via social media especially to defendant Adam Aron⁸⁶. However, over a period of more than two years, the volume of days with price declines does not equate to zero, nor does the volume of days with price increases. This logically implies that the OBV should naturally decrease over time in response to the declining stock price. If the OBV remains elevated or continues to rise despite the falling price, it serves as a compelling indication that anomalies exist either in the calculation or the data.

⁸³ On-balance volume provides a running total of an asset's trading volume and indicates whether this volume is flowing in or out of a given security or currency pair. The OBV is a cumulative total of volume (positive and negative). There are three rules implemented when calculating the OBV. Source: <https://www.investopedia.com/terms/o/onbalancevolume.asp>

⁸⁴ OBV-Calculation Rules: 1. If today's closing price is higher than yesterday's closing price, then: Current OBV = Previous OBV + today's volume 2. If today's closing price is lower than yesterday's closing price, then: Current OBV = Previous OBV - today's volume. 3. If today's closing price equals yesterday's closing price, then: Current OBV = Previous OBV. Source: <https://www.investopedia.com/terms/o/onbalancevolume.asp>

⁸⁵ See Figure 1: On-Balance-Volume AMC Stock 2021 – 2023

⁸⁶ For example: Twitter user @HangLoose1337 posted on Jan 3, 2022: "In 2021, institutions increased their position in #AMC by 400% and have continued to maintain that According to @CEOAdam retail has also maintained their 80-90% ownership of the float. OBV indicates there has been MORE buying than selling since 6/2. Explain how AMC is down 70%?" Source:

<https://twitter.com/HangLoose1337/status/1478041146186207232>

Another Twitter user @WallStreetApes posted on Jan 1, 2022: "OBV (on balance volume) tells you the real story if people are holding \$AMC. Here are charts of other companies in the red. The graphs show 2 things, the price action & the OBV line. The OBV shows if people are selling or holding. Everyone HELD #AMC @CEOAdam dividend ends this". Source:

<https://twitter.com/WallStreetApes/status/1609651776315363329>

Another Twitter User @bigbaddabooooom on July 16, 2021, was more direct: "AMC stock is being manipulated!" as direct answer to one of @CEOADAM Tweets. Source: <https://twitter.com/bigbaddabooooom/status/1416122787710734337>

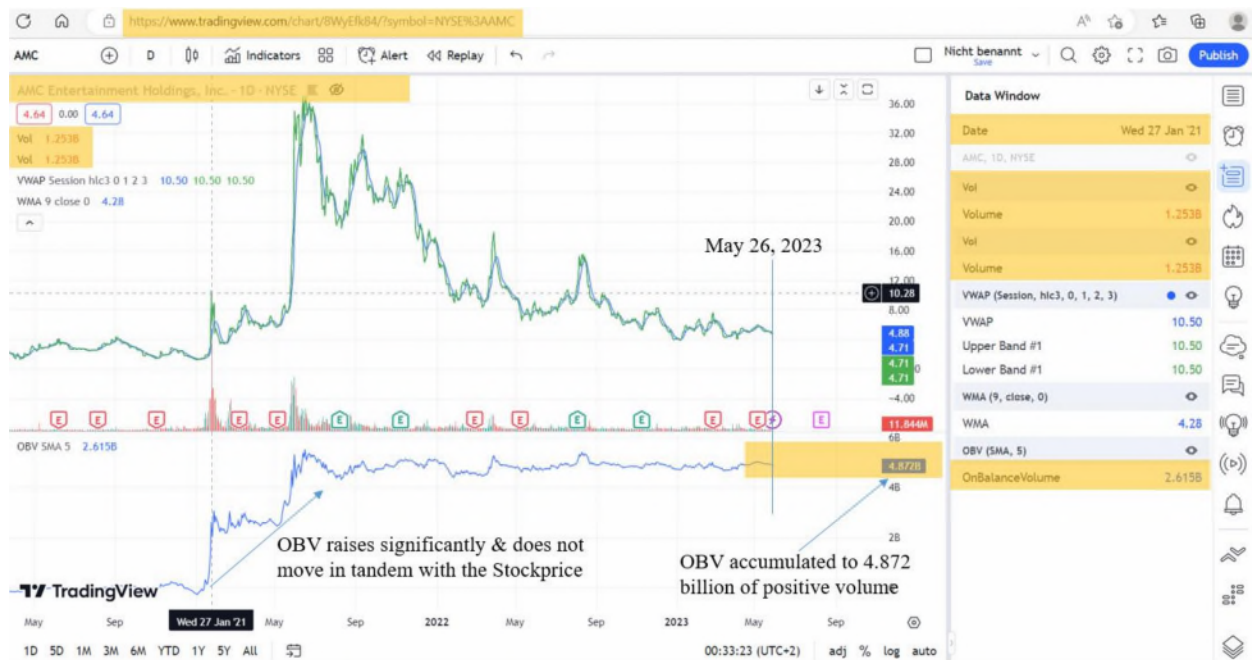


Figure 1: On-Balance-Volume AMC Stock 2021 – 2023

For comparison reasons:

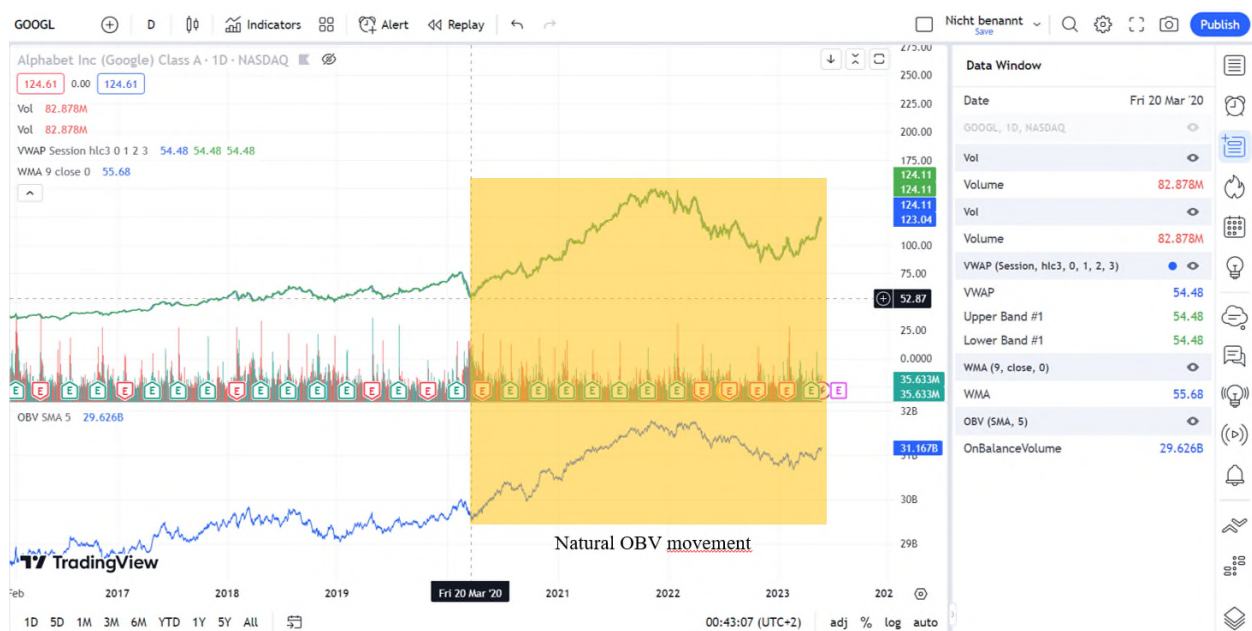


Figure 2: On-Balance-Volume GOOGL stock 2020 -2023

Additionally, defendant Adam Aron's tweets on June 9 2021 serve as compelling evidence that retail shareholders have not abandoned their positions. This tweet was not only accepted by his shareholders as proof of manipulative forces at play in the stock – a sentiment, defendant Aron

clearly knew about as demonstrated.⁸⁷ On that day, Mr. Aron revealed to his investors that there were approximately 4.1 million shareholders worldwide, collectively owning over 80% of the company⁸⁸. Mr. Neuwirth subsequently corroborated this figure during a teleconference call with the court on April 25 2023, where he stated that AMC estimated a shareholder base of 3.8 million individuals globally. Notably, with 80% of the shares effectively removed from the supply side since June 2021, as they are held rather than sold or traded by a substantial shareholder base unwavering in their steadfast beliefs, the trading volume, options volume, and price decline of AMC's Common Stock exhibit questionable behavior neither genuinely addressed nor investigated by the defendants⁸⁹. In light of these factors, the refusal of retail investors to sell their shares, the huge amount of shareholders involvement confirmed by the tweets from defendant Adam Aron which would indicate an average holding of approximately 120 shares per individual⁹⁰, as well as the discrepancy between the stock price decline and the related unnatural OBV movement, provide a logical argument in support of the claim that retail investors have not abandoned their positions. Beside these points retail investors found more evidence to “believe” in market manipulative forces. The constantly high number of “failures-to-deliver” observed by retail investors⁹¹ provides significant evidence that raised red flags for this investors regarding market manipulative forces. While each individual failure-to-deliver may not conclusively prove market manipulation, when considered collectively, they contribute to a compelling case. These recurring instances, coupled with other suspicious activities, form a pattern that cannot be ignored. These anomalies strongly indicate the existence of potential market manipulation or orchestrated efforts to undermine the interests of AMC's common retail shareholders. While the direct involvement of the defendants in price or market manipulation is not alleged or known with the available information, it is crucial to underscore the intricate intrigue orchestrated by defendant Adam Aron. Despite refraining from explicitly stating that the stock was manipulated or that synthetic shares existed (which he denied in several Tweets)⁹², Aron masterfully capitalized on his shareholders' theories and exploited their

⁸⁷ Article: AMC Entertainment CEO Adam Aron Asks Retail Investors To Back Off Social Media Posts “Laced With Hostility, Threats” from Jill Goldsmith May 10, 2022: Adam Aron said: “I think it is well known that I write my tweets myself and I actively read my inbound twitter feed. So literally thousands of thousands of times I have personally seen your observations and advice. I see your frustrations with your perceptions of how the market works, or does not work, your anxiety over the number of so-called ‘fail to deliver’ shares, or your alarm at something that by its very name sounds ominous — dark trading pools. Your anger and ire at short sellers is evident. I hear your suggestions that we should call for more market regulation by government or take more company action. All I can say [is] I greatly appreciate that you care so deeply. Also, running a company with such broad interests as AMC is an art form, not a science. There is real wisdom in knowing what to do and what not to do...Having said that, you should not interpret silence as inaction. We are constantly exploring the smartest courses of action and I promise you that we will pounce, but only when the timing is right.” Source: <https://sports.yahoo.com/amc-entertainment-ceo-adam-aron-234759707.html>

⁸⁸ Tweet by Adam Aron on June 4th: “As of June 2, AMC had 501,780,240 total outstanding shares. AMC’s number of shareholders in the U.S. and abroad has increased to about 4.1 million, and you own more than 80% of AMC. While some own more and some own less, the average stockholding for AMC is about 120 shares.” Source: <https://twitter.com/CEOAdam/status/1402723600398946306>

⁸⁹ Tweet from Adam Aron July 30, 2021: “As to the existence of so-called fake or synthetic shares, or the naked short selling of AMC shares, we are unaware of any information validating these theories. Also, we are unable to make any comment on the considerable trading of puts/calls derivatives.” Source: <https://twitter.com/CEOAdam/status/1421147257504686087>

⁹⁰ See 88

⁹¹ E.g. Article What Failure-to-Deliver Data Says About AMC Stock, BERNARD ZAMBONIN AND GUEST CONTRIBUTORMAY 6, 2022: „Failure-to-deliver data is closely watched primarily by AMC traders, retail investors, and shareholders. The huge community of AMC apes (as its shareholders are known) on Reddit believes that the movie theater company's shares have been hurt by predatory short-selling practices such as naked shorting.“ Source: <https://www.thestreet.com/memestocks/amc/what-failure-to-deliver-data-says-about-amc-stock>

⁹² E.g. See 89

belief in manipulative forces. He astutely leveraged this sentiment of his shareholders to bolster their belief in manipulative forces, providing them with “common enemies” to combat and cunningly strengthened their resolve to fight against these manipulative forces. The undeniable evidence in this context lies in the introduction of secret codewords like #CHOKEONTHAT⁹³, engaging in a game of 3D-Chess⁹⁴, and rallying cries such as #EATCROW⁹⁵ and #TODAYWEPOUNCE⁹⁶. Moreover, Aron astutely recognized that his shareholders would buy shares at any price, even if inflated, driven by their steadfast faith in the “conspiracy” and their collective goal of squeezing the short sellers. He also understood that retail investors would remain resolute and not sell their shares until this objective was achieved. This deliberate manipulation of their beliefs provided the defendants with significant room to exploit the shareholders’ misguided convictions for personal gains. The forthcoming sections of this Objection Letter will present compelling evidence to substantiate this assertion, shedding further light on the calculated intrigue deployed by Adam Aron. Defendant Adam Aron cannot plausibly argue that his statements were taken out of context. As a highly educated Harvard graduate and experienced CEO, he is well aware that individuals on a mission tend to hear and interpret information according to their own beliefs and desires. By strategically disseminating numerous small statements and messages, he intentionally manipulated the beliefs of retail investors. Moreover, it is important to note that Mr. Aron engaged in two interviews with a prominent YouTube influencer during a period of intense stock volatility and rapid price movements. These circumstances further emphasize his calculated efforts to exploit the situation and the vulnerability of his shareholders.

To truly understand the orchestrated conspiracy alleged against AMC’s retail shareholders, it is vital for the court to thoroughly examine these logical arguments and explore the underlying motives and actions of the involved parties. By scrutinizing the anomalies, analyzing the behavior of indicators, and considering the consistent dedication of retail investors, the truth behind the conspiracy can be unveiled.

C. Maximum dilution of new retail shareholders – the self-inflicted trap

⁹³ Tweet from Adam Aron on Okt 4, 2021: “New press release from @AMCTheatres. Venom & Bond let us set records for our highest grossing weekend since the pandemic hit in 2020. Some 3.9 million visited our theatres globally. You know my thoughts on “sages” predicting demise of cinemas: Choke on that, baby, #CHOKEonTHAT” Source:

<https://twitter.com/CEOAdam/status/1445005645384617988>

Tweet from Adam Aron Okt 8, 2021: “Some of you have suggested that as CEO of @AMCTheatres. I’ve been playing chess while detractors played checkers. On the weekend that James Bond’s No Time to Die opens in the U.S., it feels more like AMC is playing 3-Dimensional Chess. To the naysayers, I say it loud: #CHOKEonTHAT” Source:

<https://twitter.com/CEOAdam/status/1446266769648259075>

⁹⁴ See 93

⁹⁵ Tweet from Adam Aron March 22, 2022: “A really bad quote for posterity: “Let them eat cake” — Marie Antoinette. A really good quote for posterity: “Let them eat crow” — Adam Aron. I have been saying for some time now to the prophets of doom on the strength and skill of us at AMC: #CHOKEonTHAT We can add now: #HaHa” Source:

<https://twitter.com/CEOAdam/status/1506166239734992904>

⁹⁶ Tweet from Adam Aron July 7, 2022: “I keep getting asked “Wen pounce?” Know this: 1. I always keep my word. 2. I’ve said publicly a pounce would not happen before Second Quarter 2022 earnings are announced. 3. Press release issued today that Q2 earnings to be announced on Thurs, August 4. Read between those lines.” Source:

<https://twitter.com/CEOAdam/status/1545032684778528768>

Tweet from Adam Aron Aug 5, 2022: “9. For so many reasons, including what we can do with it in the future, the introduction of AMC Preferred Equity units has the potential to immensely strengthen our company. Looking long term, we believe this move is not good news for those who root against us. #TodayWePounce” Source:

<https://twitter.com/CEOAdam/status/1555324949845491714>

The financial challenges faced by AMC due to the COVID-19 pandemic are widely acknowledged. With domestic box office revenues, the primary revenue stream for AMC, plummeting by 81.4% to approximately \$2.1 billion⁹⁷ compared to the previous year, the company found itself in a precarious position. A closer examination of AMC's financials reveals that its performance was lackluster even before the pandemic. In the period between 2016 and 2022, AMC managed to generate negligibly profits⁹⁸ in only two years.

To fully comprehend how the AMC board dealt with the financial difficulties and the dilution of shareholder value, it is essential by the court to consider the company's market capitalization. Market capitalization, as defined, represents the total dollar market value of a company's outstanding shares of stock. This metric⁹⁹ is used by the investment community to gauge a company's size, surpassing sales or total asset figures in significance. Consequently, when new shares are issued into the market, the same market valuation is distributed across a greater number of shares, diminishing the ownership percentage held by existing shareholders. Thus, a focus solely on share prices is misleading, as it provides little insight into the true value the market attributes to the company and may lead to false conclusions¹⁰⁰.

Analyzing AMC's market capitalization between 2016 and 2020 reveals a concerning trend of gradual depletion, reaching a low point of \$0.75 billion by the end of 2019. By the end of 2020, it experienced a further decline of 39.07% to nearly \$0.45 billion, representing its all-time lows. The impact of the "Meme Stock Frenzy" is evident in the significant fluctuations observed in AMC's market capitalization as shown by the chart below.

Market cap history of AMC Entertainment from 2013 to 2023



Figure 3: Market cap history of AMC Entertainment from 2013 to 2023

⁹⁷ 2018: \$11,888,639,106; 2019: \$11,320,802,314; 2020: \$2,103,088,090; 2021: \$4,489,646,592; 2022: \$7,369,964,324; 2023: \$2,809,482,793 as of May 8th; Source: [Domestic Yearly Box Office - Box Office Mojo](https://www.boxofficemojo.com/yearly/domestic/)

⁹⁸ Net Income/Loss: 2015: \$103,900; 2016: \$111,700; 2017: \$-487,200; 2018: \$110,100; 2019: \$-149,100; 2020: \$-4,589,100; 2021: \$-1,269,100; 2022: \$-973,600 Source: [AMC Income Statement - Annual - AMC Entertainment Holdings Inc - Class A - Fintel.io](https://www.amc.com/investor-relation/financial-statements)

⁹⁹ Source: <https://www.investopedia.com/terms/m/marketcapitalization.asp>

¹⁰⁰ For Example: Share Price Apple Stock ~\$175, Market Capitalization Apple ~\$2.759T[trillion]; Berkshire Hathaway Inc. (BRK-A) Share Price ~\$486,650.00, Market Capitalization ~ \$700B[billion]

In their arguments, both plaintiffs and defendants contend that dilutive actions were necessary for AMC to survive the challenges faced by the movie business during and after the pandemic. While it is true to a certain point, that issuing more shares is an effective means of raising capital for businesses, it was and is not the sole option available for the company. Defendant Adam Aron himself acknowledged this fact in a Fox News interview where he publicly stated¹⁰¹: “**there are various ways to pay down debt**, and one of them is to drive revenues and to drive earnings”. However, it is crucial to compare these claims with the dilutive actions, or rather, the lack thereof, prior to the onset of the "Meme Stock Frenzy" in early 2021 to see the standing of their claims. The chart depicting the history of outstanding shares of AMC since 2018 highlights that while the company's market capitalization steadily declined and its debt burden increased, the number of outstanding shares remained relatively constant at a very low level compared to figures in 2023 as shown with the following analysis.

The following chart shows the history of the outstanding shares of AMC since 2018¹⁰².

AMC Entertainment Holdings Shares Outstanding: 1.457B for March 8, 2023

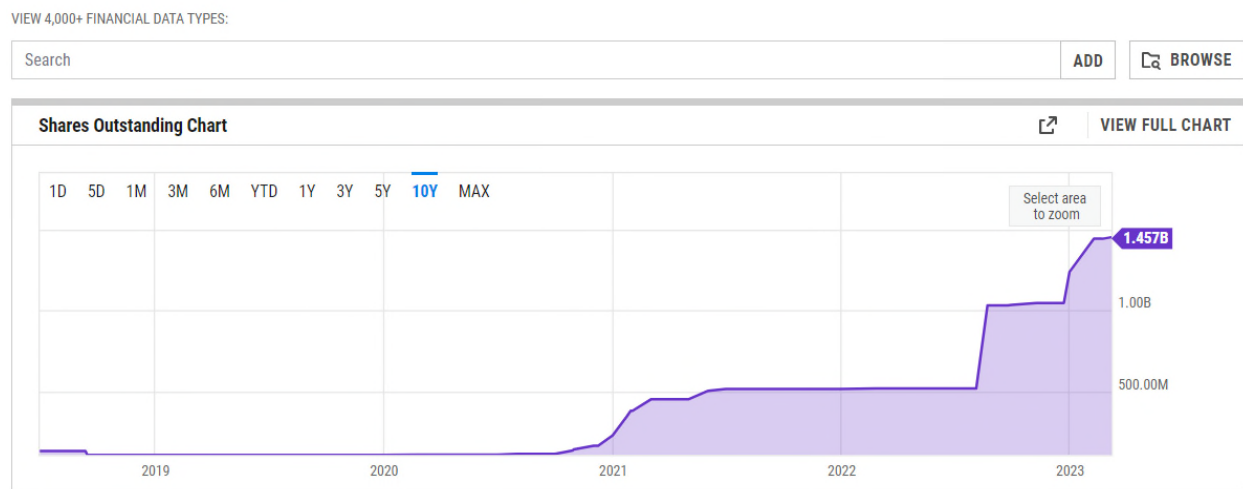


Figure 4: Chart AMC Entertainment Shares Outstanding from 2018 to 2023 (since Aug 22, 2022 AMC & APE combined)

While the company market capitalization was continuously declining, the debt burden continuously rising¹⁰³, the number of outstanding shares was evidently constant at a very low level – compared with 2023 figures. The defendant executives neither proposed a reverse split as a means to boost the share price, nor did they engage in aggressive stock dilution while the stock was trading at record lows.

¹⁰¹ Fox News Interview with Adam Aron Sep 08, 2021: Minute 4:40, Source: <https://www.youtube.com/watch?v=fRiC048nYeI>

¹⁰² The total amount of shares in the chart are all subclasses combined. Source: [AMC Entertainment Holdings Shares Outstanding \(ycharts.com\)](https://ycharts.com/stock-price/AMC-Entertainment-Holdings-Shares-Outstanding)

¹⁰³ Long Term Debt December 31, 2016: \$3.827Billion; Long Term Debt December 31, 2019: \$4.753Billion Source: [AMC Entertainment Holdings Total Long Term Debt \(Quarterly\) \(ycharts.com\)](https://ycharts.com/stock-price/AMC-Entertainment-Holdings-Total-Long-Term-Debt-Quarterly)

AMC Entertainment Holdings Total Long Term Debt (Quarterly): 5.141B for Dec. 31, 2022

VIEW 4,000+ FINANCIAL DATA TYPES:

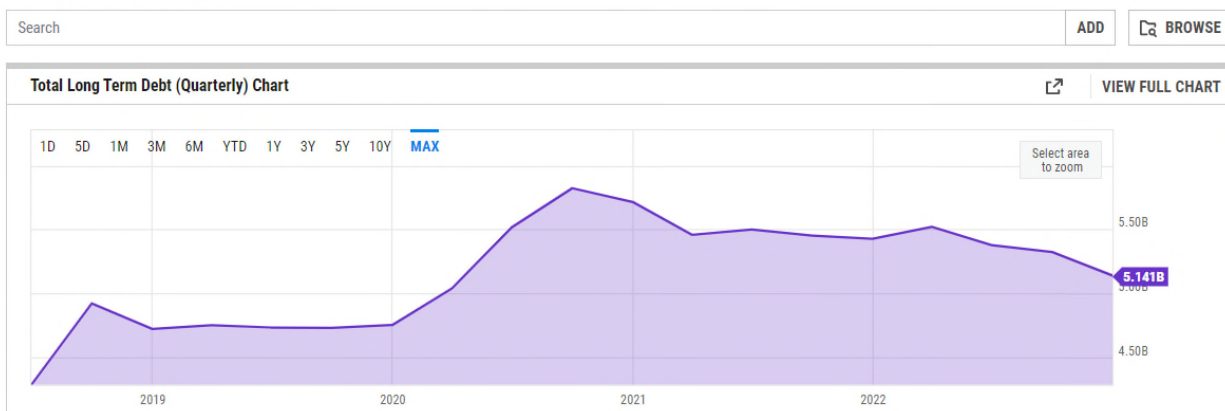


Figure 5: Chart AMC Entertainment Long Term Debt (Quarterly) from 2018 to 2023

The evidence presented indicates that even before the COVID-19 pandemic, AMC was on a precarious financial path. Despite generating extraordinary domestic box office revenues of \$5.5 billion in 2019¹⁰⁴, the company was not profitable, because it reported a loss of -\$149,100,000 and its market capitalization was a meager \$0.75 billion.

Despite the company's increasing debt, the management consistently distributed cash dividends to shareholders¹⁰⁵, thereby putting a strain on its financial resources and thus partially into their own pockets, because the management's personal financial interests were tied to stock grants through the Executives Incentive Program (EIP)¹⁰⁶, which provided them with incentives to prioritize cash dividends¹⁰⁷. However, the management undeniably failed to implement sustainable strategies to

¹⁰⁴ Revenue From Contract With Customer Excluding Assessed Tax 2016: \$3,235,900; 2017: \$5,079,200; 2018: \$5,460,800; 2019: \$5,500,000; 2020: \$1,200,000; 2021: \$2,527,900; 2022: \$3,911,400 Source: [AMC Income Statement - Annual - AMC Entertainment Holdings Inc - Class A - Fintel.io](#)

¹⁰⁵ e.g. AMC annual Report 2021, Page 127: Sum of paid dividends From March 25, 2019 – March 23, 2020 = \$88.2 million

Dividends
Since April 24, 2020, the Company has been prohibited from making dividend payments in accordance with the covenant suspension conditions in its Credit Agreement (as defined in Note 5—Corporate Borrowings and Finance Lease Obligations). The following is a summary of dividends and dividend equivalents declared to stockholders during the year ended December 31, 2020:

Declaration Date	Record Date	Date Paid	Amount per Share of Common Stock	Total Amount Declared (in millions)
February 26, 2020	March 9, 2020	March 23, 2020	\$ 0.03	\$ 3.2

During the year ended December 31, 2020, the Company paid dividends and dividend equivalents of \$5.3 million and accrued \$0.4 million for the remaining unpaid dividends at December 31, 2020. The aggregate dividends paid for Common Stock, Class B common stock, and dividend equivalents were approximately \$1.6 million, \$1.6 million, and \$3.3 million, respectively.

The following is a summary of dividends and dividend equivalents declared to stockholders during the year ended December 31, 2019:

Declaration Date	Record Date	Date Paid	Amount per Share of Common Stock	Total Amount Declared (in millions)
February 15, 2019	March 11, 2019	March 25, 2019	\$ 0.20	\$ 21.3
May 3, 2019	June 10, 2019	June 24, 2019	0.20	21.3
August 2, 2019	September 9, 2019	September 23, 2019	0.20	21.3
October 24, 2019	December 2, 2019	December 16, 2019	0.20	21.0

During the year ended December 31, 2019, the Company paid dividends and dividend equivalents of \$84.1 million and accrued \$2.3 million for the remaining unpaid dividends at December 31, 2019. The aggregate dividends paid for Common Stock, Class B common stock, and dividend equivalents were approximately \$41.7 million, \$41.4 million, and \$1.0 million, respectively.

Source: <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000155837022002577/amc-20211231x10k.htm>

¹⁰⁶ Interview Adam Aron with Trey's Trades on YouTube on April 15, 2021: Minute 6:15 – 8:20 Adam Aron: "... there are more than 100 executives at AMC in the U.S. and Europe who are granted stock each year..." Source: <https://www.youtube.com/watch?v=XjqCaNKsSbc&t=4209s>

¹⁰⁷ Page 128: "AMC's Board of Directors approved awards of stock, RSUs, and PSUs to certain of the Company's employees and directors under the 2013 Equity Incentive Plan. During years 2021, 2020, and 2019, the grant date fair value of these awards was based on the closing price of AMC's stock on the date of grant, which ranged from \$1.73 to \$15.13 per share."

Page 145 "Vested RSUs, PSUs, and SPSUs have dividend rights identical to the Company's Common Stock and are treated as outstanding shares for purposes of computing basic and diluted earnings per share. For the year ended December 31, 2021, December 31, 2020, and December 31, 2019, unvested RSUs of 2,247,625, 1,131,333, and 1,377,992, respectively, were not

manage the company and significantly reduce its long-term debt. The charts also demonstrate that the board only began diluting shareholders and raising cash in late 2020, albeit at a slow pace. The management has diluted his shareholders by the end of 2020 by 115% (+120,09M)¹⁰⁸, from December 31 2020 to January 22 2021 by additional 51% (+114,74M)¹⁰⁹, from January 22 2021 to March 11 2021 by another 33% (+111,09M)¹¹⁰ and from March 11 2021 to June 30 2021 by further 14% (+63,17M)¹¹¹. However, the speed of dilution increased significantly at the onset of the "Meme Stock Frenzy" when retail shareholders entered the scene en masse.

It is evident that the defendants were well aware that they could not issue an unlimited number of shares, as they were constrained by the legal limitation of the authorized shares. By June 30, 2021 (less than a year of aggressive dilution), this limitation had been reached, and the defendants found themselves trapped in a situation of their own making and own knowledge. Since the commencement of the unprecedented dilution, the new shareholders have experienced an extraordinary dilution factor of 392%¹¹². The new shareholder base, which bore the brunt of this dilution, has been vocal about their motives and staunchly opposed any further dilution imposed by the board.

This self-inflicted trap in which the defendants found themselves was a direct result of their own actions and mismanagement of the situation. The rapid and aggressive dilution of shareholder value, particularly during the "Meme Stock Frenzy," raises serious questions about the management's intentions and their handling of the company's financial challenges. Despite the dire situation the pandemic only intensified, but not solely caused, the board did not take aggressive measures such as diluting the stock or proposing a reverse stock split to boost the share price or issuing preferred shares before it. Even in March 2020, when the company was heavily financially bleeding, dividends were paid to shareholders¹¹³, including the board members themselves, further depleting the company's cash reserves. When retail investors entered the scene in large numbers, causing the stock price to surge, the board surprisingly shifted their focus. Suddenly, it became crucial to save the company from bankruptcy and further financial setbacks through a lifeline of aggressive dilution on shareholder value. This shift in priorities raises questions about the board's intentions and their willingness to exploit the enthusiasm and investment of retail investors. Their actions were primarily driven by the opportunity to capitalize on a volatile stock price, rather than a genuine concern for the company's well-being. Therefore, it is important to highlight the causalities of these events and the actions of the board, emphasizing their initial lack of urgency and the subsequent shift in focus after the entry of retail investors. This discrepancy indicates a strategic exploitation of retail investors for their own gain, rather than a genuine alignment with the goals and interests of the shareholders.

included in the computation of diluted earnings (loss) per share because they would be anti-dilutive." Source: <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000155837022002577/amc-20211231x10k.htm>

¹⁰⁸ Source: [AMC Entertainment Holdings Shares Outstanding \(ycharts.com\)](https://ycharts.com/stock-outstanding/amc)

Shares outstanding, February 21, 2020: 104.24M; December 31, 2020: 224.33M; $(224.33M / 104.24M) - 1 = 1.15$

¹⁰⁹ Shares outstanding, January 22, 2021: 339.07M; $(339.07M / 224.33M) - 1 = 0.51$

¹¹⁰ Shares outstanding, March 11, 2021: 450.16M; $(450.16M / 339.07M) - 1 = 0.33$

¹¹¹ Shares outstanding, June 30, 2021: 513.33M; $(513.33M / 450.16M) - 1 = 0.14$

¹¹² Shares outstanding, February 21, 2020: 104.24M; June 30, 2021: 513.33M; $(513.33M / 104.24M) - 1 = 3.92$

¹¹³ See 105

While retail shareholders did not want the company to issue new shares into the market, they were open and positive about helping AMC with its cash and debt issues. **Their sole cause in the first place to buy into the company was to rescue it from bankruptcy and defendant CEO Adam Aron publicly acknowledged this as a fact**¹¹⁴. In a remarkable display of support, shareholders encouraged each other via social media to visit AMC movie theaters and continue spending their money on movie tickets, concessions, and other offerings. They even went beyond that by making merchandise offers directly to the board and eagerly purchasing as much merchandise as they could when such opportunities were presented by the company¹¹⁵.

Furthermore, the retail shareholders came up with innovative ideas to aid AMC's financial situation. One notable suggestion was the potential sale of non-fungible tokens (NFTs) by the company to raise additional funds, while the company used this suggestion to connect with ticket sales¹¹⁶. The company, regrettably, displayed a myopic approach by prioritizing a narrow range of offerings while disregarding the broader landscape of business opportunities. Curiously, the potential of engaging customers through the sale of NFTs, leveraging unique and innovative offerings with NFT integration, and exploring various untapped avenues remained largely unexplored and overlooked¹¹⁷. Additionally, some shareholders proposed the idea of distributing NFT dividends per share to every shareholder, providing a unique digital asset linked to their ownership of AMC shares. These creative ideas demonstrated the willingness of the new shareholder base to contribute to the company's success and financial stability. It is crucial to recognize that the influx of new shareholders brought strength and benefits to AMC. However, it appears that the defendants failed to acknowledge and capitalize on these advantages¹¹⁸. Instead, their focus remained primarily on raising cash by the dilution of ownership and destroying

¹¹⁴ E.g. Tweet from Adam Aron: "Cineworld/Regal just filed for Chapter 11 bankruptcy protection for its theatres in the U.S. and U.K. Fortunately, AMC is in a very, very different situation — because retail investors embraced us and let us raise boatloads of cash. Thank you to retail! You really did save AMC." Source: <https://twitter.com/CEOAdam/status/1567532107815075841>

¹¹⁵ E.g. Tweet from Adam Aron on Nov 29, 2022: "A huge thank you to our shareholders who suggested that AMC sell merchandise. I am delighted to report that right on schedule we are now doing so online and with free shipping. For AMC fan gear: <https://amctheatresmoviemerchandise.com/cat-18-1-49/shop-all-amc-gear.htm#category> Filtered For movie themed merchandise: https://amctheatresmoviemerchandise.com/17/home.htm?utm_medium=website&utm_source=amc&utm_campaign=merchandise&utm_term=global_nav Source: <https://twitter.com/CEOAdam/status/1597648750729891840>

e.g. Tweet from Adam Aron on Feb 17, 2023: "AMC creativity at work, selling 20,000 Ant-Man popcorn helmets for \$600,000 yesterday in just one day. If we did that EVERY day (which we can't, not all movies of Ant-Man appeal with families), would be \$220 million of annual revenue! More collectibles ahead with future movies." Source: <https://twitter.com/CEOAdam/status/1626630675682975745?lang=de>

¹¹⁶ Tweet from Adam Aron on Dec 01, 2021: "You were right when so many of you suggested movie themed NFTs. Our Spider-Man NFT is a key reason why No Way Home generated the second highest one day ticket sales in AMC's entire history! All 86,000 NFT's (at one per qualifying member) were fully committed by Monday afternoon." Source: <https://twitter.com/CEOAdam/status/1465844309492703236>

e.g. Tweet from Adam Aron on Jan 30, 2023: "**RETAIL SUGGESTIONS:** Take crypto, ApplePay and GooglePay — usage online soared. Introduce AMC branded and movie merchandise — selling like hotcakes. Launch an AMC credit card — still on track for Q1. Take AMC Popcorn to supermarkets — still on track for Q2. Keep the ideas coming!" Source: <https://twitter.com/CEOAdam/status/1620066183050596352>

¹¹⁷ Tweet from Adam Aron on Dec 06, 2022: "Given AMC's Spider-Man NFT success, our first ever NFT, I am thrilled to announce our second ever NFT! All self-identified AMC shareholders who are members of AMC Investor Connect, and those who enroll by Dec 31, 2021, **will get this handsome NFT for free, one per member.**" Source: <https://twitter.com/CEOAdam/status/1467827734021689346>

¹¹⁸ Tweet by Adam Aron from Dec 9th 2021: "NFTs are a superb idea. But not a 1 per share security token NFT dividend, as repeatedly described on Twitter. It is likely illegal, breaches our debt covenants and/or exposes AMC to huge litigation risk. We can't do it. Beware of concepts that sound easy and too good to be true." Source: <https://twitter.com/CEOAdam/status/1468903430873919488>

shareholder value, disregarding the potential positive impact and support from the shareholders who experienced stock ownership the first time during the “Meme Stock Frenzy”.

In summary, the deliberate dilutive actions taken by the board, coupled with the steady decline in market capitalization, the rise in debt, and the sudden aggressive increase in dilution during the 'Meme Stock Frenzy,' suggest a deliberate strategy that not only disregarded the interests and expressed will of the new shareholder base but also displayed a clear understanding by the defendants that these shareholders were committed to purchasing more shares rather than selling. Despite this knowledge, the defendants proceeded with significant dilution, taking advantage of retail investors' willingness to buy at “inflated” prices, directly contradicting the majority shareholders' best interests and intentions. In addition to that, the defendants' awareness of the limitations on issuing shares further reinforces the notion of a self-inflicted trap. By carefully examining these facts and considering the motivations and actions of the defendants, a clearer understanding of the alleged orchestrated conspiracy against AMC's retail shareholders can be obtained.

D. Preparing the plot – “Project Popcorn”

The new shareholder base of millions of retail investors held significant voting power and ownership in the company of around 80%¹¹⁹. The defendants found themselves trapped in a corner by their own making, knowing the company would need cash to survive the recovery to pre-pandemic domestic box office revenues around \$11 billion. By underestimating the underlying value of this new shareholder base and their enthusiasm to assist the company, the defendants missed an opportunity to harness their collective power for the betterment of AMC as they chose to seek further excessive dilution on shareholders Common Stock. They knew their new very active and interested shareholder base would not vote in favor of an authorized share increase¹²⁰ of AMC Common Stock. While the company was able to raise \$2.5 billion in cash¹²¹ in 2021 and the company had the most filled cash wallet of all times, defendant Adam Aron was not able to reduce the company's debt significantly¹²².

¹¹⁹ Tweet by Adam Aron from June 9th 2021: “As of June 2, AMC had 501,780,240 total outstanding shares. AMC's number of shareholders in the U.S. and abroad has increased to about 4.1 million, and you own more than 80% of AMC. While some own more and some own less, the average stockholding for AMC is about 120 shares.”

¹²⁰ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 12 & 13

¹²¹ Tweet by Adam Aron from June 24th 2021: “Some of you fear dilution, but may be neglecting that equity raising is a powerful tool to strengthen a company and help shareholders. AMC said 5 times in Jan, May and June 2021 that we diluted shares, but as a result raised \$2.5 billion. AMC is so much stronger because we did.” Source:

<https://twitter.com/CEOAdam/status/1407881140371968001>

¹²² AMC long-term debt in 2021 higher than 2018 levels.

2021-06-30	2021-Q2	\$5,214,500,000
2020-09-30	2020-Q3	\$5,448,300,000
2020-06-30	2020-Q2	\$5,681,400,000
2018-12-31	2018-Q4	\$4,867,700,000

Source: <https://fintel.io/fg/us/amc/LongTermDebt>

Ignoring the open willingness of their shareholders and simultaneously best customers to help with the company's debt issue seeking other ways than dilution, defendant Adam Aron engaged with a Banker from Citigroup named Van Zandt in an agreement to start "Project Popcorn"¹²³.

On February 17, 2022:

*"Van Zandt explained that Company was short on common shares but had 50M shares of preferred stock which might be used to raise cash....Company ... plans to offer the preferred shares to its retail stockholder base through a rights offering which is common in Europe but less so in the US. One AMC preferred unit **would convert** into one share of Common Stock, subject to shareholder authorization.... Our retail stockholders can purchase the preferred unit or sell the right which is itself a tradable security.*

The rights are dilutive so the shareholders are incented to buy the shares to avoid dilution.

Mr. Van Zandt ...reviewed the decision tree each shareholder would process.

*He explained that short sellers would need to deliver the right to the shareholder from whom they borrowed their shares which would create demand and put pressure on short sellers."*¹²⁴

Citigroup, acting as a key accomplice, proposed a "rights offering" that allowed new investors to buy AMC Preferred Equity Units (APEs), which is a crucial piece of evidence showcasing the conspiracy. APE **were designed** to closely resemble the economic and ownership value of AMC Common Stock, but with certain strategic differences. While the board was legally restricted from issuing more AMC Common Stock, the defendants deliberately circumvented this legal boundary through creating a new security with the same features as AMC Common Stock. To grasp the ground of the plan it is necessary to compare the key figures of both stocks:

Voting rights:	AMC Common – 1 vote per share	APE unit - 1 vote per unit
Authorized shares:	AMC Common – 524 million shares (~1/3 rd)	APE units – 1 billion units (~2/3 rd) (Maximum of 5 billion possible) ¹²⁵
Conversion:	AMC Common – not convertible	APE units: convertible to AMC Common

The purpose of the APE units, as revealed by this contrasting pairs, goes beyond the deceived goal of raising capital. If the defendants' primary intention was solely to raise cash and avoid bankruptcy, the given convertibility feature of the APE units would not have been necessary. Moreover, the equal voting power granted to the APE units would also not have been essential for addressing non-existing bankruptcy issues¹²⁶. This indicates that the defendants intentionally

¹²³ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 14

¹²⁴ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 15

¹²⁵ See details in Exhibit III

¹²⁶ Munoz complaint, unredacted, EFiled: Feb 20 2023 Transaction ID 69170312, Page 42: "Nor do the Company's internal documents produced pursuant to 8 Del. C. § 220 indicate that the Company faced bankruptcy or any other existential threat."

allocated a significant majority of authorized shares to the APE units, giving them greater control, influence, and as Citigroup Banker Mr. Van Zandt directly said: “One AMC preferred unit would convert into one share of Common Stock...”. It was a crucial part of the plan to convert APE into AMC common.

Instead, the defendants knowingly took advantage of the retail shareholders' strong support and willingness to help the company by purchasing shares, as demonstrated in 2021 with AMC Common Stock. They could have easily sold APE units to these supportive retail shareholders without allowing short sellers to close out their positions on AMC Common Stock. However, the defendants deliberately chose a different path. Fully aware of the potential negative impacts on share prices¹²⁷, and the destructive dilutive effects on their common shareholders¹²⁸ the defendants chose to conceal this information¹²⁹, and give APE the necessary features to overthrow AMC Common Stockholders and become AMC Common Stock in the future through a “forced” conversion processed and legalized by a “forced” and rigged vote¹³⁰. Defendant Adam Aron and Citigroup intentionally planned a rights offering through APE that would allow especially new investors to buy a Common Stock equivalent that was purposely given the inherent feature to convert into Common Stock and would have equal rights than Common Stock but with a much greater float than AMC Common Stock.¹³¹

To underscore the deliberate awareness and intention of the defendants, the statement made by Adam Aron during his interview with Trey's Trades on April 15, 2021, provides strong evidence of the defendants' calculated manipulation and disregard for the true intent and voice of the shareholders. Aron explicitly stated, "...in this case on this matter of shareholders authorizing shares, we do not need a majority of the votes that are cast, we need a majority in the votes that are outstanding. So if it's a yes vote, obviously it's a yes vote. If it's a no vote, obviously it's a no

¹²⁷ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 17: “Goodman acknowledged 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, lower index fund ownership also means less shares available for short sellers to borrow and this could have an offsetting positive impact on the trading value of the Preferred Equity Units.”

¹²⁸ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 17: “with Merriwether asserting that “[t]here is a sweet spot somewhere that doesn't raise the shareholders' ire about dilution but also gives us the flexibility to raise the capital we want. I think we will get ire no matter what the number is, so does it make sense to get the ire out all at once at 1B.”

¹²⁹ Munoz complaint, unredacted, EFiled: Feb 20 2023 Transaction ID 69170312, Page 8: “The Company did not specifically disclose this mirrored voting procedure to stockholders. By arranging for Computershare to vote absent and uninstructed APEs in this manner, the Board placed its proverbial thumb on the scale to facilitate approval of measures that are not supported by the Company's Common Stockholders.”

Smith v. Van Gorkom, Del. Supr., 488 A.2d 858 [*5] (1985). “The Supreme Court held that the defendant directors did not exercise informed business judgment in approving the proposed merger, were grossly negligent in approving amendments to the merger proposal and failed to disclose all material facts to the Trans Union stockholders.”

¹³⁰ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454, Page 4: “Rather than looking for appropriate alternative ways to raise capital, AMC management effected a scheme to forcibly converge APEs with Common Stock, manipulating APEs' mirror voting and “buying” votes from a chosen hedge fund...”

¹³¹ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454, Page 14: “In November 2021, the Company's banker, Citigroup, began work on “Project Popcorn,” a prospective issuance of an alternative form of equity that could convert into Common Stock.”

vote. But if it's not a vote, so it's not a yes vote and essentially counts as a no vote."¹³² Aron's explicit acknowledgment that broker non-votes count as “no” votes serves as compelling evidence of a premeditated strategy employed by the defendants. This strategy aimed to manipulate the outcome in their favor by utilizing all broker-non votes, thereby minimizing the influence of counter voices from AMC Common Stockholders¹³³ and maximizing the influence of APE Stockholders through mirroring vote¹³⁴ - which is explicitly reflected with the voting outcome¹³⁵. By deliberately exploiting the significance of broker non-votes, the defendants demonstrate a disregard for the genuine input and concerns of the shareholders, further emphasizing their calculated actions to maintain control and undermine the rights of AMC Common Stockholders.

Further evidence of a conspired plot arises from discussions held by the defendants and their advisors regarding the use of “supervoting preferred stock” and proportional voting¹³⁶ to lower the standard for an amendment to the Certificate of incorporation. These maneuvers granted the defendants and their allies – specifically shown in the Antara Transaction¹³⁷ – greater control over the company and enable them to push through their self-serving agenda, all while undermining the rights and interests of Common Stockholders. The defendants' intentions become even more apparent by examining their subsequent actions. Underlying the defendants' intent and disingenuousness is a significant discovery made by the plaintiffs. It was revealed that the defendants deliberately chose to conceal crucial information regarding a secret agreement with Computershare, the depository of APEs, granting APEs superior voting power, dilutive effects of APE units on common shareholders and the potential negative impact on share prices¹³⁸. This

¹³² Interview Adam Aron with Trey's Trades on YouTube from April 15, 2021, Time: 1:09:50 – 1:11:00, Source: <https://www.youtube.com/watch?v=XjqCaNKsSbc&t=4209s>

¹³³ SEC filing DEF 14A, Proxy Statement (definitive); filed on Feb 14 2023, Page 9; “Broker non-votes of our Common Stock will not be counted for purposes of calculating whether a quorum is present at the Special Meeting and will have the same effect as votes against the Share Increase Proposal and the Reverse Split Proposal, and will have no effect of the Adjournment Proposal. A broker or other nominee cannot vote without instructions on non-routine matters.” Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/4e923416-1963-4c40-8c23-e82b168b6647.pdf>

¹³⁴ Munoz complaint, unredacted, EFiled: Feb 20 2023 Transaction ID 69170312, Page 31: “Finally, the Board authorized the Company to enter into the Deposit Agreement with Computershare, whereby Computershare would act as the depository of the APEs. Under the terms of the Deposit Agreement, in connection with any stockholder vote at which holders of Preferred Stock are entitled to vote, Computershare would vote shares of Preferred Stock as instructed by their holders. However, with respect to APEs (and, by extension, Preferred Stock) that are not present or for which voting instructions are not given, which otherwise would be treated as broker non-votes, Computershare will vote those units proportionally in the same manner as APE units for which holders do give specific voting instructions.”

¹³⁵ Voting results, SEC filing 8-K, Current report filing, filed on Mar 15, 2023, Page 2: “A total of 182,342,728 out of 517,580,416 eligible shares of the Company's Class A common stock (“Common Stock”) were present in person or represented by proxy at the Special Meeting, and a total of 182,342,728 shares of Common Stock were voted **after excluding broker non-votes**.” Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/16696990-742a-41c2-8cf7-ec65f6fc5583.pdf>

¹³⁶ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 19: “...Computershare, the Company's transfer agent, was required to vote uninstructed APEs proportionally with instructed APEs, effectively giving APEs superior voting power...”

¹³⁷ See Exhibit V

¹³⁸ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 19: “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.40 Nor did Defendants advise Common Stockholders to hold onto the APEs issued to them so they could maintain their voting control over AMC.”

deliberate concealment of crucial information from shareholders establishes a solid foundation for the conspiracy planned and executed by the defendants and their deliberate manipulation of the coming and planned voting process. The evidence strongly indicates that the defendants engaged in a concerted effort to manipulate shareholders by concealing the true voting power of APEs and omitting the necessity for Common Stockholders to retain their APEs, the defendants sought to overthrow the majority shareholders of AMC Common Stock through a forced conversion of APEs. Conclusively, conversion of APE into AMC Common, ultimately dilution of AMC Common Stock and effectively defraud the value of AMC Common Stock¹³⁹ was the primary purpose of “Project Popcorn”.

E. The Rollout plan of APE – trick retail into accepting the “poisoned apple”

As shown in the foregoing sections, the primary goal of the collusion between Citigroup and the defendants was to dilute AMC Common Stock via several intermediate steps. Overcoming the legal hurdle of “authorized shares,” they devised a cunning plan that involved the creation of a new tradeable security with significant implications. The subsequent crucial step was to ensure widespread acceptance and participation. In February 2022, Citigroup proposed labeling these rights as “AMC Preferred Equity Units” or “APEs.”¹⁴⁰ The choice of this name was deliberate, as defendant Adam Aron emphasized it in his August 4, 2022 tweetstorm and explicitly appealed to the existing “APE movement” among his dedicated shareholders. He shared a letter¹⁴¹, where he expressly underlines the given name by stating “...that will be listed on the New York Stock Exchange starting on August 22, 2022 under the ticker symbol “APE” – yes, APE, as in **AMC Preferred Equity.**” Thus, he was clearly addressing his shareholder base of the “APE movement” and raising their acceptance of this move. Additionally, the defendants were careful not to introduce an excessive number of APEs initially, considering the potential backlash and resistance from retail shareholders regarding their strong dilution concerns¹⁴². This calculated approach was designed to manipulate and convince shareholders to accept the “poisoned apple” they were being offered by their “Silverback”.

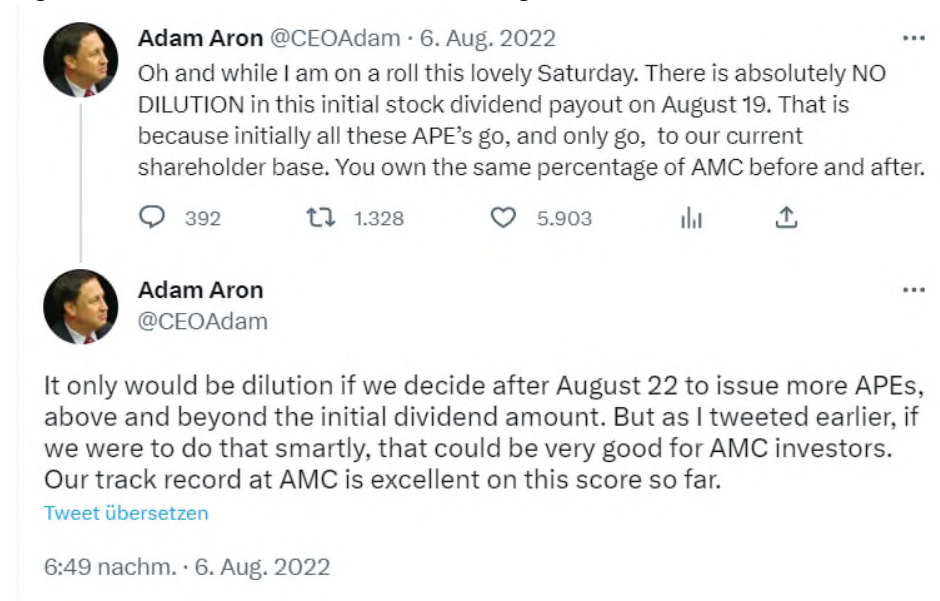
¹³⁹ Tweet by Adam Aron from Aug 5th 2021: “I must tell you all. It is complicated, but it really is satisfying to play 3-D chess, especially if you know how to play it well. Today AMC Entertainment announced both vastly improved earnings and our game-changing new APE securities. #TodayWePounce”

¹⁴⁰ PLAINTIFFS’ OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 15

¹⁴¹ An Open Letter to AMC Entertainment Shareholders from Our Chairman and CEO Adam Aron on Aug 4, 2022, Source: https://s25.q4cdn.com/472643608/files/doc_downloads/2022/FINAL-APE-Dividend-Shareholder-Letter-20220804-1400-v.F.pdf

¹⁴² PLAINTIFFS’ OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 17:” “[t]here is a sweet spot somewhere that doesn’t raise the shareholders’ ire about dilution but also gives us the flexibility to raise the capital we want. I think we will get ire no matter what the number is, so does it make sense to get the ire out all at once at 1B.” Sean Goodman

e.g. Tweets from Adam Aron addressing dilution fears of his shareholders.



Upon analyzing the issuance of APE units to AMC Common Stockholders, it becomes evident that the board employed a clever strategy to overcome their inability to issue additional Common Stock. Exploiting their entrusted authority and the trust of shareholders, they introduced a new class of shares derived from authorized preferred stock. While this whole maneuver was presented to shareholders in a seemingly favorable manner as a means to raise cash, pay down debt and with the benefit to validate a proper share count, shareholders repeatedly asked for¹⁴³, the true intentions behind the introduction of APE units were deliberately concealed. The distribution of APE units to common shareholders, disguised as a "special dividend"¹⁴⁴, with the intention of converting them into AMC Common Stock at a later time point, further demonstrates the deceptive practices employed by the defendants. By presenting these APE units as a dividend – a “tax-free gift”¹⁴⁵, they sought to create a false perception of value and entice shareholders to hold onto them, ultimately benefiting the defendants' interests. This deceptive maneuver undermines the trust and transparency expected in such pivotal financial transactions, highlighting the defendants' willingness to manipulate and exploit their shareholders for their own gain. Defendant CEO Adam Aron even assured shareholders publicly via Twitter that the APE dividend payout would not dilute ownership¹⁴⁶ and that any potential dilution would only occur if the company chose to issue

¹⁴³ Tweet from Adam Aron on Aug 4, 2022: “6. Candidly I’ve seen no evidence so-called fake or synthetic shares exist. But many of you disagree. This preferred equity dividend goes ONLY to company issued shares. So, it will have the impact of a “share count” or unique dividend many of you have sought. #TodayWePounce” Source: <https://twitter.com/CEOAdam/status/1555303048989364227>

¹⁴⁴ Tweet from Adam Aron on Aug 4, 2022: Picture of the letter to his shareholders. Source: <https://twitter.com/CEOAdam/status/1555302561447612417>

¹⁴⁵ Tweet from Adam Aron on Aug 4, 2022: “4. You will get 1 APE tax-free, as a stock dividend, for each 1 AMC common share that you own. At least for now, this big news today is NOT dilution, as the AMC Preferred Equity unit dividends all go, and only go, to existing owners of company issued common shares. #TodayWePounce” Source: <https://twitter.com/CEOAdam/status/1555302885931589633>

¹⁴⁶ Tweet from Adam Aron on Aug 6, 2022: “It only would be dilution if we decide after August 22 to issue more APEs, above and beyond the initial dividend amount. But as I tweeted earlier, if we were to do that smartly, that could be very good for AMC

additional APE units beyond the initial dividend. He further argued that controlled dilution could be beneficial to the company's shareholders if executed wisely¹⁴⁷. While defendant executives sold off the majority of their shares before the official APE announcement on August 4 2022¹⁴⁸ and continued to sell, their actions raise serious concerns regarding insider trading and conflict of interest. The parties involved in "Project popcorn" were evidently aware of the dilutive impacts on AMC Common shares, the risks institutional investor selling off these shares, potentially leading to retail shareholders selling off their APE special dividend as well¹⁴⁹. These actions strongly indicate a coordinated effort to exploit the situation for personal gain¹⁵⁰, while disregarding the financial harm¹⁵¹ caused to shareholders. In the end, the defendants' calculated move proved successful as retail shareholders welcomed it¹⁵² without fully realizing the underlying implications, akin to accepting a "poisoned apple" without awareness of the harm it may cause.

The distribution of APE units was marred by chaos, resulting in significant delays for some shareholders in receiving their dividend¹⁵³. Despite the initial promises, the introduction of APE units allowed the CEO and board to issue approximately one-third of new ownership¹⁵⁴ to the

investors. Our track record at AMC is excellent on this score so far." Source:

<https://twitter.com/CEOAdam/status/1555959339487313922>

¹⁴⁷ Tweet from Adam Aron on Aug 6, 2022: "Biggest FUD of all. On dilution: Some misunderstand or try scaring you. There's bad dilution and good dilution. If added liquidity gained from dilution is wasted, it's bad. However, if wisely handled, it is good. Indeed, for AMC in 2021, it was actually great for our shareholders." Source:

<https://twitter.com/CEOAdam/status/1555949799362396160>

¹⁴⁸ See Exhibit II, Figure 11: Insider transactions (sells only) between 2016 – 2023; Figure 12: Insider trading AMC Entertainment Holdings, Inc. May 2018 - May 2023; Table 3: AMC Executives/Director Insider Transactions 2016-2023; Table 4: AMC executives stock sales since Nov 2021

¹⁴⁹ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 17/18: "Mr. Aron indicated that AMC needed to raise more capital but was out of common shares.... The dividend will halve the price of our Common Stock, but shareholders will also own an APE and have close to the same combined value after the split.... Mr. Aron indicated that many retail shareholders were begging for a dividend to validate a proper share count, that the dividend does not change their economic holdings at all (it is the equivalent of a stock split) and that the dividend was vital to shore up Company's liquidity.... Mr. Aron outlined the downside scenario, if shareholders react negatively."

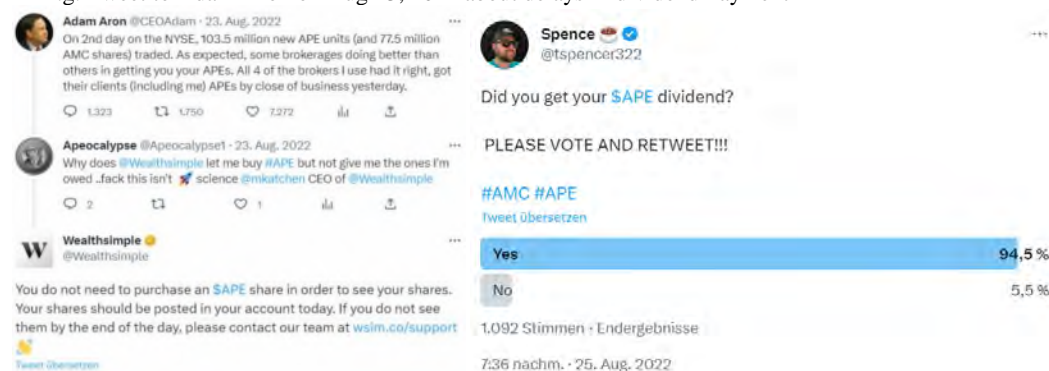
¹⁵⁰ See Exhibit II,

Table 4: AMC executives stock sales since Nov 2021

¹⁵¹ See Exhibit III, Table 5: Analysis of changes in market capitalization allocation since the introduction of APE

¹⁵² See comment sections of announcement Tweets from Adam Aron on Aug 4, 2022, e.g. Twitteruser @JanJak_AMC: "With this formula, retail shareholders will finally find out how many floats of #AMC we're holding. That process will reveal what's under the skirts of those manipulators and criminals, who have conspired to bankrupt @AMCTheatres during the pandemic. #SHORTSareFUKT #AMCSqueeze" – there are hundreds of similar comments.

¹⁵³ E.g. Tweet to Adam Aron on Aug 23, 2022 about delays in dividend Payment



¹⁵⁴ See Exhibit III

ALEXANDER HOLLAND'S OBEJECTION LETTER

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

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company, in stark contrast to the existing voting structure represented by approximately 517 million shares. Examining Table 7: Analysis of ownership changes since the introduction of APE shown in Exhibit III, it becomes apparent that the majority of retail shareholders experienced an approximate 22.87% loss in ownership, assuming they did not sell their initial special APE dividend. This mathematical evidence underscores that AMC Common Stockholders suffered further loss of ownership due to the defendants' dilutive actions, amplifying the harm caused to their overall interests. The board also was aware of the potential price declines of APE caused by the selling of APE by index funds¹⁵⁵. In order to comprehend the financial harm caused by the issuance of APE to AMC Common Stockholders, it is essential to grasp the interplay between AMC common and APE in terms of market capitalization¹⁵⁶. Both tickers, APE and AMC common, represent the same company and are traded on the New York Stock Exchange. However, they exist as separate entities, each with its distinct price and number of outstanding shares. It is crucial to understand that any price declines or dilutions on APE units inevitably have consequences for AMC Common Stockholders and directly affects the overall value of the companies' market valuation. Price declines in APE units translate into diminished investor confidence and a potential dilution of ownership for AMC Common Stockholders. These consequences cannot be overlooked or disregarded. The interplay between APE and AMC common shares reveals the interconnected nature of their values and underscores the significance of the defendants' actions in manipulating the market and exploiting shareholders¹⁵⁷. It is imperative to consider the broader implications of these actions and their detrimental effects on the interests of AMC Common Stockholders and class members.

Furthermore, the collaboration between the defendants and Citigroup in an equity distribution agreement, where Citigroup processed the sale of APEs through an at-the-market offering ("ATM"), raises significant concerns about a potential conflict of interest¹⁵⁸. What exacerbates the situation is the defendants' flagrant and blatant mismanagement of shareholders' equity value, carried out without obtaining shareholder permission, as evidenced by the set minimum price for APEs at \$2 per unit¹⁵⁹. This decision is perplexing when considering that the planned APE price

¹⁵⁵ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 18: "The Board materials also reflect the Company's expectation that index funds would sell off APEs, potentially driving the price of APEs lower."

¹⁵⁶ See for full explanation: Exhibit III; AMC Preferred Equity unit ("APE") Dividend Frequently Asked Questions; Question 7. How many AMC Preferred Equity units are there?

¹⁵⁷ See Exhibit III Table 5: Analysis of changes in market capitalization allocation since the introduction of APE – if APE share price falls, APE market capitalization and thus the combined market capitalization of the company diminishes.

¹⁵⁸ E.g. Article from DAN WEIL MAY 25, 2021; "AMC Entertainment (AMC) shares soared after Citi analyst Jason Bazinet nearly doubled his price target on the world's biggest movie theater chain to \$3.70 from \$2. To be sure, he kept his sell rating."

Source: <https://www.thestreet.com/investing/amc-price-target-raised-sell-rating-affirmed-at-citi>

e.g. Article from © MT Newswires 2023 from March 23, 2023: "Citigroup Reinstates AMC Entertainment Holdings at Sell With \$1.60 Price Target" Source: <https://www.marketscreener.com/quote/stock/AMC-ENTERTAINMENT-HOLDING-15231781/news/Citigroup-Reinstates-AMC-Entertainment-Holdings-at-Sell-With-1-60-Price-Target-43320364/>

¹⁵⁹ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 20: "Initially, the minimum price that APEs could be sold was \$2 per unit. Following a plea from Aron after the share price for APEs fell below \$2 per unit, the Pricing Committee lowered the minimum to \$1 per unit. APEs then traded below \$1 per unit, forcing AMC to stop selling APEs through the ATM."

was initially intended to be half of AMC Common Stock, approximately \$9 per APE unit¹⁶⁰, representing a -78% value threshold of the potential initial share offering. Though as the share price declined below this threshold, the Pricing Committee conveniently lowered the minimum to a ridiculous \$1 per unit¹⁶¹, corresponding to an -85.61% value threshold after the initial pricing of \$6.95¹⁶². This deliberate move suggests a calculated effort to erode shareholder value while maximizing potential gains for new shareholders who purchased APEs instead of AMC Common Stock, speculating on an arbitrage opportunity by converting APEs back into AMC Common Stock. When the APEs traded below bargain prices of \$1 per unit, AMC was compelled to halt the sale of APEs through the ATM, inadvertently exposing the flaws and inherent risks associated with their manipulative actions. Despite this setback, the defendants proceeded with the approval of the Antara Transaction, which was "secretly" organized by Citigroup¹⁶³, further raising suspicions about their ulterior motives and the extent of their collusion. These actions not only underscore the serious breach of fiduciary duty but also highlight the existence of a well-orchestrated scheme to undermine shareholder interests and exploit their vulnerabilities created by the APE issuance.

F. The Antara Transaction – “quid-pro-quo”

The evidence presented in the previous sections undeniably strengthens the argument that the primary purpose of APE was to coerce the approval of certificate amendments, which would facilitate the conversion of APE into AMC Common Stock and grant the board with unrestricted authority to dilute existing AMC Common Stockholders astronomically. The sequence of events uncover a calculated scheme aimed at manipulating the conversion vote and ensuring favorable results for specific parties involved. For effectuating the secretly set up super voting power of APE, it was necessary to deploy a new substantial APE shareholder to utilize the deliberately designed significant voting power of APE and secure the necessary non votes from retail shareholders through mirror voting. A “quid-pro-quo agreement” formed the foundation of the arrangement, wherein the board sought the passage of their proposals to fulfill their self-serving goals, and, in exchange, the defendants promised a lucrative "windfall" of monetary returns to the key shareholder. This symbiotic nature of this agreement demonstrates a clear intention to subvert the interests of AMC Common Stockholders and prioritize the self-serving goals of the defendants.

Upon examination of the evidence presented by the plaintiffs, it becomes apparent that Citigroup played a significant role in introducing defendant Adam Aron to Antara Capital.¹⁶⁴ This suggests

¹⁶⁰ Tweet by Adam Aron from Aug 6th 2022: “More FUD work. Ultimately, market trading determines the ongoing prices of AMC shares and APE units. They are very similar in nature, so logic says that initially the AMC share should approximately trade for 50% and the APE unit 50% of where shares trade just before the dividend.” Source: <https://twitter.com/CEOAdam/status/1555946487384866817>

¹⁶¹ PLAINTIFFS’ OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 20;

¹⁶² APE opening price on Aug 22, 2022: \$6.95; Source: <https://www.nasdaq.com/market-activity/stocks/ape/historical>

¹⁶³ See Section VIII.F – The Antara Transaction

¹⁶⁴ PLAINTIFFS’ OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 20;

that Antara Capital was not chosen as a potential collusion partner by AMC but rather by Citigroup. This indication is further supported by the contractual agreement¹⁶⁵ between AMC and Antara, which states that Citigroup Global Markets Inc. would not be responsible for any fees payable by the company. AMC paid Citigroup fees¹⁶⁶ amounting \$11.2 million (consisting of \$5.7million & \$5.5million), or 4.9% of the transaction value, in 2022 through the ATM. This is in high contrast to the fees paid in 2021, where the company raised over \$1.6 billion and paid fees of only 2.5%¹⁶⁷, which was half of the fees paid in 2022. It is worth noting that the company had in 2021 multiple sales agents involved in multiple transactions, instead of only one in 2022. These factors raise questions about the nature of the relationship between Citigroup, Antara Capital, and AMC, and highlight the need for further scrutiny.

Analyzing the disclosed transactions from SEC filings of Antara, a pattern emerges indicating their aggressive short-selling of APE securities. This activity began at least as early as November 2, 2022, shortly after Citigroup was selected as AMC's ATM partner on September 26, 2022. Antara consistently maintained a net short position¹⁶⁸ on APE until November 25, 2022. However, between November 25 and November 30, 2022, Antara's positioning changed¹⁶⁹, they started swing trading APE, and going net long on the security. This shift in their position coincides with an important development. Plaintiffs discovered that on December 8, 2022, Citigroup banker Mr. Van Zandt informed defendant Adam Aron that Antara Capital was willing to hold the necessary APE units and vote in favor of the conversion¹⁷⁰. This revelation raises questions about Mr. Van Zandt's prior contact with Antara (how could he know otherwise?). The close timing of Antara's change in position and Mr. Van Zandt's recommendation to defendant Aron cannot be dismissed as mere coincidence. It is plausible that Mr. Van Zandt, the architect of APE and the conversion plan, orchestrated Antara's involvement as the key shareholder needed to ensure the conversion vote would be successful, leveraging the supervoting rights of APE. Further examination of the disclosed transactions during that timeframe reveals that between December 7 and December 16,

“After Citigroup introduced Aron to Antara, they explored a potential transaction in early December 2022.⁴⁶ On December 8, 2022, Van Zandt relayed to Aron a discussion he had with Antara, including that “Antara agree[d] to hold shares until vote and vote in favor [of conversion],”

¹⁶⁵ Exhibit 10.1, FORWARD PURCHASE AGREEMENT, filed on Dec 22 2022, Page 10 Section 7.(b) No Finder's Fees, Source: https://www.sec.gov/Archives/edgar/data/1411579/000110465922129353/tm2233318d1_ex10-1.htm

¹⁶⁶ SEC Filing 10-K, Annual Report Filing Date 02/28/2023, Page 47, “We raised gross proceeds of approximately \$228.8 million during the year ended December 31, 2022, through its at-the-market offering of approximately 207.7 million shares of its AMC Preferred Equity Units and paid fees to the sales agent and incurred other third-party issuance costs of approximately \$5.7 million and \$5.5 million, respectively.” Source: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001411579/a1d28345-3a07-4309-8814-adb12459769f.pdf>

¹⁶⁷ SEC Filing 10-K, Annual Report Filing Date 02/28/2023, Page 49: “During the years ended December 31, 2022, December 31, 2021 and December 31, 2020, we paid fees to the sales agents of approximately \$5.7 million, \$40.3 million and \$8.1 million, respectively. During the year ended December 31, 2021, we paid other fees of \$0.8 million.” Source: <https://d18m0p25nwr6d.cloudfront.net/CIK-0001411579/a1d28345-3a07-4309-8814-adb12459769f.pdf>

¹⁶⁸ See details in Exhibit V, **Fehler! Verweisquelle konnte nicht gefunden werden.** Table 8: Antara transaction 2022 - 2023 - "windfall table"

¹⁶⁹ See details in Exhibit V, **Fehler! Verweisquelle konnte nicht gefunden werden.** Table 8: Antara transaction 2022 - 2023 - "windfall table"

¹⁷⁰ PLAINTIFFS BRIEF Page 20: “On December 8, 2022, Van Zandt relayed to Aron a discussion he had with Antara, including that “Antara agree[d] to hold shares until vote and vote in favor [of conversion], demonstrating that the Antara Transaction was not about raising capital from Antara...”

2022, Antara sold 6,344,985¹⁷¹ APE units, putting downward pressure on the price of APE. The price dropped from \$0.81 to \$0.73¹⁷² within that period. However, despite these sales, Antara still managed to accumulate a net long position of 8,918,175¹⁷³ APE units by the end of December 16, 2022. Considering the potential gains from the arbitrage and the knowledge of a rigged and forced conversion vote, it becomes evident that it was strategically advantageous for Antara to acquire as many cheap APE shares as possible. It is worth noting that APE reached its all-time low of \$0.67¹⁷⁴ in the days preceding the publicly announced Forward Purchase Agreement¹⁷⁵ on December 22, 2022.

Upon closer examination, another several suspicious factors emerge. According to AMC's Annual Report¹⁷⁶ Citigroup sold in the financial year 2022 207.75 million APE units, resulting in cash proceeds of \$228.8 million and an average selling price of \$1.10 per APE unit. It is thus more astonishing, that on December 19, 2022 as Adam Aron publicly tweeted the “superior proceeds” of raising \$162 million, the average selling price was already at \$1.10 per share¹⁷⁷. This suspicious absence discrepancy in pricing suggests a deliberate effort to suppress the selling price, also taking into account the Pricing Committee's decision to lower the minimum approved price to \$1 per APE unit¹⁷⁸. Citigroup achieved average selling price of APE units, approved and overlooked by the defendants as Board members, indicates that shareholders suffered a combined market capitalization loss of approximately \$6.16¹⁷⁹ billion, or 66.09% as of August 22, 2022 until the announcement date of the Antara Transaction (December 22, 2022). Furthermore, it is noteworthy that the announcement of the Antara Transaction followed just three days after Aron's tweet. This timing raises suspicions about the true motives behind the transaction. Consequently the introduction of the Antara Transaction by Citigroup suggests ulterior motives and reveals a

¹⁷¹ See details in Exhibit V, Table 8: Antara transaction 2022 - 2023 - "windfall table"

¹⁷² APE share price on	Date	Close/Last
	16.12.2022	\$0.73
	15.12.2022	\$0.81
	14.12.2022	\$0.89
	13.12.2022	\$0.86
	12.12.2022	\$0.84
	09.12.2022	\$0.77
	08.12.2022	\$0.83
	07.12.2022	\$0.81

Source: <https://www.nasdaq.com/market-activity/stocks/ape/historical>

¹⁷³ See details in Exhibit V, Table 8: Antara transaction 2022 - 2023 - "windfall table"

¹⁷⁴ APE price on Dec 19, 2022: \$0.67; Source: <https://www.nasdaq.com/market-activity/stocks/ape/historical>

¹⁷⁵ AMC Entertainment Holdings Inc - Forward Purchase Agreement, dated as of December 22, 2022, by and between AMC Entertainment Holdings, Inc. and Antara Capital LP - EX-10.1 - December 22, 2022; Source: <https://fintel.io/doc/sec-amc-entertainment-holdings-inc-1411579-ex101-2022-december-22-19348-8996>

¹⁷⁶ SEC Filing 10-K, Annual Report Filing Date 02/28/2023, Page 134, Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/a1d28345-3a07-4309-8814-adb12459769f.pdf>

¹⁷⁷ Sum of APE units sold through ATM in 2022: 207,750,000 – 60,000,000 (first batch of shares Antara Transaction, See Exhibit V) = 147,750,000 APE units NOT sold to Antara. \$162,000,000 / 147,750,000 = \$1.10

¹⁷⁸ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Section B, Page 20: "Following a plea from Aron after the share price for APEs fell below \$2 per unit, the Pricing Committee lowered the minimum to \$1 per unit."

¹⁷⁹ Formula: $1 - (\$3,157,773,835.45 / \$9,313,107,121.90) = 0.6609$; See Exhibit III Table 5: Analysis of changes in market capitalization allocation since the introduction of APE

calculated effort to secure the voting support of Antara through a windfall¹⁸⁰ for them, rather than a genuine capital-raising endeavor. These circumstances cast doubt on the true intentions behind the transaction as well as the transparency and integrity of the transaction.

Moreover, the fact that AMC Common Stock and APE never traded at the same price since the issuance of APE further adds to the suspicion¹⁸¹. In an efficient market, where APE is designed to have the same rights as AMC Common Stock, there should be no difference in economic value¹⁸² between the two. However, the existence of a price disparity implies hidden efforts to entice new shareholders into purchasing APE, enticing them with the possibility of an AMC/APE arbitrage through conversion. This discrepancy in pricing undermines the notion of equal value and raises doubts about the true motivations and intentions behind the APE offering.

During the Board meeting on December 21, 2022, CEO Adam Aron highlighted the financial situation of AMC, including the fall in APE price below \$1 and the forecasted liquidity of approximately \$750 million. However, he neglected his fiduciary duties by failing to investigate Antara's intentions and their potential involvement in short selling, which could harm shareholder value and violate SEC Rule 105¹⁸³. Disregarding these concerns, Aron proceeded to present the deal to the board. The terms of the Antara Transaction were outlined, which involved a special shareholder vote to authorize additional Common Stock, the conversion of APE into Common Stock, and a proposed 10-1 reverse stock split. On the surface these actions may aimed to increase liquidity to approximately favorable \$900 million, but further scrutiny to retail shareholders was guaranteed. In reality, AMC did not urgently need liquidity in 2022 to justify the Antara transaction by the claims of raising cash to avoid bankruptcy. According to their annual report, the company had a cash position of \$654.4 million on December 31, 2022¹⁸⁴. Taking into account the cash generated through the APE ATM¹⁸⁵, the company would still have had approximately \$425.6 million in its bank account.

¹⁸⁰ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454; Page 20/21: "demonstrating that the Antara Transaction was not about raising capital from Antara, but rather about giving Antara a windfall to ensure it would vote in favor of the Certificate Amendments."

¹⁸¹ Compare AMC Common & APE price history e.g. at Source: <https://www.nasdaq.com/market-activity/stocks/ape/historical> & <https://www.nasdaq.com/market-activity/stocks/amc/historical>

¹⁸² See Exhibit III; "Each AMC Preferred Equity Unit is designed to have the same rights as a share of AMC Common Stock and is convertible into AMC Common Stock in the future if the Company proposes and its equity investors so approve." Source: Notice of AMC Preferred Equity Unit Dividend; Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/fc265959-a6b6-4e01-aac3-824f4b012ee4.pdf>

¹⁸³ RULE 105 OF REGULATION M: SHORT SELLING IN CONNECTION WITH A PUBLIC OFFERING, Source: [Rule 105 of Regulation M: Short Selling in Connection with a Public Offering \(sec.gov\)](https://www.sec.gov/Archives/edgar/data/0001411579/000141157923000038/amc-20221231x10k.htm)

¹⁸⁴ AMC annual report 2022, Page 51 ; Source: [https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000141157923000038/amc-20221231x10k.htm](https://www.sec.gov/Archives/edgar/data/0001411579/000141157923000038/amc-20221231x10k.htm)

¹⁸⁵ \$228,8 gross proceeds. AMC annual report 2022, Page 49; Source: <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000141157923000038/amc-20221231x10k.htm>

As part of the Antara transaction, 60 million APE units were sold for \$34.935 million, with an average selling price of \$0.58¹⁸⁶. This deal lacks fairness both in terms of pricing and dealing. On December 19 and 20 APE reached a closing price of \$0.67¹⁸⁷, verifying that the board approved the transaction with an additional 14% discount below the market price. While the board's decision to issue APE has forced shareholders to give up \$6.95 of AMC Common Stock value with the initial APE offering, the \$0.58 per share selling price in the Antara transaction corresponds to a discount of 91.65%¹⁸⁸ from the perspective of AMC Common Stockholders. The fairness of dealing was breached since there were no apparent efforts by the defendants to explore deals with other market participants or shareholders, indicating that Antara negotiated from a position of power. Furthermore, **the circumstances surrounding the company's cash position did not necessitate this sale**. Despite these factors, the company approved a significant deal with Antara, and it was disclosed that, as of the record date for the Special Meeting, Antara owned 258,439,472 APEs, representing approximately 17.8% of the Company's total voting power and approximately 27.8% of all outstanding APEs. This raises concerns about a potential violation of NYSE rule 312¹⁸⁹ regarding shareholder approval. In terms of fair dealing and pricing, Antara acquired an overall ownership stake of roughly 17.8% in the company for approximately \$300 million, which accounted for only 9.5% of the combined market capitalization¹⁹⁰ on December 22, 2022. Therefore, **Antara received a discount of approximately 46.63%¹⁹¹ on each percentage of ownership acquired through their investment**. This goes beyond questioning the fairness of the transaction; **it epitomizes the act of liquidating a company's equity for mere pennies**, revealing potential improprieties in the dealings between AMC and Antara. As of the last disclosure of Antara Capital selling APE, their APE portfolio their APE portfolio has yielded a staggering estimated profit of \$225,580,774.29 ("quid-pro-quo" windfall achieved, so far).¹⁹²

¹⁸⁶ AMC Entertainment Holdings Inc - Forward Purchase Agreement, dated as of December 22, 2022, by and between AMC Entertainment Holdings, Inc. and Antara Capital LP - EX-10.1 - December 22, 2022; Page 1: "WHEREAS, Purchaser has informed the Company that concurrently with the execution of this Agreement it has purchased 60,000,000 AMC Preferred Equity Units ("APEs"), each unit constituting of a depository share representing a 1/100th interest in a share of the Company's Series A Convertible Participating Preferred Stock ("Preferred Stock"), for \$0.582 per APE, offered under the Company's at-the-market program (the "ATM APEs")." Source: <https://fintel.io/doc/sec-amc-entertainment-holdings-inc-1411579-ex101-2022-december-22-19348-8996>

¹⁸⁷ APE reached on Dec 19 & 20, \$0.67 closing price; Source: <https://www.nasdaq.com/market-activity/stocks/ape/historical>

¹⁸⁸ Opening Price of APE on Aug 22, 2022 = \$6.95 AMC Common Stockholder transferred from the share price of AMC to APE (they paid this value, nearly 40%, for details see Exhibit III). Formula: $1 - (\$0.58 / \$6.95) = 0.9165 = 91.65\%$

¹⁸⁹ "(c) Shareholder approval is required prior to the issuance of Common Stock, or of securities convertible into or exercisable for Common Stock, in any transaction or series of related transactions if: (1) the Common Stock has, or will have upon issuance, voting power equal to or in excess of 20 percent of the voting power outstanding before the issuance of such stock or of securities convertible into or exercisable for Common Stock; or (2) the number of shares of Common Stock to be issued is, or will be upon issuance, equal to or in excess of 20 percent of the number of shares of Common Stock outstanding before the issuance of the Common Stock or of securities convertible into or exercisable for Common Stock."; Source:

<https://nyseguide.srourules.com/listed-company-manual/09013e2c8554a7ce>

¹⁹⁰ Formula: $\$300,000,000 / \$3,157,773,835.45 = 0.095$; See Exhibit III Table 5: Analysis of changes in market capitalization allocation since the introduction of APE

¹⁹¹ Combined Market Cap AMC + APE on Dec 22, 2022 = \$3,157,773,835.45 (See details in Exhibit III); 1% ownership is equal to \$31,577,738.35. Antara bought 17.8% of the combined ownership of AMC + APE for approx.. \$300 million. $17.8 \times \$31,577,738.35 = \$562,083,742.71$ market value Antara gained through the deal. $1 - (\$300,000,000 / \$562,083,742.71) = 0.4663 = 46.63\%$ discount per percentage ownership at AMC market value on Dec 22, 2022

For ownership percentage of Antara See SEC Filing DEF 14A, Page 6, Source:

https://www.sec.gov/Archives/edgar/data/1411579/000110465923020458/tm232700-2_def14a.htm

¹⁹² See Exhibit III : Table 8: Antara transaction 2022 - 2023 - "windfall table"

Upon careful analysis, it becomes also evident that the defendants devised a cunning plan to convert all the maximum possible 5 billion APE units into AMC Common Stock, **thereby subjecting AMC Common Stockholders to astronomical future dilution**. This covert strategy revolves around the implementation of a 10:1 reverse stock split in conjunction with the amendment of the authorized amount of AMC common shares to 550 million after the reverse split takes effect. It is crucial for the court to grasp the implications of this maneuver. While the number of outstanding AMC common shares will decrease by a factor of 10 to approximately 51.68 million, this little fraction will represent a mere 9.4%¹⁹³ of the newly authorized shares of 550 million. Simultaneously, the conversion of around 92.4 million APE shares into AMC common will result in a new float of approx. 144.8 million outstanding AMC shares. Astoundingly, this leaves a staggering 405.2 million shares authorized for further dilution, effectively granting the defendants immense power to further significantly dilute the ownership of existing shareholders. The calculation of these figures is not a mere coincidence. It is notable that 405.2 million shares correspond to approximately 4.052 billion shares or units before the 10:1 reverse stock split, aligning precisely with the 4 billion APE units that were not created and issued, with the remaining 40 million AMC preferred shares coming into play.

Furthermore, it is of utmost importance to highlight the unsettling fact that Adam Aron himself held more APE units than shares of AMC Common Stock¹⁹⁴. This raises serious concerns about a potential conflict of interest. His substantial holdings and vested interest in the success of the APE units **strongly indicate his awareness of the lucrative arbitrage opportunity that a successful conversion vote on the special shareholder meeting would present**. This revelation further deepens the suspicions surrounding the entire process, suggesting a calculated plan to benefit certain parties at the expense of unsuspecting shareholders.

The disclosure in the Form 8-K regarding the Forward Purchase Agreement between AMC and Antara on December 22, 2022, uncovers the intricate details of the share issuances negotiated with the company and the significant impact on voting rights.¹⁹⁵ The strategic maneuvers surrounding Antara's purchase of APEs through the ATM program and the subsequent waiver of lock-up restrictions on February 9th, 2023, as the price run up again¹⁹⁶, indicate a desire to exploit the

¹⁹³ $516,820,595 / 10 = 51,682,060$; $51,682,060 / 550,000,000 = 0.094 = 9.4\%$; See also SEC Filing DEF 14A, Page 25, Annex A, Source: https://www.sec.gov/Archives/edgar/data/1411579/000110465923020458/tm232700-2_def14a.htm

¹⁹⁴ SEC Filing DEF 14A, Page 22, Source: https://www.sec.gov/Archives/edgar/data/1411579/000110465923020458/tm232700-2_def14a.htm

¹⁹⁵ See details in Exhibit V

¹⁹⁶ APE prices:

Date	Open	High
3. February 2023	\$2.79	\$3.09
6. February 2023	\$3.14	\$3.36
7. February 2023	\$3.15	\$3.28
8. February 2023	\$3.01	\$3.10
9. February 2023	\$2.90	\$2.99
10. February 2023	\$2.43	\$2.53
13. February 2023	\$2.32	\$2.58

situation for mutual gain. The suspicious timing of Antara's sale of 26 million APE shares for \$63,542,912:00 between February 9th and 16th, 2023, aligned with the record date for voting purposes, strongly suggests a premeditated scheme to secure favorable outcomes as they were present. It is evident that the defendants effectively "bought" the votes in a "quid-pro-quo" for the proposed resolutions from Antara. **This is further underlined by the fact that Antara disclosed the disposal of 50 million APE units, resulting in a lucrative cash influx of \$75.5 million on March 15, 2023, just one day after the voting results were announced.** The defendants' primary objective was not to secure a substantial long-term partner to support the growth of the business through financing; rather, they sought a means to ensure the successful passage of the proposals through the vote. **It is evident that without the significant voting power wielded by Antara and the manipulation of mirror votes, the proposals would not have passed by the shareholders**¹⁹⁷. This highlights the defendants' focus on securing the necessary voting influence rather than seeking a genuine partner for the long-term benefit of the company. Their actions suggest a calculated strategy to achieve their desired outcomes, disregarding the genuine interests of the shareholders.

In summary, the Antara Transaction reveals a series of events that raise suspicions of financial fraud and point to a coordinated effort to manipulate the price and voting outcome of the special shareholder meeting, ultimately benefiting specific parties involved. The timing, actions, and interactions between the defendants, Citigroup (Mr. Van Zandt) and Antara suggest a premeditated plan to secure favorable results for the conversion vote. Key factors include questionable selling prices, aggressive short-selling of APE, the timing of the Antara Transaction, a significant pricing disparity between AMC Common Stock and APE units, and the acquisition of a significant ownership stake at a steep discount, raises concerns about fairness and improprieties. These findings strongly indicate market manipulation, attracting new shareholders, and securing voting support, rather than a genuine and fair capital-raising initiative. The plan to convert APE into AMC Common Stock with unrestricted dilution power further exposes the defendants' questionable intentions. Overall, this section sheds light on potential financial fraud and the need for further scrutiny.

Based on the available analysis and information, it can be concluded that all three elements of a conspiracy against shareholders were present in the described scenario. There was a clear agreement between the defendants, Citigroup, Mr. Van Zandt, and Antara Capital to manipulate the price and voting outcome of APE. Their actions demonstrated the intent to achieve their objectives through unlawful means (insider trading) and the overt acts, such as the questionable pricing and dilution power, further substantiate the existence of the conspiracy. Undeniably, the

14. February 2023	\$2.40	\$2.50
15. February 2023	\$2.39	\$2.56
16. February 2023	\$2.41	\$2.61

Source: <https://www.nasdaq.com/market-activity/stocks/ape/historical>

¹⁹⁷ PLAINTIFFS' OPENING BRIEF, EFiled: May 04 2023; Transaction ID 69958454, Page 27: "Without the mirrored voting and the Antara Transaction, the proposals would not have passed—a fact acknowledged by AMC internally."

ALEXANDER HOLLAND'S OBEJECTION LETTER

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

Page 45

court cannot overlook the presented underlying facts that while shareholders suffered billions in losses of shareholder value, the defendants reaped millions in gains from stock sales and bonuses.. In the end, the strongest motive and incentive for the defendants of the proposed reverse split and conversion holds particularly in relation to the Executive Incentive Plan¹⁹⁸. The potential bonus stocks granted under this plan have not been adjusted to account for a 10:1 reverse split. As a result, after the reverse split conversion, the defendants stand to receive a payment that is **effectively ten times higher** than it would have been without the reverse split. This stark contrast in financial outcomes between the defendants and the shareholders emphasizes the unjust disparity and unveils defendants' prioritization of their own interests over the well-being of the company and its shareholders not only regarding their fiduciary duties to the shareholders.

IX. CONCLUSION

The presented evidence conclusively highlights the deceptive and exploitative nature of the defendants' actions and their severe breach of fiduciary duties. It is crucial for the court to thoroughly examine these findings and recognize the severe implications they have on the integrity of corporate governance and the protection of shareholder rights. Upon careful review and consideration of the presented facts, it becomes evident that the proposed settlement offers no benefits to the class and, in fact, will inflict undeniably further financial harm upon class members, if the court approves it and allows the defendants to continue to rob their retail investor base. It is crucial for the court to recognize that the defendants orchestrated and conspired with Citigroup, the depository, and Antara to manipulate the voting results necessary for their planned transaction. This settlement attempt aims to legitimize their actions by falsely asserting that without the proposed reverse split, conversion, and significant dilution, the company would face bankruptcy. The foregoing facts presented contradict these false based on fearmongering claims made by the defendants. It has been clearly demonstrated that retail investors are actively engaged, supportive, and open to alternative means of supporting the company financially, rather than enduring further dilution of their hard-earned investments. The defendants' attempt to coerce class members into accepting a detrimental settlement is unjustifiable and does not align with the interests of the shareholders. Given the lack of benefits to the class and the clear manipulation and conspiracy surrounding the proposed settlement, this Court should emphatically deny the Settlement, Fee and Expense Award, and Incentive Award. The interests of the class members must be safeguarded, and it is imperative for the court to preserve fairness, transparency, and accountability in the securities market. By rejecting this settlement and voiding the manipulated voting results, the court can send a powerful message that market manipulation and exploitative practices will not be tolerated, and the rights and interests of investors will be vigorously protected.

¹⁹⁸(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))

Equity compensation plans approved by security holders – AMC — — 4,293,562

Equity compensation plans approved by security holders – APE — — 4,293,562 Page 41, Source:

<https://d18m0p25nwr6d.cloudfront.net/CIK-0001411579/64a89084-1cf2-4d76-bc37-b95bd1704cbc.pdf>

Dated: May 30, 2023

Respectfully submitted,

Alexander Holland

Alexander Holland



Exhibits:

- Exhibit I. Proof of shareholder / class member status**
- Exhibit II. Defendant executives' salaries according to official filings**
- Exhibit III. APE issuance and its impacts to AMC Common Stockholders**
- Exhibit IV. Analysis and impact of the RSC (Reverse Split Conversion) to all shareholders**
- Exhibit V. The Antara deal & transactions**

EXHIBIT I:

Proof of shareholder / class member status

(account numbers partially redacted for security reasons)

Depotinhaber: Alexander Holland
 Direkt-Depot Nr.: 7053
 Datum: 17.04.2023
 Seite: 2 von 6

Stücke/Nominale	Wertpapier-Informationen	Kurs Devisenkurs	Kurswert
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2.058	Stück	AMC Entertainment Holdings Inc Reg. Shares Class A DL -,01 ISIN (WKN): US00165C1045 (A1W90H)	4,622 EUR	9.512,08 EUR
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Übertrag Kurswert

3451AN8015437053

ING-DiBa AG - Theodor-Heuss-Allee 2 - 60486 Frankfurt am Main - Vorsitzende des Aufsichtsrates: Susanne Klöß-Braekler - Vorstand: Nick Jue (Vorsitzender),
 Michael Clijdesdale, Eddy Henning, Sigrid Kozmierski, Daniel Liano Maribanda, Dr. Ralph Müller, Norman Tambach - Sitz: Frankfurt am Main - AG Frankfurt am Main - HRB 7727
 Steuernummer: 047 220 2800 4 - USt-IdNr.: DE 134 103 475 - Internet: www.ing.de - E-Mail: info@ing.de - BIC: INGDE33XXX - Mitglied im Einlagensicherungsfonds

Depotinhaber: Alexander Holland
 Direkt-Depot Nr.: [REDACTED] 7053
 Datum: 11.04.2022
 Seite: 2 von 5

Stücke/Nominale	Wertpapier-Informationen	Kurs Devisenkurs	Kurswert
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[REDACTED]			
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1.849	Stück	AMC Entertainment Holdings Inc Reg. Shares Class A DL -,01 ISIN (WKN): US00165C1045 (A1W90H)	22,27 EUR	41.177,23 EUR
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[REDACTED]			
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Übertrag Kurswert

[REDACTED]

34STAN8015437053



ING-DiBa AG · 60628 Frankfurt am Main

Herrn
[REDACTED]

Depotinhaber: Alexander Holland
Direkt-Depot Nr.: [REDACTED] 7053
Datum: 26.08.2022
Seite: 1 von 1

Wertpapier Eingang

Sehr geehrter Herr Holland,

nachstehende Wertpapiere haben wir Ihrem Depot gutgeschrieben:

Nominale / Stück	Wertpapier-Informationen	Schlussstag	Auftragsnummer
1.908,00 Stück	AMC Entertainment Holdings Inc Registered Pfd. Units ISIN (WKN): US00165C2035 (A3DSW5) Girosammelverwahrung Die Gesellschaft hat Dividende in Form von Aktien ausgeschüttet. Wir haben Ihrem Depot die neuen Aktien eingebucht. Die eingebuchten Wertpapiere gelten als neu angeschafft. Die Einbuchung erfolgte i.V. 1:1 auf Ihren Bestand in der WKN A1W90H.	22.08.2022	0019548734

Bei Fragen besuchen Sie uns einfach unter www.ing.de/wertpapierwissen - da gibt es viele schnelle Antworten. Oder senden Sie uns eine E-Mail an info@ing.de.

Mit freundlichen Grüßen

Ihre ING

Matthias Bayer
Leiter Service

Frank Leitermann
Leiter Kundenbetreuung

ING-DiBa AG · Theodor-Heuss-Allee 2 · 60486 Frankfurt am Main · Vorsitzende des Aufsichtsrates: Susanne Klöß-Braekler · Vorstand: Nick Jue (Vorsitzender), Dr. Joachim von Scharlemer (stellv. Vorsitzender), Michael Clijdesdale, Eddy Henning, Sigrid Kozmiensky, Daniel Llano Manibardo, Dr. Ralph Müller, Norman Tambach
Sitz: Frankfurt am Main · AG Frankfurt am Main · HRB 7727, Steuernummer: 047 220 2800 4 · USt-IdNr.: DE 114 103 475 · Internet: www.ing.de · E-Mail: info@ing.de
BIC: INGDEFFXXX · Mitglied im Einlagensicherungsfonds



AMC Entertainment

A1W90H | US00165C1045

4,415 €

-6,27 % -0,2955 €

Direkthandel, vor 4 Min.



Tag

1 W

1 M

1 J

3 J

5 J

Kaufen

Verkaufen



Sparplan anlegen

Jetzt ab 1 Euro investieren



Im Besitz

2.058 Stück

9.086,07 €

EXHIBIT II:

Defendant executives' salaries according to official filings

The content of Exhibit II provides the court with factual information about the salaries of the defendants in regards to their responsibilities and performance of the business and taking this information into perspective.

Main source:

Latest SEC filing 10-K/A, Amended Annual Report, Filing Date 04/28/2023; Link: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/64a89084-1cf2-4d76-bc37-b95bd1704cbc.pdf>

Side source:

Website Salary.com, <https://www.salary.com/tools/executive-compensation-calculator/adam-m-aron-salary-bonus-stock-options-for-amc-entertainment-holdings?year=2021> (All Information provided on this website is according to proxy statements filed for the related fiscal year)

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table presents information regarding compensation of our principal executive officer and our principal financial officer, and our three other most highly compensated executive officers for services rendered during the year ended December 31, 2022. These individuals are referred to as “NEOs.”

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Non-Equity Incentive Plan Compensation(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)(4)	All Other Compensation(5)	Total
Adam M. Aron	2022	\$ 1,500,000	\$ —	\$16,194,055	\$ 6,000,000	\$ —	\$ 22,106	\$23,716,161
Chairman, Chief Executive Officer, President and Director	2021	1,451,923	—	11,436,117	6,000,000	—	21,506	18,909,546
	2020	1,106,491	5,000,000	14,798,988	—	—	21,306	20,926,785
Sean D. Goodman(6)	2022	800,000	450,000	3,408,536	1,600,000	—	15,554	6,274,090
Executive Vice President,	2021	785,577	—	2,312,071	1,600,000	—	14,954	4,712,602
Chief Financial Officer, and Treasurer	2020	622,981	761,250	2,861,150	—	—	3,225	4,248,606
Daniel E. Ellis (7)	2022	585,385	—	1,489,373	696,150	—	13,569	2,784,477
Executive Vice President								
Chief Operations and Development Officer								
Elizabeth F. Frank	2022	591,154	—	1,716,758	696,150	—	13,652	3,017,714
Executive Vice President,	2021	571,323	—	1,286,963	672,750	408,473	12,922	2,952,430
Worldwide Programming and Chief Content Officer	2020	492,061	361,300	1,984,724	—	238,992	12,797	3,089,874
Kevin M. Connor (8)	2022	558,206	—	1,338,740	656,800	—	16,128	2,569,874
Senior Vice President, General Counsel and Secretary								

Figure 6: Executive compensation AMC Entertainment year 2020, 2021, 2022¹⁹⁹

¹⁹⁹ SEC filing 10-K/A, Amended Annual Report, Filing Date 04/28/2023; Page 20; Link: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/64a89084-1cf2-4d76-bc37-b95bd1704cbc.pdf>

Director Compensation Table

The following table presents information regarding the compensation of our non-employee directors during the year ended December 31, 2022.

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Total
Denise M. Clark (3)	\$ —	\$ —	\$ —
Howard W. “Hawk” Koch, Jr.	150,000	117,037	267,037
Philip Lader (4)	260,000	117,037	377,037
Gary F. Locke	150,000	117,037	267,037
Kathleen M. Pawlus	185,000	117,037	302,037
Keri S. Putnam (3)	—	—	—
Anthony J. Saich	187,500	117,037	304,537
Adam J. Sussman (4)	200,000	117,037	317,037
Lee E. Wittlinger (5)	202,500	117,037	319,537

Figure 7: Director Compensation 2022²⁰⁰

Retention Bonus for Mr. Goodman

In order to secure retention of his services as the Company’s CFO and to preempt recruitment attempts, in March 2021, the Compensation Committee approved a special cash retention bonus for Mr. Goodman. The committee determined that it was essential to provide stability in the role of CFO during the Company’s recovery from the COVID-19 pandemic. The retention bonus is payable as set forth below, subject to Mr. Goodman’s continued employment as of each date. The right to receive the retention bonus payments will be forfeited if Mr. Goodman’s employment is terminated for any reason prior to an applicable payment date.

Vesting Date	Retention Bonus Payable
March 17, 2022	\$ 450,000
March 17, 2023	450,000
March 17, 2024	900,000

Figure 8: Retention Bonus for Mr. Goodman²⁰¹

RECONCILIATION OF ADJUSTED EBITDA AND FREE CASH FLOW

Reconciliation of Adjusted EBITDA(1): (dollars in millions) (unaudited)

	Year Ended December 31, 2022
Net loss	\$ (973.6)
Plus:	
Income tax provision (2)	2.5
Interest expense	378.7
Depreciation and amortization	396.0
Impairment of long-lived assets (3)	133.1
Certain operating expense (4)	8.0
Equity in loss of non-consolidated entities	1.6
Cash distributions from non-consolidated entities(5)	6.6
Attributable EBITDA(6)	0.4
Investment expense (7)	14.9
Other expense (8)	80.4
Other non-cash rent benefit(9)	(26.6)
General and administrative expense—unallocated:	
Merger, acquisition and other costs(10)	2.1
Stock-based compensation expense(11)	22.5
Adjusted EBITDA(1)	\$ 46.6

Figure 9: Reconciliation of adjusted EBITDA²⁰²

²⁰⁰ SEC filing 10-K/A, Amended Annual Report, Filing Date 04/28/2023; Page 36 ; Link:

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/64a89084-1cf2-4d76-bc37-b95bd1704cbc.pdf>

²⁰¹ SEC filing 10-K/A, Amended Annual Report, Filing Date 04/28/2023; Page 14 ; Link:

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/64a89084-1cf2-4d76-bc37-b95bd1704cbc.pdf>

²⁰² SEC filing 10-K/A, Amended Annual Report, Filing Date 04/28/2023; Page 37 ; Link:

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/64a89084-1cf2-4d76-bc37-b95bd1704cbc.pdf>

Executive Stock Ownership Guidelines

On November 2, 2021, the Compensation Committee adopted stock ownership guidelines for our executives, as follows:

Position	Ownership Guideline
CEO	8x base salary
CFO	6x base salary
Executive Vice Presidents	4x base salary
Senior Vice Presidents	2x base salary

Figure 10: Executive Stock Ownership guidelines, adopted Nov, 2021²⁰³

Table 1: Salary evolution and analysis of ADAM M ARON²⁰⁴

YEARLY SALARY OF ADAM M ARON, CEO OF AMC ENTERTAINMENT INC										
Year	Base Pay	Year over Year (YOY) change in %	Bonus + Non-Equity Incentive Comp	YOY change in %	Stock Award Value	YOY change in %	Total Other	YOY change in %	Total compensation	YOY change in %
2022	\$ 1.500.000	3%	\$6.000.000,00	0%	\$ 16.194.055,00	42%	\$ 22.106,00	3%	\$ 23.716.161,00	25%
2021	\$ 1.451.923,00	31%	\$6.000.000,00	20%	\$ 11.436.117,00	-23%	\$ 21.506,00	1%	\$ 18.909.546,00	-10%
2020	\$ 1.106.491,00	-11%	\$5.000.000,00	160%	\$ 14.798.988,00	128%	\$ 21.306,00	30%	\$ 20.926.785,00	116%
2019	\$ 1.250.000,00	14%	\$1.925.000,00	-33%	\$ 6.480.451,00	18%	\$ 16.348,00	1%	\$ 9.671.799,00	2%
2018	\$ 1.100.000,00	0%	\$2.882.000,00	297%	\$ 5.472.054,00	-2%	\$ 16.148,00	1%	\$ 9.470.202,00	27%
2017	\$ 1.100.000,00	11%	\$ 726.000,00	-87%	\$ 5.605.208,00	31%	\$ 15.948,00	4%	\$ 7.447.156,00	-32%
2016	\$ 991.200,00	baseline	\$5.644.250,00	baseline	\$ 4.281.202,00	baseline	\$ 15.352,00	baseline	\$ 10.932.004,00	baseline

Table 1 presents a clear depiction of the progression of defendant Adam Aron's annual salary from 2016 to 2022. It is notable that during this period, AMC experienced staggering net losses amounting to \$7.247.333.000 under his leadership. Paradoxically, while the company's financial performance suffered, Aron's personal salary more than doubled. This substantial increase in compensation lacks justification when considering the unfavorable business outcomes that resulted from his leadership at AMC.

Table 2: AMC ENTERTAINMENT INC, Business Performance since 2016²⁰⁵

AMC ENTERTAINMENT INC	Net earnings	Total revenues	Cash and cash equivalents	Corporate borrowings	Total assets
2022	\$ -973.600.000	\$ 3.911.400.000	\$ 631.500.000	\$ 5.140.800.000	\$ 9.135.600.000
2021	\$ -1.269.800.000	\$ 2.527.900.000	\$ 1.592.500.000	\$ 5.428.000.000	\$ 10.821.500.000
2020	\$ -4.589.400.000	\$ 1.242.400.000	\$ 308.300.000	\$ 5.715.800.000	\$ 10.276.400.000
2019	\$ -149.100.000	\$ 5.471.000.000	\$ 265.000.000	\$ 4.753.400.000	\$ 13.675.800.000
2018	\$ 110.100.000	\$ 5.460.800.000	\$ 313.300.000	\$ 4.723.000.000	\$ 9.495.800.000
2017	\$ -487.200.000	\$ 5.079.200.000	\$ 310.000.000	\$ 4.235.300.000	\$ 9.805.900.000
2016	\$ 111.667.000	\$ 3.235.900.000	\$ 207.100.000	\$ 3.761.000.000	\$ 8.641.800.000
Total Performance	\$ -7.247.333.000	\$ 26.928.600.000			
Total Costs		\$ 34.175.933.000			
Increase since 2016				37%	6%

²⁰³ SEC filing 10-K/A, Amended Annual Report, Filing Date 04/28/2023; Page 18 ; Link:

<https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/64a89084-1cf2-4d76-bc37-b95bd1704cbc.pdf>

²⁰⁴ Basic information gathered from side source. YOY changes calculated on based information

²⁰⁵ Based on AMC annual Reports 2016-2022, SEC filings:

2022 figures: Page 51; <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000141157923000038/amc-20221231x10k.htm>

2021 figures: Page 48; <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000155837022002577/amc-20211231x10k.htm>

Table 2 reveals the significant findings derived from AMC's annual reports, demonstrating a momentous net loss of \$7.247.333.000 during the period spanning from 2016 to 2022. Notably, the company's total revenues amounted to \$26.928.600.000, resulting in an overwhelming total cost of \$34.175.933.000. Under the stewardship of defendant Adam Aron, AMC's debt escalated by 37%, while the growth of total assets was a mere 6%. This means, debt rose 6 times faster than the total assets generated.

These figures underscore the considerable financial challenges and lackluster performance experienced by the company under Aron's leadership.

Table 3: AMC Executives/Director Insider Transactions 2016-2023²⁰⁶

Transaction date	Insider Name	Title	Type of Insider	Buy/Sell	Number of Shares	Average Share Price	Total Transaction
11.03.2016	Anthony J Saich	Director	AMC Executive	Sell	9.000	\$ 29,34	\$ 264.060,00
16.03.2016	Stephen A Colanero	CMO	AMC Executive	Sell	1.250	\$ 29,12	\$ 36.400,00
16.03.2016	Howard Winchel Koch Jr	Director	AMC Executive	Sell	2.000	\$ 29,08	\$ 58.160,00
21.03.2016	Adam M Aron	CEO	AMC Executive	Buy	10.000	\$ 28,86	\$ 288.600,00
03.06.2016	Anthony J Saich	Director	AMC Executive	Sell	10.330	\$ 58,50	\$ 604.305,00
08.06.2016	Anthony J Saich	Director	AMC Executive	Sell	15.379	\$ 54,59	\$ 839.539,61
08.08.2016	Adam M Aron	CEO	AMC Executive	Buy	10.000	\$ 28,80	\$ 288.000,00
13.02.2017	Adam M Aron	CEO	AMC Executive	Buy	31.747	\$ 31,50	\$ 1.000.030,50
02.06.2017	Adam M Aron	CEO	AMC Executive	Buy	10.000	\$ 24,72	\$ 247.200,00
08.06.2017	Kevin M Connor	SVP	AMC Executive	Buy	4.000	\$ 23,52	\$ 94.080,00

2020 figures: Page 43; <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000141157921000006/amc-20201231x10k.htm>

2019 figures: Page 32; <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001411579/000141157920000027/amc-20191231x10k.htm>

2018 figures: Page 39; <https://www.sec.gov/Archives/edgar/data/1411579/000141157919000013/c579-20181231x10k.htm>

2017 figures: Page 42; <https://www.sec.gov/Archives/edgar/data/1411579/000141157918000014/c579-20171231x10k.htm>

2016 figures: Page 45; <https://www.sec.gov/Archives/edgar/data/1411579/000141157917000021/amc-20161231x10k.htm>

²⁰⁶ Source: <https://www.sec.gov/cgi-bin/own-disp?CIK=0001411579&action=getissuer>

16.08.2017	Jack Qun Yao Gao	Director	AMC Executive	Buy	7.000	\$ 13,47	\$ 94.290,00
18.08.2017	Jack Qun Yao Gao	Director	AMC Executive	Buy	20.000	\$ 12,50	\$ 250.000,00
14.09.2017	Adam M Aron	CEO	AMC Executive	Buy	35.000	\$ 15,79	\$ 552.650,00
18.06.2018	Stephen A Colanero	CMO	AMC Executive	Sell	5.364	\$ 15,95	\$ 85.555,80
30.07.2018	John D Mcdonald	EVP	AMC Executive	Sell	17.500	\$ 15,42	\$ 269.850,00
15.10.2018	John D Mcdonald	EVP	AMC Executive	Sell	17.500	\$ 18,70	\$ 327.250,00
01.03.2019	John D Mcdonald	EVP	AMC Executive	Sell	7.500	\$ 15,75	\$ 118.125,00
09.01.2021	Sean D Goodman	CFO	AMC Executive	Sell	111.300	\$ 40,36	\$ 4.492.068,00
16.03.2021	Kevin M Connor	SVP	AMC Executive	Sell	36.179	\$ 13,56	\$ 490.587,24
16.03.2021	Elizabeth F Frank	EVP	AMC Executive	Sell	40.000	\$ 13,56	\$ 542.400,00
16.03.2021	Chris A Cox	CAO	AMC Executive	Sell	29.068	\$ 12,86	\$ 373.814,48
23.03.2021	Stephen A Colanero	CMO	AMC Executive	Sell	100.000	\$ 10,52	\$ 1.052.170,00
26.03.2021	Elizabeth F Frank	Insider	AMC Executive	Sell	60.000	\$ 10,11	\$ 606.600,00
29.03.2021	Daniel E Ellis	SVP	AMC Executive	Sell	20.000	\$ 10,26	\$ 205.200,00
16.04.2021	Sean D Goodman	CFO	AMC Executive	Sell	45.404	\$ 9,49	\$ 430.883,96
16.04.2021	Daniel E Ellis	SVP	AMC Executive	Sell	10.000	\$ 9,48	\$ 94.800,00
22.04.2021	John D Mcdonald	EVP	AMC Executive	Sell	50.000	\$ 9,92	\$ 496.000,00
14.05.2021	Kathleen M Pawlus	Director	AMC Executive	Sell	14.495	\$ 13,87	\$ 201.045,65
28.05.2021	Stephen A Colanero	CMO	AMC Executive	Sell	15.000	\$ 27,42	\$ 411.300,00
03.06.2021	John D Mcdonald	EVP	AMC Executive	Sell	30.000	\$ 56,59	\$ 1.697.700,00

03.06.2021	Gary Locke	Director	AMC Executive	Sell	34.293	\$ 49,82	\$ 1.708.477,26
03.06.2021	Daniel E Ellis	SVP	AMC Executive	Sell	13.766	\$ 49,52	\$ 681.692,32
03.06.2021	Elizabeth F Frank	EVP	AMC Executive	Sell	21.462	\$ 43,54	\$ 934.455,48
07.06.2021	Howard Winchel Koch Jr	Director	AMC Executive	Sell	14.277	\$ 55,34	\$ 790.089,18
08.06.2021	Howard Winchel Koch Jr	Director	AMC Executive	Sell	15.379	\$ 55,34	\$ 851.115,38
08.06.2021	Kathleen M Pawlus	Director	AMC Executive	Sell	15.379	\$ 55,54	\$ 854.112,75
09.06.2021	Philip Lader	Director	AMC Executive	Sell	14.246	\$ 49,54	\$ 705.746,84
14.06.2021	Gary Locke	Director	AMC Executive	Sell	1.843	\$ 58,14	\$ 107.152,02
17.06.2021	Stephen A Colanero	CMO	AMC Executive	Sell	2.495	\$ 60,84	\$ 151.795,80
16.08.2021	Sean D Goodman	CFO	AMC Executive	Sell	45.405	\$ 34,79	\$ 1.579.639,95
„Project Popcorn“ initiated							
01.11.2021	Elizabeth F Frank	EVP	AMC Executive	Sell	79.087	\$ 35,58	\$ 2.813.915,46
01.11.2021	Daniel E Ellis	SVP	AMC Executive	Sell	59.360	\$ 36,47	\$ 2.164.859,20
01.11.2021	Chris A Cox	CAO	AMC Executive	Sell	37.000	\$ 35,87	\$ 1.327.190,00
01.11.2021	Stephen A Colanero	CMO	AMC Executive	Sell	71.500	\$ 35,58	\$ 2.543.970,00
05.11.2021	Kevin M Connor	SVP	AMC Executive	Sell	25.000	\$ 41,30	\$ 1.032.500,00
05.11.2021	Elizabeth F Frank	EVP	AMC Executive	Sell	35.000	\$ 41,30	\$ 1.445.500,00
09.11.2021	Adam M Aron	CEO	AMC Executive	Sell	625.000	\$ 40,53	\$25.331.250,00
09.11.2021	Sean D Goodman	CFO	AMC Executive	Sell	111.300	\$ 40,36	\$ 4.492.290,60

10.11.2021	Sean D Goodman	CFO	AMC Executive	Sell	54.950	\$ 39,22	\$ 2.155.139,00
10.11.2021	Stephen A Colanero	CMO	AMC Executive	Sell	38.464	\$ 38,79	\$ 1.492.018,56
11.11.2021	Chris A Cox	CAO	AMC Executive	Sell	18.250	\$ 39,25	\$ 716.385,50
12.11.2021	Daniel E Ellis	SVP	AMC Executive	Sell	26.667	\$ 39,79	\$ 1.061.079,93
07.12.2021	Sean D Goodman	CFO	AMC Executive	Sell	18.316	\$ 30,86	\$ 565.231,76
07.12.2021	Adam M Aron	CEO	AMC Executive	Sell	312.500	\$ 30,87	\$ 9.646.875,00
29.12.2021	Elizabeth F Frank	EVP	AMC Executive	Sell	17.730	\$ 27,80	\$ 492.894,00
29.12.2021	Daniel E Ellis	SVP	AMC Executive	Sell	8.168	\$ 27,43	\$ 224.007,40
30.12.2021	Kevin M Connor	SVP	AMC Executive	Sell	11.791	\$ 27,91	\$ 329.086,81
06.01.2022	Sean D Goodman	CFO	AMC Executive	Sell	53.706	\$ 22,17	\$ 1.190.500,90
07.01.2022	Kevin M Connor	SVP	AMC Executive	Sell	37.500	\$ 23,70	\$ 888.750,00
07.01.2022	Sean D Goodman	CFO	AMC Executive	Sell	10.313	\$ 22,98	\$ 236.992,74
10.01.2022	Elizabeth F Frank	EVP	AMC Executive	Sell	46.165	\$ 22,42	\$ 1.035.019,30
11.01.2022	Adam M Aron	CEO	AMC Executive	Sell	312.500	\$ 22,85	\$ 7.140.625,00
12.01.2022	John D Mcdonald	EVP	AMC Executive	Sell	75.000	\$ 22,95	\$ 1.721.250,00
12.01.2022	Chris A Cox	CAO	AMC Executive	Sell	20.000	\$ 22,97	\$ 459.400,00
13.01.2022	Stephen A Colanero	CMO	AMC Executive	Sell	50.588	\$ 22,65	\$ 1.145.818,20
14.01.2022	Daniel E Ellis	SVP	AMC Executive	Sell	40.788	\$ 20,27	\$ 826.772,76
28.02.2022	Elizabeth F Frank	EVP	AMC Executive	Sell	47.028	\$ 18,11	\$ 851.677,08
02.03.2022	Sean D Goodman	CFO	AMC Executive	Sell	107.412	\$ 18,11	\$ 1.945.231,32

08.03.2022	Kevin M Connor	SVP	AMC Executive	Sell	50.000	\$ 15,05	\$ 752.500,00
09.03.2022	Stephen A Colanero	CMO	AMC Executive	Sell	69.005	\$ 15,59	\$ 1.075.787,95
09.03.2022	Daniel E Ellis	SVP	AMC Executive	Sell	50.000	\$ 15,58	\$ 779.000,00
17.03.2022	Lee Wittlinger	Director	AMC Executive	Sell	17.722	\$ 14,95	\$ 264.943,90
23.03.2022	John D Mcdonald	EVP	AMC Executive	Sell	50.000	\$ 20,00	\$ 1.000.000,00
29.03.2022	Elizabeth F Frank	EVP	AMC Executive	Sell	20.000	\$ 29,91	\$ 598.200,00
29.03.2022	Chris A Cox	CAO	AMC Executive	Sell	14.931	28,80	\$ 430.012,80
31.03.2022	John D Mcdonald	EVP	AMC Executive	Sell	25.000	\$ 23,91	\$ 597.750,00
08.08.2022	Chris A Cox	CAO	AMC Executive	Sell	12.000	\$ 25,00	\$ 300.000,00
01.11.2022	Kevin M Connor	SVP	AMC Executive	Sell	57.864	\$ 35,58	\$ 2.058.801,12
11.01.2023	Sean D Goodman	CFO	AMC Executive	Sell	80.750	\$ 4,68	\$ 377.910,00
02.02.2023	Sean D Goodman	CFO	AMC Executive	Sell	82.402	\$ 2,79	\$ 229.901,58

Table 4: AMC executives stock sales since Nov 2021²⁰⁷

AMC Executives	Amount of Shares sold	Average Share Price sold	Total Transaction Value
Adam M Aron	1.250.000	\$ 33,70	\$ 42.118.750,00
Chris A Cox	102.181	\$ 31,64	\$ 3.232.988,30
Daniel E Ellis	184.983	\$ 27,33	\$ 5.055.719,29
Elizabeth F Frank	245.010	\$ 29,54	\$ 7.237.205,84
John D Mcdonald	150.000	\$ 22,13	\$ 3.319.000,00
Kevin M Connor	182.155	\$ 27,79	\$ 5.061.637,93

²⁰⁷ Based on transactions of Table 3: AMC Executives/Director Insider Transactions 2016-2023

Lee Wittlinger	17.722	\$ 14,95	\$ 264.943,90
Sean D Goodman	519.149	\$ 21,56	\$ 11.193.197,90
Stephen A Colanero	229.557	\$ 27,26	\$ 6.257.594,71
SUM	2.880.757	\$ 29,07	\$ 83.741.037,87

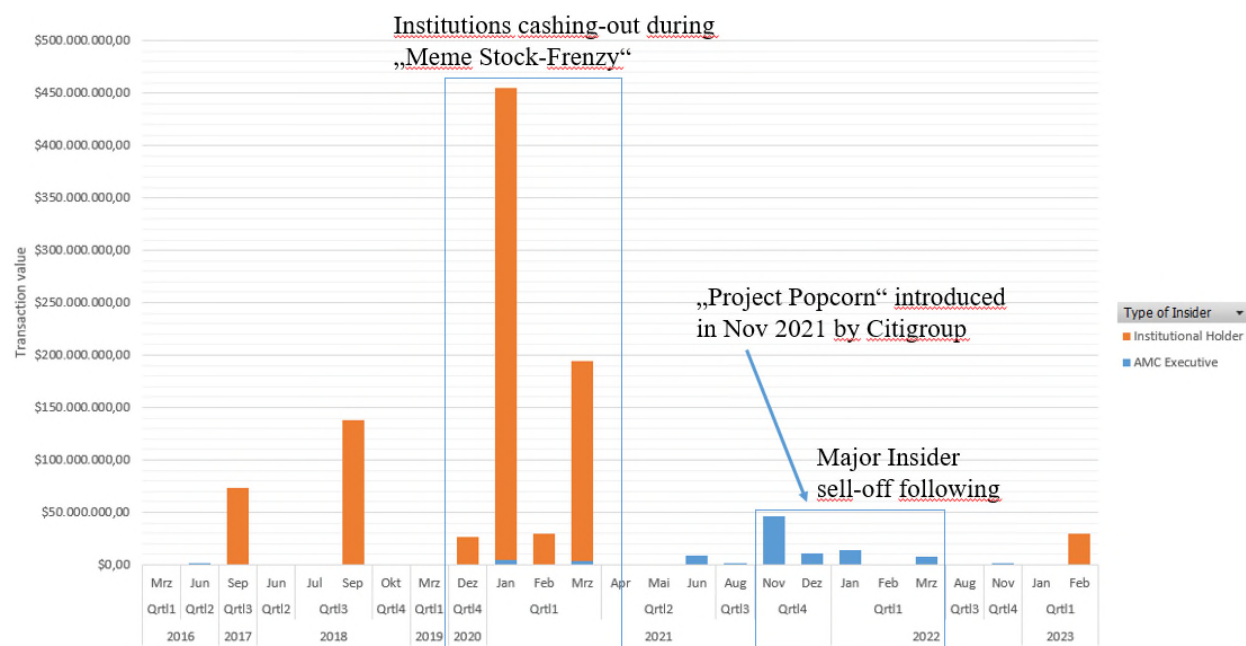


Figure 11: Insider transactions (sells only) between 2016 – 2023²⁰⁸

By analyzing the quantity and timing of insider transactions, a persuasive narrative emerges. It becomes evident that upon the commencement of "Project Popcorn," designed to dilute AMC common stock with an enormous number of shares (equivalent to 400 million shares after adjusting for the 10:1 reverse split based on current figures), the majority of the board swiftly executed the sale of their granted stock bonuses at inflated prices. The court cannot oversee this evidence as it shows clearly, the defendants traded their stock on non-publicly available insider information against their shareholders.

²⁰⁸ Based on transactions reported & disclosed on <https://www.sec.gov/cgi-bin/own-disp?CIK=0001411579&action=getissuer>

Insider Trading & Ownership - AMC Entertainment Holdings, Inc. (AMC)

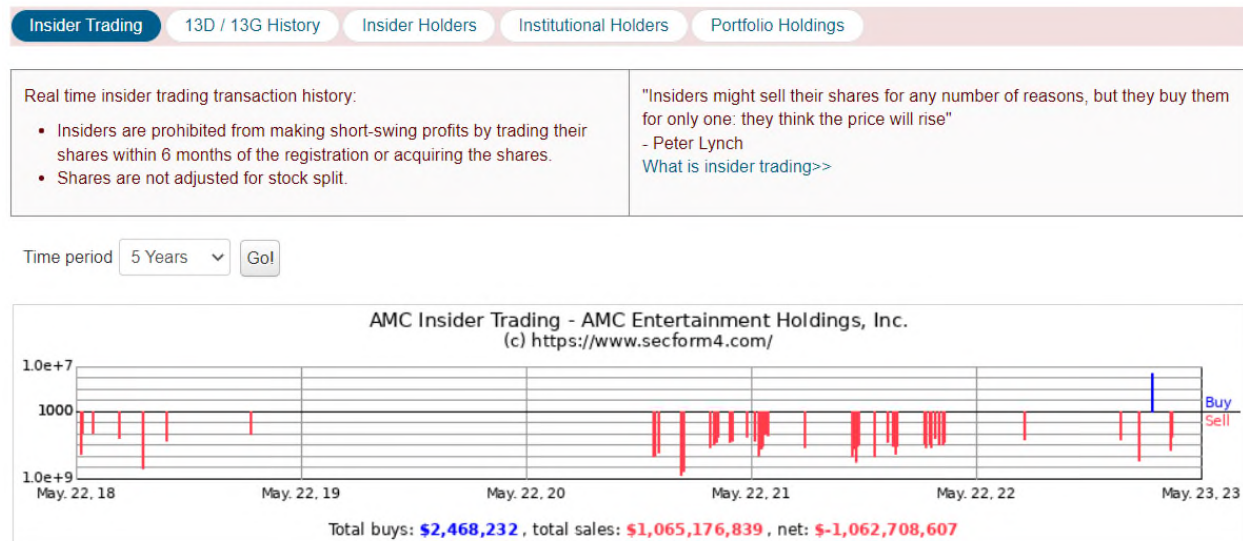


Figure 12: Insider trading AMC Entertainment Holdings, Inc. May 2018 - May 2023²⁰⁹

Figure 12: Insider trading AMC Entertainment Holdings, Inc. May 2018 - May 2023 serves as a stark illustration of the lack of commitment demonstrated by the board towards the company. The absence of nearly any insider purchases during this period raises significant concerns about their dedication to the company's success. Furthermore, this pattern of insider behavior has resulted in a substantial depletion of shareholder value, amounting to an astronomical sell-out of \$1,062,708,607. Such findings underline the questionable actions and priorities of the board members, casting doubt on their fiduciary responsibilities and loyalty to the company and its shareholders.

²⁰⁹ Source: <https://www.secform4.com/insider-trading/1411579.htm>

EXHIBIT III:

APE issuance and its impacts to shareholders

The content of Exhibit III provides the court with factual information around the APE issuance and its implications to AMC Common Stockholders.

INTRODUCTION SUMMARY:

The detrimental impact of introducing the APE (AMC Preferred Equity) to the 3.8 - 4.1 million shareholders of AMC Common Stock, in which the defendants held influence, manifests in two ways.

Firstly, there is a substantial loss of market capitalization in AMC Common Stock as it is transferred to the newly introduced ticker on the New York Stock Exchange (“NYSE”), APE. This transition leads to a redistribution of market value away from AMC Common Stock, resulting in a direct financial impact on shareholders holding AMC Common Stock.

Secondly, there is a loss of ownership resulting from the dilution imposed by the AMC board of directors. On August 4th, the board authorized the creation of 1,000,000,000²¹⁰ APE units. Subsequently, on August 22nd, AMC issued 516,820,595²¹¹ APE units as “a special dividend” to AMC common shareholders. However, it is crucial to note that the remaining balance of AMC Preferred Equity units (approximately 483,179,405 APE units) was granted authorization by the board, giving them the power to issue these units at their sole discretion and further exacerbate the dilution effect on existing shareholders.

Analysis of the financial harm to AMC Common Stockholders since APE was issued:

In order to comprehend the financial harm caused by the issuance of APE to AMC Common Stockholders, it is essential to grasp the interplay between AMC common and APE in terms of market capitalization. Both tickers represent the same company and are traded on the NYSE, each with its distinct price and number of outstanding shares. The issuance of APE was executed akin to a 2:1 forward stock split, effectively doubling the overall outstanding shares with the introduction of the special dividend of APE. It is crucial to note that APE, in and of itself, held no intrinsic value, it was given to APE by transferring market capitalization from AMC common to APE.

On the first trading day of August 22nd 2022, APE commenced at an opening price of \$6.95²¹², leading to a transfer of 39% or \$3,591,903,135.25²¹³ of market capitalization from AMC Common Stock to APE. Since August 22nd, 2022, AMC Common Stock has witnessed a gradual decline in both share price and market capitalization. The subsequent table provides an overview of the value fluctuations since the introduction of APE.

²¹⁰ See 216: Exhibit 99.1 AMC Preferred Equity unit (“APE”) Dividend Frequently Asked Questions

²¹¹ See 215: Notice of AMC Preferred Equity Unit Dividend

²¹² APE opening price on Aug 22, 2022: \$6.95; Source: <https://www.nasdaq.com/market-activity/stocks/apec/historical>

²¹³ APE shares issued 516,820,595 on Aug 22, 2022, \$6.95 x 516,820,595 = \$3,591,903,135.25; AMC closing price \$18.02 on Aug 19, 2022; \$3,591,903,135.25 / (\$18.02 x 516,820,595) = 0.39; Source: <https://www.nasdaq.com/market-activity/stocks/amc/historical>

Special occurrences	Date	AMC closing price	Market Cap AMC	% gained/lost mkt cap	APE closing price	Market Cap APE	Sum of AMC Market cap	difference mkt cap
Last trading date before APE	Aug 19, 2022	\$ 18.02	\$ 9,313.107.121,90	0%	\$ -		\$ 9.313.107.121,90	
first trading day of APE	Aug 22, 2022	\$ 10,46	\$ 5.405.943.423,70	-42%	\$ 6,00	\$ 3.100.923.570,00	\$ 8.506.866.993,70	\$ -806.240.128,20
	Dec 21, 2022	\$ 5,30	\$ 2.739.149.153,50	-71%	\$ 0,69	\$ 354.022.107,58	\$ 3.093.171.261,08	\$ -6.219.935.860,83
Antara Deal announcement	Dec 22, 2022	\$ 4,91	\$ 2.537.589.121,45	-73%	\$ 1,20	\$ 620.184.714,00	\$ 3.157.773.835,45	\$ -6.155.333.286,45
Lawsuit filed (Feb 20, 2023)	Feb 21, 2023	\$ 6,10	\$ 3.152.605.629,50	-66%	\$ 2,21	\$ 2.054.967.642,52	\$ 5.207.573.272,02	\$ -4.105.533.849,88
Special Meeting	Mar 14, 2023	\$ 4,64	\$ 2.398.047.560,80	-74%	\$ 1,64	\$ 1.524.953.363,68	\$ 3.923.000.924,48	\$ -5.390.106.197,42
today	May 8, 2023	\$ 5,90	\$ 3.049.241.510,50	-67%	\$ 1,57	\$ 1.459.863.890,84	\$ 4.509.105.401,34	\$ -4.804.001.720,56

Table 5: Analysis of changes in market capitalization allocation since the introduction of APE

To date, AMC Common Stockholders have incurred a significant loss of approximately 67% in the value associated with their holdings, while APE units have also experienced significant devaluation compared to the opening price on August 22nd, 2022. Notably, the market capitalization of APE has surpassed that of AMC Common Stock, thereby reflecting a profound shift in their respective standings and indicative of the transformative dynamics at play in the market.

For the foregoing table the following numbers for shares were used:

Security type	outstanding shares
AMC common	516.820.595
APE units authorized for issuance	1.000.000.000
APE units special dividend	516.820.595
APE units possible for issuance	483.179.405
APE units issued acc. proxy finling	929.849.612

Table 6: Underlying numbers for calculations

Analysis of the loss of ownership to AMC Common Stockholders since APE was issued:

Examining the following table, it becomes apparent that the majority of retail shareholders already experienced an approximate 22.84% loss in ownership, assuming they did not sell their initial special APE dividend. This mathematical evidence underscores that AMC Common Stockholders suffered further loss of ownership due to the defendants' dilutive actions, amplifying the harm caused to their overall interests.

Table 7: Analysis of ownership changes since the introduction of APE

	outstanding shares held	retail ownership	voting power retail AMC common (shares)	voting power others (shares)	ownership others	Loss of ownership by dilution of APE
AMC common	516.820.595	80,00%	413.456.476	103.364.119	20,00%	0%
APE units special dividend	516.820.595	80,00%	413.456.476	103.364.119	20,00%	0%
AMC & APE combined Aug 22, 2022	1.033.641.190	80,00%	826.912.952	206.728.238	20,00%	0%
APE issued Mar 14, 2023	929.849.612	57,16%	826.912.952	619.757.255	42,84%	22,84%
Antara capital	258.439.472	0,00%	-	258.439.472	27,79%	
other new APE shareholders	154.589.545	unknown	unknown	unknown	unknown	
possible maximum APE issuance	5.000.000.000	14,99%	826.912.952	4.173.087.048	75,64%	65,01%

Should the board opt to exhaust their self-given authorization and issue the maximum of 5 billion APE units, derived from the 50 million Series A preferred stock, a grave consequence looms over the current AMC Common Stockholders. The potential fallout entails a possible staggering 65.01% depletion in their ownership stakes, a devastating blow that would precipitate an absolute collapse in the share price of AMC Common Stock, because of the interconnectedness between the two tickers, representing the same company. This underscores the inescapable truth that dilution inflicted upon one stock invariably reverberates and exerts its influence upon the value of the other stock.

BACKUP OF FACTS:

The following statements are extracts from official statements and filings by AMC Entertainment Holdings Inc. regarding the AMC Preferred Equity Unit (“APE”) to back up the foregoing calculations and arguments with facts.

INFORMATION REQUIRED IN REGISTRATION STATEMENT²¹⁴

Item 1. Description of Registrant’s Securities to be Registered.

On August 4, 2022, AMC Entertainment Holdings, Inc., (the “Company”) declared a special dividend of one depositary share (an “AMC Preferred Equity Unit”) for each share of Class A Common Stock, par value \$0.01 per share (the “Common Stock”) of the Company outstanding at the close of business on August 15, 2022. Each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of the Company’s Series A Convertible Participating Preferred Stock (the “Preferred Stock”). Each share of Preferred Stock is initially convertible into one-hundred (100) shares of the Company’s Common Stock upon the terms described below.

Description of the AMC Preferred Equity Units

General

Each AMC Preferred Equity Unit represents an interest in one one-hundredth (1/100th) of a share of the Preferred Stock and will be evidenced by a depositary receipt. The Company will deposit the underlying shares of the Preferred Stock with the Depositary (as defined below) pursuant to a Deposit Agreement among the Company, Computershare Inc. and Computershare Inc.’s wholly-owned subsidiary Computershare Trust Company, N.A., collectively acting as depositary and conversion agent (together, the “Depositary”), dated August 4, 2022 (the “Deposit Agreement”). Subject to the terms of the Deposit Agreement, the depositary shares will be entitled to all the rights and preferences of the Preferred Stock, as applicable, in proportion to the fraction of a share of Preferred Stock those depositary shares represent.

Listing

The Company has applied to list the AMC Preferred Equity Units on the New York Stock Exchange (“NYSE”) under the symbol “APE”. Once the application is approved, trading of the AMC Preferred Equity Units on the NYSE is expected to begin on or around August 22, 2022. The underlying Preferred Stock will not be listed.

²¹⁴ Source: https://www.sec.gov/Archives/edgar/data/1411579/000110465922086192/tm2222422d4_8a12b.htm

Notice of AMC Preferred Equity Unit Dividend²¹⁵

On August 4, 2022, AMC announced the declaration of a special dividend of one AMC Preferred Equity Unit (an “AMC Preferred Equity Unit”) for each share of AMC Class A Common Stock, par value \$0.01 per share (the “Common Stock”), outstanding at the close of business on August 15, 2022, the record date. The special dividend is expected to be paid at the close of business on August 19, 2022.

AMC expects the AMC Preferred Equity Units to trade on the New York Stock Exchange (“NYSE”) under the symbol “APE”. Each AMC Preferred Equity Unit is designed to have the same economic and voting rights as one share of Common Stock. The ex-dividend date will be August 22, 2022 (i.e., the first business day after the payment date of the dividend). The AMC Preferred Equity Unit dividend is expected to be paid as of the close of business on August 19, 2022. The NYSE has established August 22, 2022 as the ex-dividend date. If an investor sells our Common Stock before the ex-dividend date (August 22, 2022), they will not be entitled to the AMC Preferred Equity Unit. Alternatively, if a person buys our Common Stock before the ex-dividend date, (August 22, 2022), they will be entitled to receive the AMC Preferred Equity Unit dividend. Shareholders will receive one AMC Preferred Equity Unit for each share of AMC Common Stock owned. Based on 516,820,595 issued and outstanding Common Stock, the Company expects to issue a dividend of 516,820,595 AMC Preferred Equity units.

Each AMC Preferred Equity Unit is designed to have the same rights as a share of AMC Common Stock and is convertible into AMC Common Stock in the future if the Company proposes and its equity investors so approve.

Investors should note that on the ex-dividend date, August 22, 2022 the price of AMC Common Stock is likely to decline to reflect the fact that shares purchased on or after such date would no longer be entitled to the dividend. This is similar to what occurs in a stock split.

The AMC Preferred Equity Unit dividend is exclusively for shareholders of the 516,820,595 issued and outstanding AMC Common shares and offers AMC investors another investment vehicle to participate in AMC’s recovery and growth. In addition, and importantly, the AMC Preferred Equity Units will provide AMC with a currency that can be used in the future to strengthen our balance sheet, including debt repayments, and provide capital for shareholder value-enhancing and transformative investment opportunities.

Exhibit 99.1 AMC Preferred Equity unit (“APE”) Dividend Frequently Asked Questions²¹⁶

The following information about the AMC Preferred Equity unit dividend is qualified in its entirety by reference to the full text of the Company’s current report on Form 8-K filed with the SEC on August 4, 2022 (the first filing on such date) and the accompanying exhibits. We encourage you to review our securities filings about the APE dividend together with our information page, AMC Preferred Equity Unit Comparison to AMC Common Stock, for detailed information about the AMC Preferred Equity units and the dividend.

²¹⁵ Notice of AMC Preferred Equity Unit Dividend; Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/fc265959-a6b6-4e01-aac3-824f4b012ee4.pdf>

²¹⁶ Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/7de104e3-190f-4677-9f3f-961d2442acd3.pdf>

3. Are the AMC Preferred Equity units convertible into Common Stock? If so, when?

- Technically yes, the AMC Preferred Equity units can convert into Common Stock, but only if the AMC Board proposes and then investors vote to approve an increase in the number of authorized shares of Common Stock, in an amount at least sufficient to permit the conversion of the AMC Preferred Equity units into Common Stock.
- **However, we do not currently expect the AMC Board to make such a proposal any time soon.**
- **It is more likely than not that the two securities, the Common Stock and AMC Preferred Equity units will trade as two separate securities for quite some time to come.**

7. How many AMC Preferred Equity units are there?

- Theoretically, over the lifetime of the security, the maximum number of AMC Preferred Equity units **that could be authorized over time is up to 5 billion (based on a total number of authorized preferred stock of 50 million).**
- However, the AMC Board currently has only authorized **the equivalent of 1 billion of these AMC Preferred Equity units that can be issued now.** 516,820,595 of these 1 billion AMC Preferred Equity units are being issued this month to shareholders as a dividend.
- **The AMC Board currently has no plan or intention in calendar years 2022 or 2023 to authorize more than this initial 1 billion amount of APEs.**
- However, AMC's Board of directors may authorize additional AMC Preferred Equity units at any time in the future at its sole discretion, including in 2022 or 2023 if it deems such an issuance to be in AMC's best interests.
- We encourage you to visit the AMC Preferred Equity unit Comparison to AMC Common Stock page on our investor relations website.

8. If you are issuing 516,820,595 AMC Preferred Equity units as a dividend, what happens to the other approximately 483.2 million AMC Preferred Equity units?

- The Preferred Stock underlying AMC Preferred Equity units remaining **after issuance of the dividend, approximately 483.2 million AMC Preferred Equity units, will be categorized as authorized but unissued units on AMC's balance sheet.**

9. Can AMC issue the 483.2 million AMC Preferred Equity units in the future without shareholder approval?

- The shareholders of AMC already approved the creation of AMC preferred equity back in 2013 and delegated its future issuance solely to the AMC Board of Directors.
- Authorized but unissued AMC Preferred Equity units can be issued in the future in the same way that AMC can issue authorized but unissued shares of Common Stock. Normal regulations and requirements with respect to share issuances apply, including potential filings with the SEC and public disclosure, along with the circumstances under which shareholder approval is or is not required.

- **AMC Preferred Equity units provide AMC with a currency that can be used in the future to further strengthen our balance sheet, including by reducing our debt and other liabilities.** The AMC Preferred Equity units also give AMC the ability to invest in shareholder value-enhancing and transformative M&A **investment opportunities**. In addition, the flexibility provided by the Company's AMC Preferred Equity units immensely lessens any survival risk as we continue to work our way through the impact of the COVID pandemic towards recovery and transformation.

EXHIBIT IV:

Analysis and impact of the RSC (Reverse split conversion) to all shareholders

Exhibit IV is the unsigned version Alexander Holland's Opposition to the AFFIDAVIT OF PATRICK RIPLEY IN SUPPORT OF THE PLAINTIFFS SETTLEMENT PROPOSAL sent to the court filed on April 18 2023 Transaction ID 69845532. This content reveals all financial implications around the planned reverse split conversion proposals of the defendants and the devastating impact on AMC Common Stockholders, based on undeniable facts and math.

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**

Counter to

***AFFIDAVIT OF PATRICK RIPLEY IN SUPPORT OF PLAINTIFFS® MOTION
TO LIFT STATUS QUO ORDER***

1. My name is Alexander Holland, and I work in Technical Compliance of Mercedes-Benz Group AG in Germany. I do software analysis on compliance factors and I have compliance requirement oversight for software engineering. In addition, I have been an experienced trader for the past nine years, trading on the Frankfurter bourse. I am appearing before the court as a shareholder of AMC who has concerns regarding the proposed settlement, which I believe will directly and adversely affect AMC shareholders. I want to demonstrate my analysis to the court the true impacts of the proposed settlement and the plans of the AMC board for the company.

As a shareholder, I have a vested interest in ensuring that the AMC board acts in the best interests of its shareholders. Therefore, it is imperative that the court understands the potential impacts of the proposed settlement and the plans of the AMC board. In my statement, I will present logical arguments based on necessary details to support my position.

2. For the sake of consistency I will use the same numbers used by Mr. Ripley to determine the value and diminution of value of the proposed share issuances to the Common Shareholders of AMC based on the following

- i. 519,192,390 issued and outstanding shares of AMC Class A common stock (“AMC Common Stock”),
- ii. 974,190,794 issued and outstanding AMC Preferred Equity Units (“APEs”),
- iii. the closing prices of AMC Common Stock and APE on March 27th 2023.

I will present my analysis from the perspective of a Common Stock shareholder (myself).

My analyses will also include the assumption that the Common Stock shareholders will receive an issuance based on the 7.5:1 ratio. Also for my analyses, I will show the effects of the proposals on different shareholder portfolios. Like Mr. Ripley, my analyses are also based on the closing price of the stock and the number of shares outstanding for March 27th, which reflects the pro forma of the stock split and share distribution. Additionally, I will take into account potential changes in market capitalization due to market price adjustments resulting from trading the stock on a US stock exchange.

In contrast to Mr. Ripley, I will present a “dynamic” analysis rather than a “static analysis. As we all know, the world is constantly changing, and the stock market is no exception. Therefore, I will show the future impact of the proposals on every shareholder, considering potential fluctuations in the market.

I strongly urge the court to consider my analysis and take into account the long-term impacts on shareholders before approving the proposed settlement.

3. On March 27, 2023, AMC Common Stock closed at a price of \$4.55 per share and APE closed at a price of \$1.41 per unit.
 - i. Accordingly, on March 27, 2023, the total market capitalization of AMC Common Stock was \$2,362,325,374.50 (519,192,390 shares x \$4.55 per share)
 - ii. and the total market capitalization of APE was \$1,373,609,019.54,
 - iii. such that the Company's total market capitalization was \$3,735,934,394.04.

- iv. Based on the foregoing, AMC Common Stock and APE then accounted for approximately 63.23% and 36.77% of the Company's market capitalization, respectively.

In regards to 3.iv.) it is important for me to compare the ownership structure with the recent voting results, which show clearly the underrepresentation of AMC Common Stock shareholders. As an AMC Common Stock shareholder myself, I find it important to bring this matter to the court's attention.

The published numbers, for example for Proposal 2: The reverse split proposal show that a total of 1,112,192,342 shares were voted on, including 182,342,730 AMC Common Stock shares. Thus, AMC Common Stock shareholders were only represented by 16.39% for Proposal 2, despite holding 63.23% of the total market capitalization. This indicates a significant underrepresentation of Common Stock shareholders in the voting process.

As a result, a group of new shareholders who do not hold the majority of value and market capitalization of the company has voted on the majority of shares. It raises additional concerns about the legitimacy of the voting results.

- 4. Were Common Stock and APE units collapsed into a single class of stock based on March 27 figures, this new stock would have a post-collapse price of \$2.50 per share (\$3,735,934,394.04 of market capitalization divided through the total number of shares 1,493,383,184).
 - i. At this point, I also want to bring to the court's attention the significant dilution factor of nearly 300% that has been imposed on AMC Common stockholders. Prior to the issuance of APEs, the number of outstanding and issued AMC Common stock was around 517,000,000. It is worth noting that shareholders did not vote in favor of this dilution, and yet they are being unfairly impacted by it.
 - ii. Former AMC Common Stock shareholders would comprise approximately 34.77% of this post-collapse structure, representing a market capitalization of \$1,298,841,936.69.
 - iii. Former APE shareholders would comprise approximately 65.23% of this post-collapse structure, representing a market capitalization of approximately \$2,437,092,457.35.

5. The above demonstrates one effect of the post-collapse structure, which is the change, or “transfer” of the capital structure. Now the AMC Common Stock shareholders, who paid the APE dividend with equity removed from their AMC Common Stock valuation, are transformed into minority shareholders with respect to shareholders represented market capitalization and in number of shares. Especially new APE shareholders inequitably benefit from the collapse of both stocks into one class. All AMC Common Stock shareholders have
- a. paid a higher market price for their shares compared to APE shareholders, because AMC Common Stock always traded at a higher price, and
 - b. they are forced immediately to give up a significant percentage of the value of their AMC Common Stock to APE shareholders – this is called the “arbitrage effect” I will further describe in Point 6.
6. The arbitrage effect: As a result of the collapse of both stock classes into a single class, an arbitrage effect has emerged. There are two dependencies of the arbitrage effect to be considered as these impact the portfolios of the shareholders. These are price difference and the amount of shares. To illustrate the impact of this arbitrage effect, consider the following examples, which are based on fictional numbers for simplification.

Example 1:

AMC price per share = \$3	AMC amount of outstanding shares = 10
APE price per share = \$3	APE amount of outstanding shares = 20

With a collapse of both stocks into one class:

AMC collapsed class share price = $(\$3 \times 10 \text{ shares} + \$3 \times 20 \text{ shares}) / (10 \text{ shares} + 20 \text{ shares}) = \3 per share.

No arbitrage. The price stays the same, only the amount of outstanding shares changes.

Example 2:

AMC price per share = \$3 AMC amount of outstanding shares = 10
APE price per share = \$1.5 APE amount of outstanding shares = 20.

With a collapse of both stocks into one class:

AMC collapsed class share price = $(\$3 \times 10 \text{ shares} + \$1.5 \times 20 \text{ shares}) / (10 \text{ shares} + 20 \text{ shares}) = \2 per share.

As logically expected, the price of the collapsed stock goes down. However, the arbitrage effect can be seen when we compare the market capitalization of APE and AMC before and after the collapse. It is evident that there is a significant "draining" of value from one stock class to another, resulting in a disproportionate benefit to APE shareholders at the expense of AMC Common Stock shareholders. This effect was not anticipated or disclosed by the Board in their proposal and has resulted in significant losses for AMC Common Stock shareholders.

AMC market capitalization before collapse = \$30

"AMC" market capitalization after collapse = \$20 (-\$10)

APE market capitalization before collapse = \$30

"APE" market capitalization after collapse = \$40 (+\$10)

It is important to note, that after a collapse of both stocks, only one class of stock exists, the foregoing comparison describes the capital structure considering the new collapse price of both stocks without a merge of both.

For the sake of simplicity, I did not provide additional examples to illustrate how the number of shares in each class influences the changes in capital structure by the arbitrage effect. The difference between the outstanding shares sets the fixed ratio of value transformation. In my examples, with double the amount of APE outstanding shares compared to AMC outstanding shares and APE having half of the price of AMC shares, the ratio of value transfer is 1/3rd. If the amount of APE outstanding shares were three times greater, the ratio would be 37.5%, and so on. The greater the difference, the higher the ratio. The same coherence applies to the price difference.

This arbitrage effect affects every portfolio of AMC Common Stock and APE unit shareholders. In conclusion, any AMC Common Stock shareholder without APE shares in his portfolio will be forced to give up an inequitable 45% of their share value to all APE shareholders based on March 27th figures. APE shareholders benefit significantly from the arbitrage effect, as it is logically evident.

Considering AMC Common Stock closing price of \$4.55 per share and APE closing price of \$1.41 per unit and the collapse price of \$2.50 the court also can see the arbitrage effect.

- i. AMC Common Stock new value of \$2.50 ($= \$4.55 - \2.05 [-45.05%]) per share and
- ii. APE unit new value of \$2.50 ($= \$1.41 + \1.09 [+77.30%]) per share

It is unclear to me, why Mr. Ripley does not mention any of these specific negative and predictable outcomes in his analyses given that he has “20 years experience in financial consulting”.

7. With a collapse of both stocks into a single class, the total market capitalization of the Company would remain an unaffected \$3,735,934,394.04. As demonstrated in 6. the capital structure of shareholders will change in favor of APE shareholders through the arbitrage effect. Were the Company to then undergo a 1:10 reverse split of the new equity structure, holders of former AMC Common Stock would hold 51,919,239 shares and former APE unit shareholders would hold 97,419,079 shares, all of which would trade at a price of \$25.02 per share (\$3,735,934,394.04 market cap divided by the new sum of 149,338,318 shares).
8. In his analysis, Mr. Ripley also neglects to mention another significant adverse effect on the portfolios of all shareholders of AMC Common Stock and APE units as a result of the reverse stock split. It is the fact that the cost average of their investments increase by the same factor the 10:1 reverse stock split is processed, in this case by a factor of 10.

For the following examples, I will also use fictional numbers, simplify the calculation and only show the effect of the increase of the cost average. I set these numbers to represent an average retail shareholder and I will show the effects on the three different types of shareholders.

- a) AMC Common Stock shareholder without APE units in his portfolio
- b) Shareholder with the same amount of AMC Common Stock and APE units in his portfolio
- c) APE unit shareholder without AMC Common Stock in his portfolio.

All three types of shareholders have invested the same amount of money into the company, the same amount of shares in sum and the same cost average.

Example 1 for shareholder type a):

Fictional portfolio of shareholder a) before 10:1 reverse split:

- i. AMC Common Stock in portfolio = 1000 shares
- ii. Shareholder Investment in the company: \$10,000
- iii. Cost average of shareholder investment: \$10
- iv. Market value of shareholder investment on March 27th: \$4,550 (1000 shares x \$4.55)

Fictional portfolio of shareholder a) after 10:1 reverse split:

- v. AMC Common Stock in portfolio = 100 shares (-900 shares)
- vi. Shareholder Investment in the company: \$10,000
- vii. Cost average of shareholder investment: \$100 (+\$90)
- viii. Market value of shareholder investment on March 27th: \$2,501 (100 shares x \$25.02) [post collapse post reverse split the market value of this shareholder portfolio is significantly reduced]

Example 2 for shareholder type b):

Fictional portfolio of shareholder b) before 10:1 reverse split:

- ix. AMC Common Stock in portfolio = 500 shares
- x. APE units in portfolio = 500 shares
- xi. Shareholder Investment in the company: \$10,000
- xii. Combined cost average of shareholder investment: \$10
- xiii. Market value of shareholder investment on March 27th: \$2,980 (500 shares x \$4.55 + 500 shares x \$1.41)

Fictional portfolio of shareholder b) after 10:1 reverse split:

- xiv. AMC Common Stock in portfolio = 100 shares (former AMC Common Stock of 50 shares (-450 shares) combined with former APE units of 50 shares (-450 shares))
- xv. Shareholder Investment in the company: \$10,000
- xvi. Cost average of shareholder investment: \$100
- xvii. Market value of shareholder investment on March 27th: \$2,502 (100 shares x \$25.02) [post collapse post reverse split the market value of this shareholder portfolio is slightly reduced]

Example 3 for shareholder type c):

Fictional portfolio of shareholder c) before 10:1 reverse split:

- xviii. APE units in portfolio = 1000 shares
- xix. Shareholder Investment in the company: \$10,000
- xx. Cost average of shareholder investment: \$10
- xxi. Market value of shareholder investment on March 27th: \$1,410 (1000 shares x \$1.41)

Fictional portfolio of shareholder c) after 10:1 reverse split:

- xxii. AMC Common Stock in portfolio = 100 shares (-900 shares)
- xxiii. Shareholder Investment in the company: \$10,000
- xxiv. Cost average of shareholder investment: \$100 (+\$90)
- xxv. Market value of shareholder investment on March 27th: \$2,501 (100 shares x \$25.02) [post collapse post reverse split the market value of this shareholder portfolio has significantly risen, in this example by 77.38%]

The comparison of the three types of shareholder portfolios (viii, xvii and xxv) also demonstrates the differences of each portfolio with the post reverse split post collapse structure. AMC Common Stock holders lose the most of their portfolio value where on the contrary APE unit shareholders gain on market value.

The calculation clearly shows that with the reduction of shares in a shareholder portfolio the cost average must increase by the same factor as the change in the number of shares. The total amount of money each shareholder has contributed to his investment is not affected by the reverse split itself.

Based on March 27th figures and the post reverse split post collapse price of \$25.02.

- a. The price of \$4.55 has to rise by 219.78% to break-even on his costs.
- b. The price of \$25.02 has to rise by 399.73% break-even on his investment, thus worsens the situation for shareholders in comparison to the pre reverse split and pre collapse structure (a.).

In conclusion, the proposed reverse split will not have a uniform impact on each shareholder's personal portfolios. The sum each shareholder has invested in the company and the market capitalization does not change. Rather, the reverse split will significantly affect the cost average of each shareholder's portfolio, with disproportionate harm to certain groups of shareholders. Assuming a post collapse and reverse split price of \$25.02. Shareholders similar to shareholder group a) would suffer disproportionate harm because they would require a cost average not higher than \$2.50 to break-even on their costs. However, AMC Common Stock has not traded that low since the pandemic 'lows' of 2021, making it practically impossible for this group of shareholders to avoid harm.

Furthermore, new shareholders who purchased shares post-APE issuance and bet on the arbitrage effect had the opportunity to acquire APE units below the post-collapse price of \$2.50, such as Antara Capital L.P. This highlights the disproportionate representation of new shareholders who have not adequately paid for their voting power in the decision of the proposals.

Therefore, it is my argument that the proposed reverse split unfairly harms certain groups of shareholders, while disproportionately benefiting others who have not adequately paid for their voting power. The court should carefully consider the impact of the proposals on the overall fairness and integrity of the shareholder voting process and the rights of AMC Common Stock shareholders.

9. In his analyses, Mr. Ripley failed to mention yet another negative effect caused by the 10:1 reverse stock split. Future profit margins for all shareholders will be significantly reduced. This effect is the obvious result of lowering the number of shares held by each shareholder by 90% (9 of 10 shares will be erased from each shareholder's portfolio). As a consequence, if

the stock price rises the remaining 1 of 10 previously held shares generate less profit from price movement and 90% of every future profit margin for every shareholder invested amount will also be erased by the reverse split (1000 shares x \$1 = 1000\$, 100 shares x \$1 = \$100). This ratio is fixed by the reverse split itself. For example, a 50:1 reverse split would “steal” 98% of the shareholders future profit margins. The higher the ratio of a performed reverse split, the more of the future profit margin shareholders lose. Shareholders are interested in their portfolio growing, and future profit margins are typically the motivation for investors to invest in an equity.

10. Per Mr. Ripley’s analysis, if the Company were to issue shares of this new equity structure to holders of former AMC Common Stock at a ratio of 1 new share for every 7.5 new shares held, those holders would receive an issuance of 6,922,565 shares in sum, such that there would be 156,260,884 shares in the Company’s new equity structure. The holders of former AMC Common Stock would hold 58,841,804 new shares, representing approximately 37.66% of the new equity structure and an approximately 2.89% increase from their position prior to the issuance. Based on the Company’s unaffected overall market capitalization of \$3,735,934,394.04, the issuance would have a value of \$107,966,440.77.

At this point Mr. Ripley describes the issuance of additional shares to shareholders as a “gift” from the company to shareholders and forgets to mention an important fact. AMC Entertainment Holdings, Inc. is a publicly traded company and every shareholder owns a part of this company. Therefore, the issuance of additional shares to shareholders would not be a “gift” from the company or the board to shareholders, but rather a distribution of ownership in the company. Therefore, if the shareholders already own the company, with this proposal, shareholders would give themselves compensation - based on the Company’s unaffected overall market capitalization.

If we look at it from the perspective of a child who collects marbles, this proposal is similar to a scenario where the child has 100 marbles and the board decides to give them 13 new marbles as a “compensation package”. However, in exchange for these new marbles, the board takes away 102 marbles from the child, whereas without this “compensation package”, the board would have only taken 90 marbles from the child.

11. From the perspective of an AMC Class A Common Stock shareholder I want to present another example which demonstrates how the shareholder's portfolio would be affected by this settlement proposal to holders of former AMC Common Stock at a ratio of 1 new share for every 7.5 new shares. As stated in 8. I will use fictional numbers for the purposes of illustration and demonstrate the effect of the changes of such an ownership distribution on all shareholders of all shareholders.

Before 10:1 reverse split and compensation (actual situation):

- i. AMC Common Stock in portfolio = 1000 shares
- ii. Shareholder Investment in the company: \$10,000
- iii. Cost average of shareholder investment: \$10

Compensation before 10:1 reverse split:

- i. AMC Common Stock in portfolio = 1133 shares (+133 shares)
- ii. Shareholder Investment in the company: \$10,000
- iii. Cost average of shareholder investment: \$8.83 (-\$1.17)

After 10:1 reverse split including compensation:

- i. AMC Common Stock in portfolio = 113 shares (-1020 shares + shares lost and cash in lieu¹)
- ii. Shareholder Investment in the company: \$10,000
- iii. Cost average of shareholder investment: \$88.50 (+\$79.67)

After 10:1 reverse split without compensation:

- i. AMC Common Stock in portfolio = 100 shares (-900 shares)
- ii. Shareholder Investment in the company: \$10,000
- iii. Cost average of shareholder investment: \$100 (+\$90)

My analysis presented indicates that the proposed 10:1 reverse stock split and subsequent issuance of new shares would nevertheless have significant negative consequences for AMC Common Stock shareholders and result in an increase of the cost average by factor 8.85 instead of 10. Notwithstanding that, the issuance of new shares in combination with a 10:1 reverse split has no impact on cutting 90% of future profit margins of shareholders. The potential drawbacks of the proposal appear to heavily outweigh the promoted

“benefits” outlined in Mr. Ripley’s analysis. Shareholders still lose 90% of their shares through the 10:1 reverse split and with the distribution of equity before the reverse split, they lose more shares than without compensation package. This should be carefully considered by the court before making any decisions regarding this settlement proposals.

12. Mr. Ripley correctly pointed out, that his analysis of the issuance of 1 new share for each 7.5 former AMC Common Stock shares does not differentiate that some portion of the issuance will be in the form of cash payment of fractional shares. For example, a holder with 1000 shares of AMC Common Stock would receive a share distribution of 133.333 (at a 7.5:1 distribution). 133 shares would be distributed, while 0.333 shares would be paid in cash¹.

However, this gnarled choosing of the distribution factor also means that the majority of shareholders are forced to give up further shares for cash in lieu, which is not beneficial for shareholders in terms of retaining the amount of their shares and thus ownership stake in the company. The distribution of 6,922,565 shares is the maximum amount possible, as the number of shareholders receiving cash in lieu instead of shares cannot be forecasted and depends on the number of shares they individually hold in their portfolios.

13. In addition to the analysis presented in this statement, I want also highlight the potential risks associated with the company's decision to raise the number of authorized shares to 550,000,000. With the distribution of 6,922,565 shares, the total number of shares in the Company's new equity structure would be 156,260,884. This represents a maximum share dilution of 351.97%, which could have an additional negative impact on shareholders. Furthermore there is the fact that nearly 25% of the outstanding shares of AMC Common stock are actually sold short. The utilization for AMC Common stock is at 100% for over a year. This effectively means that short sellers have borrowed every share borrowable. These facts raise concerns for shareholders about the potential impact of further short selling on the company's stock price. If the company issues new shares of AMC Common Stock, short sellers may be able to buy the new supply, close their old short positions at bargain prices, and open new short positions to drive the price down further. This would create a death spiral for the share price compounded

by dilution (supply from the company) and short selling (supply through borrowing and selling of shares).

Mr. Aron has a history of making deals with hedge funds like Mudrick Capital, Silverlake, and Antara Capital. Instead of issuing stocks on the open market, he sells them directly to short sellers under market value. These actions are detrimental to the interests of shareholders, because they circumvent real price discovery on the open market.

Summary and conclusion:

I have presented before the court with factual information regarding the proposals voted on March 14th by AMC board members. The voting results reveal that the AMC Common Stock shareholders, who hold the majority of the company's value and market capitalization, were significantly underrepresented in the voting process.

Furthermore, the proposed reverse stock split would have a significant negative impact on every shareholder's portfolio by increasing their cost average while decreasing future profit margins by 90%. While APE unit shareholders would wrongful benefit from changes in the capital and ownership structure, AMC Common Stock shareholders would be disproportionately harmed. Although the settlement proposal would slightly reduce the impacts of the reverse stock split, it does not fully negate the negative effects or provide any benefits to AMC Common Stock shareholders. The settlement proposal does not compensate AMC Common Stock shareholders for being harmed by a questionable vote and forced to accept the drawbacks resulting from the reverse split and collapse of both stocks into one class. The proposed ownership distribution is not a sufficient remedy for the harm caused to shareholders. Additionally, all shareholders face the risk of the company being targeted by short selling dilution death spiral, while new APE unit shareholders like Antara Capital disproportionately benefit from the arbitrage effect.

In conclusion, the court should take into consideration the facts and impacts presented to fully understand the negative effects of the proposals on AMC Common Stock shareholders. The settlement proposal does not provide a satisfactory solution to the harm caused to this group of shareholders.

I declare that the foregoing is true, correct, and written within all my conscience.

(electronically signed)

Alexander Holland

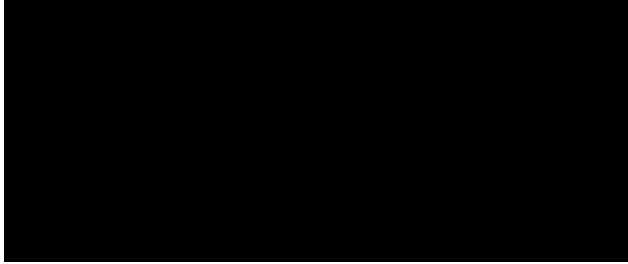


EXHIBIT V:

The Antara deal & transactions

Exhibit V includes the most important parts around the Antara deal with AMC based on official SEC filings and math analysis. Data shows that Antara was aggressively short selling APE units before the forward purchase agreement with AMC as of December 22, 2022.

The following Table 8: Antara transaction 2022 - 2023 - "windfall table" shows every in SEC filings disclosed transaction of APE since the fund started to trade it.

Estimated Rolling Total P&L (profit/loss)

– shows the estimated profits/losses Antara realized until the given date.

Estimated Cash Balance

- shows the estimated Cash Balance of Antara on the given date starting from \$0

Yellow Marked date

- on that dates Antara disclosed their trades in SEC filings

Table 8: Antara transaction 2022 - 2023 - "windfall table"

Trade Date	Security	Transaction Type	Price per Unit	Number of APE Units	APE unit account Balance	Positioning	transaction value	Market value APE portfolio on closing price	Estimated Rolling Total P&L (profit/loss)	estimated Cash Balance
			\$		-	net	\$	\$ -	\$	\$
02.11.2022	APE	Sell	1,75	2.000.000	2.000.000	short	3.500.000,00	3.420.000,00	\$ 80.000,00	3.500.000,00
			\$		-	net	\$	\$ -	\$	\$
02.11.2022	APE	Sell	1,72	714.958	2.714.958	short	1.229.727,76	4.642.578,18	\$ 87.149,58	4.729.727,76
			\$		-	net	\$	\$ -	\$	\$
03.11.2022	APE	Sell	1,64	1.690.909	4.405.867	short	2.773.090,76	7.181.563,21	\$ 321.255,31	7.502.818,52
			\$		-	net	\$	\$ -	\$	\$
04.11.2022	APE	Sell	1,56	346.603	4.752.470	short	540.700,68	7.461.377,90	\$ 582.141,30	8.043.519,20
			\$		-	net	\$	\$ -	\$	\$
07.11.2022	APE	Sell	1,45	761.418	5.513.888	short	1.104.056,10	8.325.970,88	\$ 821.604,42	9.147.575,30
			\$		-	net	\$	\$ -	\$	\$
08.11.2022	APE	Sell	1,53	1.000.000	6.513.888	short	1.530.000,00	10.422.220,80	\$ 255.354,50	10.677.575,30
			\$		-	net	\$	\$ -	\$	\$
09.11.2022	APE	Sell	1,33	1.631.628	8.145.516	short	2.170.065,24	10.589.170,80	\$ 2.258.469,74	12.847.640,54
			\$		-	net	\$	\$ -	\$	\$
14.11.2022	APE	Sell	1,48	2.657.246	10.802.762	short	3.932.724,08	15.447.949,66	\$ 1.332.414,96	16.780.364,62
			\$		-	net	\$	\$ -	\$	\$
15.11.2022	APE	Sell	1,42	500.000	11.302.762	short	710.000,00	16.162.949,66	\$ 1.327.414,96	17.490.364,62
			\$		-	net	\$	\$ -	\$	\$
16.11.2022	APE	Sell	1,32	500.000	11.802.762	short	660.000,00	15.579.645,84	\$ 2.570.718,78	18.150.364,62

					-			\$ -	\$	\$
18.11.2022	APE	Sell	\$ 1,36	109.714	11.912.476	net short	\$ 149.211,04	88	8	66
					-		\$	\$ -	\$	\$
22.11.2022	APE	Sell	\$ 1,24	1.000.000	12.912.476	net short	1.240.000,0	16.269.719,76	3.269.855,90	19.539.575,66
					-		\$ -	\$ -	\$	\$
22.11.2022	APE	Buy	\$ 1,21	3.000.000	9.912.476	net short	3.630.000,0	12.489.719,76	3.419.855,90	15.909.575,66
					-		\$	\$ -	\$	\$
23.11.2022	APE	Sell	\$ 1,14	1.801.200	11.713.676	net short	2.053.368,0	14.173.547,96	3.789.395,70	17.962.943,66
					-		\$	\$ -	\$	\$
23.11.2022	APE	Sell	\$ 1,17	900.666	12.614.342	net short	1.053.779,2	15.263.353,82	3.753.369,06	19.016.722,88
					-		\$	\$ -	\$	\$
23.11.2022	APE	Sell	\$ 1,15	1.000.000	13.614.342	net short	1.150.000,0	16.473.353,82	3.693.369,06	20.166.722,88
					-		\$	\$ -	\$	\$
23.11.2022	APE	Sell	\$ 1,15	187.862	13.802.204	net short	\$ 216.041,30	16.700.666,84	3.682.097,34	20.382.764,18
					-		\$	\$ -	\$	\$
23.11.2022	APE	Sell	\$ 1,17	110.272	13.912.476	net short	\$ 129.018,24	16.834.095,96	3.677.686,46	20.511.782,42
					-		\$ -	\$ -	\$	\$
23.11.2022	APE	Buy	\$ 1,16	4.000.000	9.912.476	net short	4.640.000,0	11.994.095,96	3.877.686,46	15.871.782,42
					-		\$	\$ -	\$	\$
25.11.2022	APE	Sell	\$ 1,22	85.300	9.997.776	net short	\$ 104.066,00	12.197.286,72	3.778.561,70	15.975.848,42
					-		\$	\$ -	\$	\$
25.11.2022	APE	Sell	\$ 1,22	72.673	10.070.449	net short	\$ 88.661,06	12.285.947,78	3.778.561,70	16.064.509,48
					-		\$	\$ -	\$	\$
25.11.2022	APE	Sell	\$ 1,21	469.800	10.540.249	net short	\$ 568.458,00	12.859.103,78	3.773.863,70	16.632.967,48
					-		\$	\$ -	\$	\$
25.11.2022	APE	Sell	\$ 1,21	399.822	10.940.071	net short	\$ 483.784,62	13.346.886,62	3.769.865,48	17.116.752,10
					-		\$ -	\$ -	\$	\$
25.11.2022	APE	Buy	\$ 1,16	4.125.631	6.814.440	net short	4.785.731,96	8.313.616,80	4.017.403,34	12.331.020,14
					-		\$	\$ -	\$	\$
25.11.2022	APE	Buy	\$ 1,16	59.929	6.754.511	net short	\$ -	8.240.503,42	4.020.999,08	12.261.502,50
					-		\$ -	\$	\$	\$
25.11.2022	APE	Buy	\$ 1,16	6.814.440	59.929	net long	7.904.750,40	\$ 73.113,38	4.429.865,48	4.356.752,10
					-		\$	\$	\$	\$
25.11.2022	APE	Sell	\$ 1,21	59.929	-	net long	\$ 72.514,09	\$ -	4.429.266,19	4.429.266,19
					-		\$	\$	\$	\$
28.11.2022	APE	Buy	\$ 1,14	465.708	465.708	net long	\$ -	\$ 530.907,12	4.429.266,19	3.898.359,07
					-		\$	\$	\$	\$
28.11.2022	APE	Sell	\$ 1,13	465.708	-	net long	526.250,04	-	4.424.609,11	4.424.609,11
					-		\$	\$ -	\$	\$
28.11.2022	APE	Sell	\$ 1,13	2.750.000	2.750.000	net short	3.107.500,00	3.135.000,00	4.397.109,11	7.532.109,11

			\$	-	net	\$	\$ -	\$	\$
28.11.2022	APE	Sell	1,13	1.047.463	3.797.463	short	1.183.633,19	4.329.107,82	4.386.634,40
			\$	-	net	\$	\$ -	\$	\$
28.11.2022	APE	Sell	1,14	465.708	4.263.171	short	530.907,124	4.860.014,98	4.386.634,42
			\$	-	net	\$	\$ -	\$	\$
28.11.2022	APE	Buy	1,09	3.797.463	465.708	short	4.139.234,67	530.907,123	4.576.507,65
			\$	-	net	\$	\$ -	\$	\$ -
28.11.2022	APE	Buy	1,09	6.202.537	5.736.829	long	6.760.765,33	6.539.985,06	4.886.634,48
			\$	-	net	\$	\$ -	\$	\$
29.11.2022	APE	Sell	1,07	5.582.546	154.283	long	5.973.324,22	161.997,159	4.481.970,74
			\$	-	net	\$	\$ -	\$	\$
29.11.2022	APE	Sell	1,07	746.048	591.765	short	798.271,36	621.353,255	4.496.891,70
			\$	-	net	\$	\$ -	\$	\$
29.11.2022	APE	Sell	1,06	356.034	947.799	short	377.396,04	995.188,959	4.500.452,04
			\$	-	net	\$	\$ -	\$	\$ -
29.11.2022	APE	Buy	1,00	6.684.628	5.736.829	long	6.684.628,00	6.023.670,45	4.834.683,49
			\$	-	net	\$	\$ -	\$	\$ -
29.11.2022	APE	Buy	1,00	3.315.372	9.052.201	long	3.315.372,00	9.504.811,05	5.000.452,09
			\$	-	net	\$	\$ -	\$	\$ -
30.11.2022	APE	Sell	0,97	1.592.856	7.459.345	long	1.545.070,32	7.248.991,47	4.289.702,83
			\$	-	net	\$	\$ -	\$	\$ -
30.11.2022	APE	Sell	0,98	407.144	7.052.201	long	399.001,123	6.853.328,93	4.293.041,41
			\$	-	net	\$	\$ -	\$	\$ -
30.11.2022	APE	Sell	0,97	1.000.000	6.052.201	long	970.000,00	5.881.528,93	4.291.241,41
			\$	-	net	\$	\$ -	\$	\$
30.11.2022	APE	Sell	0,92	7.000.000	947.799	short	6.440.000,00	921.071,071	3.928.641,41
			\$	-	net	\$	\$ -	\$	\$
30.11.2022	APE	Sell	0,91	5.000.000	5.947.799	short	4.550.000,00	5.780.071,07	3.619.641,41
			\$	-	net	\$	\$ -	\$	\$
30.11.2022	APE	Buy	1,00	7.500.000	1.552.201	long	7.500.000,00	1.508.428,93	3.408.141,41
			\$	-	net	\$	\$ -	\$	\$ -
01.12.2022	APE	Buy	1,00	7.500.000	9.052.201	long	7.500.000,00	8.891.071,82	3.290.784,30
			\$	-	net	\$	\$ -	\$	\$ -
01.12.2022	APE	Buy	1,00	5.000.000	14.052.201	long	5.000.000,00	13.802.071,82	3.201.784,30
			\$	-	net	\$	\$ -	\$	\$ -
01.12.2022	APE	Buy	1,02	300.000	14.352.201	long	306.000,00	14.096.731,82	3.190.444,30
			\$	-	net	\$	\$ -	\$	\$ -
02.12.2022	APE	Sell	1,00	1.089.041	13.263.160	long	1.089.041,00	13.203.475,78	3.386.229,26
			\$	-	net	\$	\$ -	\$	\$ -
02.12.2022	APE	Buy	1,00	2.000.000	15.263.160	long	2.000.000,00	15.194.475,78	3.377.229,26

07.12.2022	APE	Sell	\$ 0,83	2.000.000	13.263.160	net long	\$ 1.660.000,00	\$ 10.749.791,18	\$ 592.544,66	\$ - 10.157.246,52
08.12.2022	APE	Sell	\$ 0,84	1.000.000	12.263.160	net long	\$ 840.000,00	\$ 10.119.559,63	\$ 802.313,11	\$ - 9.317.246,52
09.12.2022	APE	Sell	\$ 0,79	1.597.100	10.666.060	net long	\$ 1.261.709,00	\$ 8.216.066,02	\$ 160.528,50	\$ - 8.055.537,52
09.12.2022	APE	Sell	\$ 0,79	48.896	10.617.164	net long	\$ 38.627,84	\$ 8.178.401,43	\$ 161.491,75	\$ - 8.016.909,68
09.12.2022	APE	Sell	\$ 0,78	36.280	10.580.884	net long	\$ 28.298,40	\$ 8.150.454,95	\$ 161.843,67	\$ - 7.988.611,28
09.12.2022	APE	Sell	\$ 0,78	256.903	10.323.981	net long	\$ 200.384,34	\$ 7.952.562,56	\$ 164.335,62	\$ - 7.788.226,94
09.12.2022	APE	Sell	\$ 0,78	27.787	10.296.194	net long	\$ 21.673,86	\$ 7.931.158,24	\$ 164.605,16	\$ - 7.766.553,08
09.12.2022	APE	Sell	\$ 0,78	196.760	10.099.434	net long	\$ 153.472,80	\$ 7.779.594,01	\$ 166.513,73	\$ - 7.613.080,28
09.12.2022	APE	Sell	\$ 0,78	37.100	10.062.334	net long	\$ 28.938,00	\$ 7.751.015,88	\$ 166.873,60	\$ - 7.584.142,28
09.12.2022	APE	Sell	\$ 0,78	262.334	9.800.000	net long	\$ 204.620,52	\$ 7.548.940,00	\$ 169.418,24	\$ - 7.379.521,76
16.12.2022	APE	Sell	\$ 0,79	881.825	8.918.175	net long	\$ 696.641,75	\$ 6.507.592,30	\$ - 175.287,71	\$ - 6.682.880,01
22.12.2022 ²¹⁷	APE	Buy	\$ 0,58	60.000.000	68.918.175	net long	\$ - 34.935.000,00	\$ 82.701.810,00	\$ 41.083.929,99	\$ - 41.617.880,01
22.12.2022	APE	Buy	\$ 1,20	200.000	69.118.175	net long	\$ - 240.000,00	\$ 82.941.810,00	\$ 41.083.929,99	\$ - 41.857.880,01
22.12.2022	APE	Sell	\$ 1,21	8.900.000	60.218.175	net long	\$ 10.769.000,00	\$ 72.261.810,00	\$ 41.172.929,99	\$ - 31.088.880,01
23.12.2022	APE	Sell	\$ 1,91	200.000	60.018.175	net long	\$ 382.000,00	\$ 103.831.442,75	\$ 73.124.562,74	\$ - 30.706.880,01
28.12.2022	APE	Buy	\$ 1,71	66.000	60.084.175	net long	\$ - 112.860,00	\$ 87.122.053,75	\$ 56.302.313,74	\$ - 30.819.740,01
28.12.2022	APE	Sell	\$ 1,52	66.000	60.018.175	net long	\$ 100.320,00	\$ 87.026.353,75	\$ 56.306.933,74	\$ - 30.719.420,01
29.12.2022	APE	Buy	\$ 1,40	500	60.018.675	net long	\$ -700,00	\$ 88.227.452,25	\$ 57.507.332,24	\$ - 30.720.120,01
29.12.2022	APE	Buy	\$ 1,40	2.100	60.020.775	net long	\$ 2.940,00	\$ - 88.230.539,25	\$ 57.507.479,24	\$ - 30.723.060,01

²¹⁷ Source: <https://fintel.io/doc/sec-antara-capital-lp-1750183-sc-13d-2023-january-04-19361-3752>

29.12.2022	APE	Buy	\$ 1,40	47.400	60.068.175	net long	\$ - 66.360,00	\$ 88.300.217,25	\$ 57.510.797,24	\$ - 30.789.420,01
29.12.2022	APE	Sell	\$ 1,47	500	60.067.675	net long	\$ 735,00	\$ 88.299.482,25	\$ 57.510.797,24	\$ - 30.788.685,01
29.12.2022	APE	Sell	\$ 1,47	1.400	60.066.275	net long	\$ 2.058,00	\$ 88.297.424,25	\$ 57.510.797,24	\$ - 30.786.627,01
29.12.2022	APE	Sell	\$ 1,47	19.000	60.047.275	net long	\$ 27.930,00	\$ 88.269.494,25	\$ 57.510.797,24	\$ - 30.758.697,01
29.12.2022	APE	Sell	\$ 1,47	29.100	60.018.175	net long	\$ 42.777,00	\$ 88.226.717,25	\$ 57.510.797,24	\$ - 30.715.920,01
29.12.2022	APE	Buy	\$ 1,51	300.000	60.318.175	net long	\$ - 453.000,00	\$ 88.667.717,25	\$ 57.498.797,24	\$ - 31.168.920,01
30.12.2022	APE	Buy	\$ 1,39	500.000	60.818.175	net long	\$ - 695.000,00	\$ 85.753.626,75	\$ 53.889.706,74	\$ - 31.863.920,01
30.12.2022	APE	Buy	\$ 1,41	1.000.000	61.818.175	net long	\$ 1.410.000,00	\$ 87.163.626,75	\$ 53.889.706,74	\$ - 33.273.920,01
03.01.2023	APE	Sell	\$ 1,30	962.800	60.855.375	net long	\$ 1.251.640,00	\$ 73.026.450,00	\$ 41.004.169,99	\$ - 32.022.280,01
03.01.2023	APE	Sell	\$ 1,30	9.100	60.846.275	net long	\$ 11.830,00	\$ 73.015.530,00	\$ 41.005.079,99	\$ - 32.010.450,01
03.01.2023	APE	Sell	\$ 1,30	28.100	60.818.175	net long	\$ 36.530,00	\$ 72.981.810,00	\$ 41.007.889,99	\$ - 31.973.920,01
03.02.2023	APE	Buy	\$ 2,96	5.000.000	65.818.175	net long	\$ 14.800.000,00	\$ 198.112.706,75	\$ 151.338.786,74	\$ - 46.773.920,01
06.02.2023	APE	Sell	\$ 2,89	5.000.000	60.818.175	net long	\$ 14.450.000,00	\$ 192.185.433,00	\$ 159.861.512,99	\$ - 32.323.920,01
06.02.2023	APE	Buy	\$ 3,18	5.800.000	66.618.175	net long	\$ 18.444.000,00	\$ 210.513.433,00	\$ 159.745.512,99	\$ - 50.767.920,01
06.02.2023	APE	Sell	\$ 3,19	5.800.000	60.818.175	net long	\$ 18.502.000,00	\$ 192.185.433,00	\$ 159.919.512,99	\$ - 32.265.920,01
09.02.2023 ²¹⁸	APE	Buy	\$ 0,70	106.595.106	167.413.281	net long	\$ - 75.042.954,62	\$ 455.364.124,32	\$ 348.055.249,69	\$ - 107.308.874,63
09.02.2023	APE	Buy	\$ 1,10	91.026.191	258.439.472	net long	\$ 100.000.000,00	\$ 702.955.363,84	\$ 495.646.489,21	\$ - 207.308.874,63
13.02.2023	APE	Sell	\$ 2,42	2.973.400	255.466.072	net long	\$ 7.195.628,00	\$ 618.227.894,24	\$ 418.114.647,61	\$ - 200.113.246,63
13.02.2023	APE	Sell	\$ 2,42	6.500	255.459.572	net long	\$ 15.730,00	\$ 618.212.164,24	\$ 418.114.647,61	\$ - 200.097.516,63
13.02.2023	APE	Sell	\$ 2,42	20.100	255.439.472	net long	\$ 48.642,00	\$ 618.163.522,24	\$ 418.114.647,61	\$ - 200.048.874,63

²¹⁸ Source: <https://fintel.io/doc/sec-antara-capital-lp-1750183-sc-13da-2023-february-09-19397-7459>

			\$		254.462.1	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,41	977.300	72	long	2.355.293,0	595.441.482	397.747.900	197.693.581
							0	,48	,85	,63
			\$		253.973.5	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,40	488.650	22	long	1.172.760,0	594.298.041	397.777.219	196.520.821
							0	,48	,85	,63
			\$		253.484.8	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,39	488.650	72	long	1.167.873,5	593.154.600	397.801.652	195.352.948
							0	,48	,35	,13
			\$		250.518.9	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,40	2.965.910	62	long	7.118.184,0	586.214.371	397.979.606	188.234.764
							0	,08	,95	,13
			\$		250.516.1	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,39	2.800	62	long	6.692,00	586.207.819	397.979.746	188.228.072
								,08	,95	,13
			\$		250.513.3	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,40	2.800	62	long	6.720,00	586.201.267	397.979.914	188.221.352
								,08	,95	,13
			\$		250.496.3	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,40	16.994	68	long	40.785,60	586.161.501	397.980.934	188.180.566
								,12	,59	,53
			\$		250.490.7	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,41	5.600	68	long	13.496,00	586.148.397	397.981.326	188.167.070
								,12	,59	,53
			\$		250.438.8	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,40	51.896	72	long	124.550,40	586.026.960	397.984.440	188.042.520
								,48	,35	,13
			\$		250.421.7	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,41	17.100	72	long	41.211,00	585.986.946	397.985.637	188.001.309
								,48	,35	,13
			\$		250.413.2	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,39	8.550	22	long	20.434,50	585.966.939	397.986.064	187.980.874
								,48	,85	,63
			\$		250.404.6	net	\$	\$	\$	\$ -
14.02.2023	APE	Sell	2,40	8.550	72	long	20.520,00	585.946.932	397.986.577	187.960.354
								,48	,85	,63
			\$	16.677.80	233.726.8	net	\$	\$	\$	\$ -
15.02.2023	APE	Sell	2,46	0	72	long	41.027.388,00	572.630.836	425.697.869	146.932.966
								,40	,77	,63
			\$		232.847.2	net	\$	\$	\$	\$ -
15.02.2023	APE	Sell	2,46	879.600	72	long	2.163.816,0	570.475.816	425.706.665	144.769.150
							0	,40	,77	,63
			\$		232.842.2	net	\$	\$	\$	\$ -
15.02.2023	APE	Sell	2,46	5.000	72	long	12.300,00	570.463.566	425.706.715	144.756.850
								,40	,77	,63
			\$		232.746.6	net	\$	\$	\$	\$ -
15.02.2023	APE	Sell	2,46	95.600	72	long	235.176,00	570.229.346	425.707.671	144.521.674
								,40	,77	,63
			\$		232.731.2	net	\$	\$	\$	\$ -
15.02.2023	APE	Sell	2,46	15.400	72	long	37.884,00	570.191.616	425.707.825	144.483.790
								,40	,77	,63
			\$		232.439.4	net	\$	\$	\$	\$ -
15.02.2023	APE	Sell	2,46	291.800	72	long	717.828,00	569.476.706	425.710.743	143.765.962
								,40	,77	,63
16.02.2023			\$		232.439.4	net	\$	\$	\$	\$ -
²¹⁹ APE	Buy	-	-	72	long	-	-	562.503.522	418.737.559	143.765.962
								,24	,61	,63
			\$		184.438.8	net	\$	\$	\$	\$ -
15.03.2023	APE	Sell	1,51	48.000.57	93	long	72.480.874,29	261.903.228	190.618.139	71.285.088,34
				9				,06	,72	

²¹⁹ Source: <https://fintel.io/doc/sec-antara-capital-lp-1750183-sc-13da-2023-february-16-19404-9597>

			\$		183.946.2	net	\$	\$	\$	\$ -
15.03.2023	APE	Sell	1,51	492.653	40	long	\$ 743.906,03	261.203.660,80	190.662.478,49	70.541.182,31
			\$		182.439.4	net	\$ 2.275.219,68	\$ 259.064.050,24	\$ 190.798.087,61	\$ - 68.265.962,63
15.03.2023	APE	Sell	1,51	1.506.768	72	long				
16.03.2023 ²²⁰	APE	Buy	\$ -	-	72	net long	\$ -	\$ 246.293.287,20	\$ 178.027.324,57	\$ - 68.265.962,63
			\$		177.804.4	net	\$ 8.203.950,00	\$ 263.150.618,56	\$ 203.088.605,93	\$ - 60.062.012,63
03.04.2023	APE	Sell	1,77	4.635.000	72	long				
			\$		175.304.4	net	\$ 4.475.000,00	\$ 259.450.618,56	\$ 203.863.605,93	\$ - 55.587.012,63
03.04.2023	APE	Sell	1,79	2.500.000	72	long				
			\$		173.304.4	net	\$ 3.400.000,00	\$ 291.151.512,96	\$ 238.964.500,33	\$ - 52.187.012,63
04.04.2023	APE	Sell	1,70	2.000.000	72	long				
			\$		172.304.4	net	\$ 1.640.000,00	\$ 289.471.512,96	\$ 238.924.500,33	\$ - 50.547.012,63
04.04.2023	APE	Sell	1,64	1.000.000	72	long				
			\$		169.304.4	net	\$ 5.010.000,00	\$ 284.431.512,96	\$ 238.894.500,33	\$ - 45.537.012,63
04.04.2023	APE	Sell	1,67	3.000.000	72	long				
			\$		168.304.4	net	\$ 1.800.000,00	\$ 282.751.512,96	\$ 239.014.500,33	\$ - 43.737.012,63
04.04.2023	APE	Sell	1,80	1.000.000	72	long				
			\$		166.304.4	net	\$ 3.220.000,00	\$ 279.391.512,96	\$ 238.874.500,33	\$ - 40.517.012,63
04.04.2023	APE	Sell	1,61	2.000.000	72	long				
			\$		165.304.4	net	\$ 1.600.000,00	\$ 277.711.512,96	\$ 238.794.500,33	\$ - 38.917.012,63
04.04.2023	APE	Sell	1,60	1.000.000	72	long				
			\$		164.304.4	net	\$ 1.680.000,00	\$ 280.960.647,12	\$ 243.723.634,49	\$ - 37.237.012,63
05.04.2023	APE	Sell	1,68	1.000.000	72	long				
			\$		164.296.0	net	\$	\$ 280.946.308,77	\$ 243.723.550,64	\$ - 37.222.758,13
05.04.2023	APE	Sell	1,70	8.385	87	long	\$ 14.254,50			
06.04.2023 ²²¹	APE	Sell	\$ -	-	87	net long	\$ -	\$ 244.801.169,63	\$ 207.578.411,50	\$ - 37.222.758,13
			\$		161.431.0	net	\$ 4.755.900,00	\$ 267.975.604,42	\$ 235.508.746,29	\$ - 32.466.858,13
14.04.2023	APE	Sell	1,66	2.865.000	87	long				
			\$		161.377.6	net	\$ 88.644,00	\$ 267.886.960,42	\$ 235.508.746,29	\$ - 32.378.214,13
14.04.2023	APE	Sell	1,66	53.400	87	long				
			\$		159.877.6	net	\$ 2.310.000,00	\$ 243.014.084,24	\$ 212.945.870,11	\$ - 30.068.214,13
24.04.2023	APE	Sell	1,54	1.500.000	87	long				
			\$		159.569.4	net	\$	\$ 242.545.574,64	\$ 212.942.787,81	\$ - 29.602.786,83
02.05.2023	APE	Sell	1,51	308.230	57	long	\$ 465.427,30			
			\$		158.614.2	net	\$ 1.442.336,90	\$ 241.093.685,84	\$ 212.933.235,91	\$ - 28.160.449,93
02.05.2023	APE	Sell	1,51	955.190	67	long				

²²⁰ Source: <https://fintel.io/doc/sec-antara-capital-lp-1750183-sc-13da-2023-march-16-19432-3181>

²²¹ Source: <https://fintel.io/doc/sec-antara-capital-lp-1750183-sc-13da-2023-april-07-19454-3141>

			\$		157.659.0	net	\$	\$	\$	\$ -
03.05.2023	APE	Sell	1,52	955.190	77	long	1.451.888,80	239.641.797,04	212.933.235,91	26.708.561,13
			\$		157.559.0	net	\$	259.972.417,65	233.423.914,12	\$ -
15.05.2023	APE	Sell	1,60	100.036	41	long	160.057,60	\$	\$	26.548.503,53
			\$		156.945.9	net	\$	258.960.784,50	233.405.520,79	\$ -
15.05.2023	APE	Sell	1,62	613.111	30	long	993.239,82	\$	\$	25.555.263,71
			\$		156.923.1	net	\$	258.923.164,50	233.404.608,79	\$ -
15.05.2023	APE	Sell	1,61	22.800	30	long	36.708,00	\$	\$	25.518.555,71
			\$		156.423.1	net	\$	258.098.164,50	233.394.608,79	\$ -
15.05.2023	APE	Sell	1,63	500.000	30	long	815.000,00	\$	\$	24.703.555,71
			\$		156.289.2	net	\$	248.499.875,70	224.007.881,99	\$ -
16.05.2023	APE	Sell	1,58	133.900	30	long	211.562,00	\$	\$	24.491.993,71
			\$		155.925.1	net	\$	247.921.040,97	224.011.522,46	\$ -
16.05.2023	APE	Sell	1,60	364.047	83	long	582.475,20	\$	\$	23.909.518,51
			\$		155.498.3	net	\$	250.352.287,15	227.125.757,44	\$ -
17.05.2023	APE	Sell	1,60	426.868	15	long	682.988,80	\$	\$	23.226.529,71
			\$		154.498.3	net	1.610.000,00	251.832.253,45	230.215.723,74	\$ -
18.05.2023	APE	Sell	1,61	1.000.000	15	long	0	\$	\$	21.616.529,71
			\$		153.498.3	net	1.600.000,00	247.132.287,15	227.115.757,44	\$ -
19.05.2023	APE	Sell	1,60	1.000.000	15	long	0	\$	\$	20.016.529,71
			\$		152.998.3	net	\$	247.857.270,30	228.640.740,59	\$ -
22.05.2023	APE	Sell	1,60	500.000	15	long	800.000,00	\$	\$	19.216.529,71
23.05.2023 ²²²	APE	Sell	-	-	15	long	-	244.797.304,00	225.580.774,29	\$ -
										19.216.529,71

All the data in Table 8: Antara transaction 2022 - 2023 - "windfall table" are based on official SEC filings:

AMC Entertainment Holdings Inc - Forward Purchase Agreement, dated as of December 22, 2022, by and between AMC Entertainment Holdings, Inc. and Antara Capital LP - EX-10.1 - December 22, 2022.

Only extracts of this agreement are presented here.

This Forward Purchase Agreement (this "Agreement") is entered into as of December 22, 2022, by and between AMC Entertainment Holdings, Inc. a Delaware corporation (the "Company") and Antara Capital LP, (the "Purchaser").

²²² Source: <https://fintel.io/doc/sec-antara-capital-lp-1750183-sc-13da-2023-may-23-19500-8619>

WHEREAS, Purchaser has informed the Company that concurrently with the execution of this Agreement it has purchased **60,000,000 AMC Preferred Equity Units (“APEs”)**, each unit constituting of a depositary share representing a 1/100th interest in a share of the Company’s Series A Convertible Participating Preferred Stock (“Preferred Stock”), **for \$0.582 per APE, offered under the Company’s at-the-market program (the “ATM APEs”).**

WHEREAS, the parties wish to enter into this Agreement, pursuant to which immediately after completion of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”) has expired, the Company shall (i) issue and sell, and the Purchaser shall purchase, on a private placement basis, **an additional 106,595,106 of APEs (the “Forward Purchase APEs”)** and (ii) purchase, **and the Purchaser shall sell, on a private basis, \$100 million aggregate principal amount of the Company’s 10%/12% Cash/PIK Toggle Second Lien Notes due 2026 (the “Notes”) in exchange for 91,026,191 APEs (the “Note Purchase APEs” and together with the ATM APEs and Forward Purchase APEs, the “Purchased APEs”),** in each case, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises, representations, warranties and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale and Purchase.

(a) Forward Purchase APEs.

(i) Subject to the conditions set forth in this Agreement, **the Company shall issue and sell to the Purchaser, and the Purchaser shall purchase from the Company, 106,595,106 Forward Purchase APEs at \$0.704 per APE, for an aggregate purchase price of \$75,065,000 (the “Forward Purchase Price”).**

(b) Delivery of Forward and Note Purchase APEs. Each register and book entry for the Private Placement APEs (as defined herein) shall contain a legend, in substantially the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE TRANSFERRED IN VIOLATION OF SUCH ACT AND LAWS. THE SALE, PLEDGE, HYPOTHECATION, OR TRANSFER OF THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN FORWARD PURCHASE AGREEMENT BY AND AMONG THE HOLDER AND THE COMPANY. COPIES OF SUCH AGREEMENT MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY”

(a) Notes Repurchase. On the Closing Date, the Company shall purchase from the Purchaser \$100 million aggregate principal amount the Company’s Notes (the “Exchange Notes”) in exchange for (i) 91,026,191 Note Purchase APEs (together with the Forward Purchase APEs, the “Private Placement APEs”) and (ii) that amount of cash equal to the amount of accrued but unpaid interest on the Exchange Notes, accrued through the Closing Date, calculated in accordance with

the indenture related to the Exchange Notes. Upon the Company instructing its transfer agent to register the Note Purchase APEs in the name of the Purchaser by book entry, the Purchaser shall sell, assign, **and deliver the Exchange Notes via DWAC process to an account specified by the Company.**

2. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Company as follows, as of the date hereof:

(g) **Restricted Securities.** The Purchaser understands that the offer and sale of the Private Placement APEs to the Purchaser has not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Private Placement APEs are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Purchaser must hold the Private Placement APEs indefinitely unless they are registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Purchaser acknowledges that the Company has no obligation to register or qualify the Private Placement APEs for resale, except for the registration rights described in Section 1(d). The Purchaser further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Private Placement APEs, and on requirements relating to the Company which are outside of the Purchaser's control, and which the Company is under no obligation and may not be able to satisfy.

(k) **Non-Public Information.** **The Purchaser acknowledges its obligations under applicable securities laws with respect to the treatment of material non-public information relating to the Company.**

3. Representations and Warranties of the Company. The Company represents and warrants to the Purchaser as follows:

(b) **Authorization.** **The Company has full power and authority to enter into this Agreement.** This Agreement, when executed and delivered by the Purchaser, will constitute the valid and legally binding obligation of the Purchaser, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, or (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(h) **Capitalization.** **As of the date hereof, there were 516,838,912 shares of Common Stock outstanding and 642,750,982 APEs outstanding and 7,288,037 shares of Common Stock and 7,288,037 APEs were otherwise reserved for issuance under the Company's equity incentive plan.**

4. Additional Agreements, Acknowledgements and Waivers of the Purchaser.

(b) **Purchaser Lock-Up.** **During the period beginning from the date hereof and continuing to and including the earlier of (i) 90 days after the date hereof, provided that such**

period shall be extended by 1 day for each day that the Notice Form is not filed after the date hereof or (ii) the Special Meeting Date (as defined herein) (the “Lock-Up Period”), the Purchaser agrees not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidation with respect to or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder with respect to, any Purchased APEs; provided, however, that any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Purchased APEs does not impact the Purchaser’s ability to vote such Purchased APEs in favor of the Common Stock Amendment.

(c) **Stop Transfer.** The Purchaser also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of the Private Placement APEs, in compliance with the foregoing restrictions and to the addition of a legend to the Private Placement APEs, describing the foregoing restrictions.

(d) **Company Lock-Up.** During the period beginning from the date hereof and continuing to and including the earlier of (i) 90 days after the date hereof, provided that such period shall be extended by 1 day for each day that the Notice Form is not filed after the date hereof or (ii) the Special Meeting Date, the Company shall not to (A) offer, sell, contract to sell, pledge, grant any option to purchase, or otherwise transfer or dispose of, directly or indirectly, or file with or confidentially submit to the Securities and Exchange Commission a registration statement under the Securities Act relating to, any securities of the Company that are substantially similar to the Purchased APEs, including additional APEs, or any securities that are convertible into or exchangeable for, or that represent the right to receive APEs, or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (B) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of APEs or any such other securities, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of APEs or such other securities, in cash or otherwise without the prior written consent of the Purchaser; provided, however, **that this Section 4(d) shall not apply to any sales of APEs by the Company in an amount not to exceed \$40.0 million in aggregate net proceeds.** The foregoing restrictions shall not apply to APEs to be sold or issued pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement.

(e) **Non-Public Information.** Subsequent to the date hereof, the Company shall not provide the Purchaser with any material non-public information without Purchaser’s prior written consent. As of the date hereof, all material non-public information previously provided to the Purchaser by the Company shall have been publicly disclosed by the Company.

(f) **Shareholder Meeting.** Promptly after the Closing Date, the Company shall (i) call a special meeting of the Company’s stockholders (the “Special Meeting”) for a vote to amend

the Company's amended and restated certificate of incorporation to (A) increase the number of authorized shares of the Company's Class A common stock ("Common Stock") to a number at least sufficient to permit the full conversion of the then-outstanding shares of Preferred Stock into Common Stock, or to such higher number of authorized shares of Common Stock as the Company's board of directors may determine in its sole discretion and (B) effect a 10 to 1 reverse-stock split of the Common Stock (a "Common Stock Amendment") and (ii) hold the Special Meeting within 90 calendar days of the date hereof (the "Special Meeting Date"), provided, however, that such time period shall be extended by 1 day for each day that the Notice Form is not filed after the date hereof, provided, further, that the Company intends to postpone the Special Meeting if the Closing has not occurred before the date of the Special Meeting.

(g) **Voting.** The Purchaser hereby agrees that in connection with the Special Meeting, the Purchaser shall vote or cause to be voted the Purchased APEs and any additional APEs and Common Stock owned or controlled, either directly or indirectly by the Purchaser or any Purchaser Parties, in favor of the Common Stock Amendment.

5. Closing Conditions.

(a) The obligation of the Purchaser to purchase or exchange the Private Placement APEs at the Closing under this Agreement shall be subject to the fulfillment, at or prior to the Closing of each of the following conditions, any of which, to the extent permitted by applicable laws, may be waived by the Purchaser:

6. Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of the Company and the Purchaser; or
- (b) automatically if the Closing does not occur on or prior to 90 days from the date of this Agreement.

In the event of any termination of this Agreement pursuant to this Section 6, this Agreement shall forthwith become null and void and have no effect, without any liability on the part of the Purchaser or the Company and their respective directors, officers, employees, partners, managers, members, or shareholders and all rights and obligations of each party shall cease; provided, however, that nothing contained in this Section 6 shall relieve either party from liabilities or damages arising out of any fraud or willful breach by such party of any of its representations, warranties, covenants or agreements contained in this Agreement.

7. General Provisions.

(b) **No Finder's Fees.** Other than any fees payable to Citigroup Global Markets Inc., which shall be the responsibility of the Company, each party represents that it neither is nor will be obligated for any finder's fee in connection with this transaction, or any commission for which the other party would be or become liable. The Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such

liability or asserted liability) for which the Purchaser or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless the Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

(n) Expenses. **Each of the Company and the Purchaser will bear its own costs and expenses incurred in connection with the preparation, execution and performance of this Agreement and the consummation of the transactions contemplated hereby, including all fees and expenses of agents, representatives, financial advisors, legal counsel and accountants. The Company shall be responsible for the fees of its transfer agent and any stamp taxes associated with the sale of the Private Placement APEs. The Purchaser shall be responsible for any stamp taxes and broker fees associated with delivery of the Exchange Notes to the Company.**

(p) Waiver. No waiver by any party hereto of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent occurrence.

(q) Specific Performance. **Each party agrees that irreparable damage may occur in the event any provision of this Agreement was not performed by such party in accordance with the terms hereof and that the non-breaching party shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.**

Exhibit Q

Archived: Thursday, June 1, 2023 10:37:01 AM
From: Comcast
Sent: Tue, 30 May 2023 14:49:30
To: AMC Settlement Objections InvestorRelations@amctheatres.com
Subject: Consolidated C. A. Number 2023-0215 – MTZ
Importance: Normal
Sensitivity: None

[External]

Please find my objector form attached with my verification of stock. I

stock ownership and submitted to Plaintiffs' counsel
ckholder does not attend the settlement hearing to
ttlement hearing in-person to supplement their
der oath are required to fill out this form.

land
, Middle Initial, Last Name]

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

Case Number

on

ZIP Code



All written objections accompanied by proof of service will be considered by the Court, even if the stockholder objects in-person.

Only stockholders planning to attend the settlement conference may file a written objection with an oral statement in support of the objection.

In-Person Settlement Objector Interest Form

5/30/2023

Date

Wina Jean Hol

Stockholder Name [First Name

In Re AMC Entertainment Holdings, Inc. Stockholder Litigation

Case Caption

Objector Information

Phone Number

Email Address

Address

City

State

Charges and/or Interest (\$)		Total Amount (\$)
Exchange Processing Fee	0.36	15,803.64
Internal Use Only: 2, E		
<p>it for additional information on cost basis method choices and how Schwab reports adjusted cost basis</p> <p>including those relating to assessments on broker-dealers by an exchange or other SRO - for equity,</p>		

Account Number

Trade Confirmation

Type: Margin	Trade: 05/31/22	Settle: 06/02/22
Charges and/or Interest (\$)		Total Amount (\$)
N/A		24,973.28

Internal Use Only: 2, E

Type: Margin Trade: 05/31/22 Settle: 06/02/22

Exhibit R

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT
HOLDINGS, INC. STOCKHOLDER
LITIGATION

)
)
) Consol. C.A. No. 2023-0215-MTZ
)
)

**ROSE IZZO'S OBJECTION TO
THE PROPOSED SETTLEMENT, AWARD OF
ATTORNEYS' FEES AND EXPENSES, AND INCENTIVE AWARDS**

MARGRAVE LAW LLC
Anthony A. Rickey (Bar. No. 5056)
3411 Silverside Road
Baynard Building, Suite 104
Wilmington, Delaware 19810
Phone: (302) 604-5190
Fax: (302) 258-0995
Email: arickey@margravelaw.com

Dated: May 31, 2023

HALLORAN FARKAS + KITTLA LLP
Theodore A. Kittila (Bar No. 3963)
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Counsel for Objector Rose Izzo

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PRELIMINARY STATEMENT

Objector Rose Izzo, and numerous AMC retail stockholders, reject Plaintiffs' assessment that "[a]t its core, this Action is about voting rights."¹ This case is about a scheme by Defendants—and particularly AMC CEO Adam Aron—to transfer over \$1.4 billion of AMC's market capitalization from current Common stockholders to holders of Preferred Equity Units. True, Aron needed to sell millions of votes to a hedge fund in a sweetheart deal to execute this scheme. But the harm to Common stockholders is the crux of this dispute, and an injunction, not a deal that "offsets some of this dilution," is the relief AMC stockholders deserve.

The settling parties offer the prospect of an AMC financial collapse to pressure the Court to approve an expedited settlement. On May 4, 2023, Defendants urged that "[u]nless revenue and attendance levels rise, the failure to obtain additional liquidity through equity capital would likely result in bankruptcy. . . ."² The very next day, AMC's first-quarter earnings announcements celebrated increased revenue and attendance. Defendants warn that AMC might not be able to

¹ Plaintiffs' Opening Brief in Support of Settlement, Award of Attorneys' Fees and Expenses, and Incentive Award ("Plaintiffs' Brief" or "PB") at 40. Capitalized words not defined herein have the meaning defined in Plaintiffs' Brief (D.I. 206).

² Defendants' Brief in Support of Proposed Settlement (D.I. 200, "DB") at 7-8.

access debt capital.³ Yet Antara’s analysis, revealed in discovery, concluded that, without any debt amendments, AMC has over \$300 million in existing debt capacity, and could access an additional \$2.25 **billion** if certain junior creditors amend their terms.⁴ Plaintiffs go along with Defendants’ self-serving pessimism. Objectors do not. The Court shouldn’t either.

Instead, business judgment commends the rejection of a bad deal. The Settlement abandons valuable claims for less than a tenth of potential, preventable damages. Small stockholders see no benefit. Meanwhile, Plaintiffs will release Defendants not only from the claims in this action, but from any claim, direct or derivative, that any Class Member “ever had, now have, or hereafter can, shall, or may have” that is “in any way connected to” any allegation in either of Plaintiffs’ complaints.⁵ The Delaware Supreme Court recently cautioned against such expansive releases, and explicitly forbid bargains extending into the future.⁶

³ DB at 6-7; PB at 38 (“Wall Street capital raising basically shuts down in August and market volatility or weak earnings could leave AMC scrambling.”).

⁴ Confidential Discovery Database (“Conf. Disc. DB”) at ANTARA-AMC-00000575. *See also* note 34, *infra*.

⁵ Settlement ¶ 1(r).

⁶ *Griffith v. Stein*, 283 A.3d 1124, 1134 (Del. 2022).

Plaintiffs’ willingness to offer so much, especially a release contrary to black-letter law, casts doubt upon whether they ever intended to vigorously prosecute this case.

Due process precludes certification of a non-opt-out settlement that binds absent parties unless “the relief sought by the particular plaintiffs who bring the case can be thought to be what would be desired by other members of the class”⁷ Even if Plaintiffs’ efforts were once sincere, Defendants’ scare tactics have cowed them from seeking a permanent injunction.⁸ Objecting stockholders—particularly the “Apes”⁹ who supported AMC through COVID—want that permanent injunction, not “leverage” used to mildly renegotiate Aron’s awful deal. Without an opt-out, certifying a settlement class would be a denial of due process. Moreover, information uncovered in discovery—including that Allegheny and Franchi gain more from incentive awards than they lose in the Settlement—weighs against their adequacy as Class Representatives. The Class cannot be equitably certified.

Finally, Plaintiffs’ counsel \$20 million fee request—almost \$6,000 per hour—for a few months of litigation exceeds the bounds of reasonableness. Plaintiffs took

⁷ *Prezant v. DeAngelis*, 636 A.2d 915, 924 (Del. 1994) (internal quotation omitted).

⁸ PB at 40, 9.

⁹ To avoid confusion: when this brief mentions “Apes,” it refers to AMC’s retail stockholders, as opposed to “APEs,” AMC’s Preferred Equity units.

limited discovery (with no depositions) and settled early, much to the disappointment of many retail AMC owners. As this Court has recently stressed, the “base percentage” for early-stage settlements is 10%, not the 22.5% to 25% Plaintiffs contend.¹⁰ Even were the Settlement worth \$129 million—and it is not—\$20 million exceeds a reasonable award for a hasty settlement. At a minimum, the Court should withhold a decision on a fee award until after the Transaction—if it occurs—to make Plaintiffs and their counsel bear the risks they are imposing on other stockholders.¹¹

This Settlement not only allows Aron to cull his troublesome Apes, it sets a disastrous precedent. Plaintiffs cannot realistically expect that, after this Settlement, “no public company board ever again engages in such a heavy-handed and improper abuse of power.”¹² Why not? Plaintiffs drafted a playbook: bury inequitable provisions deep in disclosure documents; trade company assets with hedge funds to ensure a desired voting outcome; then quickly settle with compliant stockholders, securing insurance against a wide array of unlitigated claims.

This result is inconsistent with Delaware law and should not be foisted on AMC’s unwilling stockholders. The frustration evidenced by the deluge of

¹⁰ See Section III.E, *infra*.

¹¹ “Transaction” refers to the Conversion and Reverse Split.

¹² PB at 1 (emphasis omitted).

objections on the Court’s docket is understandable: Aron disenfranchised the Apes once, the Plaintiffs a second time. Respectfully, the Court should sustain Izzo’s objection, reject the settlement, decline to certify the class, and disapprove Plaintiffs’ application for excessive fees and incentive awards.

BACKGROUND

A. The Settlement Permits Aron to Crush the Apes.

Plaintiffs’ bargain is the culmination of a series of inequitable events. After Common stockholders twice rejected Defendants’ attempt to dilute their shares, AMC concocted the Preferred Equity Units, or APEs.¹³ In its APE dividend FAQ, dated August 18, 2022, the Company assured stockholders that APES could “[t]echnically” convert into Common stock, but “we do not currently expect the AMC Board to make such a proposal any time soon” and it is “more likely than not” that Common and APES “will trade as two separate securities for **quite some time to come.**”¹⁴ The FAQ assured stockholders that each APE “is designed to have the same voting rights as a share of common stock.”¹⁵

¹³ DB at 8-9.

¹⁴ Compl. ¶ 108 (emphasis added).

¹⁵ AMC Preferred Equity unit (“APE”) Dividend Frequently Asked Questions, available at https://s25.q4cdn.com/472643608/files/doc_downloads/2022/ape_dividend_faq.pdf (linked from AMC website).

Aron hid his trap fifteen pages deep in an exhibit to an 8-K: “[i]n the absence of specific instructions from Holders of [APEs],” Computershare “will vote the Preferred Stock . . . proportionately with [the] votes cast pursuant to instructions received from the other” holders of APEs.¹⁶ In other words, AMC loudly announced that the new APEs held the “same rights” as Common shares, then whispered *sotto voce* that those rights were subject to new rules.

A few months after assuring Common stockholders that the Board had no plans to convert the APEs, the Board launched a plan to convert the APEs. To render the vote a foregone conclusion, AMC entered into the Antara Transaction, in which Antara purchased millions of APEs for less than a dollar per share, and Antara agreed to vote in favor of the Transaction.¹⁷ With the vote locked up, Aron revealed his plan to the market.

Not coincidentally, Aron owns more APES than Common shares.¹⁸

1. The Transaction Crushes the Apes.

The Transaction crushes AMC’s common stockholders. Using Plaintiffs’ own assumptions, the Transaction will cause Common stockholders to lose \$1.44

¹⁶ DB at 11 (quoting Deposit Agreement § 4.5, Exhibit 4.1 to AMC Form 8-K at 15 (DB, Ex. N)).

¹⁷ PB, Ex. 13, at 2.

¹⁸ DB, Ex. W, at 22.

billion. The Settlement marginally reduces this to a \$1.31 billion loss. *See* Table 1, below.

Table 1: Effect of Transaction on AMC Stockholders¹⁹

	Shares	Price	Mkt. Cap.	% Mkt. Cap.
<i>Status Quo (as of May 3, 2023)</i>				
Common	519,192,390	\$ 5.74	\$ 2,980,164,318.60	66.33%
APE	995,406,413	\$ 1.52	\$ 1,513,017,747.76	33.67%
Total	1,514,598,803		\$ 4,493,182,066.36	100.00%
<i>Post-Transaction (if permitted to proceed)</i>				
Common	51,919,239	\$29.67	\$1,540,226,980.07	34.28%
APE	99,540,641	\$29.67	\$2,952,955,086.29	65.72%
Total	151,459,880		\$4,493,182,066.36	100.00%
<i>Post-Transaction (with settlement)</i>				
Common	58,841,804	\$28.37	\$1,669,294,463.06	37.15%
APE	99,540,641	\$28.37	\$2,823,887,603.30	62.85%
Total	158,382,445		\$4,493,182,066.36	100.00%
<i>Net Loss to Common/Gain to Preferred</i>				
	No Settlement		With Settlement	
	(\$1,439,937,338.53)		(\$1,310,869,855.54)	

¹⁹ *See* PB at 30-31. Some difference in Market Cap and Price due to rounding.

Plaintiffs' Brief incorrectly states that the post-split stock is modeled to trade at \$2.97 per share. *Id.* at 31. The Ripley Affidavit uses \$29.67. *See* Ripley Aff. ¶ 4(b).

In other words, Plaintiff’s purported \$129 million settlement “value,” 8.96% of potential damages, merely converts a Common stockholder’s disaster into a slightly-less-calamitous disaster.

Small stockholders—like the retail Apes—may gain nothing. The settlement notice opaquely (and somewhat circularly) describes what happens to “fractional shares” following the Settlement.²⁰ For retail stockholders, “banks, brokers, or other nominees . . . may have different procedures for processing the Settlement Payment and handling fractional shares.”²¹ As explained below, it is uncertain whether small stockholders will recover at all.²² And of course, the Settlement eliminates any opportunity for Common stockholders to argue that they are entitled to a separate class vote, under 8 *Del. C.* § 242(b) or otherwise. Indeed, that is why Defendants devised this scheme.

²⁰ Compare Notice ¶ 45 (class members entitled to cash in lieu of fractional shares “will receive a cash payment . . . in the same manner as will be provided in connection with the [Reverse Split], as described above in Paragraph 26”) with *id.* ¶ 26 (describing cash payment for fractional shares of Settlement Consideration, not the Reverse Split).

²¹ Notice ¶ 26.

²² See Section I.A.2, *infra*.

2. *The April 2023 Vote Fails Without the APE's Proportional Vote.*

Defendants' suggestion that AMC stockholders "resoundingly" supported the Transaction is risible.²³ Only slightly over one-quarter of Common stockholders actually voted in favor, along with a narrow majority of APEs. Without the APE's "proportional vote," both proposals would have failed. See Table 2, below.

Table 2: Vote Outcome Without Proportional Vote²⁴

	For	Against	Outstanding	% Favor
		<i>Share Increase</i>		
Common	132,182,944	47,356,993	517,580,416	25.5%
APE	530,779,405	48,317,581	929,849,612	57.1%
Total	662,962,349	95,674,574	1,447,430,028	45.8%
		<i>Reverse Split</i>		
Common	128,344,709	51,388,638	517,580,416	24.8%
APE	528,679,900	50,542,176	929,849,612	56.9%
Total	657,024,609	101,930,814	1,447,430,028	45.4%

Worse, without Antara's bought-and-paid-for vote, it is unlikely that a majority of outstanding APEs would have supported the proposals.²⁵

²³ DB at 15.

²⁴ See DB, Ex. X.

²⁵ According to the Proxy, Antara was entitled to vote 258,439,472 APEs. DB, Ex. W, at 6. It is impossible to tell how non-Antara stockholders would have voted those units, but it is likely that they would have voted similar to how the non-Antara APEs voted (or did not vote).

To interpret these results as stockholder enthusiasm requires, to be polite, motivated reasoning. Defendants’ references to “voted shares” ignores the proxy, which was clear: both provisions required a “majority of the shares of Common Stock and [APES],” meaning that a Common stockholders non-vote counted as “no.”²⁶ And it is intuitively absurd: to believe Defendants, one must accept that non-voting stockholders who held Common and APEs both adamantly opposed the transaction (voting 100% of their common shares against) and wildly favored it (effectively voting approximately 9/10ths of their Preferred units in favor). Such tenuous divinations of voter sentiment deserve no deference.

B. AMC’s Fortunes Improve.

Defendants’ words and deeds don’t match. Before this Court, Defendants’ offer the looming boogeyman of bankruptcy. Yet Aron, flush with an unexpected windfall from retail stockholders, invested in a gold mine rather than pay down debt.²⁷ That is not the act of a CEO facing financial oblivion.

To exert pressure on stockholders and the Court, Defendants warned on May 4, 2023, that:

²⁶ Compare DB at 15 with DB, Ex. W, at 8.

²⁷ Compl. ¶¶ 80-83.

Unless **revenue** and **attendance** levels rise, the failure to obtain additional liquidity through equity capital would likely result in bankruptcy. . . .²⁸

The very next day, AMC’s Earnings Release crowed that, compared to Q1 2022:

- **Total revenue** grew 21.5% year-on-year to \$954.4 million;
- **Attendance** rose 21.9%, to 47,621,000; and
- **Adjusted EBIDTA** grew by \$68.8 million.²⁹

U.S. markets attendance (accounting for the lion’s share of audience numbers) showed a 25.5% increase, but even international markets grew by 14.9%.³⁰

Aron could hardly contain his excitement: “We believe the first quarter of 2023 is just the tip of the iceberg for what’s to come in the remainder of the year.”³¹

A day after his lawyers predicted doom, he proclaimed, “We could not be more optimistic about the prospect for the 2023 box office, except to say that 2024 looks even better.”³²

²⁸ DB at 7-8 (emphasis added). *See also id.* at 3 (if the Transaction does not proceed, “the Company would be put at significant risk of failing to meet its financial obligations beyond 2023, which would result in a bankruptcy. . . .”).

²⁹ *See* Transmittal Affidavit of Theodore A. Kittila (“Kittila Aff.”), Ex. A at 1-2 (filed herewith).

³⁰ *Id.* at 2.

³¹ *Id.*

³² *Id.* at 2.

Finally, AMC announced it had \$703.7 million in available liquidity, including \$208.1 million of undrawn capacity under its revolving credit facility.³³ And document discovery—thankfully permitted by the Court—suggests this may not be the full story. In an internal Antara email dated February 11, 2023, one employee described Antara’s internal conclusion that AMC’s “Debt Capacity” could, without “any votes/amendments,” exceed \$500 million.³⁴ Further, if “the 2L

³³ *Id.* at 1.

³⁴ Conf. Disc. DB, at ANTARA-AMC-00000575. Two observations about confidential discovery material are necessary. First, Plaintiffs and Defendants insisted that objectors be restricted to “read only” access. *See Kittila Aff.*, Ex. B. If the parties permit Ms. Izzo’s counsel to do so, they will compile confidential documents referenced herein in a separate affidavit. Alternatively, the Court or discovery master could order Plaintiffs to provide a master submission compiling every confidential document referenced by every objector. Either way, material cited in this Objection (and other objections) should be part of the record for this case and on appeal, but cannot be made part of the accompanying affidavit.

Second, Plaintiffs and Defendants did not make the confidential discovery database searchable using text-recognition software. This made it impossible to review the record effectively: Ms. Izzo’s counsel were forced to triage their review to domains that, in their experience, were most likely to lead to relevant information. Candidly, even with a searchable database, a full review would have been an uphill challenge in the time allotted. The Court’s permission to review the discovery record was welcome (and should perhaps become standard protocol in other cases). But the Court should not anticipate that this Objection, or any other, has provided it with analyses fully informed by the entire discovery record.

amend” their loan provisions, “all bets are off to the tune of 2.25bn+ of investment capacity.”³⁵

This, along with the new earnings release, makes clear that Defendants’ threats of impending bankruptcy, and Plaintiffs’ “belief” that “fully blocking AMC from proceeding ran a serious risk that AMC would ultimately face a true financing crisis”³⁶ are little more than a jump scare.

C. The Plaintiffs are Not Apes

A typical settlement process uncovers little about class representatives. As the Court recently observed, “stockholder plaintiffs, who are champions of full disclosure, lose their interest in that principle when it comes time for them to act as fiduciaries for a class. . . .”³⁷ The Court can, and should, require Plaintiffs to divulge

³⁵ *Id.* Objector’s counsel have not reviewed the Antara analyses themselves, if they were ever produced. The email does not include any attachments, but merely instructs the analyst to “Call me” *Id.*

³⁶ PB at 29.

³⁷ Telephonic Bench Ruling re: Proposed Class Settlement, *In re Symantec Corp. S’holder Deriv. Litig.*, C.A. No. 2019-0224-JTL, at 19 (Del. Ch. May 4, 2023) (Trans.); *id.* at 20 (“If we allowed injunction applications against settlement disclosures using the same standards that we use for public company disclosures, every settlement would get enjoined.”).

more before evaluating the settlement.³⁸ Settling defendants have little reason to take vigorous discovery and plaintiffs may omit relevant information.³⁹

The Court's order requiring the parties to give Objectors access to discovery,⁴⁰ however, has made a more developed record possible. That record shows that the Plaintiffs have little in common with the typical Ape.

1. Franchi

Franchi is no Ape: he only purports to have owned continuously since November 8, 2022, a few months before his books-and-records demand.⁴¹ Discovery shows that he owns only 32 shares of Common stock and no Preferred.⁴²

³⁸ See Kittila Aff., Ex. C (requiring plaintiffs to submit additional data in advance of settlement hearing).

³⁹ For instance, in 2021 a California federal judge issued an order requiring BLBG “in future cases . . . seeking appointment as class counsel” to notify courts of his decision criticizing BLBG’s failure to disclose a potential conflict. See *SEB Invs. Management AB v. Symantec Corp.*, 2021 WL 1540996, at *2 (N.D. Cal. Apr. 20, 2021). Unless that order has been reversed or rescinded, the lack of citation in Plaintiffs’ Brief is curious.

⁴⁰ D.I. 312.

⁴¹ D.I. 206, Franchi Aff., ¶ 2. Compare C.A. 2023-0216, D.I. 1, Franchi Aff. ¶ 1 (averring that Franchi owned shares “at the time of the wrongs complained of” in his Complaint).

⁴² Conf. Disc. DB, at Franchi_0000000001.

Plaintiffs tout that Franchi “searched for and produced documents and trading records.”⁴³ He produced two documents, one from his counsel.⁴⁴

Franchi’s tiny, late-purchased position may be atypical of Apes, but it is consistent with his history of federal and state court litigation. Since 2017, Franchi has filed at least 27 federal and 12 Delaware class actions.⁴⁵ In the majority of Franchi’s federal cases—mostly disclosure challenges this Court has criticized⁴⁶—he filed notices, required under the PSLRA, showing purchases of small amounts of stock, ranging from slightly over \$2,500 to a little under \$20.⁴⁷ Among Franchi’s cases, Objector’s counsel have found none that have gone to trial.

2. *Allegheny*

Based on the discovery record, Allegheny owned 879 shares of Common stock on February 8, 2023, and received a similar number of APEs as a dividend in August 2022.⁴⁸ Allegheny claims to have owned continuously since December

⁴³ PB at 61.

⁴⁴ Conf. Disc. DB, at Franchi_0000000001; *id.* at Franchi_0000000009.

⁴⁵ *See* Kittila Aff., Ex. D. There may be more cases: these are all Ms. Izzo’s counsel have been able to find in the time allotted.

⁴⁶ *In re Trulia Inc. S’holder Litig.*, 129 A.3d 884 (Del. Ch. 2016).

⁴⁷ *See* Kittila Aff., Ex. D.

⁴⁸ Conf. Disc. DB, at ACR-AMC-00000332; *id.* at ACR-AMC-00000334. It is unclear whether Allegheny still owns the APEs.

2015.⁴⁹ But Allegheny is a pension fund, not an Ape—and in fact purports to own fewer Common shares than Ms. Izzo.

This Court, Congress, and academics have sometimes expressed a preference for large institutional stockholders as class representatives.⁵⁰ Empirical studies, however, show that some benefits—particularly the lower fees paid to class counsel—disappear when pension fund officials have received campaign contributions from their attorneys.⁵¹ If Defendants inquired into such potential conflicts of interest, it is not evident from the discovery record.

Public data is difficult to analyze, because contributions can be made by relatives or spouses of counsel and are difficult to discern,⁵² but they reveal at least one concerning contribution. A political committee related to Allegheny board

⁴⁹ D.I. 206, Allegheny Aff. ¶ 2.

⁵⁰ See, e.g., *Raider v. Sunderland*, 2006 WL 75310, at *2 (Del. Ch. Jan. 4, 2006) (noting that Delaware prefers to name large stockholders as lead plaintiffs); 15 U.S.C. § 78u-4(a)(2)(A)(iv) (establishing rebuttable presumption that “the most adequate plaintiff” in securities class actions “has the largest financial interest in the relief sought by the class”); Stephen J. Choi, Drew T. Johnson-Skinner & A.C. Pritchard, *The Price of Pay to Play in Securities Class Actions*, 8 J. EMPIRICAL LEGAL STUD. 650 (2011).

⁵¹ Choi, *supra* note 50, at 678 (“The evidence presented here shows that the hard bargaining by state pension funds disappears when those funds receive political contributions—particularly when those contributions are large.”).

⁵² Defendants, of course, could have asked Allegheny’s board members to disclose such contributions in discovery.

member John K. Weinstein received over \$112,000 in contributions from Steamfitters Local Union 449 (“Steamfitters”) in 2022.⁵³ Steamfitters’ pension fund is another frequent litigator, whose application for a \$50,000 incentive award is currently pending before this Court.⁵⁴ The web of relationships between counsel, Allegheny, and other frequent-filing plaintiffs is not clear on this record.

3. *Munoz*

Franchi and Allegheny have moved to withdraw Munoz as a class plaintiff after he failed to provide the affidavit required by Rule 23(e).⁵⁵ Mr. Munoz appears to have bought and sold shares throughout the class period and discovery suggests that as of approximately January 31, 2023, he owned approximately 53,787 Common shares and 3,065 Preferred units across multiple accounts.⁵⁶

⁵³ See Kittila Aff., Ex. E.

⁵⁴ See Kittila Aff., Ex. F, at 64.

⁵⁵ See D.I. 344. The Court held Plaintiffs’ motion in abeyance. D.I. 369. Plaintiffs speculate that Mr. Munoz has withdrawn due to “online attack,” while Ms. Izzo reasons that he may no longer support the settlement, as he is the only Plaintiff who will suffer a financial loss that will not be offset by the requested incentive fee. *Id.* The Court considered both explanations to be “plausible, although the plaintiffs’ is more supported; and neither explanation comes from Munoz himself.” *Id.* at 4.

⁵⁶ Conf. Disc. DB, at Munoz_0000257; *id.* at Munoz_0000155; *id.* at Munoz_0000846.

Yet even Mr. Munoz's stockholding is unusual, because nearly half of his shares are held in a margin account.⁵⁷ The margin account shows regular trading activity (including one set of trades made after the date Munoz's counsel signed the confidentiality agreement associated with his 220 demand).⁵⁸ The discovery record stops in February, however, so it is impossible to determine whether these margin trades have continued.

As the Securities and Exchange Commission notes, "[t]he downside to using margin is that if the stock price decreases, substantial losses can mount quickly."⁵⁹ Defendants, of course, never deposed Munoz to ask, among other things, whether the margin account might render him more risk averse than other stockholders to financial distress at AMC.

4. *Izzo*

Ms. Izzo, meanwhile, is an Ape to the core. She first purchased shares in February 2021 and presently holds 3,106 shares of Common stock and 4,244

⁵⁷ *Id.* at Munoz_0000155.

⁵⁸ *See id.* at Munoz_0000105 (confidentiality agreement signed by counsel on January 30, 2023); *id.* at Munoz_0000443 (confirmations of trades on February 1, 2023).

⁵⁹ U.S. Securities and Exchange Commission, *Investor Bulletin: Understanding Margin Accounts*, https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_marginaccount.

Preferred units.⁶⁰ Based on the discovery record, she owns more Common shares than every Plaintiff except Munoz, and more APEs than all three Plaintiffs combined.

Unlike Plaintiffs, Ms. Izzo does not believe that this case is merely “about voting rights.”⁶¹ It is a case about Defendants’ attempts to strip value from Common stockholders because they refused to concede to Aron’s demands. Because the lawsuit is about protecting the Apes’ investments—not just their suffrage—Ms. Izzo intends to intervene and seek leadership of the Class following resolution of the present motion.

ARGUMENT

Ms. Izzo’s objection should be sustained for three reasons. *First*, the Settlement is unfair, inadequate, and inequitable because it trades away claims that are ten time more valuable than the settlement consideration in exchange for a release that exceeds the claims litigated in this action. *Second*, Plaintiffs should not be permitted to impose a non-opt-out class on stockholders who vocally oppose a deal brokered by Plaintiffs who do not adequately represent them. *Third*, Plaintiffs’

⁶⁰ See Kittila Aff., Ex. G.

⁶¹ PB at 40.

request for attorneys' fees and incentive awards vastly exceed what Delaware law holds reasonable.

I. THE SETTLEMENT SHOULD NOT BE APPROVED.

The Settlement should be rejected as a bad deal for the Class. While many of the *Polk v. Good* factors disfavor this settlement,⁶² its fatal flaw lies in the imbalance between the “give”—claims worth in excess of \$1.4 billion—and the “get”—consideration worth \$129 million (under very charitable assumptions).

In considering whether a settlement is fair and reasonable, the Court “play[s] the role of fiduciary in its review of these settlements and accordingly must engage in more than a cursory examination of the facts underlying each settlement.”⁶³ It “looks to the facts and circumstances upon which the claim is based, the possible defenses thereto, and then exercises a form of business judgment to determine the

⁶² These factors are (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. *In re Coleman Co. Inc. S'holders Litig.*, 750 A.2d 1202, 1206 (Del. Ch. 1999) (citing *Polk v. Good*, 507 A.2d 531, 536 (Del. 1986)).

⁶³ *In re Resorts Int'l S'holders Litig. Appeals*, 570 A.2d 259, 266 (Del. 1990).

overall reasonableness of the settlement.”⁶⁴ Settlements and fee awards are subject to “rigorous scrutiny,”⁶⁵ and proponents bear the burden of proving fairness.⁶⁶

A. The Settlement is a Bad Deal for AMC Stockholders.

The “most important yardstick of a settlement’s fairness is [the Court’s] business judgment.”⁶⁷ Here, the Settlement abandons claims that would preserve—on Plaintiffs’ own assumptions—over \$1.4 billion for the Class, in exchange for consideration worth less than 10% of that value. In other words, a rational stockholder would press claims if they believed they had more than a 1-in-10 chance of success. Class claims here are much stronger.

1. The Settlement Gives Away Valuable Claims.

Only a few months ago, Plaintiffs believed in their cause. They alleged that creating the APEs was a “violation of [Defendants’] fiduciary duties and the DGCL.”⁶⁸ Now, with a fee and incentive award in view, they conclude that “the

⁶⁴ *Polk*, 507 A.2d at 536.

⁶⁵ *See In re Coleman Co.*, 750 A.2d at 1212.

⁶⁶ *See Lewis v. Hirsch*, 1994 WL 263551, at *3 (Del. Ch. June 1, 1994) (citing *Barkan v. Amsted Industries, Inc.*, 567 A.2d 1279, 1286 (Del. 1989)).

⁶⁷ *Ryan v. Gifford*, 2009 WL 18143, at *5 (Del. Ch. Jan. 2, 2009) (quoting *Barkan*, 567 A.2d at 1284).

⁶⁸ Allegheny Compl. ¶ 50; *see also* Compl. ¶ 164 (alleging that “creating and issuing Preferred Stock and APEs” was a breach of fiduciary duty).

Board had the legal authority to create and issue” the APEs and that “a full invalidation of the APEs was always (and remains) highly unlikely.”⁶⁹ Plaintiffs’ newfound pessimism is unfounded. Common stockholders who do not share this bleak outlook should be allowed to pursue viable claims.

a. The Court Can Provide Complete Relief to the Class.

Start with a red herring: that the Court must “wipe out the investment of innocent parties”—*i.e.*, invalidate the issuance of Preferred Equity Units—to provide complete relief to the Class.⁷⁰ APE purchasers traded on the basis of AMC’s assurances that the Company did not expect to propose the Conversion “any time soon,” and that it was “more likely than not that” Common and APEs “will trade as two separate securities for quite some time to come.”⁷¹ An injunction maintaining Preferred holders’ expectations is no injustice.

The Court possesses multiple tools to achieve this end without invalidating the APEs altogether.⁷² It could enjoin enforcement of the Deposit Agreement: absent the APE’s proportional voting, the Transaction fails.⁷³ Similarly, the Court could

⁶⁹ PB at 39.

⁷⁰ *Id.*

⁷¹ Compl. ¶ 108.

⁷² *Id.* ¶ 101.

⁷³ See Section A.2, *supra*.

enjoin Antara from exercising voting rights gained as part of an inequitable deal. Any remedy that prevents the Transaction avoids over \$1.4 billion in harm to the Class, while respecting the Preferred's reasonable expectations that their units would not convert in the near future.

Second, the unique circumstances of this case allow the Court to provide complete post-trial relief even if a preliminary injunction motion were unsuccessful.⁷⁴ Suppose that trial proved that Defendants breached their fiduciary duties by any of (a) issuing the APEs; (b) entering into the Depository Agreement; (c) agreeing to the Antara Transaction; or (d) engineering the Conversion and Reverse Split. The Court could provide equitable relief by to the Class by (a) requiring Defendants to disgorge their interest in the 2.4 million shares and units they own personally⁷⁵ and (b) causing AMC to issue additional stock necessary to restore Class Members to their pre-Transaction share of market capitalization.⁷⁶ Following the Reverse Split, AMC would have sufficient authorized stock.

⁷⁴ Plaintiffs' Brief's does not even *consider* the availability of post-trial remedies apart from a permanent injunction. *See* PB at 39-40.

⁷⁵ DB, Ex. W, at 22.

⁷⁶ *See* Section A.1, *supra*.

In short, Plaintiffs are not abandoning claims due to “apparent difficulties in enforcing the claims through the courts” or the “collectability of any judgment recovered.”⁷⁷ The Apes correctly believe the Court can remedy Defendants’ harms.

b. The Settling Parties Undervalue the Released Claims.

Nor is Plaintiffs’ newfound pessimism concerning the strength of Class claims warranted. The Class holds strong arguments that AMC directors breached their fiduciary duties under *Blasius*.

Schnell v. Chris-Craft Industries, Inc. long ago established that “inequitable action does not become permissible simply because it is legally possible.”⁷⁸ In this case, even assuming that the Board’s actions were legally possible, they were nonetheless inequitable and impermissible under Delaware law. The AMC Board created the APEs—and in particular, entered into the Depository Agreement—for the purpose of circumventing the will of the Class, which had twice denied Defendants’ attempt to authorize more common stock.

In *Blasius Industries, Inc. v. Atlas Corp.*, this Court found that “a decision by the board to act for the primary purpose of preventing the effectiveness of a

⁷⁷ *Polk*, 507 A.2d at 536.

⁷⁸ 285 A.2d 437, 439 (Del. 1971).

shareholder vote inevitably involves the question who, as between the principal and the agent, has authority with respect to a matter of internal corporate governance.”⁷⁹ In such cases, even though the board may have acted in good faith in preventing the effectiveness of a stockholder vote, the board “bears the heavy burden of demonstrating a compelling justification for such action.”⁸⁰

Defendants argue that *Blasius* applies only in cases involving elections of directors or votes having consequences for corporate control.⁸¹ That is not accurate. *Blasius* applies in *any* case in which a board of directors attempts to interfere with the stockholder franchise: the authority of stockholders applies “in a very specific way in [*Blasius*] which deals with the question who should constitute the board of directors of the corporation,” but also applies “*in every instance* in which an incumbent board seeks to thwart a shareholder majority.”⁸² Chancellor Allen held in *Blasius*:

Action designed principally to interfere with the effectiveness of a vote inevitably involves a conflict between the board and a shareholder majority. Judicial review of such action involves a determination of the legal and equitable obligations of an agent towards his principal. This is not, in my opinion, a question that

⁷⁹ 564 A.2d 651, 659-60 (Del. Ch. 1988).

⁸⁰ *Id.* at 661.

⁸¹ DB at 18-19.

⁸² *Blasius*, 564 A.2d at 660 (emphasis added).

a court may leave to the agent finally to decide so long as he does so honestly and competently; that is, it may not be left to the agent's business judgment.⁸³

Despite the passage of 52 years since Chancellor Allen's decision, the *Blasius* standard is alive and well. In the 2003 case *MM Companies, Inc. v. Liquid Audio, Inc.*, the Delaware Supreme Court cited Chancellor Allen's "cogent explanation" in *Blasius* concerning why the business judgment standard is inappropriate where a Board has tampered with the stockholder franchise: "[t]he ordinary considerations to which the business judgment rule originally responded are simply not present in the shareholder voting context."⁸⁴ Rather than limiting *Blasius* to cases involving corporate control, the Supreme Court applied the *Blasius* standard *within* the context of a *Unocal* framework, noting that "[b]oth standards recognize the inherent conflicts of interest that arise when a board of directors acts to prevent shareholders from effectively exercising their right to vote either contrary to the will of the incumbent board members generally *or* to replace the incumbent board members in a contested election."⁸⁵

⁸³ *Id.*

⁸⁴ 813 A.2d 1118, 1128 (Del. 2003) (quoting *Blasius*, 564 A.2d at 659).

⁸⁵ *Id.* at 1129 (citing *Unocal Corp. v. Mesa Petroleum Co.*, 493 A.2d 946 (Del.1985)) (emphasis added).

Similarly, in the 2021 case, *Coster v. UIP Companies, Inc.*, the Delaware Supreme Court found that “Delaware courts ‘have remained assiduous in carefully reviewing *any* board actions designed to interfere with or impede the effective exercise of corporate democracy by shareholders, especially in an election of directors.’”⁸⁶ *Liquid Audio* and *Coster* thus confirm the principle that enhanced scrutiny applies outside the context of elections of directors. Here, Defendants cannot bear the heavy burden of demonstrating a compelling justification for circumventing the votes of AMC’s common stockholders.

Defendants cite then-Vice Chancellor Strine’s 2007 opinion in *Mercier v. Inter-Tel (Delaware), Inc.*, in which the Court proposed that “the *Blasius* standard should be reformulated.”⁸⁷ However, that proposed reformulation was not adopted by the Delaware Supreme Court in its 2021 decision in *Coster*.⁸⁸ Even in *Mercier*, the Court concluded that the corporation’s directors had “a compelling justification—the protection of their stockholders’ financial best interests—for a

⁸⁶ 255 A.3d 952, 960-61 (Del. 2021) (quoting *MM Cos.*, 813 A.2d at 1126) (emphasis added).

⁸⁷ 929 A.2d 786, 788 (Del. Ch. 2007).

⁸⁸ 255 A.3d 952.

short postponement in the merger voting process to allow more time for deliberation.”⁸⁹

Even if *Mercier* were the final word on *Blasius* (and it is not), *Mercier* is distinguishable. First, more is at stake in this case than in *Mercier*. *Mercier* involved the postponement of a stockholders’ meeting, while this case involves the stripping of economic value from the common stockholders, contrary to the stockholders’ best interest. Then-Vice Chancellor Strine in *Mercier* stated that post-*Blasius* cases “display understandable discomfort about using such a stringent standard of review in circumstances when a stockholder vote has no bearing on issues of corporate control.”⁹⁰ But this case does involve corporate control, albeit in a unique way. The typical control dispute involves directors seeking to maintain themselves in office by directly restraining a stockholder vote. Here, Aron is grasping for control by using AMC assets to purchase himself a new, more compliant electorate.⁹¹

⁸⁹ 929 A.2d at 788.

⁹⁰ *Id.* at 809.

⁹¹ Similarly, Plaintiffs have too readily conceded the Section 242(b) arguments. Two precedents they now contend weigh against their Complaints were good law the day Plaintiffs filed, and have gotten no worse since. *See* PB at 36 (citing *Hartford Accident. & Indemnity Co. v. W. S. Dickey Clay Manufacturing Co.*, 24 A.2d 315 (Del. 1942) and *Orban v. Field*, 1997 WL 153831 (Del. Ch. Apr. 1, 1997)). Vice Chancellor Laster’s recent opinion, meanwhile, relies upon those decisions at most reluctantly. *See Electrical Workers Pension Fund, Local 103, IBEW v. Fox Corp.*, C.A. No. 2022-1007-JTL (Del. Ch. Mar 29, 2023) (Trans.).

Meanwhile, Plaintiffs’ concerns (and Defendants’ arguments) about the balance of the equities crumble after the first-quarter earnings results.⁹² Defendants’ contention that further sales of APEs are “dilutive” to Common stockholders is only true if the APEs convert. If they do not, additional issuance of APEs will likely dilute Preferred holders more than Common—as happened when AMC’s exuberant selling streak caused APEs to fall below the \$1 per unit threshold.⁹³ As for the

The *Fox* opinion virtually invited an appeal, noting that it would be decided otherwise if *Dickey Clay* were not binding precedent. *Id.* at 67-68. And Vice Chancellor Laster’s policy argument favoring class votes—Kaldor-Hicks efficiency, the idea “that a transaction is efficient if one side is sufficiently better off that it can compensate the other side for its losses” (*id.* at 56)—applies here. A class vote would permit AMC Common stockholders to withhold approval of the Transaction until the APEs agreed to give up their windfall.

The Settlement would allow Defendants to avoid that Kaldor-Hicks-efficient outcome by permitting two shareholders (who stand to gain more in incentive awards than they lose in the Transaction) to bargain away that right for 10% of potential damages. A more vigorous stockholder might use this case as grist for an *amicus* brief in the *Fox* appeal, arguing that a more thorough rethinking of *Dickey Clay* is necessary to deter Delaware directors from ever again engaging in this type of scheme.

⁹² PB at 37-38; DB at 28-31. Defendants’ appeal to the sanctity of stockholder voting rights (DB at 30) is akin to the proverbial son who murders his parents and pleads for mercy as an orphan. Defendants’ actions—including their deliberate concealment of the effect of the Depository Agreement and the Antara transaction—were taken to frustrate Common stockholders’ refusal to allow more shares to be issued. There is no equity in sustaining such a scheme.

⁹³ See DB at 13-14 (noting the increasing discount between APEs and Common as Defendants issued more APEs); PB at 20. Absent the Conversion, APE would be dilutive to the Class only under limited circumstances, such as a merger.

possibility of financial catastrophe, AMC's 2023 Q1 Earnings Release and Antara's debt capacity analysis weigh against allowing Defendants to consummate an inequitable transaction based on a phantom financing menace.

c. The Release Violates Griffith v. Stein and In re PHLX.

Plaintiffs not only give away the valuable claims they prosecuted, they offer Defendants insurance against tangential claims, causes of action they never pursued, and even future claims. Delaware law does not sanction Plaintiffs' generosity.

As the Delaware Supreme Court recently emphasized, "[t]o satisfy due process concerns, '[a] settlement can release claims that were not specifically asserted in an action but can only release claims that are based on the same identical factual predicate or the same set of operative facts as the underlying action.'"⁹⁴ Thus, "a release may be overbroad if it could be interpreted to 'encompass any claim that has some relationship—however remote or tangential—to any 'fact,' 'act' or conduct 'referred to' in the Action.'"⁹⁵ In other words, a release is overbroad if it

⁹⁴ *Griffith v. Stein*, 283 A.3d 1124, 1134 (Del. 2022) (quoting *UniSuper Ltd. v. News Corp.*, 898 A.2d 344, 347 (Del. Ch. 2006) (internal quote omitted)).

⁹⁵ *UniSuper*, 898 A.2d at 347 (quoting *Green v. Phillips*, 2000 WL 33521109, at *1 (Del.Ch. June 28, 2000)).

releases claims based on a set of “tangential facts, as opposed to operative or core facts.”⁹⁶

Plaintiffs’ Released Claims, as defined in the Settlement, clearly encompasses claims based on tangential facts:

“Released Plaintiffs’ Claims” means any and all actions . . . of every nature and description, whether or not currently asserted, whether known claims or Unknown Claims, suspected, existing, or discoverable, whether arising under federal, state, common, or foreign law, and whether based on contract, tort, statute, law, equity, or otherwise (including, but not limited to, federal and state securities laws), that Plaintiffs or any other Settlement Class Member: (i) asserted in the *Allegheny* Complaint or the *Munoz* Complaint; or (ii) ***ever had, now have, or hereafter can, shall, or may have***, directly, representatively, derivatively, or in any other capacity that, in full or part, ***concern, relate to, arise out of, or are in any way connected to or based upon the allegations, transactions, facts, matters, occurrences, representations, or omissions*** involved, set forth, or referred to in the Complaints ***and that relate to the ownership of Common Stock and/or AMC Preferred Equity Units during the Class Period***, except claims with regard to enforcement of the Settlement and this Stipulation.⁹⁷

This astonishingly broad release would cover not only claims Plaintiff pursued, but potentially:

⁹⁶ *Id.*

⁹⁷ Settlement ¶ 1(r) (emphasis added).

- Derivative claims related to the Hycroft mine or similar investments made by AMC. They are mentioned in the Complaint,⁹⁸ and even if the purchases precede the class period, they “relate” to class ownership due to the continuous ownership requirement;⁹⁹
- Derivative challenges to AMC’s decision to grant awards under or amend the Company’s long-term incentive plan, for the same reasons;¹⁰⁰
- Any securities lawsuits related Aron’s tweets after August 3, 2022;¹⁰¹
- Potentially, the Company’s decision to approve, on February 23, 2023, “special awards” of compensation in lieu of vesting of the “2022 PSU awards” disclosed in the 2023 Q1 10-Q.¹⁰² It is at best unclear whether the Board’s decision was “in any way connected to” Defendants’ decisions to pursue the Transaction.

⁹⁸ Compl. ¶ 83.

⁹⁹ *Lewis v. Anderson*, 477 A.2d 1040, 1046 (Del. 1984) (“[A] derivative shareholder must not only be a stockholder at the time of the alleged wrong and at time of commencement of suit but that he must also maintain shareholder status throughout the litigation.”).

¹⁰⁰ Compl. ¶¶ 92, 93.

¹⁰¹ See, e.g., Allegheny Compl. ¶¶ 57, 59.

¹⁰² See Kittila Aff. Ex. H, at 38.

The last item illustrates the unknowably broad scope of the release: *any* action taken by the Board since August 2, 2023, known or unknown to stockholders, may be subject to the Settlement so long as Defendants can later maintain its action is “relate[d] to” their decision to dilute Common stockholders. In short, the release applies to “any claim that has *some* relationship—however remote or tangential—to any ‘fact,’ ‘act’ or conduct ‘referred to’ in the Action.”¹⁰³ That is overbroad under Delaware law.¹⁰⁴

The Release also violates recent Delaware Supreme Court authority by purporting to abandon claims the Class “hereafter can, shall, or may have” against Defendants. It is black letter law that “a release is overly broad if it releases claims based on a set of operative facts that will occur in the future.”¹⁰⁵ Yet the release explicitly bars any claim that could arise based on a future event so long as it has “any connection to” any “transaction” or even “fact” in the Complaints. Numerous

¹⁰³ *In re Philadelphia Stock Exchange, Inc.*, 945 A.2d 1123, 1146 (Del. 2008) (“*PHLX*”) (quoting *UniSuper*, 898 A.2d at 347).

¹⁰⁴ This Court has recently refused to approve at least two settlements based upon overbreadth following *Griffith v. Stein*. See *Schumacher v. Loscalzo*, C.A. No. 2022-0059-LWW at 54–61 (Del. Ch. Sept. 21, 2022) (Trans.) (refusing approval to settlement that included unlitigated disclosure claims); *Schumacher v. Dukes*, C.A. No. 2020-1049-PAF at 34 (Del. Ch. Nov. 17, 2022) (Trans.) (refusing to approve settlement that released claims through date of settlement approval, rather than those challenged in complaint).

¹⁰⁵ *Griffith*, 283 A.3d at 1134 (quoting *PHLX*, 945 A.2d at 1146).

fact patterns fall within this space. For instance, suppose that a federal investigation discovers health-and-safety or environmental wrongdoing at the Hycroft mine, leading to massive monetary penalties, along with credible evidence that AMC management was aware of this at the time of investment. A *Caremark*-style complaint to recover damages that only arose at the time of the government investigation may nonetheless be barred.

The Settling Parties will no doubt bemoan the “speculation” inherent in the last paragraph, but that is the point. Settlements compliant with *Griffith*, *PHLX*, and *UniSuper* do not invite speculation because they can only release claims relating to past events.

In sum, the Settlement releases the valuable claims Plaintiffs did bring; potentially valuable claims Plaintiff never pursued; and future claims of unknowable value. These clearly exceed the Settlement’s benefit.

2. Plaintiffs Exaggerate the Value of the Settlement Consideration.

Plaintiffs’ \$129 million valuation of the settlement consideration rests on the same flawed assumption Defendants made concerning Preferred Equity Units. Defendants predicted, unreasonably, that the common and preferred would trade at

the same price.¹⁰⁶ (Defendants’ own authority considered it “most likely” that APEs would trade below Common, as they did.¹⁰⁷) Plaintiffs, similarly unreasonably, assume that the Settlement and Transaction, which amount to a betrayal of the retail stockholders that sustained the Common share price through the pandemic, will be unaffected.¹⁰⁸ The Settlement and Transaction may destroy value if retail stockholders flee, leaving only former preferred purchasers like Antara, who purchased at less than \$1 per share,¹⁰⁹ to sustain the share price. Plaintiffs’ settlement valuation would tumble with it.¹¹⁰ As Plaintiffs concede, “one cannot definitively predict the price at which AMC stock will trade following the Conversion. . . .”¹¹¹

Plaintiffs appear entirely unconcerned with the Settlement’s effect on small investors, despite AMC’s largely retail stockholder base. Consider a small stockholder holding 79 shares (worth \$453.46 under Plaintiffs’ assumptions). Will she receive 7 post-Conversion shares (too little to share in the Settlement

¹⁰⁶ DB at 12.

¹⁰⁷ See DB, Ex. V, at 7.

¹⁰⁸ See PB at 31; Ripley Aff., ¶ 4(c).

¹⁰⁹ See PB, Ex. 13, at 2.

¹¹⁰ As noted below, neither Plaintiffs nor their counsel seek to be paid in Common stock. They want cash.

¹¹¹ PB at 9.

Consideration) or 7.9 (thus, perhaps, benefitting from the Settlement)? Despite the prevalence of Class Members with small holdings, Plaintiffs are coy, with their expert saying only that “predicting the amount of cash payment for fractional shares cannot be done reliably in advance without additional information”¹¹² If Plaintiffs’ expert cannot know, how can small stockholders?

Finally, it’s worth noting that Plaintiffs’ assumptions flatter the value of the Settlement relative to the harm the transaction does to AMC’s common stockholders. The \$1.4 billion estimate described above is based upon the ratio of Common to Preferred prices that prevailed on May 3, 2023—after arbitrageurs had started to bid up the price of APEs in anticipation of Conversion. Were the Settlement rejected and another stockholder allowed to prosecute the case to a permanent injunction, the price of APEs would likely fall, and Common shares rise.¹¹³ In other words, the \$1.4 billion estimate of potential damages is conservative, and the difference between the Settlement’s value and potential recovery even more stark.

B. The Other *Polk* Factors Weigh Against Approval.

As for the other *Polk* factors, Plaintiffs can hardly invoke the “delay and expense of litigation” to justify their settlement. While the Settlement process has

¹¹² Ripley Aff. ¶ 5.

¹¹³ As noted in the Complaint, the price of APEs jumped after AMC announced its intent to convert them into Common stock. Compl. ¶ 36.

been complex, the litigation itself has proven no more costly or lengthy than a typical expedited Chancery claim. Certainly, the cost is insignificant in comparison to a possible \$1.4 billion dollar benefit to the Class.

And Plaintiffs only obliquely address the elephant in the room: the views of the parties involved, pro and con. This Settlement has evoked stockholder hostility likely unprecedented in Chancery history. Most settlements draw no objections;¹¹⁴ a handful draw one or two. The docket in this case contains over 350 entries, mostly generated by stockholders dissatisfied with Plaintiffs' bargain.

In sum, the Settlement offers too little consideration to compensate the Class for the harms actually litigated in this case, much less the overbroad and unlawful release offered by Plaintiffs. The Court, in exercising its business judgment, should reject it.

II. THE CLASS SHOULD NOT BE CERTIFIED AS PROPOSED.

Of course, Plaintiffs are free to exercise their own business judgment and settle their individual claims. (Franchi has dismissed dozens of cases with prejudice only to himself.¹¹⁵) They should not be permitted to drag nonconsenting

¹¹⁴ See *In re Trulia, Inc. S'holder Litig.*, 129 A.3d 884, 893 (Del. Ch. 2016) (at settlement, the Court "rarely receives any submissions expressing an opposing viewpoint").

¹¹⁵ See *Kittila Aff.*, Ex. D.

stockholders along with them. AMCs stockholders never voted to be represented by a professional plaintiff and a pension fund.

At the very least, the Court should permit non-consenting stockholders to opt out to pursue their own claims. The arguments against class certification are particularly acute here, where Plaintiffs and their fellow class members seek different forms of relief and there are valid concerns about Plaintiffs' adequacy unexplored by Defendants' discovery.

A. Due Process Requires Providing an Opt-Out to the Apes.

A settlement cannot “deny a discretionary opt-out right where the policy favoring global settlement [is] outweighed by due process concerns.”¹¹⁶ The decision “must be assessed based on the facts and circumstances at the time of the settlement/certification hearing.”¹¹⁷ In *In re Celera Corporation Shareholder Litigation*, the Supreme Court reversed approval of a non-opt-out settlement where a class plaintiff was “barely” adequate and a significant stockholder was ready to prosecute identifiable and supportable claims for money damages.¹¹⁸ The due process concern here, while different, is of equal significance.

¹¹⁶ *In re Celera Corp. S'holder Litig.*, 59 A.3d 418, 436 (Del. 2012).

¹¹⁷ *Id.*

¹¹⁸ *Id.*

“[U]nless the relief sought by the particular plaintiffs who bring the suit can be thought to be what would be desired by the other members of the class, it would be inequitable to recognize plaintiffs as representative, and **a violation of due process** to permit them to obtain a judgment binding absent plaintiffs.”¹¹⁹ Here, Ms. Izzo and other dissenting stockholders desire a permanent injunction preventing over \$1.4 billion in harm to Common stockholders (under Plaintiffs’ assumptions), or a post-Transaction damages ruling restoring their ownership stake. Plaintiffs, on the other hand, admit that even had they won a preliminary injunction, they would only have “leverage[d] the injunction to achieve an economic benefit for Class members” to “offset[] some of this dilution.”¹²⁰ Plaintiffs’ desire is consistent with their decision, in selecting an operative complaint, to select the one that did not threaten Defendants with damages.¹²¹

The parties’ citations to cases involving merger settlements or compensation plans are not compelling.¹²² As Chancellor Allen noted, in a merger case “all

¹¹⁹ *Prezant*, 636 A.2d at 915 (emphasis added).

¹²⁰ PB at 40, 9; *see also* PB at 2, 38.

¹²¹ *See* DB at 33 n.114.

¹²² *See* PB at 46-47; DB at 31-34. Notably, Defendants cite to several certification orders that contain no evidence of having been contested by any objector. *See* DB at 32 (citing *Turberg v. ArcSight, Inc.*, 2011 WL 4445653, at *1 (Del. Ch. Sept. 20, 2011)).

members of the stockholder class are situated *precisely similarly* with respect to every issue of liability and damages” and “to litigate matters separately would subject the defendant to the risk of different standards of conduct with respect to the same action.”¹²³ That is not the case here: the conflict involves antagonistic interests between AMC Common stockholders and Preferred unitholders as much as between the Class and directors.¹²⁴ Apart from Defendants, all AMC Common stockholders during the class period are members—even if they own more APEs than Common, would profit from the Transaction, and would lose their windfall if it were enjoined. All Class members are thus not “situated precisely similarly” with respect to damages—some lose, and some win, if the Settlement and Transaction proceed. As for inconsistent adjudication, without an opt-out, the propriety of Aron’s actions will never be adjudicated at all.¹²⁵

¹²³ *Turner v. Bernstein*, 768 A.2d 24, 30 (Del. Ch. 2000) (emphasis added) (quoting *In re Mobile Communications Corp. of Am., Inc. Consol. Litig.*, 1991 WL 1392, at **15, 16 (Del. Ch. Jan. 7, 1991) (emphasis omitted)).

¹²⁴ Nor does *In re Straight Path Communications Inc. Consolidated Stockholder Litigation* weigh against an opt-out right. 2022 WL 2236192, at *10 (Del. Ch. June 14, 2022) (cited PB at 47; DB at 32). *Straight Path* rejected a class certification challenge *by defendants* who speculated that some stockholders might own shares in both a company and its former parent. *Id.* at *2. It did not address whether opt-out rights are appropriate where, as here, dozens of stockholders have appeared to oppose their purported representatives.

¹²⁵ The Court could potentially address some issues by dividing the class into sub-classes. See *Goodrich v. E.F. Hutton Group, Inc.*, 1993 WL 94456, at *4 (Del.

Plaintiffs' "pragmatic" concerns are, in fact, self-inflicted wounds.¹²⁶ The Parties chose to settle without first certifying a class and allowing stockholders to litigate the question of opt-outs. If Plaintiffs believe it too burdensome to construct a process that permits dissenting stockholders to make their own decision, the solution is to reject the settlement, not drag along dissenters. Similarly, Plaintiffs should not be permitted to choose settlement consideration in a form that they say is too burdensome to allow opt outs, and then argue that their unilateral decision requires a non-opt-out settlement.

The number of stockholder objectors in this case is unprecedented. Given the level of dissent and the significant damage that the Settlement and Transaction inflict upon the "Apes," not permitting them to opt out would be fundamentally inequitable.

Ch. Mar. 24, 1993) (dividing a class into two subclasses rather than ruling on the merits of a statute-of-limitations defense that applied to only some class members). For instance, a subclass of stockholders who owned before Defendants issued the Preferred Equity Units (and thus possess derivative claims Plaintiffs propose to release) could be separated from a subclass who purchased after. Given the breadth of claims Plaintiffs propose to release, however, attempting to divine appropriate subclasses could be more unwieldy than simply permitting dissenting stockholders to opt out.

¹²⁶ PB at 49-50.

B. The Settlement Cannot Be Certified Under Rule 23(a)(4).

Approving the Settlement in its present, non-opt-out form would offend due process. It is not a question of whether “the relief sought by the particular plaintiffs . . . can **be thought to be** what would be desired by the other members of the class.”¹²⁷ An economic “offset” to dilution is not what many members of the Class desire, as attested by the very high number of objectors. Now that Plaintiffs admit they will no longer seek a permanent injunction, they should not be permitted to represent stockholders who would.

A “determination of the adequacy of a class representative is an ‘essential component’ of the settlement approval process.”¹²⁸ A settlements’ proponents bear the burden of establishing adequacy, as they do with all class certification elements.¹²⁹ Plaintiffs offer no facts on this point, asserting merely that the Settlement itself satisfies the mandated inquiry.¹³⁰ This is pure *ipse dixit*.

The Court’s grant of objector access to the discovery record, however, separates this case from the typical settlement where such bare-bones presentations

¹²⁷ *Prezant*, 636 A.2d at 924 (emphasis added).

¹²⁸ *In re Infinity Broadcasting Corp. S’holders Litig.*, 802 A.2d 285, 291 (Del. 2002) (quotation omitted).

¹²⁹ *Dieter v. Prime Computer, Inc.*, 681 A.2d 1068, 1071 (Del. Ch. 1996).

¹³⁰ PB at 43. If Plaintiffs withheld facts relevant to this argument for reply, objectors should have the opportunity to address any new information in a sur-reply.

prevail unopposed. Even apart from Plaintiffs’ abandonment of a permanent injunction as a form of relief, the record casts doubt upon their ability to represent the Class. The discovery record reveals disquieting facts about each Plaintiff.

Franchi. Franchi, who produced only two documents in discovery, owns only 32 shares and offers no evidence that he purchased them before November 2022.¹³¹ He may receive nothing in the Settlement. It is unclear how he could swear, in his complaint, to have owned AMC stock “at the time of the wrongs complained of”—including, for instance, issuance of APEs—in his complaint.¹³² His history of sue-and-settle litigation and frequent pursuit of mootness fees for his counsel raises doubts that he ever intended to pursue a permanent injunction.

Allegheny. Institutional stockholders are often touted as superior representatives due to their generally larger investments and their superior oversight of class counsel. Allegheny, however, owns relatively few shares: Izzo alone holds more than three times more Common shares and Preferred units.¹³³ Allegheny is also a frequent litigator, but typically pursues cases where the fund has much greater

¹³¹ Conf. Disc. DB, at Franchi_0000000001; D.I. 206, Franchi Aff. ¶ 2.

¹³² 2023-0216, D.I. 1, Franchi Aff. ¶ 1.

¹³³ Compare Kittila Aff., Ex. G (3,106 AMC and 4,244 APEs) with Conf. Disc. DB at ACR-AMC-00000332-34 (879 AMCs and 879 APEs).

exposure.¹³⁴ And the presumed advantages of institutional stockholding disappear when the individuals who manage pension funds receive political donations.¹³⁵ Publicly available documents show large and concerning contributions to at least one Allegheny board from another frequent litigator.¹³⁶ If Defendants took any discovery on this issue, it is not reflected in the documents Allegheny produced.

Munoz. Even before his apparent withdrawal, Munoz’s large margin positions—a little less than half his shares, with the extent of his margin exposure unknown—raise questions concerning his risk aversion. Margin investments are riskier than typical investments, which may render his concern about AMC’s supposed “financial distress” more keen than other Common stockholders.

Significantly, Plaintiffs admit that they settled on the eve of the Munoz deposition, while Munoz and Allegheny were preparing to testify.¹³⁷ Had those depositions taken place, Defendants would have been able to fill holes in the discovery record that might have cast more doubt on Plaintiffs’ adequacy. They could also have sought information concerning whether Munoz’s margin trades

¹³⁴ See Kittila Aff., Ex. I.

¹³⁵ See note 51, *supra*.

¹³⁶ See *id.* at Ex. E.

¹³⁷ PB at 61-62.

continued after February. Absent further information, the Court should not be satisfied that the Rule 23(a)(4) requirement has been met.

In sum, the conflict between the Class and its purported representatives—made obvious through the unprecedented resistance shown on the docket—renders a non-opt-out class uncertifiable. On her own, Ms. Izzo’s financial interest in the Settlement outweighs that of every Plaintiff except Munoz—concerning whom a motion to withdraw is pending—and other objecting stockholders doubtlessly hold more significant positions. Those class members should be able to choose to pursue real, meaningful relief through a permanent injunction. They are not adequately represented by Plaintiffs who have forsaken valuable remedies, two of whom stand to gain more from incentive awards than they will lose from the Settlement.¹³⁸

¹³⁸ Multiple objectors have contended that Class Members’ due process rights have been endangered because stockholders did not receive their postcard notices. *See, e.g.*, D.I. 343, 345. Historically, this Court has not been sympathetic to such arguments. *See In re Activision Blizzard, Inc. S’holder Litig.*, 124 A.3d 1025, 1061 (Del. Ch. 2015) (noting that a stockholder who chooses to register shares in the name of a nominee “takes the risks attendant with such an arrangement, including the risk that he may not receive notice of corporate proceedings” (citation omitted)). Thus, Ms. Izzo has not joined these motions.

However, this case provides a vehicle to revisit *Activision*’s thesis. Class plaintiffs typically propose a process that provides a semblance of notice, rather than notice in fact. As this case makes manifest, record holders frequently fail to forward notice to stockholders, especially in a short one-month period, and class plaintiffs tend not to sue brokers for that breach of duty. Thus, as late as the day before the objection deadline, Plaintiffs’ counsel received emails from stockholders stating that they had only recently received their postcard. *See, e.g.*, Kittila Aff., Ex. J. This is

III. PLAINTIFFS' FEE AND INCENTIVE REQUESTS ARE EXCESSIVE.

Plaintiff's \$20 million fee request is excessive under the precedent of this Court and the Delaware Supreme Court. This is especially true because, despite Plaintiff's purported concern for AMC's cash burn rate, their counsel insist on payment in cash. The Court should either dramatically slash any fee to reflect the uncertain value of the settlement consideration; order that any fee or incentive award be paid in stock (to be held for a set period); or defer any decision on fees until after the Settlement is executed and final.

Delaware courts subject fee requests to rigorous scrutiny, using the familiar *Sugarland* factors to ensure that fees are reasonable.¹³⁹ Movants bear the burden of establishing reasonableness.¹⁴⁰ Plaintiffs cannot do so here.

consistent with the observation of Professor Sean Griffith that he “received formal notice in less than half of the settlements in his portfolio of merger claims.” Sean J. Griffith & Anthony A. Rickey, *Objections to Disclosure Settlements: A How-To Guide*, 70 Okla. L. Rev. 281, 291 (2017). Especially in cases involving companies with a largely retail stockholder base, more vigorous notice procedures (and longer notice periods) may be advisable.

¹³⁹ *In re Cox Radio, Inc. S'holders Litig.*, 2010 WL 1806616, at *20 (Del. Ch. May 6, 2010), *aff'd*, 9 A.3d 475 (Del. 2010) (citing *Sugarland Indus., Inc. v. Thomas*, 420 A.2d 142, 149 (Del. 1980)).

¹⁴⁰ *See Boyer v. Wilmington Materials, Inc.*, 1999 WL 342326, at *1 (Del. Ch. May 17, 1999).

A. The “Benefit” of the Settlement is Trivial in Comparison to the Harm the Transaction Inflicts on the Apes.

As discussed above,¹⁴¹ Plaintiffs exaggerate the Settlement’s value, assuming that the Settlement and Transaction—which amount to a betrayal of the retail stockholders that have sustained the Common share price through the pandemic—will not affect AMC’s market capitalization.¹⁴² If the Settlement and Transaction destroy value—because retail shareholders flee, leaving only former preferred purchasers like Antara to sustain the share price—AMC’s market capitalization may tumble. Plaintiffs’ settlement valuation would tumble with it. Notably, neither Plaintiffs nor their counsel wish to be paid in post-Transaction AMC Common stock—they want cash. As they concede, “one cannot definitively predict the price at which AMC stock will trade following the Conversion. . . .”¹⁴³

The Court could account for this uncertainty in three ways. First, it could heavily discount Plaintiffs’ valuation, perhaps by 50% or more.¹⁴⁴ Second, it could

¹⁴¹ See Section I.A.2, *supra*.

¹⁴² See PB at 31; Ripley Aff. ¶ 4(c).

¹⁴³ PB at 9.

¹⁴⁴ Fifty percent may be too conservative given the speculative value of the consideration. As already noted, Defendants believed that APEs would trade at the same value as common, but APEs then traded at a 64% discount by February 2023. DB at 12. If Plaintiffs are similarly mistaken and the post-Transaction Common stock veers toward APE-level prices, a 50% discount will be generous.

require that any fee or incentive award be paid in common stock, to be held for a short period (perhaps a month), so that Plaintiffs and their counsel accept some of the same risk they would impose on the class.¹⁴⁵ However, given that the effect of the Transaction will likely be obvious shortly after the Conversion, the most easily administrable solution would be to rule first on the Settlement and then, if it becomes final, address Plaintiffs' fee petition after the Conversion. This has the additional advantage of allowing Plaintiff- and Objector-fee petitions to be decided simultaneously, as this Court has required in another recent case.¹⁴⁶ Plaintiffs could hardly complain: if, as Defendants contend, the Transaction is value-creating, Plaintiffs' fees would increase.

Ultimately, Plaintiffs' counsel should share in the risk their Settlement imposes on unwilling class members. Plaintiffs purport to have abandoned their case out of fear that "AMC would ultimately face a true financing crisis."¹⁴⁷ In that case, they should not be paid in cash, at least until the Settlement's "benefits" are more than theoretical.

¹⁴⁵ Requiring in-kind fee payment is not only appropriate, in at least once jurisdiction it is mandatory in class actions. *See* Tex. R. Civ. P. 42(i)(1) (attorneys' fees must be in the same proportion of cash and noncash benefits as class recovery).

¹⁴⁶ *See* Kittila Aff., Ex. K, ¶ 4.

¹⁴⁷ PB at 29.

B. A Quick Settlement Posed Little Contingency Risk.

Taking this case to trial and obtaining a permanent injunction would have been risky. Settling early after little discovery and no depositions was not. Plaintiffs came to this Court insisting that “AMC did not face any crisis, existential or otherwise, that might justify radical action” when it created the APEs, and that AMC’s future was bright.¹⁴⁸ In fact, AMC’s fortunes continue to improve.¹⁴⁹ Yet now, with the prospect of a settlement and a fee, Plaintiffs contend that AMC might, absent the Settlement, face financial disaster.¹⁵⁰

Plaintiffs filed suit supposedly eager to invalidate the Transaction, but quickly changed tactics, preferring to “leverage [an] injunction to achieve an economic benefit for Class members”¹⁵¹ for a benefit that is less than one-tenth the value of an injunction. Counsel representing Plaintiffs that are so willing to change their goals face little, if any, contingency risk. On the day Plaintiffs filed their complaints, the odds that Defendants would reject a ten-cent-on-the-dollar settlement, especially to obtain a broader-than-legal release, were slim-to-none.

¹⁴⁸ Compl. ¶ 132.

¹⁴⁹ See Section B, *supra*.

¹⁵⁰ PB at 29.

¹⁵¹ *Id.* at 40.

C. The Quality of Representation Warrants a Downward Departure.

The standing of Plaintiffs' counsel is beyond question, but the prosecution of this case warrants a downward departure from the *Sugarland* norm. Ms. Izzo echoes the Court's frustration with Plaintiff and Defendants' conduct concerning confidential information.¹⁵² Once Plaintiff's transmittal affidavit was unsealed, it became obvious that the parties withheld documents that could never have survived a Rule 5.1 challenge, including a transcript of a public earnings call.¹⁵³ Plaintiffs refusal to even answer Ms. Izzo's counsels' email has made the objection process more burdensome for counsel and the Court.¹⁵⁴

Other problems have beset this litigation. Plaintiffs' Brief violates two rules: it is overlong¹⁵⁵ and was not accompanied by the Munoz affidavit. In opposing access to discovery, Plaintiffs offered at least one argument against *pro se* litigants

¹⁵² See, e.g., D.I. 312.

¹⁵³ D.I. 206, Meyer Aff., Ex. 2.

¹⁵⁴ D.I. 357, 366.

¹⁵⁵ Plaintiffs' Brief exceeds the word count if the 620-word glossary is included. And it clearly must be: "The front cover, table of contents, table of citations, signature block, and any footer included pursuant to Rule 5.1(c) do not count toward the limitation. *All other text counts toward the limitation.*" Ct. Ch. R. 171(f)(1)(A) (emphasis added).

that overlooked controlling Supreme Court precedent.¹⁵⁶ Having successfully opposed *pro se* stockholders' intervention attempts for, *inter alia*, failure to comply with the Court's rules,¹⁵⁷ a downward departure from a *Sugarland* award is the minimum Plaintiffs should expect.¹⁵⁸

D. The Result Does Not Warrant Nearly \$6,000/hr. in Fees.

Plaintiffs' \$2,361,086.50 lodestar also supports a downward departure. Delaware courts use lodestar as a "backstop check" on the reasonableness of a fee.¹⁵⁹ A \$20 million fee represents an 8.4x multiplier.¹⁶⁰ At this rate, the highest-paid attorney would earn approximately \$9,660 per hour.¹⁶¹

¹⁵⁶ Plaintiffs contended that objectors should not have access to their documents because they "go almost exclusively to standing and class certification issues, neither of which is relevant to assessing whether the settlement is fair or whether to make an objection." D.I. 295, ¶ 22. The Court was clear that stockholders may object to, *inter alia*, "Incentive Awards." D.I. 185, ¶ 18. In evaluating such awards, the Supreme Court requires this Court to consider the size of a plaintiff's investment. *See Isaacson v. Niedermayer*, 200 A.3d 1205, at 1 n.1 (Del. 2018) (Table); *Raider v. Sunderland*, 2006 WL 75310, at *2 (Del. Ch. Jan 4, 2006). Thus, Plaintiffs' documents, including those related to standing, were clearly relevant to objectors.

¹⁵⁷ *See* D.I. 195 at 4 n.3; D.I. 196 at 4 n.3.

¹⁵⁸ Consistent with the Special Master's report on intervention, Plaintiffs' motion could be denied on this basis alone. *See, e.g.*, D.I. 292 at 4.

¹⁵⁹ *See In re Abercrombie & Fitch Co. S'holders Deriv. Litig.*, 886 A.2d 1271, 1274 (Del. 2005).

¹⁶⁰ *See Kittila Aff.*, Ex. L.

¹⁶¹ *Id.*

The lodestar itself raises serious concerns regarding the efficiency of litigation. Plaintiffs dedicated *at least* 6 firms and 46 timekeepers to litigation that lasted seventy days.¹⁶² These timekeepers include not just attorneys, but a “Managing Clerk,” “Director of Investor Services,” and “Corporate Governance Analyst” priced at \$425/hr., \$600/hr., and \$425/hr., respectively.¹⁶³ The *lowest* paid staff attorney bills at \$400/hr.¹⁶⁴ And these may not be the only attorneys on the roster: in a recent case, one of Plaintiffs’ current counsel revealed (in response to a Court query) that it had promised to pay a percentage of any fees received to a previously undisclosed law firm that secured the client.¹⁶⁵

Had Plaintiffs achieved what they set out to accomplish—invalidating the Transaction—eight-figure fees might be equitable. But an 8.4x multiplier exceeds what is necessary to “encourage future meritorious lawsuits” that settle early.¹⁶⁶

¹⁶² See Kittila Aff., Ex. L.

¹⁶³ See D.I. 206, Lebovitch Aff., ¶ 3.

¹⁶⁴ *Id.*

¹⁶⁵ See Kittila Aff., Ex. M, ¶ 5.

¹⁶⁶ *Franklin Balance Sheet Inv. Fund v. Crowley*, 2007 WL 2495018, at **12, 14 (Del. Ch. Aug. 30, 2007) (noting that a \$4,023 hourly rate was “at the high end of the spectrum”).

E. An Early-Stage Settlement Warrants No More Than a 10% Fee Award.

Finally, Plaintiffs' selective quotation of *In re Activision* to support a 15.5% fee award misreads that decision, which addressed cases that settled shortly before trial.¹⁶⁷ When a case settles early, the appropriate range tends towards 10-15%.¹⁶⁸ Higher awards "typically includ[e] multiple depositions and some level of motion practice. . . ."¹⁶⁹ As this Court recently pointed out in the *Symantec* case, "[t]hat fee structure is intended to incentivize plaintiffs and provide them with a return commensurate with taking the additional risk of going deeper into a case and incurring the expenses to do so."¹⁷⁰

¹⁶⁷ *Activision*, 124 A.3d at 1071 (quoted PB at 58); see also *In re Orchard Enters., Inc. S'holder Litig.*, 2014 WL 4181912, at *8 (Del. Ch. Aug. 22, 2014) (case settled two months before trial). Plaintiffs' citations to other cases in the 20-25% range also involved cases that settled at a later stage. See PB at 59 n. 142; *In re Jefferies Grp., Inc. S'holders Litig.*, 2015 WL 3540662, at *2 (Del. Ch. June 5, 2015) (five weeks); BLBG website, <https://www.blbglaw.com/cases-investigations/acs/pdfx/acs.pdf> (noting that *In re ACS S'holder Litig.* settled after motion for partial summary judgment); Labaton website, <https://www.labaton.com/cases/el-paso> (noting that *In re El Paso Corp.* involved post-closing damages litigation); Notice, *In re News Corp. S'holder Litig.*, C.A. 6285-VCN, at 3-4 (Del. Ch. June 26, 2013), <https://static.blbglaw.com/docs/Final%20Notice.pdf> (case settled after motion to dismiss on third amended complaint).

¹⁶⁸ *Ams. Mining Corp. v. Theriault*, 51 A.3d 1213, 1259 (Del. 2012).

¹⁶⁹ *Id.*

¹⁷⁰ *In re Symantec Corp. S'holder Deriv. Litig.*, C.A. No. 2019-0224-JTL, at 42-43 (Del. Ch. May 4, 2023) (Trans.).

Here, Plaintiffs took no depositions, filed no preliminary injunction brief, and have mostly litigated in support of the Settlement—*i.e.*, ***against*** fellow stockholders and ***allied with*** Defendants. Recognizing that the “base percentage” in an early-stage case is 10%, the *Symantec* Court recently set a fee on that basis, adding a \$100,000 bonus for earlier books-and-records litigation, which it described as “generous.”¹⁷¹ If any fee is awarded, 10% is the appropriate starting point.

But any award should require Plaintiffs and their counsel to share the risk that the Transaction will harm the class. This could be accomplished by awarding 10% of a far smaller risk-adjusted “benefit.” But the better course would be either to award fees in stock or set a fee after the Settlement is accomplished and becomes final.

F. No Incentive Awards are Warranted.

Finally, no incentive award should be permitted. Plaintiffs’ Brief omits one of the three factors of the relevant test recently approved by the Supreme Court.¹⁷² In *Raider v. Sunderland*, Chancellor Chandler explicitly examined the size of a

¹⁷¹ *Id.* at 43-44.

¹⁷² PB at 60 (citing *Isaacson v. Niedermayer*, 200 A.3d 1205, 1205 n.1 (Del. 2018)).

plaintiff's investment.¹⁷³ Plaintiffs not only withheld this information in their opening papers—and failed to mention it as a *Raider* factor—they argued to the Special Master that further information was irrelevant.¹⁷⁴ Incentives should be denied for this reason alone.

Moreover, while online abuse is a serious matter and should not be countenanced, Plaintiffs' newfound concern rings hollow. AMC's stockholders hold various opinions, sometimes strongly. Any stockholder objector (or their counsel) exposes themselves to online abuse. Yet Plaintiffs—who now complain of “doxing,” the public disclosure of a person's contact information¹⁷⁵—conditioned objecting stockholders' participation on the submission of their address and phone numbers, even if represented.¹⁷⁶ Plaintiffs can't use a represented objectors' contact information without committing an ethics violation.¹⁷⁷ It is merely a deterrent to objections.

¹⁷³ Compare *Raider v. Sunderland*, 2006 WL 75310, at *2 (noting “three factors” underlying incentive award) with PB at 60 (listing two factors).

¹⁷⁴ D.I. 295 ¶ 22 (arguing plaintiff's documents were not relevant to “whether to make an objection”).

¹⁷⁵ <https://en.wikipedia.org/wiki/Doxing>.

¹⁷⁶ D.I. 165, Ex. A, ¶ 17.

¹⁷⁷ See Del. R. Prof. Conduct 4.2.

As vigorous proponents of the self-doxing of their fellow stockholders, Plaintiffs merit little sympathy. Plaintiffs could have—and if they wanted separate payments, should have—acted to protect other stockholders, even if those class members chose to object. Instead, they proposed that class members put addresses, email addresses, and stock purchase information on an open docket—while refusing to do so themselves.

Besides, while abuse is deplorable, criticism is not. Plaintiffs are engaged in a serious endeavor: they intend to strip away the litigation rights of *every* class member, rights potentially worth over a billion dollars, against many stockholders' express desires. Like politicians, class plaintiffs who would wield power in the name of others should not expect to be above criticism.

CONCLUSION

The Settlement is a bad deal. The Court should reject it, withhold certification from a non-opt-out class, and deny Plaintiffs' request for attorneys' fees and incentive awards.¹⁷⁸ Ms. Izzo intends to intervene and seek leadership of the Class following the defeat of the Settlement.

¹⁷⁸ Ms. Izzo respectfully asks the Court to retain jurisdiction to permit her counsel to submit a petition for an award of attorneys' fees and expenses, as it has done when objectors have provided a benefit to absent stockholders. *See, e.g., In re Riverbed Tech., Inc. S'holders Litig.*, 2015 WL 7769861, at **2-3 (Del. Ch. Dec. 2, 2015) (awarding fee to unsuccessful objector); *Griffith v. Stein*, 283 A.3d 1124, 1139 (Del. 2022) (affirming fee award for successful objection).

Dated: May 31, 2023

Respectfully submitted,

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Counsel for Objector Rose Izzo

Electronically signed
on behalf of Ms. Izzo:

/s/ Rose Izzo

A large black rectangular redaction box covering the signature of Rose Izzo.



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT
HOLDINGS, INC. STOCKHOLDER
LITIGATION

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

**SUPPLEMENTAL TRANSMITTAL AFFIDAVIT OF
THEODORE A. KITTLA IN FURTHER SUPPORT OF ROSE IZZO'S
OBJECTION TO THE PROPOSED SETTLEMENT, AWARD OF
ATTORNEYS' FEES AND EXPENSES, AND INCENTIVE AWARDS**

STATE OF DELAWARE)
) ss.:
COUNTY OF NEW CASTLE)

Theodore A. Kittila, being duly sworn, hereby deposes and says:

1. I am an attorney licensed to practice law in the State of Delaware, and I practice with Halloran, Farkas + Kittila LLP in Wilmington, Delaware. I am counsel for Objector Rose Izzo and am otherwise capable of providing this affidavit.

2. I respectfully submit this affidavit in further support of Rose Izzo's Objection to the Proposed Settlement, Award of Attorneys' Fees and Expenses, and Incentive Awards (the "Izzo Objection").

3. Attached hereto is a true and correct copy of the following documents:

Documents Relating to Rose Izzo

Ex.	Document Description
A	Affidavit of Rose Izzo (dated June 13, 2023)

B	Chart, prepared by counsel, Illustrating Effect of Settlement on Ms. Izzo, Allegheny, and Mr. Franchi
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Documents Relating to Kevin Barnes

Ex.	Document Description
C	Letter from K-Bar Holdings to U.S. Securities and Exchange Commission (Feb. 14, 2023), at https://www.sec.gov/files/corpfin/no-action/14a-8/kbarsportsman041023-14a8.pdf (excerpts from)
D	Order and Final Judgment, <i>In re Tile Shop Holdings, Inc. Litigation</i> , Consol. C.A. No. 2019-0892-SG (Del. Ch. Oct. 13, 2020)

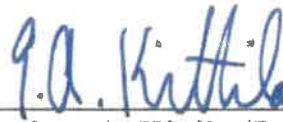
Demonstrative Exhibit for Settlement Hearing

Ex.	Document Description
E	Comparison, prepared by counsel, of excerpts from Plaintiffs' Reply Brief <i>with</i> [Unredacted] <i>Verified Stockholder Class Action Complaint</i> , C.A. No. 2023-0216.

Documents Referenced in the Izzo Objection

Ex.	Document Description
F	Email from Thomas Curry, Esq. dated June 9, 2023 (redacted).

Dated: June 13, 2023



Theodore A. Kittila (Bar No. 3963)
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Counsel for Objector Rose Izzo

SWORN TO AND SUBSCRIBED
before me this 13th day of June 2023



Notary Public

William E. Green, Jr.
Attorney-at-Law
Notary Public, State of Delaware
My Commission Has No Expiration Date
29 Del. C. § 4323 (a)(3)



EXHIBIT A

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT
HOLDINGS, INC. STOCKHOLDER
LITIGATION

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)
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Consol. C.A. No. 2023-0215-MTZ

AFFIDAVIT OF ROSE IZZO

STATE OF DELAWARE

)

) ss.:

COUNTY OF NEW CASTLE

)

Rose Izzo, being duly sworn, hereby deposes and says:

1. I am an objector in the above-captioned action and am otherwise capable of providing this affidavit. All of the matters stated herein are of my own personal knowledge.

2. I have read *Plaintiffs' Reply in Further Support of Settlement, Award of Attorneys' Fees and Expenses, and Incentive Awards* ("Plaintiffs' Reply" or "Pls.' Reply," D.I. 450), and I believe some of the statements made by Plaintiffs about me are inaccurate. I am providing this affidavit to correct the record.

3. Plaintiffs' Reply describes me as "'long' APEs," states that I "would personally benefit if the Settlement were denied," and claims that I "hold opaque competing interests." Pls.' Reply at 37, 46. I disagree with all of these statements. I have never purchased a single AMC Preferred Equity Unit ("APE"), and I wish they had never been issued.

4. I received 4,244 APEs in August 2022 when AMC issued them. At the time, I owned 4,244 shares of Common stock.

5. In late-2022, my beloved dog Ozzi, a Chocolate Labrador, became ill and later passed away. I have included a picture of Ozzi below:



6. I needed money to cover the credit card costs associated with her medical and final care expenses. I made the choice to sell 1,138 shares of AMC Common stock in December 2022, and I had to sell at a loss. Following the sale, I was left with 3,106 shares of Common stock, which I hold to this day.

7. I sold Common stock, rather than APEs, because I believed that the sale would incur less capital gains tax. I would have preferred to sell the APEs.

8. I believe that the proposed settlement is not in my best interest or that of the class.

9. As a final note, I did not receive my postcard related to this settlement until June 12, 2023.

Executed this 13th day of June, 2023

Rose Izzo
Rose Izzo

SWORN TO AND SUBSCRIBED
before me this 13th day of June 2023

T.A. Kittila
Notary Public

THEODORE A. KITTLA
Attorney at Law - State of Delaware
Notarial Officer Pursuant to
29 Del.C. § 4323(a)(3)
My Commission Has No Expiration

EXHIBIT B

Exhibit B:

Effect of Settlement on Ms. Izzo, Allegheny, and Mr. Franchi¹

	Izzo			Allegheny			Franchi		
	Price	Shares	Value	Value	Shares	Value	Shares	Value	
				Status Quo (as of May 3, 2023)					
Common	\$ 5.74	3,106	\$ 17,828.44	879	\$ 5,045.46		32	\$ 183.68	
APE	\$ 1.52	4,244	\$ 6,450.88	879	\$ 1,336.08		-	\$ -	
Total		7,350	\$ 24,279.32	1,758	\$ 6,381.54		32	\$ 183.68	
				Post-Transaction (if permitted to proceed)					
Common	\$ 29.67	310	\$ 9,197.70	87	\$ 2,581.29		3	\$ 89.01	
Former APE	\$ 29.67	424	\$ 12,580.08	87	\$ 2,581.29		-	\$ -	
Total		734	\$ 21,777.78	174	\$ 5,162.58		3	\$ 89.01	
				Post Transaction (with Settlement)					
Common	\$ 28.37	310	\$ 8,794.70	87	\$ 2,468.19		3	\$ 85.11	
Former APE	\$ 28.37	424	\$ 12,028.88	87	\$ 2,468.19		-	\$ -	
Settlement Shares	\$ 28.37	41	\$ 1,163.17	11	\$ 312.07		-	\$ -	
Total		775	\$ 21,986.75	185	\$ 5,248.45		3	\$ 85.11	
Gain/Loss (if transaction proceeds)			\$ (2,501.54)		\$ (1,218.96)		\$	(94.67)	
Gain/Loss (with Settlement)			\$ (2,292.57)		\$ (1,133.09)		\$	(98.57)	
Gain/Loss (including incentive awards)			\$ (2,292.57)		\$ 3,866.91		\$	4,901.43	

1. Prices based on Plaintiff's assumptions. See Izzo Objection at 7. Ignores effect of fractional shares.

EXHIBIT C

K-BAR HOLDINGS, LLC

Malvern, PA | 19432 | 1

February 14, 2023

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, D.C. 20549
Via Email: shareholderproposals@sec.gov

RE: Stockholder Proposal to Sportsman's Warehouse Holdings, Inc. Submitted by K-Bar Holdings, LLC

Ladies and Gentlemen:

- **There is nothing ordinary about a NASDAQ-listed company having a staggered Board of Directors in 2023.**
- **If an entrenched Board of Directors ignored the mandate of a majority of its stockholders in 2022, it is an entirely proper subject for a stockholder to advance a 14a-8 proxy proposal for the 2023 Annual Meeting.**

On behalf of K-Bar Holdings, LLC, a private investment vehicle managed by Kevin Barnes (the "Proponent" or "K-Bar Holdings"), we are pleased to submit this response letter pursuant to Rule 14a-8(k) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in response to the Sportsman's Warehouse Holdings, Inc. (the "Company" or "Sportsman's Warehouse") letter dated 01/31/23, which seeks to exclude the Proponent's properly submitted stockholder proposal and supporting statement (the "Proposal") from the proxy materials to be distributed by the Company in connection with its 2023 annual meeting of stockholders (the "2023 Proxy Materials").

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are emailing this letter and its attachments to the SEC Division of Corporation Finance via shareholderproposals@sec.gov. In accordance with Rule 14a-8(K) and Section E of SLB 14D, we are simultaneously emailing a copy of this letter and its attachments to the Company and their external advisors undersigned on the 01/31/23 letter.

After dialoguing with the Company's insiders on 12/22/22 and in response to some of their purported concerns articulated in the letter dated 12/27/22, Proponent's amended stockholder Proposal dated 01/10/23 is as follows:

Stockholder Proposal: *To assist in the successful adoption of the BoD Declassification Amendment if there is insufficient initial stockholder vote participation to adopt the proposal, the Sportsman's Warehouse Holdings, Inc. Board of Directors shall **take the steps necessary** for a reasonable adjournment of the 2023 Annual Meeting to a later date or dates, **if necessary or appropriate**, to solicit additional proxies.*

For reference, a complete copy of the Proponent's Proposal and Supporting Statement is attached in Appendix A to this correspondence.

BACKGROUND:

Sportsman's Warehouse Holdings, Inc., a duly registered Delaware corporation, completed its initial public offering of NASDAQ-listed common stock on 04/23/14 at \$9.50/share.¹ Because entities associated with Seidler Equity Partners, a private equity fund headquartered in Marina del Rey, California ("Seidler Equity Partners"), were the beneficial owner of >56% of shares outstanding after the IPO and one of their Partners, Mr. Chris Eastland, served as Chairperson of the Company's Board of Directors, Sportsman's Warehouse utilized several non-standard corporate governance mechanisms in their Amended and Restated Certificate of Incorporation dated 04/16/14, including a three-term classification of the Board of Directors (Article V, Section C).² By 07/18/18, Seidler Equity Partners had sold the entirety of their remaining reported ownership stake in the Company at prices as low as \$4.93/share.³ However, Mr. Chris Eastland, a Partner at Seidler Equity Partners, remained Chairperson of the Company's Board of Directors thru 04/05/19, despite owning no common shares of the Company, and then continued to serve on the Board of Directors and as a member of the Compensation Committee thru 08/19/22.

On 12/21/20, Sportsman's Warehouse entered into a definitive agreement be acquired by the Great American Outdoors Group, the parent company of Bass Pro Shops, Cabela's and associated businesses, for \$18.00 per share in cash. On 12/02/21, following feedback from the U.S. Federal Trade Commission that the proposed transaction would not receive clearance to close the deal, the merger agreement with Great American Outdoors Group was terminated, and Sportsman's Warehouse received a \$55.0m cash termination payment.

After multiple unreturned outreaches to Sportsman's Warehouse by Proponent in December 2021, on 01/12/22, K-Bar Holdings, as a concerned stockholder, transmitted a formal letter to the Sportsman's Warehouse Board of Directors proposing three core strategic initiatives, including critical improvements to the Company's corporate governance framework such as a declassification of the Board of Directors terms, to create value for all common stockholders of the Company. After additional dialogue and to avoid a Bylaw Section 2.15 proposal, in February 2022, Mr. Jon Barker, Chief Executive Officer of Sportsman's Warehouse informed Mr. Kevin Barnes of K-Bar Holdings,

¹ \$SPWH Prospectus, dated 04/23/14, available via: <https://www.sec.gov/Archives/edgar/data/1132105/000119312514147052/d636947d424b4.htm>

² Amended and Restated Certificate of Incorporation of Sportsman's Warehouse Holdings, Inc. dated 04/16/14, available via: https://www.sec.gov/Archives/edgar/data/1132105/000156459014002452/spwh-ex3_20140503199.htm

³ \$SPWH Prospectus, dated 07/18/18, available via: <https://www.sec.gov/Archives/edgar/data/1132105/000119312518222549/d510013d424b7.htm>

LLC that the Board of Directors was prepared to allow all common stockholders to vote on a declassification proposal at the 2022 Annual Meeting.

On 04/11/22, Sportsman's Warehouse filed its DEF-14A Proxy for the 2022 annual meeting of stockholders (the "2022 Proxy"), which included Proposal #2 for "Approve an amendment and restatement of the Company's Amended and Restated Certificate of Incorporation to declassify the Board of Directors and remove obsolete provisions" [Exhibit A]. As per the 2022 Proxy, the "obsolete provisions" included special rights solely available to Seidler Equity Partners, which were still in place from 2014 despite their sale of all reportable securities by 2018.⁴ In addition, the DEF-14A Proxy acknowledged the ability of the Board of Directors to "transact such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof." On 05/25/22, Sportsman's Warehouse hosted its entirely electronic and less than 30-minute Annual Meeting.

On 05/26/22, Sportsman's Warehouse filed an 8-K disclosing its 2022 Annual Meeting stockholder voting results [Exhibit B]. For Proposal #1, the re-election of Class II directors until the Company's 2025 annual meeting, Ms. Martha Bejar (Chair of Nominating and Governance Committee) and Mr. Richard McBee (Chair of the Compensation Committee), received "For" votes of only 45.9% and 43.4%, respectively, of total common shares outstanding due to "Against" votes of 10.3m and 11.5m, respectively. For Proposal #2, the declassification of the Board of Directors, the referendum received 28,468,35 "For" votes, 93.3% of total stockholder votes cast, versus only 2,029,565 "Against" votes (64.9% "For" of total common shares outstanding). However, despite the statutory ability of the Board of Directors to solicit for additional proxies and/or adjourn the 2022 Annual Meeting to allow for additional stockholder voting participation, they failed to obtain the 66 2/3% of total common shares outstanding proxy vote, did not call a Special Meeting on the matter, and the Board of Directors remains classified to this day.

Just weeks after the Sportsman's Warehouse stockholders' repudiation, with only a 45.9% "For" re-election vote, of Ms. Martha Bejar's continued fitness to serve on the Board of Directors and as the Chair of Nominating and Governance Committee, the Board of Directors unilaterally appointed, as of 08/19/22, Ms. Nancy Walsh to serve as a Class III Director and as a member of the Compensation and Audit Committees. As a stockholder, this unelected appointment of a Class III Director by the entrenched Board of Directors was particularly concerning due to the prior

⁴ \$SPWH 2022 DEF-14A Proxy, Appendix A, dated 04/11/22, available via: https://www.sec.gov/Archives/edgar/data/1132105/000155837022005283/spwh-20220525xdef14a.htm#APPENDIX_A

track-record of Chapter 11 bankruptcy filings and c-suite stock-price underperformance by Ms. Nancy Walsh at other consumer retail companies as per her curriculum vitae in Table A below.

Table A: Ms. Nancy Walsh, Sportsman's Warehouse Unelected Class III Director, Curriculum Vitae

Firm/Role	Time Period	Note
LL Flooring Holdings, Inc. <i>EVP & Chief Financial Officer</i>	September 2019 until December 2022	<ul style="list-style-type: none"> • Total stockholder return of -47.3% over the period of c-suite responsibility • Significantly underperformed retail peers
Pier 1 Imports, Inc. <i>EVP & Chief Financial Officer</i>	January 2018 until April 2019	<ul style="list-style-type: none"> • Chapter 11 bankruptcy filed 02/17/20 • Common shares cancelled
The Bon-Ton Stores, Inc., <i>EVP & Chief Financial Officer</i>	November 2015 until December 2017	<ul style="list-style-type: none"> • Chapter 11 bankruptcy filed 02/05/18 • Common shares cancelled

On 12/13/22, pursuant to Rule 14a-8, K-Bar Holdings, LLC duly submitted a proper stockholder proposal, and associated ownership information, for the 2023 Annual Meeting for the precatory declassification of the Sportsman's Warehouse Board of Directors and, if necessary, meeting adjournment (the "Initial Proposal"). On 12/22/22, Mr. Joseph Schneider, SPWH's Chairman of the Board, telephonically informed Mr. Kevin Barnes of K-Bar Holdings, LLC that the Board of Directors itself was planning on solely requesting stockholder approval of an amendment and restatement of the Company's Amended and Restated Certificate of Incorporation to declassify the Board of Directors at the 2023 Annual Meeting (the "BoD Declassification Amendment"). However, Mr. Schneider was unwilling to allow all common stockholders of Sportsman's Warehouse to opine on the suitability, if necessary or appropriate, of adjourning the 2023 meeting to solicit additional proxies. On 12/27/22, the Company sent a letter to the Proponent raising purported concerns regarding the Initial Proposal (the "BoD Entrenchment Letter").

On 01/10/23, in response to the telephonic discussion with Mr. Schneider and the BoD Entrenchment Letter, K-Bar Holdings submitted a streamlined version of the Initial Proposal and supplemental ownership documentation to the Company (the "Amended Proposal"). For reference, copies of the Initial Proposal, the BoD Entrenchment Letter, and the Amended Proposal are attached hereto [Exhibit C].

In summary, there is no credible rationale for Sportsman's Warehouse to still have a classified Board of Directors in 2023. At the 2022 Annual Meeting, 93.3% of engaged stockholders voted in favor of declassification, but the Board of Directors failed to take reasonable and prudent steps, such as a short adjournment or additional proxy vote solicitation, allowed by Delaware General Corporation Law ("DGCL") and the Company's relevant governance documents, prior to the meeting conclusion. After entrenching themselves further with the unelected appointment of Ms. Nancy Walsh, the current Board of Directors now seeks to prevent all stockholders of the Company from opining on the

potential suitability, if necessary or appropriate, of adjourning the 2023 Annual Meeting to reach the 66 2/3 voting threshold to amend of the Articles of Incorporation to effectuate a long-overdue declassification of the Board. After failing to act in the interests of all stockholders in 2022, it is not credible that in 2023 the current Board of Directors will miraculously act differently without explicit proxy voting input from all common stockholders. This unfortunate situation, where the Board of Directors does not appear to be wholly acting as a faithful fiduciary for all stockholders' interests, is exactly the problem Rule 14a-8 was designed to remedy.

COMPANY'S PURPORTED BASIS FOR EXCLUSION OF THE VALID STOCKHOLDER'S PROPOSAL:

On 01/31/23, Sportsman's Warehouse external counsel submitted a letter demanding that the Staff concur with its unilateral view that the Proposal may be excluded from the 2023 Proxy Materials purportedly pursuant to:

- Claim A: *"Rule 14a-8(i)(1) because the Proposal is not a proper subject for action by shareholders under the laws of the state of Delaware"*
- Claim B: *"Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations."*

ANALYSIS

Claim A: The Proposal May be Excluded Pursuant to Rule 14a-8(i)(1) Because the Proposal is Not a Proper Subject for Action by Shareholders Under the Laws of the State of Delaware.

Rule 14a-8(i)(1) permits a company to exclude a shareholder proposal only "[i]f the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization." First, as written the Proposal clearly conforms with SEC Staff Legal Bulletin No. 14D which indicates the SEC "do[es] not believe there would be a basis for the company to exclude the proposal under rule 14a-8(i)(1), rule 14a-8(i)(2), or rule 14a-8(i)(6)" when the Proponent's Proposal "provide[s] that the board of directors **"take the steps necessary"** to amend the company's charter. Second, as written the Proposal does not usurp to Board's limited discretion provided under the DGCL and the Company's governance documents as the **"if necessary or appropriate"** clause clearly acts as a business judgement implementation constraint on the scope of the Proposal. Third, there is a long list of precedent Delaware corporations seeking stockholder voting input on potential meeting adjournment to ensure the solicitation of an adequate number of votes for a proposal implementation. Finally, the Sportsman's Warehouse external counsel are not licensed to practice law in the first state of Delaware and failed to provide a suitable Opinion of Counsel letter, thus rendering their purported conclusions nothing more than unsupported legal flimflam.

First, under the long-standing SEC Staff Legal Bulletin No. 14D precedent dated 11/07/08, the SEC “do[es] not believe there would be a basis for the company to exclude the proposal under rule 14a-8(i)(1), rule 14a-8(i)(2), or rule 14a-8(i)(6)” when the Proponent’s Proposal “provide[s] that the board of directors **“take the steps necessary”** to amend the company’s charter. Moreover, this Staff Legal Bulletin stated, “if the proponent revises the proposal in this manner within the time frame specified in our response letter, we do not believe there would be a basis for the company to exclude the proposal under rule 14a-8(i)(1), rule 14a-8(i)(2), or rule 14a-8(i)(6)” and provided the following table of precedent matters.

Table B: SEC Staff Legal Bulletin No. 14D Discussion of 14a-8(i) Precedents

Company	Stockholder Proposal	SEC Response Date	SEC Response Commentary
SBC Communications Inc.	Resolved that as of December 31, 2005 the number of SBC Board of Director seats will be reduced from twenty one (21) to fourteen (14).	01/11/04	If the proponent revised the proposal as a recommendation or request that the board of directors <u>take the steps necessary</u> to implement the proposal, the proposal could NOT be excluded under rules 14a-8(i)(2) and 14a-8(i)(6).
Gyrodyne Co. of America, Inc.	It is proposed that the classified board be abolished and all Directors, effective after the election of Directors in 1999, be elected annually.	08/18/99	If the proponent revised the proposal as a recommendation or request that the board of directors <u>take the steps necessary</u> to implement the proposal, the proposal could NOT be excluded under rule 14a-8(i)(1).
Sears, Roebuck and Co.	Resolved: That the stockholders . . . urge the Board of Directors to amend the Company’s Restated Certificate of Incorporation to declassify the Board of Directors for the purpose of Director elections.	02/17/89	If the proponent revised the proposal to urge that the board of directors <u>take the steps necessary</u> to effect the proposed amendment to the certificate of incorporation, the proposal could NOT be excluded under rules 14a-8(c)(2) and 14a-8(c)(6) [now rules 14a-8(i)(2) and 14a-8(i)(6)].

For the purposes of the stockholder’s Proposal for the Sportsman’s Warehouse 2023 Proxy Materials, no further revision is required at this time because the “take the steps necessary” clause already ameliorates any purported concerns that the DGCL requires any such amendment to be initiated by the board and then approved by shareholders in order for the charter to be amended as a matter of law. Moreover, the precedent stockholder proposals exclusions cited by Sportsman’s Warehouse’s external counsel letter dated 01/31/23 related to climatic sea-level rise, charitable giving programs, and other non-core matters, as opposed to the foundational right of all stockholders to ensure their preference regarding the term of the Board of Directors to serve as their fiduciary is actually implemented in 2023.

Second, as written the stockholder’s Proposal for the Company’s 2023 Proxy Materials does not usurp to Board’s limited discretion provided under the DGCL and the Company’s governance documents as the **“if necessary or appropriate”** clause clearly acts as an implementation constraint on the scope of the Proposal. Whether by design or unfortunate oversight, the Sportsman’s Warehouse’s external counsel letter dated 01/31/23 selectively quotes only a portion of the stockholder’s Proposal and excluded the critical “if necessary or appropriate” clause and added

inappropriate emphasis elsewhere in text instead of reviewing the Proposal holistically. For example, under the DGCL “business judgement” standard, the Sportsman’s Warehouse Board of Directors could still elect NOT adjourn the 2023 Annual Meeting if hypothetically: i) 65.0% of common shares outstanding had already submitted valid proxy votes, ii) 100.0% of the votes cast were in favor of “if necessary or appropriate” adjournment, and iii) only 4.9% of votes cast were in favor of declassification, which would make it mathematically impossible to achieve $66\frac{2}{3}\%$ of the total votes to approve the BoD Declassification Amendment after additional time for proxy solicitation and vote submission. However, in light of the Company’s 2022 Annual Meeting where 93.3% of the stockholder votes cast were favor of the BoD Declassification Amendment, it seems highly unlikely such a hypothetical initial proxy voting outcome requiring “business judgement” will occur at the 2023 Annual Meeting. In summary, the attempt by Sportsman’s Warehouse’s external counsel letter dated 01/31/23 to muddy the record and distort the plain language of the entirety of the stockholder’s Proposal should not be rewarded with a no-action indication.

Third, there is a long list of precedent Delaware corporations seeking stockholder input on potential annual meeting adjournment to ensure the solicitation of an adequate number of votes for a proposal. Due to the unfortunate voting difficulties many electronic retail brokerages enact on their customers, proxy voting participation for publicly traded corporations has continued to decline and therefore increased the difficulty of obtaining a $66\frac{2}{3}\%$ of total shares outstanding vote mandates in recent years due to limited proxy participation for “non-routine” matters. As a result, many issuers have solicited input from all stockholders on the potential suitability, if necessary or appropriate, of the adjournment of an annual stockholder meeting to solicit additional proxies. Especially for matters relating to corporate governance, all common stockholders themselves are best suited to analyze and opine on the various factors, including the purported risk(s) of adjournment, allocation of management time and resources, and the potential effectiveness of such postponement, as they do not have the incumbent self-interested bias of a seated board of directors (especially relative to a Board of Directors slate with de minimus personal ownership of common stock). Provided below in Table C are a sample of precedent examples of Delaware corporations, like Sportsman’s Warehouse, soliciting the input of all stockholders on the potential suitability of adjournment, if necessary, of an annual stockholder meeting to solicit additional proxies.

Table C: Precedent Delaware Corporation Stockholder Adjournment of Annual Meeting Voting Proxy Proposals

Issuer	Meeting Date	Adjournment Proposal
Tenneco, Inc.	06/07/22	Proposal #3: To approve the adjournment of the annual meeting, <u>if necessary</u> , to solicit additional votes to adopt the Merger Agreement and approve the Merger, if there are insufficient votes at the time of the annual meeting to adopt the Merger Agreement.
Lantern Pharma, Inc.	06/08/22	Proposal #3: To approve an adjournment of the Annual Meeting, <u>if necessary</u> , to solicit additional proxies if there are not sufficient votes in favor of the foregoing proposals.
OpGen, Inc	06/09/22	Proposal #4: The approval of a proposal to adjourn the annual meeting to a later date, <u>if necessary or appropriate</u> , to permit further solicitation and vote of proxies in the event that there are insufficient votes for, or otherwise in connection with, the approval of the Reverse Stock Split Proposal.
LiveOne, Inc.	09/15/22	Proposal #4: To approve an adjournment of the Annual Meeting to a later date or time, <u>if necessary</u> , to permit further solicitation and vote of proxies if there are not sufficient votes at the time of the Annual Meeting to approve any of the proposals presented for a vote at the Annual Meeting.

Finally, Sportsman's Warehouse external counsel are not licensed to practice law in the First State of Delaware and failed to provide a suitable Opinion of Counsel letter from a Delaware Court of Chancery registered firm, thus rendering their purported conclusions nothing more than unsupported legal flimflam. As per SEC Rule 14a-8(i)(2)(iii), the Company is required to provide the Commission "a supporting opinion of counsel when such reasons are based on matters of state or foreign law." Notably, Sportsman's Warehouse external counsel, Cooley LLP, does not have an office in Delaware and none of the undersigned attorneys to Company's letter dated 01/31/23 appear to be licensed to practice in Delaware at this time.⁵ According to the State Bar of California, Mr. John-Paul Motley (#204492) of Cooley LLP is only licensed to practice in California at this time and neither of the Special Counsel cc'd on the Cooley letter appear to have ever had a valid Delaware law license.⁶ As per SEC Staff Legal Bulletin No. 14B, "we consider whether counsel is licensed to practice law in the jurisdiction where the law is at issue." In addition, Staff noted that "we also consider the extent to which the opinion makes assumptions about the operation of the proposal that are not called for by the language of the proposal." Moreover, the Delaware Court of Chancery does not recognize the limited role of a "local counsel" to the extent that it implies a less than plenary role of Delaware counsel ("Even when forwarding counsel has been admitted pro hac vice and is taking a lead role in the case, the Court of Chancery does not recognize the role of purely local counsel.") (quoting *James v. National Finance, LLC*, 2014 Del. Ch. LEXIS 254, at *12 (Del. Ch. Dec. 5, 2014)); *State Line Ventures, LLC v. RBS Citizens, N.A.*, 2009 Del. Ch. LEXIS 233, at * 1 (Del. Ch. Dec. 2, 2009)

⁵ Cooley LLP Office Locations, last visited 02/12/23, available via: <https://www.cooley.com/about/contact-us>

⁶ The State Bar of California Attorney Profile, last visited 02/12/23, available via: <https://apps.calbar.ca.gov/attorney/Licensee/Detail/204492>

Thus, it would be inappropriate for the SEC to allow the exclusion of the stockholder's valid Proposal based on the Company's external counsel's unqualified claims of conflict with the Delaware General Corporate Law and misleading selective quotation of the Proposal.

Claim B. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.

Under Rule 14a-8(i)(7), a stockholder's proposal may only be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct stockholder oversight. The second consideration relates to the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which stockholders, as a group, would not be in a position to make an informed judgment. As the determination of the Board of Directors term structure is a foundational right of common stockholders, it is just silly to claim all stockholders cannot opine on this critical corporate governance matter.

First, as the Annual Meeting of Stockholders only occupies less than an hour of time on a single day out of the Company's i) 365 days fiscal year, and ii) 1,095 days of the current classified Director term length, it is clearly not applicable to claim the management of Sportsman's Warehouse ability to run the Company on a "day-to-day basis" would be infringed by the Proposal's request for direct voting input by all common stockholders on the Annual Meeting, if necessary or appropriate, adjournment.

Second, unlike the precedent case matters cited by the Company in the no-action request dated 01/31/23 relating to the attempts to "micro-manage" business operations minutiae regarding question-and-answer dialogue periods and webcast technology utilization at stockholder annual meetings, the proper determination of the stockholder voting period is best determined by the exact same stockholder constituents most affected by the methodology. For foundational matters relating to corporate governance, such as archaic staggered Director terms, stockholders themselves are best suited to analyze and opine on the various factors, including the purported risk(s) of adjournment, allocation of management time and resources, and the potential effectiveness of such postponement, as they do not have the incumbent self-interested bias of a seated Board of Directors member. Moreover, the Company's Board of

Directors is allowed to opine in detail regarding its purportedly informed judgement, in the 2023 Proxy Materials, on its own view of the suitability of the stockholder's Proposal before any common shareholders cast their vote. This governance issue is especially relevant for a Board of Directors such as Sportsman's Warehouse in which a majority of the current Board of Directors members, despite extended tenureship in their seats, only have a de minimus personal ownership of common stock.

CONCLUSION

Based upon the forgoing facts and analysis, we respectfully request that the Staff should allow the stockholder's 14a-8 Proposal to be included in Sportsman's Warehouse 2023 Proxy Materials. Should the Staff disagree with the conclusions set forth in this letter, or should you require any additional information in support of the stockholders' position, we would welcome the opportunity to further discuss these materials as you prepare your response. If we can be of any further assistance on this matter, please do not hesitate to contact me via email at [REDACTED] or telephonically via [REDACTED]

Regards,



Kevin Barnes, Principal
K-Bar Holdings, LLC

CC:

Joseph Schneider, Chair of the Board, Sportsman's Warehouse Holdings, Inc.
Martha Bejar, Director & Chair of the Nominating and Governance Committee, Sportsman's Warehouse Holdings, Inc.
Jon Barker, Chief Executive Officer, Sportsman's Warehouse Holdings, Inc.
Jeff White, Chief Financial Officer, Sportsman's Warehouse Holdings, Inc.
John-Paul Motley, Partner, Cooley LLP
Reid Hooper, Of Counsel, Cooley LLP
Justin Kisner, Of Counsel, Cooley LLP

EXHIBIT D



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE TILE SHOP HOLDINGS, INC.) Consol. C.A. No. 2019-0892-SG
LITIGATION)
_____)

PROPOSED ORDER AND FINAL JUDGMENT

WHEREAS, a consolidated stockholder action is pending in this Court, entitled *In re Tile Shop Holdings, Inc. Litigation*, Consol. C.A. No. 2019-0892-SG (the “Action”);

WHEREAS, (a) plaintiffs K-Bar Holdings LLC and Wynnefield Capital, Inc. (together, “Plaintiffs”), on behalf of themselves and the Settlement Class (defined below) and derivatively on behalf of the Company (defined below); (b) Cabell Lolmaugh, Robert A. Rucker, Peter J. Jacullo III, Peter H. Kamin, Todd Krasnow and Philip B. Livingston (collectively, the “Individual Defendants”); and (c) Nominal Defendant Tile Shop Holdings, Inc. (“Tile Shop” or the “Company” and, together with the Individual Defendants, “Defendants”) (Plaintiffs and Defendants, together, the “Parties”) have entered into a Stipulation of Settlement dated August 7, 2020 that provides for a complete dismissal with prejudice of the claims asserted against Defendants in the Action on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

WHEREAS, by Order dated August 12, 2020 (the “Scheduling Order”), this Court (a) preliminarily certified the Settlement Class solely for

purposes of effectuating the Settlement; (b) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members and Current Tile Shop Stockholders; (c) provided Settlement Class Members and Current Tile Shop Stockholders with the opportunity to object to the proposed Settlement; and (d) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, the Court conducted a hearing on October 12, 2020 (the “Settlement Hearing”) to consider, among other things: (a) whether the Settlement Class should be permanently certified by the Court; (b) whether the terms and conditions of the Settlement are fair, reasonable, and adequate to the Settlement Class and the Company, and should therefore be approved; (c) whether a Judgment should be entered dismissing the Action with prejudice as against Defendants; (d) whether the proposed Plan of Allocation of the Net Cash Settlement Fund is fair and reasonable, and should therefore be approved; and (e) whether the application by Lead Counsel for an award of attorneys’ fees, reimbursement of litigation expenses, and incentive awards for Plaintiffs should be approved; and

WHEREAS, it appearing that due notice of the hearing has been given in accordance with the Scheduling Order; the Parties having appeared by their respective attorneys of record; the Court having heard and considered evidence in support of the proposed Settlement; the attorneys for the respective Parties having been heard; an opportunity to be heard having been given to all other persons or

entities requesting to be heard in accordance with the Scheduling Order; the Court having determined that notice to members of the Settlement Class and Current Tile Shop Stockholders was adequate and sufficient; and the entire matter of the proposed Settlement having been heard and considered by the Court;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED, this 12th day of October, 2020, as follows:

1. **Definitions**: Unless otherwise defined herein, capitalized terms used herein shall have the same meanings given to them in the Stipulation.

2. **Jurisdiction**: The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over Plaintiffs, Defendants, and each of the Settlement Class Members and Current Tile Shop Stockholders.

3. **Final Class Certification for Settlement Purposes**: The Court hereby finally certifies, for the purposes of the Settlement only, the Action as a non-opt out class action pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2), on behalf of a Class consisting of all record and beneficial holders of Tile Shop Common Stock as of October 18, 2019. Excluded from the Settlement Class are Defendants; any affiliate (as defined in 17 C.F.R. § 230.405) of the Individual Defendants; any parents, affiliates, or subsidiaries of the Company; any officer or director of the Company; members of the immediate families of the Individual

Defendants and of any officer or director of the Company; Defendants' directors' and officers' liability insurance carriers and any parents, affiliates, or subsidiaries thereof; persons who held shares of Tile Shop common stock that were borrowed as part of a short sale transaction (only with respect to their holdings in such borrowed shares); and the legal representatives, agents, heirs, successors, and assigns of any such excluded Person.

4. For the purposes of the Settlement only, the Court hereby finally appoints Plaintiffs as representatives for the Settlement Class and Lead Counsel as counsel for the Settlement Class. Plaintiffs and Lead Counsel have fairly and adequately represented the Settlement Class both in terms of litigating the Action and for purposes of entering into and implementing the Settlement.

5. **Class Findings:** Solely for purposes of the proposed Settlement of this Action, the Court finds that each element required for certification of the Settlement Class pursuant to Court of Chancery Rules 23(a), 23(b)(1) and 23(b)(2) has been met in that: (a) the Settlement Class Members are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the Settlement Class; (c) the claims of Plaintiffs are typical of the claims of the Settlement Class; (d) in connection with both the prosecution of the Action as well as the Settlement, Plaintiffs and Lead Counsel have and will fairly and adequately represent and protect the interests of the Settlement Class; (e) the prosecution of

separate actions by individual Settlement Class Members would create a risk of inconsistent adjudications that would establish incompatible standards of conduct for Defendants; and (f) as a practical matter, the disposition of the Action would influence the disposition of any pending or future identical cases brought by other Settlement Class Members.

6. **Notice:** The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Scheduling Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members and Current Tile Shop Stockholders of: (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the releases to be provided thereunder); (iii) Lead Counsel's application for an award of attorneys' fees, reimbursement of litigation expenses, and incentive awards for Plaintiffs; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation, and/or Plaintiffs' counsel's application for attorneys' fees, litigation expenses, and incentive awards; and (v) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Court of Chancery Rules 23 and 23.1, the United

States Constitution (including the Due Process Clause), and all other applicable law and rules.

7. **Final Settlement Approval and Dismissal of Claims:** Pursuant to, and in accordance with, Court of Chancery Rules 23(e) and 23.1(c), this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the Settlement consideration; the Released Claims; and the dismissal with prejudice of the claims asserted against Defendants in the Action), and finds that the Settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class and the Company. The Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation, which this Judgment incorporates and makes a part hereof.

8. The Action is hereby dismissed with prejudice and all of the claims asserted against Defendants in the Action by Plaintiffs and the other Settlement Class Members are hereby dismissed with prejudice. The Parties shall bear their own fees, costs, and expenses, except as provided in Paragraphs 13-15 below or as otherwise provided in the Stipulation and the Scheduling Order.

9. **Binding Effect:** The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Plaintiffs, and all Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a

Claim Form, seeks or obtains a distribution from the Net Cash Settlement Fund, was entitled to receive a distribution from the Net Cash Settlement Fund, or in fact receives a distribution from the Net Cash Settlement Fund).

10. **Releases:** The releases set forth in Paragraphs 4 and 5 of the Stipulation, together with the definitions contained in Paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to Paragraph 11 below, upon the Effective Date of the Settlement, Plaintiffs and the Settlement Class will, to the fullest extent permitted by law, release and forever discharge the Released Defendants' Persons from any and all Released Plaintiffs' Claims; provided, however, that the release of the Released Plaintiffs' Claims shall not include the release of the right to enforce any confidentiality stipulation or other term agreed upon or referenced in the Settlement.

(b) Without further action by anyone, and subject to Paragraph 11 below, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and, to the fullest permitted by law, their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, and any person or entity acting for or on behalf of each of them, will release the Released Plaintiffs' Persons from any and all Released

Defendants' Claims; provided, however, that the release of the Released Defendants' Claims shall not include the release of the right to enforce any confidentiality stipulation or other term agreed upon or referenced in the Settlement.

11. Notwithstanding Paragraphs 10(a)-(b) above, nothing in the Stipulation or in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

12. **No Admission of Wrongdoing:** Neither this Judgment, the provisions contained in the Stipulation, nor any negotiations, discussions, and proceedings in connection with the Stipulation, shall be deemed or constitute a presumption, concession, or admission by any party to the Action of any fault, liability or wrongdoing as to any facts or claims alleged or asserted in the Action and shall not be interpreted, construed, deemed, involved, offered, or received in evidence or otherwise used by any person in the Action, or in any other action or proceeding, whether civil, criminal or administrative, except in connection with any proceeding to enforce the terms of the Stipulation.

13. **Award of Attorneys' Fees, Litigation Expenses, and Incentive Awards for Plaintiffs:** Plaintiffs' Counsel are hereby awarded attorneys' fees in the amount of 25% of the Cash Settlement Fund and reimbursement of litigation expenses in the amount of \$ 625,000 (the "Cash Settlement Fund Award"), which sums the Court finds to be fair and reasonable. The Cash Settlement Fund

Award shall be paid out of the Cash Settlement Fund in accordance with the terms of the Stipulation.

14. Plaintiffs K-Bar Holdings LLC and Wynnefield Capital, Inc. are each hereby awarded an incentive award of \$ 25,000, to be paid out of the Cash Settlement Fund Award, which sums the Court finds to be fair and reasonable.

15. Plaintiffs' Counsel are also hereby awarded \$ 2.7M in attorneys' fees for achieving the non-monetary benefits achieved under the Stipulation (the "Non-Monetary Benefits Award," and collectively with the Cash Settlement Fund Award, the "Fee and Expenses Award"). Defendants shall cause their Insurers to pay the Non-Monetary Benefits Award to Lead Counsel in accordance with the terms of the Stipulation.

16. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believe reflects the contributions of such counsel to the institution, prosecution, and settlement of the claims asserted in the Action.

17. No proceedings or court order with respect to the award of attorneys' fees and expenses to Plaintiffs' Counsel or incentive awards to Plaintiffs shall in any way affect or delay the finality of this Judgment (or otherwise preclude this Judgment from being entitled to preclusive effect), and shall not affect or delay the Effective Date of the Settlement.

18. **Plan of Allocation of Net Cash Settlement Fund:** The Court hereby finds and concludes that the formula for the calculation of the claims of Settlement Class Members as set forth in the Plan of Allocation provides a fair and reasonable basis upon which to allocate the proceeds of the Net Cash Settlement Fund among Settlement Class Members with due consideration having been given to administrative convenience and necessity. No proceedings or court order with respect to approval of the Plan of Allocation shall in any way affect or delay the finality of this Judgment (or otherwise preclude this Judgment from being entitled to preclusive effect), and shall not affect or delay the Effective Date of the Settlement.

19. **Retention of Jurisdiction:** Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over the Parties and all Settlement Class Members and Current Tile Shop Stockholders for purposes of the administration, interpretation, implementation, and enforcement of the Settlement, and all other matters relating to the Action and the Settlement.

20. **Modification of the Stipulation:** Without further approval from the Court, the Parties are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the

Settlement. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any provisions of the Settlement.

21. **Termination of Settlement:** If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void, and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of the Parties and the Settlement Class, and the Parties shall revert to their respective positions in the Action as of immediately prior to the Parties' June 30, 2020 agreement on the principal terms of the Settlement.

22. **Entry of Final Judgment:** There is no just reason to delay the entry of this Judgment as a final judgment in the Action. Accordingly, the Register in Chancery is expressly directed to immediately enter this final judgment in the Action.



Vice Chancellor Sam Glasscock III

EXHIBIT E

Exhibit E:
Comparison of excerpts from Plaintiffs' Reply Brief *with* [Unredacted]
Verified Stockholder Class Action Complaint,
C.A. No. 2023-0216.

*From Plaintiffs' Reply in Further Support of Settlement,
Award of Attorneys' Fees and Expenses, and Incentive Awards (page 43)*

Regarding Franchi, Izzo also argues that he did not hold his shares at the time of the “wrongs complained of” (*i.e.*, the issuance of the APEs).¹¹⁵ But Franchi did not allege that the issuance of the APEs was “a wrong,” nor did he assert a §242(b) claim. Franchi has held AMC Common Stock since November 8, 2022,¹¹⁶ well

*From Verified Stockholder Class Action Complaint,
Munoz v. Aron, C.A. No. 2023-0216-VCZ (Del. Ch. Feb. 20, 2023) (¶¶ 164-65)¹*

164. As alleged above, Defendants breached their fiduciary duties by creating and issuing Preferred Stock and APEs, entering into the Deposit Agreement with Computershare, and entering into the various agreements described herein with Antara, all of which are coercive, will sway the outcome of the Certificate Proposals, and are designed to circumvent the franchise rights of the Class. The Board's actions are plainly intended to push through the Certificate Proposals notwithstanding the previous, repeated opposition of the Class.

165. Moreover, as alleged above, by creating and issuing Preferred Stock and APEs, Defendants have caused and will continue to cause significant dilution and economic harm to the Class. Moreover, if the Certificate Proposals carry and the APEs convert into shares of Common Stock, the Class will suffer further economic harm and dilution.

¹ Text appears on pages 49-50.

EXHIBIT F

Anthony Rickey

From: Thomas Curry [REDACTED]
Sent: Friday, June 9, 2023 12:38 PM
To: Anthony Rickey; Theodore Kittila; Jay McMillan
Cc: Mark Lebovitch; Edward Timlin; Christopher Kupka; Michael Barry; DiCamillo, Raymond J.; Murphy, Matthew W.; Kim, Edmond S.; Kappauf, Adriane M.; daniel.meyer@ [REDACTED] Greg.Varallo@ [REDACTED]
Subject: Re: AMC - Plaintiffs' Reply
Attachments: AMC - Public Redacted Version of Exhibit 2 to the Corrected Transmittal Affidavit of Thomas Curry.pdf

Anthony,

We have confirmed with Antara's counsel that the Izzo objection may be filed without redactions on their behalf. A draft of the public version, redacting only Ms. Izzo's address and phone number, is attached hereto. Please confirm you have no further redactions.

As to the filing of the Kittila Affidavit (which was not submitted as an exhibit to our brief), we will treat that as a request pursuant to the protocol for filing of objections on the docket. We are processing these requests, and intend to begin filing the relevant objections to the docket next week. We will re-file the redacted version of the Izzo objection along with the Kittila Affidavit as part of that process.

We are considering your request as to the discovery documents cited in the objection and will get back to you on that promptly.

Tom

From: Anthony Rickey [REDACTED]
Date: Friday, June 9, 2023 at 9:48 AM
To: Thomas Curry [REDACTED], Theodore Kittila [REDACTED], Jay McMillan [REDACTED]
Cc: Mark Lebovitch [REDACTED], Edward Timlin [REDACTED], Christopher Kupka [REDACTED], Michael Barry [REDACTED], DiCamillo, Raymond J. [REDACTED], Murphy, Matthew W. [REDACTED], Kim, Edmond S. [REDACTED], Kappauf, Adriane M. [REDACTED], daniel.meyer@ [REDACTED] Greg.Varallo@ [REDACTED]
Subject: RE: AMC - Plaintiffs' Reply

Tom—Thank you for your voicemail to Ted last night. Yesterday, you committed to providing us with a proposed set of redactions that could be circulated to all parties, because Ms. Izzo's brief contained redactions relating to both Plaintiffs and Defendants. We have not seen that proposed public version from you. Given that Defendants have raised no complaint to Plaintiff's public disclosure of information concerning the Antara email (see Izzo Objection at 2, 12-13) in the unredacted brief Plaintiff initially filed, Ms. Izzo contends that the brief can be filed with a single redaction: her address and phone number on page 57. **Please confirm with Defendants (copied here) and Antara that they concede to the Izzo Objection being filed with only Ms. Izzo's contact information redacted.** Please also confirm that you will file a copy of the accompanying Kittila affidavit (which is part of the Izzo brief), with the marked exhibit under seal.

Additionally, we would like to provide the Court with copies of the documents in the Confidential Discovery Database cited in the Izzo Objection so that they may become part of the record. As you know, we cannot download those documents from the Nebula database. Please provide us with copies of those documents promptly. We will file them under seal, unless you instruct that they may be filed publicly.

Regards,
Anthony Rickey



Anthony A. Rickey
Attorney
Margrave Law LLC
3411 Silverside Road
Baynard Building, Suite 104
Wilmington, Delaware 19810
Telephone: (302) 604-5190
Facsimile: (302) 258-0995
arickey@margravelaw.com

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Margrave Law LLC is not providing any advice with respect to any federal tax issue in connection with this matter.

From: Anthony Rickey
Sent: Thursday, June 8, 2023 7:33 AM
To: 'Thomas Curry'; Theodore Kittila
Cc: Mark Lebovitch; Edward Timlin; Christopher Kupka
; Michael Barry
Subject: RE: AMC - Plaintiffs' Reply

Tom—

Our proposed public version redacted the holdings of all stockholders, given that you marked that information "CONFIDENTIAL" in the discovery database. Consistent with that, we gave you proposed redactions a week ago, but did not hear back from you. That said, if you believe Ms. Izzo's share count should be public, we believe your clients' number of shares should also be public. The rules should be the same for all stockholders. Ms. Izzo deserves no less protection than your clients.

If you now believe that information in our objection should not be redacted, please provide us with a proposed public version that reflects your position. We will consider it promptly.



Anthony A. Rickey
Attorney
Margrave Law LLC

3411 Silverside Road
Baynard Building, Suite 104
Wilmington, Delaware 19810
Telephone: (302) 604-5190
Facsimile: (302) 258-0995
arickey@margravelaw.com

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Margrave Law LLC is not providing any advice with respect to any federal tax issue in connection with this matter.

From: Thomas Curry [REDACTED]
Sent: Thursday, June 8, 2023 2:31 AM
To: Anthony Rickey [REDACTED]; Theodore Kittila [REDACTED]
Cc: Mark Lebovitch [REDACTED]; Edward Timlin [REDACTED]; Christopher Kupka [REDACTED]; Michael Barry [REDACTED]
Subject: AMC - Plaintiffs' Reply

Anthony and Ted,

Can you please let me know as soon as possible if you also believe redactions to our brief itself are required? I ask because you redacted information pertaining to Ms. Izzo's stockholdings in your public version of the objection. As you have probably seen, Ms. Izzo's stockholdings are referred to in several places in the brief itself (see pages 5-6 (fn. 7), 37, 43 (fn. 113), 45, 46 and 50).

While we agree with keeping Ms. Izzo's personal address and phone information confidential, we disagree that information about the size of her holdings can be considered confidential in this context. We believe it is appropriately part of the public record -- particularly in view of the Court's previous instructions in this case that the settlement briefing be "fully public." See DI 307 at 8, fn 25.

Please let me know as early as you can tomorrow morning, as there is obviously time exigency. I can be reached on my cell any time: [REDACTED].

Tom



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT
HOLDINGS, INC. STOCKHOLDER
LITIGATION

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

**SUPPLEMENTAL TRANSMITTAL AFFIDAVIT OF THEODORE A.
KITTLA CONTAINING DOCUMENTS FROM THE CONFIDENTIAL
DISCOVERY DATABASE IN FURTHER SUPPORT OF ROSE IZZO'S
OBJECTION TO THE PROPOSED SETTLEMENT, AWARD OF
ATTORNEYS' FEES AND EXPENSES, AND INCENTIVE AWARDS**

STATE OF DELAWARE)
) ss.:
COUNTY OF NEW CASTLE)

Theodore A. Kittila, being duly sworn, hereby deposes and says:

1. I am an attorney licensed to practice law in the State of Delaware, and I practice with Halloran, Farkas + Kittila LLP in Wilmington, Delaware. I am counsel for Objector Rose Izzo and am otherwise capable of providing this affidavit.

2. I respectfully submit this affidavit in further support of Rose Izzo's Objection to the Proposed Settlement, Award of Attorneys' Fees and Expenses, and Incentive Awards (the "Izzo Objection").

3. Attached hereto is a true and correct copy of the following redacted documents:

Ex.	Bates Nos.	Document Description
N	ANTARA-AMC-00000575	Email from Himanshu Gulati to Benjamin Chuchla dated February 11, 2023
O	ACR-AMC-00000332	BNY Mellon Account Statement dated February 28, 2023
P	ACR-AMC-00000332	BNY Mellon Account Statement dated August 31, 2022
Q	FRANCHI_0000000001-08	Fidelity Investments Statement dated February 28, 2023
R	FRANCHI_0000000009-10	Engagement Letter from RM Law to Anthony Franchi dated February 5, 2023
S	MUNOZ_0000115-162	E*TRADE Account Statement Dated January 31, 2023
T	MUNOZ_0000257-262	E*TRADE Account Statement Dated December 31, 2022
U	MUNOZ_0000846-851	Fidelity Investments Statement dated January 31, 2023

(rest of page intentionally blank)

Dated: June 15, 2023

T.A. Kittila

HALLORAN FARKAS + KITTLA LLP

Theodore A. Kittila (Bar No. 3963)

5801 Kennett Pike, Suite C/D

Wilmington, Delaware 19807

Phone: (302) 257-2025

Fax: (302) 257-2019

tk@hfk.law

Counsel for Objector Rose Izzo

SWORN TO AND SUBSCRIBED

before me this 15th day of June 2023

[Signature]
Notary Public





EXHIBIT N

Date: Saturday, February 11 2023 09:44 AM

Subject: RE: AMC Debt Capacity

From: Himanshu Gulati [REDACTED]

To: Benjamin Chuchla [REDACTED]; Chetan Bansal [REDACTED]

Call me ben

Thanks

From: Benjamin Chuchla [REDACTED]

Sent: Saturday, February 11, 2023 9:44 AM

To: Himanshu Gulati [REDACTED]; Chetan Bansal [REDACTED]

Subject: AMC Debt Capacity

H - we've done some detailed write ups on this which I can pass along if you would like

But in summary, available debt capacity without any votes / amendments should be

- About \$300m senior lien debt (could be 1L or 1.5L)
- \$50m of non-guarantor restricted subsidiary debt
- \$150m Pari 2L debt. Can do up to 200 total but only 150 can be secured
- \$75m Pari 2L debt only if used to refinance the unsecureds and only if that refinancing occurs below 55c

And of course if the 2L amend their absolute provision on unrestricted investments, all bets are off to the tune of 2.25bn+ of investment capacity.

EXHIBIT O



BNY MELLON

CIM INVESTMENT MGMT

Shares/Par Description
Security ID Link Ref
CUSIP

Asset Detail - By Asset type

Report ID: IACS0005
Base Currency: USD
Status: PRELIMINARY

		2/28/2023	Price Local/Base	Cost Local/Base	Market Value Local/Base	Percent Of Total	Net Unrealized Gain/Loss Local/Base
EQUITY							
U.S. DOLLAR							
879,000	AMC ENTERTAINMENT HOLDINGS INC		2.0700	7,964.37	1,819.53		-6,144.84
00165C203			2.0700	7,964.37	1,819.53	100.00	-6,144.84
00165C203							

EXHIBIT P

CONFIDENTIAL

ACR-AMC-00000334



Transaction Detail
Reported By Transaction Category

Report ID: IACS0008
Base Currency: USD

8/1/2022 - 8/31/2022

Trans Code	Link Ref	Shares/Par Description	Security Id Broker	Transaction No./Client Ref No.	Trade Date	C. Settle Date	Reported Date	Price Local/Base	Cost Local/Base	Amount Local/Base	Net Gain/Loss Local/Base	Status: FINAL
TOTAL U.S. DOLLAR EQUITY:												
TOTAL EQUITY SALES:												
TOTAL SALES:												

CORPORATE ACTIONS

CORPORATE ACTION DIVIDEND INCOME

U.S. DOLLAR

ST 879.000 AMC ENTERTAINMENT HOLDINGS INC
00165C203 PFD 0.000%
20220822F000020

INTEREST

CASH & CASH EQUIVALENTS

U.S. DOLLAR

IT REDACTED - NON RESPONSIVE

INTEREST ACCRUAL

CASH & CASH EQUIVALENTS

U.S. DOLLAR

IA REDACTED - NON RESPONSIVE

DIVIDENDS

EQUITY

U.S. DOLLAR

DV REDACTED - NON RESPONSIVE

EXHIBIT Q



INVESTMENT REPORT
February 1, 2023 - February 28, 2023

FIDELITY ACCOUNT ANTHONY FRANCHI - INDIVIDUAL

► Account Number: [REDACTED]

Your Account Value:

Change from Last Period:

ANTHONY FRANCHI
[REDACTED]

	This Period	Year-to-Date
Beginning Account Value	[REDACTED]	[REDACTED]
Change in Investment Value *	[REDACTED]	[REDACTED]
Ending Account Value **	[REDACTED]	[REDACTED]
Accrued Interest (AI)	[REDACTED]	[REDACTED]
Ending Account Value Incl. AI	[REDACTED]	[REDACTED]

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity in or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

** Excludes unpriced securities.

Contact Information

Online	Fidelity.com
FAST®-Automated Telephone	(800) 544-5555
Customer Service	(800) 544-6666

Save on your tax preparation services. Learn more at
Fidelity.com/taxprep.

Brokerage services provided by Fidelity Brokerage Services LLC (FBS), Member NYSE, SIPC (800) 544-6666. Brokerage accounts carried by National Financial Services LLC (NFS), Member NYSE, SIPC.



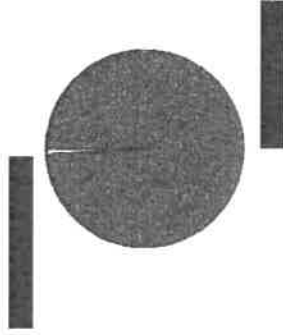
Account Summary

Account # [REDACTED]
ANTHONY FRANCHI - INDIVIDUAL

Account Value:

[REDACTED]

Account Holdings



Change in Account Value - \$5.68

	This Period	Year-to-Date
Beginning Account Value	[REDACTED]	[REDACTED]
Change in Investment Value *	[REDACTED]	[REDACTED]
Ending Account Value	[REDACTED]	[REDACTED]
Accrued Interest (AI)	[REDACTED]	[REDACTED]
Ending Account Value Incl. AI	[REDACTED]	[REDACTED]

Total Account Trades Mar 2022 - Feb 2023 [REDACTED]

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

Core Account and Credit Balance Cash Flow

	This Period	Year-to-Date
Beginning Balance	[REDACTED]	[REDACTED]
Investment Activity	[REDACTED]	[REDACTED]
Securities Bought	[REDACTED]	[REDACTED]
Dividends, Interest & Other Income D	[REDACTED]	[REDACTED]
Total Investment Activity	[REDACTED]	[REDACTED]
Ending Balance	[REDACTED]	[REDACTED]

D Includes dividend reinvestments.

Top Holdings

Description	Value	Percent of Account
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Please note that, due to rounding, percentages may not add to 100%.

Income Summary

	This Period	Year-to-Date
Taxable	[REDACTED]	[REDACTED]
Dividends	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]



INVESTMENT REPORT
February 1, 2023 - February 28, 2023

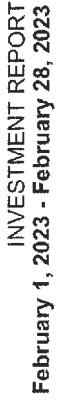
Holdings

Account # **INDIVIDUAL**
ANTHONY FRANCHI -

[illegible]

Stocks

[illegible]



Account # [REDACTED]
ANTHONY FRANCHI - INDIVIDUAL

All positions held in cash account unless indicated otherwise.

Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

[illegible]

Settlement Date	Security Name	Symbol/ CUSIP	Description	Quantity	Price	Transaction Cost	Amount
Total Securities Bought							
Net Securities Bought & Sold							



Activity

Account # [REDACTED]
ANTHONY FRANCHI - INDIVIDUAL

Dividends, Interest & Other Income

(Includes dividend reinvestment)

Settlement Date	Security Name	Symbol/CUSIP	Description	Quantity	Price	Amount
Total Dividends, Interest & Other Income						

Core Fund Activity

For more information about the operation of your core account, please refer to your Customer Agreement.

Settlement Date	Account Type	Transaction	Description	Quantity	Price	Amount	Balance
Total Core Fund Activity							

Additional Information and Endnotes

Estimated Annual Income (EAI) & Estimated Yield (EY) - EAI for fixed income is calculated using the coupon rate. For all other securities, EAI is calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. EY reflects only the income generated by an investment and not changes in its price which may fluctuate. Interest and dividend rates are subject to change at any time and may be affected by current and future economic, political and business conditions. EAI and EY are provided for informational purposes only and should not be used or relied on for making investment, trading or tax decisions. EAI and EY are based on data obtained from information providers believed to be reliable, but no assurance can be made as to accuracy, timeliness or completeness. Please refer to the Help/Glossary on Fidelity.com for additional information regarding these calculations.



Additional Information and Endnotes

Account # X [REDACTED]
ANTHONY FRANCHI - INDIVIDUAL

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For more information about your statement, please refer to our **Frequently Asked Questions** document at [Fidelity.com/statements](https://www.fidelity.com/statements).



Information About Your Fidelity Statement

Lost or Stolen Cards For 24-Hour worldwide customer service, call 800-529-2164 for American Express or 800-323-5353 for Fidelity® Debit Card.

Additional Investments with Fidelity Make checks payable to Fidelity Investments. Include your account number on the check. For retirement and health savings accounts (HSA), designate in the memo field whether your contribution is for the current or prior year. Mail checks or other inquiries to: Fidelity Investments, P.O. Box 770001, Cincinnati, OH 45277-0003.

Income Summary Shows income by tax status for the statement and year-to-date periods. Except for interest income earned on, or distributed by, tax-exempt securities, Fidelity reports dividends and capital gains held in taxable accounts as taxable income. A portion of income reported as tax-exempt income may be subject to alternative minimum taxes and/or state and local taxes. In Traditional IRAs, Rollover IRAs, SEP-IRAs, SIMPLE IRAs and Keoghs, earnings are reported as tax-deferred income. In Roth IRAs and HSAs, earnings are reported as tax-exempt income as they may be federally tax-exempt if certain conditions are met.

Cost Basis, Gain/Loss, and Holding Period Information NFS is required to report certain cost basis and holding period information to the IRS on Form 1099-B. Unless otherwise specified, NFS applies the average cost method for open-end mutual funds and the first-in, first-out (FIFO) method for all other securities. Cost basis is adjusted for wash sales on securities with the same CUSIP held in the same account (unless your account receives mark-to-market reporting). Your statement may not reflect all adjustments required for tax purposes. Customers should consult their tax advisors for further information.

Cost Fidelity provides purchase cost information for securities held in retirement and HSA accounts. Such information may be adjusted for certain transactions and does not reflect dividends or capital gains and reinvestments. Fidelity reports transaction profit or loss information when securities are sold within a retirement or HSA account. Transaction profit or loss is calculated by subtracting purchase cost from sales proceeds

using the FIFO method if shares were purchased at different times or prices. **Statement Mailing** We deliver statements at least four times during the calendar year for any account with a balance.

Statement Discrepancies Please review your statement and report any inaccuracies or discrepancies. **Inquiries, concerns or questions regarding your brokerage account or the activity therein should be directed to FBS** by calling 800-544-6666, and NFS, who carries your brokerage accounts, by calling 866-408-1138. Any oral communications regarding inaccuracies or discrepancies should be reconfirmed in writing to protect your rights, including those under the Securities Investor Protection Act (SIPA).

Material Changes Please advise us of material changes in your investment objectives or financial situation related to your brokerage account(s).

Mutual Funds and Performance Before investing, consider the funds' investment objectives, risks, charges and expenses. Contact Fidelity for a prospectus containing this information. Read it carefully. Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Visit Fidelity.com/performance for most recent month-end performance.

Sales Loads & Fees Each fund reserves the right to terminate or modify its exchange privilege in the future. In connection with (i) access to purchase, sale, exchange or redemption of, and/or maintenance of positions in, mutual funds, ETFs and other investment products ("funds") or (ii) infrastructure needed to support such funds, prospectus as well as additional compensation for shareholder services, start-up fees, platform support and maintenance, and marketing, engagement and analytics programs. Additional information about the source(s) of compensation as well as other remuneration received by FBS or NFS will be furnished to you upon written request. At the time you purchase shares of funds those shares will be assigned either a load, transaction fee (TF) or no transaction fee (NTF) status. When you subsequently sell those shares, any fees applicable to your transaction will be assessed based on the status assigned to the shares at the time of purchase.

Additional Information About Your Brokerage Account, If Applicable

Free credit balances (FCB) are funds payable to you on demand. FCB are subject to open commitments such your statement are generally estimates and are not based on actual market prices. The secondary market for as uncleared checks and exclude proceeds from sales of certificated securities without delivery of the CDs is generally illiquid. You should always request a current valuation for your securities prior to making a certificate. If your FCB is swept to a core position, you can liquidate the core position and have the proceeds financial decision or placing an order.

Executing Orders on the Floor of the NYSE The Floor broker may permit the Designated Market Maker to connect to you or held in your account subject to the terms of your account agreement. Required rule 10b-10(a) permission would not be inconsistent with the broker's best execution obligations. Information not contained herein will be provided on written request. Fidelity may use this free credit balance in trade on party with the order for some or all of the executions associated with filing that order, where such information not contained herein will be provided on written request.

Assets Separate from Your Brokerage Account Only securities in accounts carried by NFS, a Fidelity Investments company, are protected in accordance with the Securities in the margin portion of your brokerage account contribute to margin and maintenance requirements. SIPC Securities in accounts carried by NFS, a Fidelity Investments company, are protected in accordance with the SIPC up to \$500,000 (including cash claims limited to \$250,000). For details, including the SIPC brochure, Other Assets, which may be reported on your statement, including insurance products that are distributed by the SIPC up to \$500,000 (including cash claims limited to \$250,000). For details, including the SIPC brochure, FBS and Fidelity Insurance Agency, Inc., and mutual fund only accounts held directly with the fund (Fidelity please see www.sipc.org or call 1-202-371-8300. NFS has arranged for additional protection for cash and Mutual Fund Accounts) are not carried by NFS, and not covered by the Securities Investor Protection Corporation covered securities to supplement its SIPC coverage. Neither coverage protects against a decline in the market (SIPC) and do not count toward your margin and maintenance requirements. Assets held in brokerage value of securities.

accounts managed by Fidelity Personal and Workplace Advisors LLC (FPWA) are carried by NFS and covered Fidelity Investments Fidelity Distributors Company LLC (FDC) is the distributor for Fidelity Funds with by SIPC but do not contribute to your margin and maintenance requirements. **Short Account Balances** marketing and shareholder services provided by FBS or NFS. **Brokerage services are provided by FBS,** Securities sold short are held in a segregated short account. These securities are marked-to-market for margin which clears all transactions through its affiliate, NFS. NFS carries all brokerage accounts. FBS and purposes, and any increase or decrease from the previous week's value is transferred weekly to your margin NFS are members of the NYSE and SIPC. Upon written request, Fidelity will mail an NFS financial statement, account. Fidelity represents your short account balance as of the last weekly mark-to-market, not as of the date which is also available for inspection at its office. Fidelity Investments (with pyramid logo) is a trademark of statement end date. **Information About Your Option Transactions** Each transaction confirmation previously FMR LLC.

delivered to you contains full information about commissions and other charges, and such information is **FPWA Services** Fidelity Go®, Fidelity Managed FidelityGoSM and Fidelity® Strategic Disciplines are advisory available promptly upon request. Assignments of American and European-style options are allocated among services offered by FPWA, a registered investment adviser. Fidelity® Strategic Disciplines includes the customer short positions pursuant to a random allocation procedure, a description is available upon request. Breckinridge Intermediate Municipal Strategy, the Fidelity® Equity-Income Strategy, the Fidelity® Tax-Managed Short positions in American-style options are liable for assignment anytime. The writer of a European-style U.S. Equity Index Strategy, the Fidelity® U.S. Large Cap Equity Strategy, the Fidelity® International Equity option is subject to exercise assignment only during the exercise period. For more information, please call Strategy, the Fidelity® Tax-Managed International Equity Index Strategy, the Fidelity® Intermediate Municipal Fidelity at 800-544-6666. **Equity Dividend Reinvestment** Shares credited to your account resulted from Strategy and the Fidelity® Core Bond Strategy, Fidelity® Wealth Services are advisory services offered by transactions by FBS acting as agent for your account, or the Depository Trust Company (DTC). **Price** FPWA or Fidelity Personal Trust Company (FPTC), a federal savings bank. Nondeposit investment **Information/Total Market Value** The Total Market Value has been calculated out to 9 decimal places but the products and trust services offered by FPTC and its affiliates are not insured or guaranteed by the Federal individual unit price is displayed in 5 decimal places. The Total Market Value represents prices obtained from Deposit Insurance Corporation or any other government agency, are not obligations of any bank, and are various sources, may be impacted by the frequency with which such prices are reported and such prices are subject to risk, including possible loss of principal. **These advisory services are provided for a fee.** FBS, not guaranteed. Prices received from pricing vendors are generally based on current market quotes, but when NFS, FDC, FPWA and FPTC are direct or indirect subsidiaries of FMR LLC.

such quotes are not available. The pricing vendors use a variety of techniques to estimate value. These **Miscellaneous** Mutual fund shares, other securities held in your account, and insurance products are neither estimates, particularly for fixed income securities, may be based on certain minimum principal amounts (e.g. \$1 deposits nor obligations of, nor endorsed or guaranteed by, any bank or other depositing institution, nor are they million) and may not reflect all of the factors that affect the value of the security, including liquidity risk. In federal insurance by the FDIC or any other agency. If you request a reprint of your statement, the disclosure certain situations, a price may be derived from a single market participant, also known as a "single broker information may not be the same as the information originally provided. To confirm that an authorized, direct quote". The prices provided are not firm bids or offers. Certain securities may reflect as N/A or unavailable deposit has been made to your Fidelity Account or Fidelity Mutual Fund Account, call Fidelity at where the price for such security is generally not available from a pricing source. The Market Value of a 1-800-544-5555.

588130.55.0

security, including those priced at par value, may differ from its purchase price and may not closely reflect the



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EXHIBIT R



1055 Westlakes Dr., Suite 300
Berwyn, PA 19312
(T) 484-324-6800
(F) 484-631-1305
www.rmclasslaw.com

February 5, 2023

Anthony Franchi

RE: AMC Entertainment Holdings, Inc.

Dear Anthony:

By your signature below, you are acknowledging that you have agreed to be represented by RM LAW, P.C., Bernstein Litowitz Berger & Grossmann LLP, and such co-counsel as they deem appropriate to associate with in an action against AMC Entertainment Holdings, Inc. and certain of its officers and directors.

We have advised you that we have conducted a thorough investigation into the facts and circumstances surrounding the allegations contained in the Complaint, and we believe them to be meritorious. You understand that in seeking to be a plaintiff, you are undertaking certain fiduciary duties and responsibilities, which require you to adequately and fairly represent the class by becoming generally familiar with this litigation so that you can monitor, review and participate with counsel in the prosecution of the action. You may and should confer with us at any time you feel it is appropriate to do so. Your fiduciary duty also requires you to act in the best interests of the class at all times and not put your own personal interests ahead of the interests of the class. If you obtain access to non-public information during the pendency of the litigation, you must not engage in transactions in the company's stock. You must also preserve any documents you have related to the case. Also, please let us know if your contact information changes.

Our firm prosecutes class actions and is seeking to undertake this litigation on a contingent fee basis. You will not be responsible for any attorney's fees. This means we will not seek payment of any fees unless the lawsuit generates a recovery or benefit for the class. The payment of our fees in this suit is subject to court approval, and we generally seek to have our fees calculated as a percentage of the benefit created as a result of the lawsuit. In no event, will we request over 33.33% of the amount recovered plus reasonable disbursements. If non-monetary benefits are achieved, we will base our fee request on prior court awards where similar benefits were achieved. If there is no recovery or benefit for the class, our firm will not be paid.

We will advance all costs and expenses that we deem necessary to pursue an appropriate recovery in this suit. Typical costs and expenses include, but are not limited to, telephone, fax transmission, court costs, computer research, copy, and postage expenses, as well as more substantial items, such as the cost of travel, deposition, trial, mediation expenses, and expert

witness and consultant fees. If the lawsuit generates a recovery for the class, we will apply to the Court to have our costs and expenses reimbursed from the settlement fund remaining after the attorneys' fees have been paid. If there is no recovery, you will not be responsible for any costs.


In the course of the lawsuit, we may, without notice to you, retain and/or work with other law firms, in which case, we would divide any legal fees we receive with such other firms. You agree that we may divide fees with other attorneys for serving as local counsel, or for referral fees, or other services performed. You also agree that with respect to situations in which our co-counsel perform services, they may be entitled to receive between 5% and 10% of our firm's overall fee. The division of attorneys' fees with other counsel may be determined upon a percentage basis or upon time spent in assisting the prosecution of the action. The division of fees with other counsel is our sole responsibility and will not increase the fees described above. If we determine at any time that the prosecution of these claims is not feasible or is contrary to justice or the standards of good faith, we are then entitled to withdraw from the representation in the action, with reasonable notice to you. This agreement shall be governed by the laws of the Commonwealth of Pennsylvania. All disputes, disagreements and claims arising out of or related to this agreement shall be resolved exclusively through binding arbitration pursuant to the Rules of the American Arbitration Association.

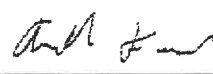
We look forward to working with you.

Very Truly Yours,

RM LAW, P.C.

By:



RICHARD A. MANISKAS

Anthony Franchi

EXHIBIT S

January 1, 2023 - January 31, 2023

Account Number: [REDACTED]

Account Type:

INDIVIDUAL

Account Status:

Pro Elite

E*TRADE Securities LLC

P.O. Box 484

Jersey City, NJ 07303-0484

1-800-387-2331 etrade.com

Member SIPC

Customer Update:

2022 Consolidated Forms 1099 for brokerage accounts will be available in the Tax Center and E*TRADE mobile app by February 15, 2023.

E*TRADE Pro Elite
Investment Account

Resolve to grow your retirement savings in 2023.

Open an E*TRADE IRA at etrade.com
and give your nest egg a boost.

USBALDO MUNOZ

Account At A Glance

E*TRADE
from Morgan Stanley

DETACH HERE ▲

USBALDO MUNOZ

DETACH HERE ▲

Use This Deposit Slip**Acct:** [REDACTED]**Please do not send cash**

Make checks payable to E*TRADE Securities LLC

Mail deposits to:

TOTAL DEPOSIT

Dollars	Cents

E*TRADE SECURITIES LLC

P.O. Box 484

Jersey City, NJ 07303-0484

CONFIDENTIAL

Munoz_0000155

Please refer to the E*TRADE Securities LLC ("ETS") Customer Agreement (the "Customer Agreement") at www.etrade.com/custagree for a complete discussion of the terms and conditions governing your account and the Relationship Summary at www.etrade.com/formcrs for information about ETS services. If you have questions regarding the Customer Agreement, your account, or positions and balances please contact us through etrade.com or call 800-387-2331. THE INFORMATION CONTAINED IN YOUR ACCOUNT STATEMENT SHALL BE BINDING UPON YOU IF YOU DO NOT OBJECT, EITHER IN WRITING OR VIA ELECTRONIC MAIL WITHIN FIVE (5) DAYS AFTER THE ACCOUNT STATEMENT IS FIRST RECEIVED BY YOU.

Securities products and services are offered by ETS, Member SIPC. Your account is carried by ETS, Member SIPC, which maintains your funds and securities deposited with ETS directly by you or your advisor firm. Please review this statement carefully. If you disagree with any transaction, or if there are any errors or omissions, please notify us at 800-387-2331 within five (5) days of your receipt of this statement. Any oral statements that you have made to us should be confirmed in writing.

Applicable Rules and Regulations. All transactions in your account shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market and its clearinghouse, where the transactions are executed by ETS or its agents, including ETS affiliates. Also, where applicable, the transactions shall be subject to the provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission ("SEC"), the Board of Governors of the Federal Reserve System, and any applicable self-regulatory organization. For information about FINRA's Broker Check Program, including an investor brochure, please contact FINRA at 800-289-9999 or www.finra.org.

Securities Pricing. The amounts printed in the total market value column of the Account Holdings section, or any amounts derived therefrom, are based on US month end prices and are provided by outside quotation services for the securities held by us in your account. Prices of municipal bonds, certain over-the-counter securities, and federal obligations are approximations and are only for guidance purposes. Prices used are based on the last reported transaction known to the quotation services or the yields or values that are calculated on the basis of these prices. Value of brokered CDs reflected on this statement is estimated by a third-party pricing service. Actual value may differ if you elect to sell your CD(s) in the secondary market. Bonds and/or fixed income securities trade differently than equity securities and do not trade on a liquid exchange. Rather, they trade in the OTC (over-the-counter) market and sufficient liquidity may not exist for you to sell your position prior to maturity. The sale of instruments prior to maturity may result in a loss of principal.

Interest/Dividends. We are required by law to report annually to you and to the Internal Revenue Service on Form 1099 any taxable interest, dividends, and capital gains credited to your account, as well as any taxes withheld. The year-to-date figures shown on your statement reflect these amounts classified to the best of our current knowledge based on activity. In certain circumstances, payments may be subject to reclassification; such reclassifications will be reflected to the Internal Revenue Service on your Form 1099. Your statement may not reflect all adjustments required for tax purposes; please refer to your tax documents.

SIPC and other Insurance Coverage. ETS is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC currently protects the assets in each of your securities accounts at ETS up to \$500,000 (including \$250,000 for claims for cash). Visit www.sipc.org or call 202-371-8300 for more information including a brochure on SIPC protection. (Please note that money market mutual fund balances are considered securities rather than cash.) Additional protection for ETS has been secured through an independent insurer, more information about which can be found at <http://us.etrade.com/customer-service/faq>. The market risks associated with investing and any resulting losses are not covered by SIPC or the additional protection.

Payment for Order Flow. The SEC (and FINRA) requires that all broker-dealers inform their customers when a new account is opened, and on an annual basis thereafter, of payment for order flow practices (compensation received for placing orders through specialists on national securities exchanges, over-the-counter market makers, alternative trading systems, and ECNs (collectively, "market centers"). Consistent with the overriding principle of best execution, ETS routes orders to various market centers. ETS receives remuneration (generally in the form of per share cash payments or through profit sharing arrangements) for routing orders in securities to particular market centers for execution. Such remuneration is considered compensation to ETS, and the source and amount of any compensation received in connection with your transaction will be disclosed to you upon written request. ETS posts SEC Rule 606 quarterly reports that include order routing disclosures including the material aspects of the firms' relationships with outside market centers at www.etrade.com. In addition, on request, ETS may provide the identity of the venue to which your orders were routed for execution in the six months prior to the request, whether the orders were directed orders or nondirected orders, and the time of the transactions, if any, that resulted from such orders. ETS regularly assesses the execution quality provided by the market centers to which we route order flow in seeking best execution for our clients. For non-directed client orders, it is our policy to route orders to market centers based on a number of factors that are more fully discussed in the Supplemental Materials of FINRA Rule 5310, including where applicable, but not necessarily limited to, speed of execution, price improvement opportunities, differences in price dis-improvement, likelihood of executions, the marketability of the order, size guarantees, service levels and support, the reliability of order handling systems, customer needs and expectations, transaction costs and whether the firm will receive remuneration for routing order flow to such market centers. Price improvement is available under certain market conditions and for certain order types and we regularly monitor executions to test for such improvement if available.

Margin Accounts. The amount of margin required will be the greater of the (1) amount required by applicable laws, regulations, rules of applicable self-regulatory organizations and clearinghouses, or (2) amount required by ETS in its sole discretion. You will be charged interest on a daily basis on all debit balances that you owe to ETS and on credit extended to you by ETS for the purpose of purchasing, carrying or trading in securities or otherwise. Interest is calculated on a 360-day basis using settlement date balances. Except as otherwise agreed by you and ETS, the applicable interest rate for margin loans will be determined by adding the prevailing base rate and the applicable sliding scale percentage rate, which is in turn determined by your average daily debit balance. Your stated interest rate is subject to change without notice during each period in accordance with fluctuations in your average daily debit balance and changes to the base rate that are attributable to a change in the Federal Funds rate. ETS will provide you with at least 30 days' prior written notice before changing your stated interest rate for any other reason. Information about ETS's base rate is available upon written request to ETS. For more information on how ETS calculates interest, please see the Customer Agreement. If you have a margin account, this statement is a combined statement for both your margin account and special memorandum account. The permanent record of the separate account as required by Regulation T of the Federal Reserve Board is available for your inspection.

Free Credit Balances. Any cash balances in your securities account, which represent an obligation of ETS, are payable to you upon demand and referred to as free credit balances. Your free credit cash balances: 1) can be maintained in the securities account and will earn interest through the "Cash Balance Program" as more fully described at <http://us.etrade.com/notifications-uninvested-cash>, and 2) as such are held unsegregated and may be used by ETS in the conduct of its business, subject to the limitations of Rule 15c3-3 under the Securities Exchange Act of 1934. Your free credit cash balances can alternatively be directed to other cash balance options.

Other Cash Balance Option. In addition to the Cash Balance Program you may have the option to have free credit balances in your securities account automatically transferred to a

bank sweep product, which is an account at a bank (or banks, collectively, "Program Banks") whose deposits are insured by the FDIC, but which are not obligations of ETS. Accounts opened prior to May 10, 2018 may also be eligible to have their free credit balances transferred to certain money market mutual funds. For information about the products available for free credit balances go to www.etrade.com/sweepoptions ("Sweep Program"). The products available under the Sweep Program may change at any time. Notification of changes will be provided to the extent required by applicable law. Additionally, you may at any time change your selection among the products available in the Sweep Program. You may elect, subject to any limitation set forth in any Sweep Program agreement or, with respect to an account at a bank, under federal banking laws (which includes, without limitation, program banks' potential requirement of seven days' notice before permitting a withdrawal or transfer of funds from such account) that the balance in the bank deposit account be returned, or shares of the money market mutual fund in which you have a beneficial interest be liquidated and the proceeds returned, as applicable, to the securities account or remitted to you. With respect to your decision to participate in a bank sweep product, please remember you are responsible for monitoring the cash balance of your bank sweep accounts deposited with the Program Banks to determine whether you have total deposit balances held in the same capacity at any Program Bank in excess of the \$250,000 FDIC deposit insurance limit.

Options Trading. If you are approved for options trading, you are responsible for advising ETS of any material changes in your investment objectives or financial situation. Additionally, further information regarding commissions and other charges related to the execution of option transactions has been included in the confirmations of such transactions previously provided to you. Such information will also be made available promptly upon request.

Random Allocation of Options Assignment Notices. Assignment notices for short option contracts are allocated among customer short option positions in accordance with a random allocation method. A detailed description of ETS's random allocation method is available at etrade.com and a hard copy of the allocation procedures is available upon request.

Financial Statement. A financial statement of ETS is available for your inspection at its offices or etrade.com or will be mailed to you upon your written request.

Valuation of Certain Alternative Investments (including DPP and REIT securities). Account statements may include valuations for alternative investments. The values of such investments are estimated and reflect either the most recent valuation provided to ETS by the issuer of the investment, or a valuation provided by an independent third party, which ETS will obtain, as part of its services, on an annual or more frequent basis. ETS does not provide a guarantee of the value or the appropriateness of the appraisal methodology applied by the independent third party in providing a value and ETS assumes no responsibility for verifying the accuracy of any valuation presented. Failure of the issuer to provide a timely valuation is your sole responsibility. The investment may reflect no value if a valuation was unavailable or is inaccurate. Investment in non-publicly traded securities, which includes alternative investments, often involves higher risk and less liquidity than other investments. Because there is generally no secondary market for alternative investments, the values reported to you should not be relied upon as any indication of market value. You may be able to sell your interests in the alternative investments held in your account, if at all only for amounts that are substantially less than their purchase price or the estimated values on your account statements. If your statement reflects a distribution that included a return of capital on Direct Participation Programs and/or REITs, please note that said distributions are reported and a net investment per share estimated value is also reported. Pricing and distribution information has been provided by the sponsor, issuer or other external party responsible for reporting of the DPP or REIT and the classification of distributions as income or return of capital, in whole or in part, is subject to final accounting by such party(ies) and will be reported to you on a Form 1099 or K-1, as applicable.

In case of errors or questions about your Electronic Fund Transfers please contact us at 800-387-2331 immediately or in writing at E*TRADE Securities LLC, PO Box 484, Jersey City, NJ 07303-0484 or by visiting etrade.com, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. The information contained in your account statement shall be binding upon you if you do not object within sixty (60) days for any transfer of funds subject to Regulation E, such as ATM and point-of-sale transfers, debit transactions, direct deposits, and withdrawals. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- (1) Tell us your name and account number.
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

ETS is a subsidiary of Morgan Stanley. If you have a complaint, please call 800-387-2331, or write to: E*TRADE Securities LLC, P.O. Box 484, Jersey City, NJ 07303-0484.

Definitions:

Activity/Trade Date. Trade date or transaction date of other entries.
Total Portfolio Percent. Percentage of your holding by issue of security.
DIVCPN % Yield. Annual dividend or bond % yield.
Open Orders. Buy or sell orders for securities that have not yet been executed or canceled.
Symbol/CUSIP. The symbol or identification number for each security.
*** Denotes a security where either the country of issue or country of incorporation of the issuer is outside the US.

Pending and Unsettled Transactions. Based on the timing of statement generation, the value of certain unsettled trades and/or pending transactions (e.g., transactions that take place or settle after the last business day of the month) may not be reflected on your statement. Please e-mail us through etrade.com or call 800-387-2331 with any questions.

SR18240 - 01/22



E*TRADE Pro Elite
Investment Account

Account Number: [REDACTED]

Statement Period : January 1, 2023 - January 31, 2023

Account Type: INDIVIDUAL

Customer Update:

Visit the E*TRADE Tax Center to access tax forms (when available), plus tips and tools to help with your tax preparation. Bookmark etrade.com/tax today.

ACCOUNT OVERVIEW

ASSET ALLOCATION (AS OF 01/31/23)



ACCOUNT VALUE SUMMARY

AS OF 01/31/23	AS OF 12/31/22	% CHANGE
[REDACTED]		

Securities products and services are offered by E*TRADE Securities LLC, Member FINRA/SIPC. Sweep deposits may be swept to Morgan Stanley Bank, N.A., and/or Morgan Stanley Private Bank, National Association, Members FDIC, and depending on the sweep program may also be swept to third party banks. Subject to other funds a customer might maintain at the recipient bank, sweep funds will receive a maximum of \$250,000 in FDIC insurance coverage at each federally insured depository institution to which funds are swept. Securities products and cash balances other than sweep deposits are not FDIC insured, not guaranteed deposits or obligations of Morgan Stanley Bank, Morgan Stanley Private Bank, or any third party bank to which they might be swept, and are subject to investment risk, including possible loss of the principal invested.

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E*TRADE Pro Elite
Investment Account

Account Number: [REDACTED]

Statement Period : January 1, 2023 - January 31, 2023

Account Type: INDIVIDUAL

NET ACCOUNT VALUE BY MONTH END

ACCOUNT TRANSACTION SUMMARY

DESCRIPTION	THIS PERIOD	YEAR TO DATE
-------------	-------------	--------------

[REDACTED]		
------------	--	--

JAN-22 FEB-22 MAR-22 APR-22 MAY-22 JUN-22 JUL-22 AUG-22 SEP-22 OCT-22 NOV-22 DEC-22 JAN-23

TOP 10 ACCOUNT HOLDINGS (AS OF 01/31/23)

[REDACTED]	
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Account Number: [REDACTED]

Statement Period : January 1, 2023 - January 31, 2023

Account Type: INDIVIDUAL

ACCOUNT HOLDINGS

CASH & CASH EQUIVALENTS [REDACTED]

DESCRIPTION				PORTFOLIO %	AMOUNT
TOTAL CASH & CASH EQUIVALENTS YTD. INTEREST (CREDIT INTEREST ONLY)					
STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS					
DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE
					PORTFOLIO (%)
					EST. ANNUAL INCOME
					EST. ANNUAL YIELD (%)

[REDACTED]				
AMC ENTERTAINMENT HOLDINGS INC CLA COM	AMC	Margin	25,000	5.3500
				133,750.00
				61.62

[REDACTED]				
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Account Number: [REDACTED]

Statement Period : January 1, 2023 - January 31, 2023

Account Type: INDIVIDUAL

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (Continued)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
-------------	------------------	--------------	----------	-------	--------------------	------------------	-----------------------	--------------------------

[REDACTED]								
------------	--	--	--	--	--	--	--	--

PREFERRED STOCKS

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
AMC ENTERTAINMENT HOLDINGS INC AMC PRFRD EQTY UNITS ECH CNSTNG OF DPSTRY SHR RPRSNTNG 1/100	APE	Margin	81	2.4200	196.02	0.09		

[REDACTED]								
------------	--	--	--	--	--	--	--	--



E*TRADE Pro Elite
Investment Account

Account Number: [REDACTED]

Statement Period : January 1, 2023 - January 31, 2023

Account Type: INDIVIDUAL

TOTAL ESTIMATED ACCOUNT HOLDINGS ANNUAL INCOME

[REDACTED]

TRANSACTION HISTORY

SECURITIES PURCHASED OR SOLD

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
------------	-----------------	-------------	------------------	------------------	----------	-------	---------------------	----------------

[REDACTED]								
------------	--	--	--	--	--	--	--	--

DIVIDENDS & INTEREST ACTIVITY

DATE	TRANSACTION TYPE	DESCRIPTION	SYMBOL/ CUSIP	AMOUNT DEBITED	AMOUNT CREDITED
------	------------------	-------------	------------------	-------------------	--------------------

[REDACTED]					
------------	--	--	--	--	--



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EXHIBIT T

December 1, 2022 - December 31, 2022

Account Number: [REDACTED]

Account Type: INDIVIDUAL

Account Status: Pro Elite

E*TRADE Securities LLC
 P.O. Box 484
 Jersey City, NJ 07303-0484
 1-800-387-2331 etrade.com
 Member SIPC

Customer Update:

When to expect your 2022 tax documents

Visit etrade.com/tax to see when you'll receive
 1099s, 5498s, and other tax documents.

E*TRADE Pro Elite
 Investment Account

Why not get your statements, confirmations, and
 tax documents online? Enroll for paperless delivery
 today at etrade.com/paperless.

USBALDO MUNOZ
[REDACTED]**Account At A Glance**

E*TRADE
 from Morgan Stanley

▲ DETACH HERE
 USBALDO MUNOZ

DETACH HERE ▲

Use This Deposit Slip**Acct:** [REDACTED]**Please do not send cash**

Make checks payable to E*TRADE Securities LLC

Mail deposits to:

TOTAL DEPOSIT

Dollars	Cents

E*TRADE SECURITIES LLC
 P.O. Box 484
 Jersey City, NJ 07303-0484

CONFIDENTIAL

Munoz_0000257

Please refer to the E*TRADE Securities LLC ("ETS") Customer Agreement (the "Customer Agreement") at www.etrade.com/custagreement for a complete discussion of the terms and conditions governing your account and the Relationship Summary at www.etrade.com/forms for information about ETS services. If you have questions regarding the Customer Agreement, your account, or positions and balances please contact us through etrade.com or call 800-387-2331. THE INFORMATION CONTAINED IN YOUR ACCOUNT STATEMENT SHALL BE BINDING UPON YOU. IF YOU DO NOT OBJECT, EITHER IN WRITING OR VIA ELECTRONIC MAIL WITHIN FIVE (5) DAYS AFTER THE ACCOUNT STATEMENT IS FIRST RECEIVED BY YOU.

Securities products and services are offered by ETS, Member SIPC. Your account is carried by ETS, Member SIPC, which maintains your funds and securities deposited with ETS directly by you or your advisor firm. Please review this statement carefully. If you disagree with any transaction, or if there are any errors or omissions, please notify us at 800-387-2331 within five (5) days of your receipt of this statement. Any oral statements that you have made to us should be confirmed in writing.

Applicable Rules and Regulations. All transactions in your account shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market, and its clearinghouse, where the transactions are executed by ETS or its agents, including ETS affiliates. Also, where applicable, the transactions shall be subject to the provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission ("SEC"), the Board of Governors of the Federal Reserve System, and any applicable self-regulatory organization. For information about FINRA's Broker Check Program, including an investor brochure, please contact FINRA at 800-289-9999 or www.finra.org.

Securities Pricing. The amounts printed in the total market value column of the Account Holdings section, or any amounts derived therefrom, are based on US month end prices and are provided by outside quotation services for the securities held by us in your account. Prices of municipal bonds, certain over-the-counter securities, and federal obligations are approximations and are only for guidance purposes. Prices used are based on the last reported transaction known to the quotation services or the yields or values that are calculated on the basis of these prices. Value of brokered CDs reflected on this statement is estimated by a third-party pricing service. Actual value may differ if you elect to sell your CD(s) in the secondary market. Bonds and/or fixed income securities trade differently than equity securities and do not trade on a liquid exchange. Rather, they trade in the OTC (over-the-counter) market and sufficient liquidity may not exist for you to sell your position prior to maturity. The sale of instruments prior to maturity may result in a loss of principal.

Interest/Dividends. We are required by law to report annually to you and to the Internal Revenue Service on Form 1099 any taxable interest, dividends, and capital gains credited to your account, as well as any taxes withheld. The year-to-date figures shown on your statement reflect these amounts classified to the best of our current knowledge based on activity. In certain circumstances, payments may be subject to reclassification, such reclassifications will be reflected to the Internal Revenue Service on your Form 1099. Your statement may not reflect all adjustments required for tax purposes, please refer to your tax documents.

SIPC and other Insurance Coverage. ETS is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC currently protects the assets in each of your securities accounts at ETS up to \$500,000 (including \$250,000 for claims for cash). Visit www.sipc.org or call 202-371-8300 for more information including a brochure on SIPC protection. (Please note that money market mutual fund balances are considered securities rather than cash.) Additional protection for ETS has been secured through an independent insurer, more information about which can be found at <https://us.etrade.com/customer-service/faq>. The market risks associated with investing and any resulting losses are not covered by SIPC or the additional protection.

Payment for Order Flow. The SEC (and FINRA) requires that all broker-dealers inform their customers when a new account is opened, and on an annual basis thereafter, of payment for order flow practices (compensation received for placing orders through specialists on national securities exchanges, over-the-counter market makers, alternative trading systems, and ECNs (collectively, "market centers"). Consistent with the overriding principle of best execution, ETS routes orders to various market centers. ETS receives remuneration (generally in the form of per share cash payments or through profit sharing arrangements) for routing orders in securities to particular market centers for execution. Such remuneration is considered compensation to ETS, and the source and amount of any compensation received in connection with your transaction will be disclosed to you upon written request. ETS posts SEC Rule 806 quarterly reports that include order routing disclosures including the material aspects of the firm's relationships with outside market centers at www.etrade.com. In addition, on request, ETS may provide the identity of the venue to which your orders were routed for execution in the six months prior to the request, whether the orders were directed orders or nondirected orders, and the time of the transactions, if any, that resulted from such orders. ETS regularly assesses the execution quality provided by the market centers to which we route order flow in seeking best execution for our clients. For non-directed client orders, it is our policy to route orders to market centers based on a number of factors that are more fully discussed in the Supplemental Materials of FINRA Rule 5310, including where applicable, but not necessarily limited to, speed of execution, price improvement opportunities, differences in price-disimprovement, likelihood of executions, the marketability of the order, size guarantees, service levels and support, the reliability of order handling systems, customer needs and expectations, transaction costs and whether the firm will receive remuneration for routing order flow to such market centers. Price improvement is available under certain market conditions and for certain order types and we regularly monitor executions to test for such improvement if available.

Margin Accounts. The amount of margin required will be the greater of the (1) amount required by applicable laws, regulations, rules of applicable self-regulatory organizations and clearinghouses, or (2) amount required by ETS in its sole discretion. You will be charged interest on a daily basis on all debit balances that you owe to ETS and on credit extended to you by ETS for the purpose of purchasing, carrying, or trading in securities or otherwise. Interest is calculated on a 360-day basis using settlement date balances. Except as otherwise agreed by you and ETS the applicable interest rate for margin loans will be determined by adding the prevailing base rate and the applicable sliding scale percentage rate which is in turn determined by your average daily debit balance. Your stated interest rate is subject to change without notice during each period in accordance with fluctuations in your average daily debit balance and changes to the base rate that are attributable to a change in the Federal Funds rate. ETS will provide you with at least 30 days' prior written notice before changing your stated interest rate for any other reason. Information about ETS's base rate is available upon written request to ETS. For more information on how ETS calculates interest, please see the Customer Agreement. If you have a margin account, this statement is a combined statement for both your margin account and special memorandum account. The permanent record of the separate account as required by Regulation T of the Federal Reserve Board is available for your inspection.

Free Credit Balances. Any cash balances in your securities account, which represent an obligation of ETS, are payable to you upon demand and referred to as free credit balances. Your free credit cash balances: (1) can be maintained in the securities account and will earn interest through the "Cash Balance Program" as more fully described at <https://us.etrade.com/options/unsettled-cash>, and (2) as such are held unsegregated and may be used by ETS in the conduct of its business, subject to the limitations of Rule 15c3-3 under the Securities Exchange Act of 1934. Your free credit cash balances can alternatively be directed to other cash balance options.

Other Cash Balance Option. In addition to the Cash Balance Program you may have the option to have free credit balances in your securities account automatically transferred to a

bank sweep product, which is an account at a bank (or banks, collectively, "Program Banks") whose deposits are insured by the FDIC, but which are not obligations of ETS. Accounts opened prior to May 10, 2018 may also be eligible to have their free credit balances transferred to certain money market mutual funds. For information about the products available for free credit balances go to www.etrade.com/sweepoptions ("Sweep Program"). The products available under the Sweep Program may change at any time. Notification of changes will be provided to the extent required by applicable law. Additionally, you may at any time change your selection among the products available in the Sweep Program. You may elect, subject to any limitation set forth in any Sweep Program agreement or, with respect to an account at a bank, under federal banking laws (which includes, without limitation, program banks' potential requirement of seven days' notice before permitting a withdrawal or transfer of funds from such account) that the balance in the bank deposit account be returned, or shares of the money market mutual fund in which you have a beneficial interest be liquidated and the proceeds returned, as applicable, to the securities account or remitted to you. With respect to your decision to participate in a bank sweep product, please remember you are responsible for monitoring the cash balance of your bank sweep accounts deposited with the Program Banks to determine whether you have total deposit balances held in the same capacity at any Program Bank in excess of the \$250,000 FDIC deposit insurance limit.

Options Trading. If you are approved for options trading, you are responsible for advising ETS of any material changes in your investment objectives or financial situation. Additionally, further information regarding commissions and other charges relates to the execution of option transactions has been included in the confirmations of such transactions previously provided to you. Such information will also be made available promptly upon request.

Random Allocation of Options Assignment Notices. Assignment notices for short option contracts are allocated among customer short option positions in accordance with a random allocation method. A detailed description of ETS's random allocation method is available at etrade.com and a hard copy of the allocation procedures is available upon request.

Financial Statement. A financial statement of ETS is available for your inspection at its offices or at etrade.com or will be mailed to you upon your written request.

Valuation of Certain Alternative Investments (including DPP and REIT securities). Account statements may include valuations for alternative investments. The values of such investments are estimated and reflect either the most recent valuation provided to ETS by the issuer of the investment, or a valuation provided by an independent third party, which ETS will obtain as part of its services, on an annual or more frequent basis. ETS does not provide a guarantee of the value or the appropriateness of the appraisal methodology applied by the independent third party in providing a value, and ETS assumes no responsibility for verifying the accuracy of any valuation presented. Failure of the issuer to provide a timely valuation is your sole responsibility. The investment may reflect no value if a valuation was unavailable or is inaccurate. Investment in non-publicly traded securities, which includes alternative investments, often involves higher risk and less liquidity than other investments. Because there is generally no secondary market for alternative investments, the values reported to you should not be relied upon as any indication of market value. You may be able to sell your interests in the alternative investments held in your account, if at all only for amounts that are substantially less than their purchase price or the estimated values on your account statements. If your statement reflects a distribution that included a return of capital on Direct Participation Programs and/or REITs, please note that said distributions are reported and a net investment per share estimated value is also reported. Pricing and distribution information has been provided by the sponsor, issuer or other external party responsible for reporting of the DPP or REIT and the classification of distributions as income or return of capital, in whole or in part, is subject to final accounting by such party(ies) and will be reported to you on a Form 1099 or K-1, as applicable.

In case of errors or questions about your Electronic Fund Transfers please contact us at 800-387-2331 immediately or in writing at E*TRADE Securities LLC, PO Box 484, Jersey City, NJ 07303-0484 or by visiting etrade.com, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. The information contained in your account statement shall be binding upon you if you do not object within sixty (60) days for any transfer of funds subject to Regulation E, such as ATM and point-of-sale transfers, debit transactions, direct deposits, and withdrawals. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- (1) Tell us your name and account number.
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

ETS is a subsidiary of Morgan Stanley. If you have a complaint, please call 800-387-2331 or write to: E*TRADE Securities LLC, P.O. Box 484, Jersey City, NJ 07303-0484.

Definitions:

Activity/Trade Date. Trade date or transaction date of other entries.
Total Portfolio Percent. Percentage of your holding by issue of security.
Div/CPN% Yield. Annual dividend or bond % yield.
Open Orders. Buy or sell orders for securities that have not yet been executed or canceled.
Symbol/CUSIP. The symbol or identification number for each security.
*** Denotes a security where either the country of issue or country of incorporation of the issuer is outside the US.

Pending and Unsettled Transactions. Based on the timing of statement generation, the value of certain unsettled trades and/or pending transactions (e.g., transactions that take place or settle after the last business day of the month) may not be reflected on your statement. Please e-mail us through etrade.com or call 800-387-2331 with any questions.

S1RB240 - 01/22



E*TRADE Pro Elite
Investment Account

Account Number: [REDACTED]

Statement Period : December 1, 2022 - December 31, 2022

Account Type: INDIVIDUAL

Customer Update:

Tax questions? No problem.
Get helpful tips, tools, and key dates in the Tax Center. Visit etrade.com/tax today.

ACCOUNT OVERVIEW

ASSET ALLOCATION (AS OF 12/31/22)



ACCOUNT VALUE SUMMARY

	AS OF 12/31/22	AS OF 11/30/22	% CHANGE
[REDACTED]			

Securities products and services are offered by E*TRADE Securities LLC, Member FINRA/SIPC. Sweep deposits may be swept to Morgan Stanley Bank, N.A., and/or Morgan Stanley Private Bank, National Association, Members FDIC, and depending on the sweep program may also be swept to third party banks. Subject to other funds a customer might maintain at the recipient bank, sweep funds will receive a maximum of \$250,000 in FDIC insurance coverage at each federally insured depository institution to which funds are swept. Securities products and cash balances other than sweep deposits are not FDIC insured, not guaranteed deposits or obligations of Morgan Stanley Bank, Morgan Stanley Private Bank, or any third party bank to which they might be swept, and are subject to investment risk, including possible loss of the principal invested.

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• www.etrade.com • 1-800-387-2331 • Member FINRA/SIPC



E*TRADE Pro Elite
Investment Account

Account Number: [REDACTED]

Statement Period : December 1, 2022 - December 31, 2022

Account Type: INDIVIDUAL

NET ACCOUNT VALUE BY MONTH END

ACCOUNT TRANSACTION SUMMARY

DESCRIPTION	THIS PERIOD	YEAR TO DATE
-------------	-------------	--------------

[REDACTED]		
------------	--	--

DEC-21 JAN-22 FEB-22 MAR-22 APR-22 MAY-22 JUN-22 JUL-22 AUG-22 SEP-22 OCT-22 NOV-22 DEC-22

TOP 10 ACCOUNT HOLDINGS (AS OF 12/31/22)

[REDACTED]

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Account Number: [REDACTED]

Statement Period : December 1, 2022 - December 31, 2022

Account Type: INDIVIDUAL

ACCOUNT HOLDINGS

CASH & CASH EQUIVALENTS [REDACTED]

DESCRIPTION	PORTFOLIO %	AMOUNT
Extended Insurance Sweep Deposit Account		
Opening Balance		
Closing Balance		
Average Balance		
Extended Insurance Sweep Deposit Account Balance by Bank as of December 31, 2022		

Under the Extended Insurance Sweep Deposit Account (ESDA) Program, cash balances from your brokerage account into the ESDA Program may shift from one program bank to another on a daily basis and a different combination or subset of the Program Banks may be used from day to day with dynamic deposit limits. Your ESDA Program cash balances will be FDIC-insured up to an aggregate of \$500,000 for individual accounts and \$1,000,000 for joint accounts. Uninvested cash balances in the ESDA program are not covered by SIPC. The balance in your bank deposit sweep account may be withdrawn on your order and proceeds returned to your securities account or remitted to you. To see a list of Program Banks please visit www.etrade.com/esdaagreement or call us at 1-800-387-2331.

TOTAL CASH & CASH EQUIVALENTS [REDACTED]

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS [REDACTED]

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
AMC ENTERTAINMENT HOLDINGS INC CL A COM	AMC	Cash	27,076	4.0700	110,199.32	97.84		

PREFERRED STOCKS [REDACTED]

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
AMC ENTERTAINMENT HOLDINGS INC AMC PRFRD Eqty UNITS Ech Cnstrng OF DPSTRY SHR RPRNTNG 1/100	APE	Cash	1,255	1.4100	1,769.55	1.57		
TOTAL PREFERRED STOCKS								



E*TRADE Pro Elite
Investment Account

Account Number: [REDACTED]

Statement Period : December 1, 2022 - December 31, 2022

Account Type: INDIVIDUAL

TOTAL PRICED PORTFOLIO HOLDINGS (ON 12/31/22)

[REDACTED]

EXHIBIT U



INVESTMENT REPORT
January 1, 2023 - January 31, 2023

FIDELITY ACCOUNT USBALDO MUNOZ - INDIVIDUAL TOD

► Account Number: [REDACTED]

Envelope # [REDACTED]

USBALDO MUNOZ

[REDACTED]

[REDACTED]

[REDACTED]

▲

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

* Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.

** Excludes unpriced securities.

Contact Information

Online	Fidelity.com
FAST®-Automated Telephone	(800) 544-5555
Customer Service	(800) 544-6666

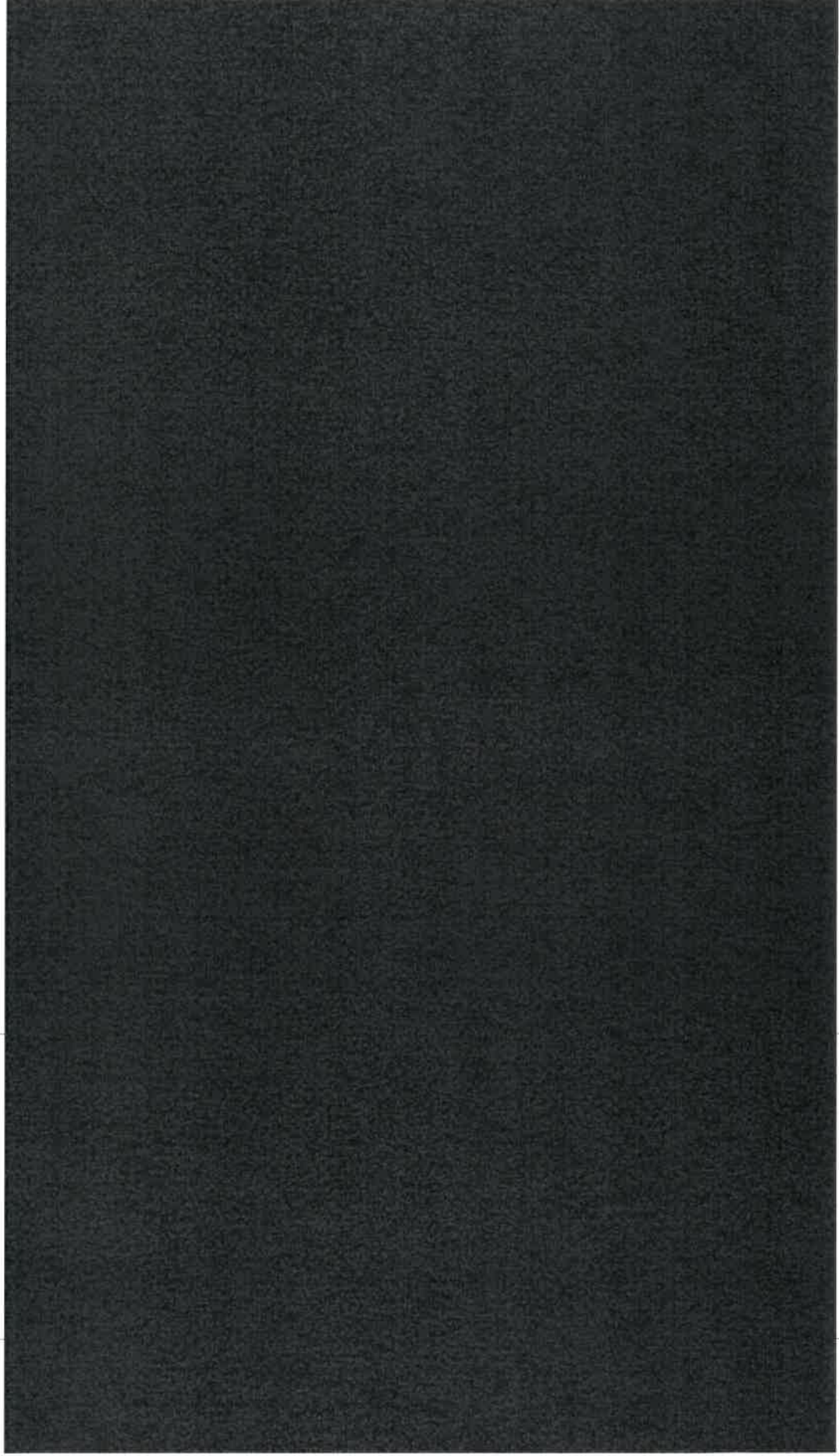
Save on your tax preparation services. Learn more at Fidelity.com/taxprep.



INVESTMENT REPORT
January 1, 2023 - January 31, 2023

Account Summary

Account # [REDACTED]
USBALDO MUNOZ - INDIVIDUAL - TOD





Holdings

Account # [REDACTED]
USBALDO MUNOZ - INDIVIDUAL - TOD

Stocks

Description	Beginning Market Value Jan 1, 2023	Quantity Jan 31, 2023	Price Per Unit Jan 31, 2023	Ending Market Value Jan 31, 2023	Total Cost Basis	Unrealized Gain/Loss Jan 31, 2023	EAI (\$) / EY (%)
Common Stock							
M AMC ENTERTAINMENT HOLDINGS INC (AMC)	\$3,459.50	850.000	\$5.3500	\$4,547.50	\$22,853.39 ^t	-\$18,305.89	-
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Preferred Stock							
M AMC ENTMT HLDGS INC PFD EQT UNIT (APE)	\$1,198.50	850.000	\$2.4200	\$2,057.00	\$13,109.02 ^t	-\$11,052.02	-
Total Preferred Stock (of account holdings)	\$1,198.50			\$2,057.00	\$13,109.02	-\$11,052.02	-
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

All positions held in margin account unless indicated otherwise.

Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

^t Third-party provided

M Position held in margin account.



Activity

Account # [REDACTED]
USBALDO MUNOZ - INDIVIDUAL - TOD



Additional Information and Endnotes

► **Electronic Funds Transfer Notice:** The following notice is required by the Bureau of Consumer Financial Protection's Regulation E and applies to electronic funds transfers (EFTs) made by consumers. However, it doesn't apply to all EFTs. Generally, EFTs in nonretirement accounts, aside from those made for the purchase or sale of securities, are subject to Regulation E (each a "Covered Transfer").

Error Resolution: In the case of errors or questions about a Covered Transfer, promptly call or write Fidelity using the contact information listed below. You must call or write Fidelity if you think that your statement is wrong or if you need more information about a Covered Transfer on the statement. Fidelity must hear from you no later than 60 days after Fidelity sent the FIRST statement on which the problem or error appeared. You will need to tell Fidelity your name and account number, describe the error or Covered Transfer that you are unsure about, explain as clearly as you can why you believe that it is an error or why you need more information, and tell Fidelity the dollar amount of the suspected error.

If you notify Fidelity orally, Fidelity may require that you send your complaint or question in writing within 10 business days. Fidelity will tell you the results of its investigation within 10 business days of hearing from you and will correct any error promptly. If Fidelity needs more time, however, it may take up to 45 days to investigate your complaint or question. If Fidelity decides to do this, it will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes Fidelity to complete its investigation. If Fidelity asks you to put your request or question in writing and doesn't receive it within 10 business days, or if your account is a brokerage account subject to Regulation T of the Board of Governors of the Federal Reserve System (Credit by Brokers and Dealers, 12 CFR 220), Fidelity may not credit your account.

For questions involving new accounts, or point-of-sale or foreign-initiated transactions, Fidelity may take up to 90 days to investigate your complaint or question. For new accounts, Fidelity may take up to 20 days to credit your account for the amount you think is in error. Fidelity will inform you of the results of its investigation within three business days of its completion. If Fidelity decides that there was no error, Fidelity will send you a written explanation. You may ask for copies of the documents that Fidelity used in the investigation.

Contact Information: You can contact Fidelity by mail at Fidelity Investments, PO Box 770001, Cincinnati, OH, 45277-0002, or by phone at 800-544-6666.
707063.2.0



Additional Information and Endnotes

Account # [REDACTED]
USBALDO MUNOZ - INDIVIDUAL - TOD

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Exhibit S

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT
HOLDINGS, INC., STOCKHOLDER
LITIGATION

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

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- **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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

¹ DI 206

² DI 200

³ DI 206 at 1, 25 DI 200 at 6, 29

⁴ DI 206 at 4

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 ("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

⁵ DI 206 at 16

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* at 17

⁹ DI 200 at 10,12 (bold and capital original)

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 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

¹⁰ *Id.*

¹¹ *Id.* at 10

¹² *Id.*

¹³ DI 1

¹⁴ *Id.*

¹⁵ DI 200 at 11

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

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 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.

Mr Jennings 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

¹⁹ DI 206 at 19

²⁰ DI 200 at 12,13

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.

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

ARGUMENTS

I. APPROVAL 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’

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.*

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 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

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.*

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., 38 Del. 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).

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 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

⁴² *Aronson v. Lewis*, 473 A.2d at 812.

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

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 Earning Call, held on February 28th, 2023, Defendant Aron was asked a question 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

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

scheme. One of the elements required to allege for an action for fraud, scienter, has been established as a result of discovery - ProjectPopcornGate⁴⁹.

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

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

⁴⁹ *Id.* at 14

⁵⁰ D.I. 200 at 1

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.

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 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 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

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.

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.

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:

“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

⁵⁵ The official number has not been verified by a third party

⁵⁶ February 28, 2023 AMC Form 10-K (Ex. C) at 23

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.

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 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

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

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 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

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

⁶⁰ *Id.* at 10

⁶¹ *Id.*

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.

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 before such hearing takes place.”); AMC Entertainment Holdings, Inc., Current Report

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

(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).

Court did deny Lead Counsel's motion, this Court should not overlook this application, as the standing and ability of counsel cuts both ways.

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 letter⁶⁷ addressing the parties' filing of the settlement stipulation, proposed scheduling order, and proposed notice.⁶⁸ This Court put the Lead

⁶⁷ DI 175

⁶⁸ DI 165

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 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

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)

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 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

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).

adoption” of the Mirror-Image preferred equity units shows a calculated intent to lever such breach against the will of common stockholders.⁷⁶

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

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).

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

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.

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

⁷⁸ D.I. 206, pages 9-10

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 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

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

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 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

⁸⁵ D.I. 206 page 11

⁸⁶ D.I. 254

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.

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

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

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 (\$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

⁹² D.I. 206, pg. 30

⁹³ D.I. 206, pg. 31

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>

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 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

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>

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 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

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

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 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 shares 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

¹⁰³ DI 206

¹⁰⁴ D.I. 188

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 deliver (FTDS), average 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 analysis 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

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.

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.

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.

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

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, 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 shares¹⁰⁸ 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

¹⁰⁸ DI 206 at 9, 31, 52

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 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.**

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.

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

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

¹¹⁰ DI 206 at 5

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 Allegheny 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, extensive 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 Complaint¹¹¹, 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"
- "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

¹¹¹ DI 1

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 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

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).

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

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*:

- (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

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.

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 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

¹¹⁸ D.I. 254 I -4 also See Notice of Pendency of Stockholder Class Action and Proposed Settlement at 10.

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.

“[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

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.

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).

¹²³ DI 257, 258, 259

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 letter¹²⁴ 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 process¹²⁵ 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

¹²⁴ DI 190 Final Draft Exhibit 1

¹²⁵ DI 190 Exhibit 1 at 2

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?

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

¹²⁶ DI 259

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?
- 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

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).

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 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.

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

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 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

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>

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,

"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

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

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

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 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

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>

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>

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

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

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

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

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 interviews¹⁴² and on stockholder 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

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

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

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

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 overseas 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

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

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

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 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,

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.

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.

APE closed at \$1.00¹⁶⁰ 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 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.

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>

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>

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 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 \$6.95¹⁶³ 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

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->

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 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

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>

¹⁶⁷ NYSE American 2023 Company Guide. NYSE. 2023. Link:

<https://nyseamericaguide.srourules.com/company-guide/09013e2c853aa8d6>

¹⁶⁸ See Exhibit B for Table of Antara’s profits on APE.

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 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

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.srrules.com/company-guide/09013e2c853aa8d6>

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 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-shortened) 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

¹⁷¹ AMC FORM 10-Q. August 9, 2021. Link: <https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=15147933>

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/>

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 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

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

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, 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

¹⁷⁶ See Exhibit C for screenshots regarding the AMC token

¹⁷⁷ AMC Form 8k. March 15, 2023. Link: <https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=16490544>

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 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

¹⁷⁸ See Exhibit A for analysis on how the vote was rigged

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

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 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, its 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, 2022¹⁸², 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

¹⁸¹ (AMC_00000050; see also AMC_000006419)

¹⁸² (AMC_00019706, 19797)

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, 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 30, 2023

Respectfully submitted,

First Last Name:

Thurston Jennings IV

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	
Depository 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	
Depository 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 depository 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

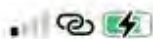
L	M	N	O	P	Q	R	S	T	U
Trade Date	Security	Buy or Sell	Price per Unit	Number of Units	Share Balance	positioning	transaction value	market value APE portfolio on closing price	Estimated Rolling Total P&L (profit/loss)
11/2/2022	APE	Sell	\$ 1.75	2,000,000	- 2,000,000	net short	\$ 3,500,000.00	\$ -3,420,000.00	\$ 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	\$ 57,507,329.24
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 [i](#)

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



Jordan Affholter <jordanaffholter@gmail.com>

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter <jordanaffholter@gmail.com>
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 9:24 AM

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>
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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]



Jordan Affholter <jordanaffholter@gmail.com>

Question about AMC Shareholder Voting Data

Jordan Affholter <jordanaffholter@gmail.com>
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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

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

AllMost 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

70.3K PARTICIPANTS

71.6M SHARES REPRESENTED

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.

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

I, [REDACTED] affirm the following to be true:

1. I own AMC common stock.
2. On ,May 30th, 2023 I submitted a complaint written objection to the Plaintiffs' counsel via , email to AMCsettlementObjections@blbglaw which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

Thurston Jennings IV

Date : 05/30/2023

[REDACTED]

[REDACTED]

00318774



AMC ENTERTAINMENT HOLDINGS, INC.
STOCKHOLDER LITIGATION
C/O STRATEGIC CLAIMS SERVICES
P.O. BOX 230
MEDIA, PA 19063

PRESORTED FIRST CLASS
U.S. POSTAGE PAID
FARMINGDALE, NY
PERMIT NO.225
JOB# N87554-010

4#



04

**Court-Ordered Legal
Notice**

**Forwarding Service
Requested**

*Important Notice about a
Settlement*

*This Notice may affect
your legal rights.*

Please read it carefully.



*****AUTO**ALL FOR AADC 440



04



DTEUAP1 44117

In re AMC Entertainment Holdings, Inc. Stockholder Litigation, C.A. No. 2023-0215-MTZ
THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE LITIGATION.
PLEASE VISIT INVESTOR.AMCTHEATRES.COM/NEWSROOM/DEFAULT.ASPX FOR MORE INFORMATION.

The Court of Chancery of the State of Delaware (the "Court") has scheduled a hearing to consider whether to approve a proposed Settlement in the Action captioned above. The proposed Settlement would resolve all claims in the Action captioned above.

You received this notice because you may have held AMC common stock during the period from August 3, 2022 through and including the record time, expected to be set as of the close of business in accordance with any New York Stock Exchange and/or Depository Trust Company requirements or policies, on the business day prior to Conversion on which the Reverse Stock Split is effective (the "Class Period"), and you may be a Settlement Class Member. The Settlement was reached between Usbaldo Munoz, Anthony Franchi, and Allegheny County Employees' Retirement System ("Plaintiffs") and Adam M. Aron, Denise Clark, Howard W. Koch, Jr., Philip Lader, Gary F. Locke, Kathleen M. Pawlus, Keri Putnam, Anthony J. Saich, Adam J. Sussman, Lee Wittinger, and AMC ("Defendants"), and consists of a payment to the record holders of common stock as of the Settlement Class Time of one share of common stock for every 7.5 shares of common stock owned by such holders (after giving effect to the Reverse Stock Split) (the "Settlement Payment"). No fractional shares of common stock will be issued. Record holders of common stock who would otherwise be entitled to receive a fractional share of the Settlement Payment will receive a cash payment in lieu thereof in the same manner as will be provided in connection with the Reverse Stock Split.

You can file a written statement in support of, or objection to, the Settlement that is required to be received no later than May 31, 2023, in accordance with the instructions set forth in the Notice and the letter that the Court published to AMC stockholders, which will be posted on the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx.

A hearing (the "Settlement Hearing") will be held before Vice Chancellor Morgan T. Zurn on June 29-30, 2023, at the Leonard L. Williams Justice Center, at 500 N. King Street, Wilmington, Delaware to, among other things: (i) determine whether the proposed Settlement is fair, reasonable, and adequate to the Settlement Class; (ii) determine whether a Judgment, should be entered dismissing the Action with prejudice as against Defendants and lifting the Status Quo Order; (iii) determine whether the application by Lead Counsel for an award of attorneys' fees and expenses and incentive awards should be approved; (iv) hear and rule on any objections to the proposed Settlement; Lead Counsel's application for an award of attorneys' fees and expenses, and/or Lead Counsel's application for incentive awards to Plaintiffs; and (v) consider any other matters that may properly be brought before the Court in connection with the proposed Settlement. Please visit the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx, or Lead Counsel's websites, blbglaw.com, gelaw.com or fksfirm.com, for more information.



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

In re AMC ENTERTAINMENT)	
HOLDINGS, INC. STOCKHOLDER	)	Consolidated
LITIGATION	)	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 is 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 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

Of Counsel:

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

Mark Lebovitch
Edward Timlin
1251 Avenue of the Americas
New York, NY 10020
(212) 554-1400

**Fields Kupka &
Shukurov LLP**

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Christopher J. Kupka
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New York, New York 10018
(212) 231-1500

SAXENA WHITE P.A.

David Wales
10 Bank St., 8th Floor
White Plains, NY 10606
(914) 437-8551
– and –
Adam Warden
7777 Glades Rd., Suite 300
Boca Raton, FL 33434
(561) 394-3399

Respectfully submitted,

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

By: /s/ Daniel E. Meyer
Gregory V. Varallo (#2242)
Daniel E. Meyer (#6876)
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GRANT & EISENHOFER P.A.

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By: /s/ Thomas Curry
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Attorneys for Plaintiffs

Words: 1167

Exhibit T

From: Tejinder Singh <[REDACTED]>
Sent: Saturday, May 20, 2023 10:03 AM
To: AMC Settlement Objections
Subject: Objection
Attachments: amc.pdf; DOC-20230520-WA0000..pdf

[External]

Hi, myself Tejinder Singh Mander, object to any kind of amc settlement, i i am being cheated. I haven't received any postcard . I am a amc share holder. I have attached my share holding proof.

Regards

Tejinder singh mander
[REDACTED]

Portfolio value

Your contribution

[Browse shares](#)

Current Investments

See returns on the shares you currently own ([how we calculate the returns](#)).

AMC Entertainment Holdings,
Inc.

644.77706604 shares

\$3,243.23

-\$3,852.80 (54.30%)



AMC Entertainment Hldgs
Preferred Equity UNITS

274.35872526 shares

\$441.72

\$3.98 (0.91%)



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

I, Tejinder singh Mander, affirm the following to be true:

I own AMC common stock.

On May 19, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.

I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.

I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

19-may-2023
Date

Tejinder singh Mander

Exhibit U

AMC investor Objections
C/o John Mills, Esq
Bernstein, Litowitz, Berger and Grossman
1251 AVE OF THE AMERICAS
NEW YORK, NY 10020

**AN OBJECTION TO THE PROPOSED CLASS ACTION SETTLEMENT
OF CASE 2023-0216-MTZ
BY AMC SHAREHOLDER SKYLER MARSHALL**

I object to the proposed settlement of this Class Action as stipulated in; THE STIPULATION AND AGREEMENT OF COMPROMISE, SETTLEMENT, AND RELEASE, filed with this court in regards to Case # 2023-0216-MTZ filed on 02/23/2023.

Five additional shares of NYSE: AMC at market price, which is the proposed recompense provided to me in this settlement will not begin to make me whole, unless that price reaches above \$600 per share which is incompatible with reality considering the 8X dilution I have suffered at the hands of AMC Entertainment Holdings INC (herein; AMC) through collusion, fraud, and a host of other offenses in violation of their fiduciary duty to me as a shareholder, as well as violations of the laws of The United States of America, and the written and common laws of the State of Delaware.

I am a [REDACTED] Film and Television Actor who invested in AMC upon hearing of their struggle to stay afloat during the covid-19 crisis because my

livelihood as an Actor is partially dependent on the continued survival of the movie theater medium and they had a listed dividend of \$1.25 at that time. In return AMC has betrayed their duty to me, circumventing my will and vote by implementing an undisclosed, unknowable, more than 10 year old shareholder proposal intended to prevent a hostile takeover against more than four million individual retail investors in AMC, which AMC did not have available? Or did not remember existed? Or AMC did not see fit to implement while actually being taken over by a Chinese corporation the Dalin Wanda group (herein: WANDA) who became majority share holder in AMC in 2018.

AMC used this unknown provision to dilute shareholders in breach of multiple laws and their fiduciary duty, they did it knowingly through fraud, collusion, and subterfuge after twice being refused by shareholders the share increases they so desperately sought, they unearthed this decade old, arguably expired, shareholder proposal, which was more likely than not misapplied as such proposals are historically used to circumvent a hostile takeover.

AMC perpetrated this fraud to the detriment of shareholders who were denied at the market profits for the once scare security, through collusion with newly minted APE shareholders who were given unfair, advantageous ownership and voting power in AMC without fairly compensating existing shareholders who's positions and voting power have been unfairly and illegally diluted through fraud, subterfuge, material misrepresentations, collusion with newly minted APE who were given a seventeen point eight percent stake in AMC without ever purchasing a single share of AMC, in return for a self serving Quid Pro Quo yes vote on conversion, and executive compensation packages.

Through these deeds I believe AMC has committed the following crimes and offenses: Theft, Theft Under False Pretense, Misapplication of Property, Bribery, Receiving Bribery, Deceptive Business Practices, arguable Organized Retail Theft,

arguable Impersonation, Securing Execution of Business Documents by Deception, Debt Adjusting, Voter Fraud, Common Law Fraud, Vote Rigging, Obstruction and Collusion.

Please keep in mind I am clearly a layman as I am a performing Artist not a lawyer and these are the seemingly applicable laws that I was able to discover on the internet searching for; Delaware law, Delaware corporate law and Delaware common law; as well as in person at the Law Library of Prince William County whose materials have updates from 2007, and their legal aid “doesn’t do cases like that” so although I may have misapplied AMC’s actions to the wrong statute in this objection, I believe they are patently applicable and recognize that perhaps even more relevant laws exist which are unknown to me at the present time to prohibit those actions stated herein and kindly ask that you apply those laws instead, to the best of your ability.

AMC did not obtain a quorum for the March 14th, 2023 special meeting and according to their own proxy and other official dependable correspondence, they did not win the vote by a majority of voting shares.

According to the proxy statement there were more than 517 million voting shares of AMC, and more than 949 million voting shares of APE, making the total voting share count well over 1.4 billion votes. Only approx 182 million votes were represented in the special meeting representing just over 10 percent of votes available to be cast.

AMC surreptitiously altered Corporate By laws on 08/04/2021 to lower the Quorum requirement from $1/2 + 1$ to $1/3$. One third of 1,447,430,028 is 482,476,676 well above the total number of votes cast at the special meeting, making the special meeting moot. APE should never have been created, it should never have been called a dividend, and it served no purpose other than to strip the company out of the hands of retail investors and place it into the hands of those

who were contractually required to vote how the board instructed which is effectively taking the company private without due compensation to shareholders. This settlement is entirely inadequate as I require at least \$4200 to be made whole and this offer is for less than \$150.

AMCS CLAIM THAT THEY DESPERATELY NEEDED TO RAISE CAPITAL ARE INCONGRUENT WITH AMCS EXPENDITURES IN THE PAST YEAR AS THEY;

- **INCREASED CEO COMPENSATION 25%**
- **PURCHASED AN EXPLORATORY GOLD MINE**
- **CREATED AND ISSUED AT LEAST 756K x2 FREE NFT'S**
- **OPENED A CONSUMER RETAIL POPCORN BRAND**
- **PURCHASED INSOLVENT MOVIE THEATER CHAINS**
- **PAID NICOLE KIDMAN FIVE MILLION DOLLARS TO STAR IN A TWENTY FIVE MILLION DOLLAR TV / INDUSTRIAL COMMERCIAL FOR AMC**
- **WITHOUT THIS COURTS INTERVENTION WILL SELL MORE THAN 17.8% OF AMC THRU APE FOR \$235M TO A PROLIFIC SHORT SELLER OF AMC STOCK WHO HAVE NOT PURCHASED ANY AMC STOCK. WHILE THE SAME AT THE MARKET SALE OF AMC WOULD HAVE HYPOTHETICALLY BROUGHT AMC NEARLY \$2B, GIVEN A 200 DAY MOVING AVERAGE OF \$7.71 IN 12/2022 THE TIME OF THIS CRIME.**

Even as a person who does not believe it possible for human understanding to fully or partially comprehend anything that could create everything, let alone speak for

them, I pray the court will not let this fraud stand without due compensation to diluted shareholders of record at the time of dilution.

If AMC preferred stock could have been created and sold at any time, why not sell them on the open market for \$48? Or \$20? Or even \$10 the price AMC dropped to upon dilution with APE. Why wait until after you announce that you have the power to create as many as five billion new shares of AMC? I would have never bought into AMC knowing they had five and a half billion shares available at the prices that I did. Had I been given notice of their intentions, I would have sold my investment entirely. Again if I had known or had even the slightest inkling that AMC could dilute my position eight times over, I would not have invested any money into AMC.

The creation of APE which was implemented not to stave off a hostile takeover as it was likely approved for and intended to do by shareholder proposal over a decade ago in 2013, but used instead to serve the board of directors own personal financial ends and gains, and their own personal desires to obtain an affirmative vote on their exorbitant compensation packages. This course of action by AMC has stripped shareholders of the value of their investments without compensation, transferred that value from AMC to newly minted APE shareholders in breach of their fiduciary duties and the AMC business code of ethics; specifically breaches in conflicts of interest and insider trading.

As the court is aware shareholders are the rightful owners of AMC not the AMC board of directors. AMC insiders have made over \$880 million dollars in the past 2 years, the CEO of AMC alone has raked in a reported \$101.5 million from trading on inside information. This cannot be allowed to stand and I pray the court will find equitable relief for those damaged by AMC. This settlement is not that. **and ask the court to weigh this and these objections with Bllasius, Brophy v. Cities Service Co. and SCHNELL vs CHRIS CRAFT ind.**

LEGAL BASIS FOR OBJECTION

DELAWARE STATE LAW SAYS:

§ 843. Theft; false pretense.

A person commits theft when, with the intent prescribed in § 841 of this title, the person obtains property of another person by intentionally creating or reinforcing a false impression as to a present or past fact, or by preventing the other person from acquiring information which would adversely affect the other person's judgment of a transaction.

11 Del. C. 1953, § 843; 58 Del. Laws, c. 497, § 1; 70 Del. Laws, c. 186, § 1;

Between July, 2020 and March 14, 2022 the time of dilution, AMC assured shareholders in official dependable documentation, correspondence, proxy materials, televised and telephonically recorded interviews and by other means, communicated to shareholders that they would not dilute AMC stock against the wishes of shareholders. I have been a diligent long positioned shareholder of AMC, I took AMC's official false information for gold, I relied on that false information and have suffered real financial damage as a result of my reliance on those material misrepresentations regarding dilution, intention, and the alleged APE "Dividend." That value was taken from me and given to APE shareholders. That is theft under false pretense.

§ 841. Theft; class B felony; class D felony; class F felony; class G felony; class A misdemeanor; restitution.

(a) A person is guilty of theft when the person takes, exercises control over or obtains property of another person intending to deprive that person of it or appropriate it. Theft includes the acts described in this section, as well as those described in §§ 841A-846 of this title.

(b) A person is guilty of theft if the person, in any capacity, legally receives, takes, exercises control over or obtains property of another which is the subject of theft, and fraudulently converts same to the person's own use.

AMC was the creator of APE, as imagined by CitiGroup an AMC insider, and was created for the purpose of obtaining control and consideration of shareholder investments and votes. Allowing this kind of theft to go unanswered will only serve to further embolden the boards of public companies to use even more pernicious means to circumvent the will and votes of shareholders in the future. It could easily turn the securities market into a mine field in which no investor can be reasonably sure if a companies board of directors will decide to sell companies out from under them. If the court allows cash brokerage accounts to be veritably margin called by a board of directors, what's next? How can investors educate themselves on a company's affairs and financial well being if a company is allowed to subvert the will of shareholders through such omissions and subversive actions?

841B. Theft: Organized retail crime; class A misdemeanor; class E felony.

(a) A person is guilty of “theft: organized retail crime” when the person takes, exercises control over, or obtains retail merchandise of another person intending to deprive that person of it, or receives stolen property in violation of § 851 of this title, in quantities that would not normally be purchased for personal use or consumption, with the intent to appropriate or to resell or reenter the merchandise into commerce.

I recognize this statute was created for other purposes, but as this fraud was highly organized by AMC in collusion with WANDA and CitiGroup who imagined the idea, who were reportedly pantsed by puts short selling AMC in 2020 and 2021, the solicitation of ANTARA, who has greatly profited and stands to continue to greatly benefit from this fraud and was facilitated with the help of COMPUTER SHARE, who took control and advantage of the votes of “less than diligent” “unsophisticated” “dumb money” retail investors (the average Joe’s who the market is supposed to serve) at the behest of AMC to force through twice rejected dilution proposals in violation of the law and common decency.

Since this was a highly organized endeavor with multiple participants who all benefited from the theft and fraud, who took retail investors share value and votes and gave them to more mailable parties who were in apparent desperate need of them and who intended to resell them or interest thereto to the open market, even though this was a more civilized smash and grab, it was one none the less and I argue this statute suits this particular situation.

§ 848. Misapplication of property; class G felony; class A misdemeanor.

A person is guilty of misapplication of property when, knowingly possessing personal property of another pursuant to an agreement that it will be returned to the owner at a future time, the person sells, loans, leases, pledges, pawns or otherwise encumbers the property without the consent of the owner thereof in such a manner as to create a risk that the owner will be unable to recover it or will suffer pecuniary loss.

Misapplication of property is a class A misdemeanor, unless the value of the property received, retained or disposed of is \$1,500 or more, in which case it is a class G felony.

11 Del. C. 1953, § 848; 58 Del. Laws, c. 497, § 1; 60 Del. Laws, c. 590, § 3; 65 Del. Laws, c. 497, § 4; 67 Del. Laws, c. 130, § 8; 70 Del. Laws, c. 186, § 1; 70 Del. Laws, c. 211, § 4; 77 Del. Laws, c. 133, § 4;

In March 2022 AMC directed COMPUTER SHARE to vote or tell brokers to use their proxies to vote yes on non- routine proposals in violation of the law. At AMC's direction they took control of the property of "less sophisticated" shareholders votes to force through twice rejected dilution at a less than properly announced special meeting. I myself only learned of the special meeting through random serendipity and even though my broker during the normal course of their business have regularly sent proxy information 90 days in advance of any meeting or vote unsolicited as is proper since they are my votes bought and paid for in a cash account and they have no right or authority to elect someone to vote for me in the affirmative against my interest and wish, this time I had to contact them and

request the information because of the instruction they received from COMPUTER SHARE at the demand of AMC, they had intended to vote my shares, against my best interest and were illegally given control of my vote and the right to change my vote even after I voted up until 11:59pm on March 13th, 2022 a day before the meeting was to take place by the defendant AMC. Because of the deeds set forth herein I believe the court should find AMC is guilty of the misapplication of my property and attempted voter fraud.

§ 881. Bribery; class A misdemeanor.

A person is guilty of bribing when:

(1) The person offers, confers or agrees to confer any benefit upon any employee, agent or fiduciary without the consent of the latter's employer or principal, with intent to influence the latter to take some action with regard to the latter's employer's or principal's affairs which would not be warranted upon reasonable consideration of the factors which that person should have taken into account;

The decision made by AMC to direct COMPUTER SHARE to instruct broker held shares of cash accounts owning AMC to vote yes in their stead when uninstructed by proxy in regards to the special meeting, when a non-vote would normally count as a no vote, constitutes Bribery, in that a benefit was conferred on the colluding parties without shareholder permission, the holding of a special, undue, unexpected, hardly announced meeting for non-routine matters, giving little to no notice of the meeting to anyone other than company insiders, even though AMC has an investor connect phone app through which AMC delivered more than

1.5 billion “I OWN AMC” and the subsequent “I OWN APE” NFT’s which were designed and minted at shareholder expense, and delivered to anyone who signed up on the app and said they owned AMC without needing to provide proof of ownership. Could have easily been used to inform retail investors of the special undue meeting. Shareholders including retail average Joes as the owners of AMC are the employers of AMC. The colluding parties, AMC, ANTARA, CitiGroup, WANDA and COMPUTER SHARE, all of whom owned APE, few owned AMC and at least two of whom owed millions of unavailable AMC shares due to short selling options contracts; reaped the benefit of the lie, which only served their collective interests to the detriment of retail investors who are the true and just owners of the company.

With no available shares on the market or in house to be issued other than employee compensation allotments, this subterfuge served the colluding parties self serving interest in diluting AMC shares, so to create more AMC shares to relieve their nine digit lein holders burden of the lack of AMC shares available for repayment on their options contracts and more likely than not will use this conversion of APE to AMC and the reverse split to disguise and destroy any evidence of this fraud and collusion. The proxy states all AMC, class A Preferred, and APE will be cancelled and re-issued under a new CUSIP number. Which may afford them the opportunity to disguise, destroy or otherwise alter evidence of these crimes.

§ 891. Defrauding secured creditors; class A misdemeanor.

A person is guilty of defrauding secured creditors if the person destroys, removes, conceals, encumbers, transfers or otherwise deals with property subject to a security interest, intending to defeat enforcement of that interest.

Defrauding secured creditors is a class A misdemeanor.

As shareholders, investors are secured creditors of AMC. The issuance of a so called special dividend which was created to thwart shareholders desire to keep the securities share price at a premium thereby forcing short sellers out of their positions because short positions are fundamentally inhuman as they destroy real companies and livelihoods to the detriment of all in the USA for the fractional gains of billionaires. The intention to transfer the value of AMC from retail investors to company insiders to ensure control of the vote going forward, and is plainly stated as such by AMC in its proxy materials, was created with the intention of defeating the enforcement of our interest in keeping the stock value at a premium, or in selling our shares on the market at that premium. I invested in a public 377.83M share company and I am unaware of or been invited to participate in any share increase approval or passing vote to increase that count, I did not however invest in a private 4.5B share company, the available common stock and APE convertible share count announced by AMC before 10 to 1 splitting and conversion. They have unduly diluted my position by eight fold, ten fold if you count the magically manifested 140 million or so shares added to the count between 2/01/2021 and 3/14/2023. that constitutes collusion, theft, and fraud. By definition of the statutes against such actions.

§ 882. Bribe receiving; class A misdemeanor.

A person is guilty of bribe receiving if:

Being an employee, agent or fiduciary and, without the consent of the employer or principal, the person solicits, accepts or agrees to accept any benefit from another person upon an agreement or understanding that the benefit will influence the person to take some action with regard to the employer's or principal's affairs which would not be warranted upon reasonable consideration of the factors which the person should have taken into account; or

Being a duly appointed representative of a labor organization or a duly appointed trustee or representative of an employee welfare trust fund, the person solicits, accepts or agrees to accept any benefit from another person upon an agreement or understanding that the benefit will influence the person in respect to any of the person's acts, decisions or duties as representative or trustee; or

Being a participant in a sports contest, the person solicits, accepts or agrees to accept any benefit from another person upon an agreement or understanding that the person will thereby be influenced not to give the best effort in a sports contest; or

Being an official in a sports contest, the person solicits, accepts or agrees to accept any benefit from another person upon an agreement or understanding that the person will perform duties improperly.

Bribe receiving is a class A misdemeanor.

11 Del. C. 1953, § 882; 58 Del. Laws, c. 497, § 1; 67 Del. Laws, c. 130, § 8; 70 Del. Laws, c. 186, § 1

AMC and ANTARA's purchase agreement in addition to the deposit agreement with COMPUTER SHARE, along with ANTARA's agreement to vote as instructed by AMC, represent evidence to the charge of receiving bribery as they are the duly appointed fiduciary of AMC shareholders, they solicited and accepted payment in the form of the yes vote, The benefit. These deeds by AMC and ANTARA in cooperation with COMPUTER SHARE and CITIGROUP who conceived the idea of creating APE to off set their reported losses shorting AMC, constitute bribery, and receiving bribery.

§ 906. Deceptive business practices; class A misdemeanor.

A person is guilty of deceptive business practices when in the course of business the person knowingly or recklessly:

- (1) Uses or possesses for use a false weight or measure, or any other device for falsely determining or recording any quality or quantity; or
- (2) Sells, offers or exposes for sale, or delivers less than the represented quantity of any commodity or service; or
- (3) Takes or attempts to take more than the represented quantity of any commodity or service; or
- (4) Sells, offers or exposes for sale adulterated or mislabeled commodities.

“Adulterated” means varying from the standard of composition or quality prescribed by or pursuant to any statute providing criminal penalties for such variance, or set by established commercial usage. “Mislabeled” means varying from the standard of truth or disclosure in labeling prescribed by or pursuant to any statute providing criminal penalties for such variance, or set by established commercial usage; or

- (5) Makes a false or misleading statement in any advertisement addressed to the public or to a substantial segment thereof intending to promote the sale or increase the consumption of property or services; or
- (6) Makes a false or misleading written statement for the purpose of promoting the sale of securities, or omits information required by law to be disclosed in written documents relating to securities; or
- (7) Notifies any other person that the other person has won a prize, received an award or has been selected or is eligible to receive anything of value if the other person is required to respond through the use of a 900 service telephone number or similar service number.

The material misrepresentations, and omissions of known facts and circumstances in AMC's proxy statement and proxy materials are contained in; including but not limited to the following publicly published materials: **"Proxy Statement for Special Meeting of Stockholders to be held on March 14, 2023 including Annex A"** **"Notice of Special Meeting of Stockholders"** **"AMC Preferred Equity Unit (APE) Dividend Frequently Asked Questions"** **"Definitive Proxy Statement 14A"** **"Chart Labeled: Comparison Between AMC Preferred Equity Units and Common Stock"** **"Open Letter to AMC Entertainment Shareholders from our chairman and CEO Adam Aaron"** **"AMC entertainment holdings INC Announces Special Dividend of AMC Preferred Equity Units"**

The dissemination of which lead AMC insiders to a collective windfall of over 880 million dollars while share prices plummeted and AMC struggled to survive, as is detailed in the article written by Elenor Terret , Charlie Gasparino published at FOXbusiness on March 17, 2023. The chairman and CEO Adam Aaron pocketed

more than \$101.5 million dollars from insider trading in AMC and APE in 2021 and 2022 while the company was subjected to Mr. Aaron's poor acquisitions and expenditures at shareholder risk and expense. I believe these acts, omissions, and misrepresentations and the inducement and solicitation of the sale of APE shares constitutes the commission of deceptive business practices.

§ 907. Criminal impersonation; class A misdemeanor.

A person is guilty of criminal impersonation when the person:

- (1) Impersonates another person and does an act in an assumed character intending to obtain a benefit or to injure or defraud another person; or
- (2) Pretends to be a representative of some person or organization and does an act in a pretended capacity with intent to obtain a benefit or to injure or defraud another person; or
- (3) Pretends to be a public servant, or wears or displays without authority any identification, uniform or badge by which a public servant is lawfully distinguished or identified.

Criminal impersonation is a class A misdemeanor.

11 Del. C. 1953, § 907; 58 Del. Laws, c. 497, § 1; 67 Del. Laws, c. 130, § 8; 70 Del. Laws, c. 186, § 1;

Unduly Taking votes from shareholders and giving their votes to COMPUTER SHARE with the intention of stealing that vote to further their fraud should constitute criminal or civil impersonation if such ordinance is more applicable in any and all instances of COMPUTER SHARE or other uninstructed proxy holders casting votes for shareholders who did not give them their explicit permission to do so. It is also vote rigging and election fraud at the direction of AMC about the business of AMC under the color of AMC authority.

§ 909. Securing execution of documents by deception; class A misdemeanor.

A person is guilty of securing execution of documents by deception when, by knowingly misrepresenting the nature of the document, the person causes another person to execute any instrument affecting, purporting to affect or likely to affect the pecuniary interest of any person.

Securing execution of documents by deception is a class A misdemeanor.

11 Del. C. 1953, § 909; 58 Del. Laws, c. 497, § 1; 67 Del. Laws, c. 130, § 8; 70 Del. Laws, c. 186, § 1;

Entering into the Purchase Agreement with ANTARA with the express purpose of defrauding AMC shareholders by diluting AMC stock with APE stock, when they lacked the authority and legal precedent to do so, is in the realm of securing execution of documents by deception in that they had no right to create a security with the express purpose of wrenching control of AMC from retail investors with the caveat that APE must convert to AMC and reverse split. In doing so they played “3-D chess” with the lives and livelihoods of not only AMC investors, but with the average Joe employees who depend on AMC being a solvent and stable company to invest their efforts and expand their opportunities in.

§ 910. Debt adjusting; class B misdemeanor.

A person is guilty of debt adjusting if the person makes a contract, either express or implied, with a particular debtor, whereby the debtor agrees to pay a certain amount of money periodically to the person engaged in the debt-adjusting business who shall, for a consideration, distribute the same among certain specified creditors in accordance with a plan agreed upon.

This section shall not apply to those situations involving debt adjusting incurred incidentally in the lawful practice of law in this State, nor shall anything in this section be construed to apply to any provider which is licensed under Chapter 24A of Title 6.

Debt adjusting is a class B misdemeanor.

11 Del. C. 1953, § 910; 58 Del. Laws, c. 497, § 1; 67 Del. Laws, c. 130, § 8; 70 Del. Laws, c. 186, § 1; 75 Del. Laws, c. 430, § 5;

The Creation of the Purchase Agreement created a consideration for ANTARA to adjust AMC's lein debt due in 2026 and could be applicable to this statute if ANTARA is regularly engaged in debt acquisition and dispersement.

COMMON LAW FRAUD

Objector repeats and realleges each and every allegation above as if set forth in full herein.

1. Acting with scienter, as proved in the minutes of AMC board meetings contained in the unredacted version of “The Verified Stockholder Class Action and Complaint” the defendant AMC represented false material facts as true, in definitive proxy materials, and other related and official materials stating that APE was a dividend and not a 2 for 1 stock split when it was exactly designed and intended to be a 2 for 1 stock split, AMC actively concealed and prevented public discovery of the material false misrepresentations, failed to clearly inform retail shareholders of known facts and corporate intentions pertinent to AMC stock and the special meeting, and how their vote would be tallied or that the “holder of record” would have the right to vote their shares even after they submitted their vote up until 11:59pm March 13th 2022 there by giving them the power to override shareholders votes up until the time of poll closing. They failed to inform or acknowledge in proxy statements that the voting share count for the special meeting was 1,447,430,028. Or that AMC had changed the quorum requirement from half plus 1 a simple majority to one third. They lied and said they had a quorum at an official proceeding even though less than 182 million votes were cast for, against or abstaining leaving approx 1,265,430,028 votes in “the Ether” unrepresented. They lied and said the vote passed on official SEC filings even though a simple majority of 1,447,430,028 is 723,715,015 and only less than 182 million votes in total were cast at the special meeting, and which did not pass and could not have even pretended to have passed without their “mirroring” instructions to COMPUTER SHARE.

2. I relied on the professional expert word of AMC and the definitive materials available to be discovered by retail shareholders published by AMC on their website www.amctheatres.com in making my decision to hold the security and have suffered real financial damage to the tune of over \$4200 less proceeds from a future divestment of those shares because of my reliance on the false words and publishings of AMC.

3. Because of this fraud I opened a small claims lawsuit against AMC in Prince William County, VA. on 12/20/2022, which was summarily dismissed for failure to pierce even though Adam Aaron is the CEO of both companies, because I am “poor and dumb” as I brought it against American Multi Cinema INC, instead of AMC Entertainment Holdings INC. because **ALL** of the information on their website www.amctheatres.com indicates they were incorporated in the state of MO. as American Multi Cinema INC. not in Delaware in 2007. Even their investor relations page says the same, “AMC was incorporated in MO. In 1968 as American Multi Cinema INC.” I even the called the nearest AMC theater and spoke to the manager who said the same, and I called their registered agent Corporate Creatives Network a COMPUTER SHARE company, who explicitly stated that the owner and issuer of AMC stock’s official business name, the name you should sue them by was American Multi Cinema INC. AMC Entertainment Holdings INC is not listed with the VA state corporation commission or in CIS (clerks Information System) which is why I was not able to discover their true name until I learned of this case in mid April, 2023 Which to my reckoning is a fraud in and of itself. On 5/8/2023 I had to call Corporate Creatives Network to verify they were the registered agent for AMC Entertainment Holdings INC. In the state of Virginia, and I have since refiled the small claim on 5/8/2023 seeking cancelation of the share contracts purchased through TD Ameritrade and return of my principal investment on those purchases plus 3 days of lost pay at \$187/8 the lowest SAG-

AFTRA DAY RATE if applicable plus 6 percent interest from the time I originally filed this claim on 12/20/2022 as doing so was half as expensive as pursuing an appeal to the small claim, which was moved by plaintiffs counsel Tom Cummins and Elizabeth Hughes, two fancy pants DC lawyers from two different fancy pants DC law firms, to General District Court even though I'm sure there must have been a paralegal available in one of their firms or in house at AMC to fight the small claim in small claims court. They did this knowing that no law firm was likely to take the case as it is for such a relatively small amount to try to bully me out of my position. I actually called every consumer protection lawyer in VA available on the BAR website and received zero returned calls. I am no stranger to intimidation and this was exactly that. They take me for a homeless idiot who can be thwarted on technicality not substantive argument because I am uneducated in Civil Procedure which is too easily accomplished in General District Court.

4. I may still be a party to this class action as I hold an additional 1.1 shares of AMC and by consequence 1.1 shares of APE in an account with WE BULL, as they offered fractional shares and I wanted to invest some fraction of my money into NYSE: BRK.A, which to my sad surprise doesn't offer fractional shares, or stock splits which is how they can keep their stock price at nearly \$500K a share and beyond, which prohibits short selling by virtue of the risk. AMC's statements that they have no power to stop short sellers are defeated by the existence of NYSE: BRK.A. AMC did all of this in violation of their own code of business ethics.

5. For this and the above stated reasons supported by law I whole heartedly object to this unfair, unjust settlement agreement proposal that insists on entirely removing some people from their positions as it calls for a partial share conversion yet and in the same breath states that no partial shares are to be distributed to anyone but elite holders which will remove some people from their positions

entirely in the event they have less than 10 shares. Which is the case in my WE BULL account, the cost of which is valued at approx \$38. Also investors who have less than 80 shares would see no benefit in this settlement as it calls for 1 additional share for every 7.5 shares AFTER the 10-1 reverse split, and they will not distribute partial shares unless your shares are directly registered with COMPUTER SHARE a service reserved for institutional corporate investors, like dark pools and other financial industry mediums used to “legally” manipulate market prices.

OBJECTORS PRAYER FOR RELIEF AND ALTERNATIVE SETTLEMENT PROPOSAL

I pray the court finds there was not ample representation at the special meeting to pass any of the proposals, as there certainly was not without the mirrored voting stipulation in the deposit agreement and that the court will void or otherwise dispose of the APE infringement on AMC shares and keep the AMC share count at the pre APE level of approx 524 million, or is it 516 million? Or 517 million? They never quite make that clear in the proxy materials, or explain where the 880 shares of Preferred stock wandered off to, but I digress.

In Brophy v. Cities Service Co. Chancellor Harrington said “Public policy will not permit an employee occupying a position of trust and confidence toward his employer to abuse that relation to his own profit.”

AMC should pursue insider trading claims and criminal forfeiture against those insiders who've profited to the tune of more than \$880 million dollars while bringing only \$235 million to AMC.

Let the bad actors in this farce reap the spoils of their bad actions in a court of law to settle up their illegal contracts, their purchase agreements and deposit agreements between themselves as the masters of their own fates, and if appropriate and possible incarcerate those who affected and effected this fraud on the public for the betterment of a just society. Average Americans who have been forced into the stock market by a lack of returns in savings accounts and other stable investments, should be afforded an even playing field, not this child's two knob labyrinth puzzle we find our selves navigating, in the aforementioned fraud perpetrated on retail investors by AMC.

So says Skyler Marshall, Verified Share holder in AMC Entertainment Holdings INC, on the 18th day of May, in the year Twenty Twenty Three.

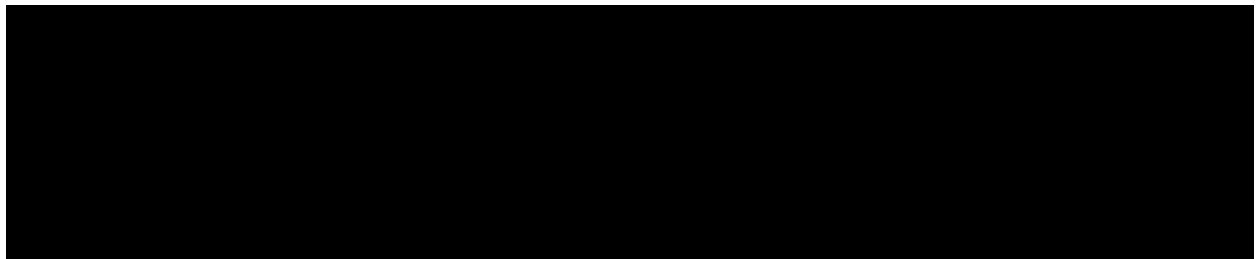


Exhibit V

From: Z Porto <[REDACTED]>
Sent: Friday, May 26, 2023 12:39 PM
To: AMC Settlement Objections
Subject: Informations Settlement AMC

[External]

Hi, my name is Zaida Porto and I have owned 85 stocks of AMC a long time ago, and I want to know what is the process to this settlement, and what I need to do to include in this process.
My phone number is [REDACTED], I received a letter. Thank you for the information!

From: Z Porto <[REDACTED]>
Sent: Wednesday, May 31, 2023 9:46 PM
To: AMC Settlement Objections
Subject: AMC Objections Zaida Porto
Attachments: AMC Document .pdf

[External]

Hi My name is Zaida Porto and I send all my informations for the objections



All written objections accompanied by proof of stock ownership and submitted to Plaintiffs' counsel will be considered by the Court, even if the stockholder does not attend the settlement hearing to object in-person.

Only stockholders planning to attend the settlement hearing in-person to supplement their written objection with an oral statement under oath are required to fill out this form.

In-Person Settlement Objector Interest Form

May-29-2023

Date

Zaida M. Porto

Stockholder Name [First Name, Middle Initial, Last Name]

In Re AMC Entertainment Holdings, Inc. Stockholder Litigation

Case Caption

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

Case Number

Objector Information

Phone Number

Email Address

Address

City

State

ZIP Code

Objector Affirmations

Please indicate "yes" or "no" and sign to affirm.

I own AMC common stock.

Yes



No



I have submitted a compliant written objection to Plaintiffs' counsel, which states the basis for my objection and any support thereof, between the dates of **May 3, 2023** and **May 31, 2023**.

Yes



No



I have attached to my compliant written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.

Yes



No*



I will attend the **June 29 and 30, 2023** settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

Yes



No



I understand that each of the above statements must be true, and I must send this form to the below address in order to be eligible to object in person at the settlement hearing.

Yes



No



Stockholder Signature

Date

* Written objections not accompanied by proof of stock ownership will not be considered.

**Court-Ordered Legal
Notice**

**Forwarding Service
Requested**

*Important Notice about a
Settlement*

*This Notice may affect
your legal rights.*

Please read it carefully.

00224898



AMC ENTERTAINMENT HOLDINGS, INC.
STOCKHOLDER LITIGATION
C/O STRATEGIC CLAIMS SERVICES
P.O. BOX 230
MEDIA, PA 19063

PRESORTED FIRST CLASS
U.S. POSTAGE PAID
FARMINGDALE, NY
PERMIT NO.225
JOB# N87554-010
57#



08



*****AUTO**SCH 5-DIGIT 32801
ZAIDA PORTO



08

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

THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE LITIGATION.

PLEASE VISIT [INVESTOR.AMCTHEATRES.COM/NEWSROOM/DEFAULT.ASPX](https://investor.amctheatres.com/newsroom/default.aspx) FOR MORE INFORMATION.

The Court of Chancery of the State of Delaware (the "Court") has scheduled a hearing to consider whether to approve a proposed Settlement in the Action captioned above. The proposed Settlement would resolve all claims in the Action captioned above.

You received this notice because you may have held AMC common stock during the period from August 3, 2022 through and including the record time, expected to be set as of the close of business in accordance with any New York Stock Exchange and/or Depository Trust Company requirements or policies, on the business day prior to Conversion on which the Reverse Stock Split is effective (the "Class Period"), and you may be a Settlement Class Member. The Settlement was reached between Usbaldo Munoz, Anthony Franchi, and Allegheny County Employees' Retirement System ("Plaintiffs") and Adam M. Aron, Denise Clark, Howard W. Koch, Jr., Philip Lader, Gary F. Locke, Kathleen M. Pawlus, Keri Putnam, Anthony J. Saich, Adam J. Sussman, Lee Wittlinger, and AMC ("Defendants"), and consists of a payment to the record holders of common stock as of the Settlement Class Time of one share of common stock for every 7.5 shares of common stock owned by such holders (after giving effect to the Reverse Stock Split) (the "Settlement Payment"). No fractional shares of common stock will be issued. Record holders of common stock who would otherwise be entitled to receive a fractional share of the Settlement Payment will receive a cash payment in lieu thereof in the same manner as will be provided in connection with the Reverse Stock Split.

You can file a written statement in support of, or objection to, the Settlement that is required to be received no later than May 31, 2023, in accordance with the instructions set forth in the Notice and the letter that the Court published to AMC stockholders, which will be posted on the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx.

A hearing (the "Settlement Hearing") will be held before Vice Chancellor Morgan T. Zurn on June 29-30, 2023, at the Leonard L. Williams Justice Center, at 500 N. King Street, Wilmington, Delaware to, among other things: (i) determine whether the proposed Settlement is fair, reasonable, and adequate to the Settlement Class; (ii) determine whether a Judgment, should be entered dismissing the Action with prejudice as against Defendants and lifting the Status Quo Order; (iii) determine whether the application by Lead Counsel for an award of attorneys' fees and expenses and incentive awards should be approved; (iv) hear and rule on any objections to the proposed Settlement, Lead Counsel's application for an award of attorneys' fees and expenses, and/or Lead Counsel's application for incentive awards to Plaintiffs; and (v) consider any other matters that may properly be brought before the Court in connection with the proposed Settlement. Please visit the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx, or Lead Counsel's websites, blbglaw.com, gelaw.com or fksfirm.com, for more information.

Account of Zaida Porto in Broker TD Ameritrade # 253610159 owner of 85 AMC stock

TD Ameritrade

Account

My Profile

Support

English

Log Out

Desk

My Account Trade Research & Ideas Planning & Retirement Education Client Services

Search

My Profile

General

Personal Information

Communication Preferences

Investor Profile

Subscriptions

Link Accounts

Account Information

Account name

Zaida Porto

Account type

Individual

Account number

****8159

Account PIN

Note: To update your name or Taxpayer identification number, please contact a Client Services representative at 800-540-3800

Account owner

Zaida Porto

Physical street address

2023 ORANGE CENTER BLVD APT 71102
ORLANDO, FL 32805-3994
UNITED STATES

Primary phone number

4074738373 (mobile)

Primary email address

PORTOZAJDA@gmail.com

Marital status

Single

Number of dependents

2

Beneficiaries

Financial Information

Approximate annual income

\$50,000 - \$99,999

Approximate net worth

\$15,000 - \$49,999

Approximate liquid net worth

\$0 - \$14,999

Source of ongoing funding

Employment Wages

Personal Affiliations

1. Are you, or is your spouse, or is any member of your immediate family living in the same household (excluding parents, in-law, siblings, or dependents) currently employed by, or associated with, or a director or officer of, or a shareholder of, or a member of a securities exchange, or a member of a securities exchange?

No

2. Are you, or is your spouse, or is any member of your immediate family living in the same household (excluding parents, in-law, siblings, or dependents) currently employed by, or associated with, or a director or officer of, or a shareholder of, or a member of the board of directors, a 10% shareholder, or a policy making officer of a publicly traded company?

No

Employment Information

Employment status

Self-employed

Occupation

Business Owner

Industry of occupation

Construction/Carpentry/Landscaping

Business/employer name

Bibion Designs, Inc.

Business/employer address

11071 Laguna Bay Dr
Orlando, FL 32821
UNITED STATES

TD Ameritrade

Account

My Profile

Support

English

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Desk

My Account Trade Research & Ideas Planning & Retirement Education Client Services

Search

My Profile

General

Personal Information

Communication Preferences

Investor Profile

Subscriptions

Link Accounts

Account Information

Account name

Zaida Porto

Account type

Individual

Account number

****8159

Account PIN

Note: To update your name or Taxpayer identification number, please contact a Client Services representative at 800-540-3800

Account owner

Zaida Porto

Physical street address

2023 ORANGE CENTER BLVD APT 71102
ORLANDO, FL 32805-3994
UNITED STATES

Primary phone number

4074738373 (mobile)

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PORTOZAJDA@gmail.com

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2

Beneficiaries

Financial Information

Approximate annual income

\$50,000 - \$99,999

Approximate net worth

\$15,000 - \$49,999

Approximate liquid net worth

\$0 - \$14,999

Source of ongoing funding

Employment Wages

Personal Affiliations

1. Are you, or is your spouse, or is any member of your immediate family living in the same household (excluding parents, in-law, siblings, or dependents) currently employed by, or associated with, or a director or officer of, or a shareholder of, or a member of a securities exchange, or a member of a securities exchange?

No

2. Are you, or is your spouse, or is any member of your immediate family living in the same household (excluding parents, in-law, siblings, or dependents) currently employed by, or associated with, or a director or officer of, or a shareholder of, or a member of the board of directors, a 10% shareholder, or a policy making officer of a publicly traded company?

No

Employment Information

Employment status

Self-employed

Occupation

Business Owner

Industry of occupation

Construction/Carpentry/Landscaping

Business/employer name

Bibion Designs, Inc.

Business/employer address

11071 Laguna Bay Dr
Orlando, FL 32821
UNITED STATES

TD Ameritrade

Account

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My Account Trade Research & Ideas Planning & Retirement Education Client Services

Search

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General

Personal Information

Communication Preferences

Investor Profile

Subscriptions

Link Accounts

Account Information

Account name

Zaida Porto

Account type

Individual

Account number

****8159

Account PIN

Note: To update your name or Taxpayer identification number, please contact a Client Services representative at 800-540-3800

Account owner

Zaida Porto

Physical street address

2023 ORANGE CENTER BLVD APT 71102
ORLANDO, FL 32805-3994
UNITED STATES

Primary phone number

4074738373 (mobile)

Primary email address

PORTOZAJDA@gmail.com

Marital status

Single

Number of dependents

2

Beneficiaries

Financial Information

Approximate annual income

\$50,000 - \$99,999

Approximate net worth

\$15,000 - \$49,999

Approximate liquid net worth

\$0 - \$14,999

Source of ongoing funding

Employment Wages

Personal Affiliations

1. Are you, or is your spouse, or is any member of your immediate family living in the same household (excluding parents, in-law, siblings, or dependents) currently employed by, or associated with, or a director or officer of, or a shareholder of, or a member of a securities exchange, or a member of a securities exchange?

No

2. Are you, or is your spouse, or is any member of your immediate family living in the same household (excluding parents, in-law, siblings, or dependents) currently employed by, or associated with, or a director or officer of, or a shareholder of, or a member of the board of directors, a 10% shareholder, or a policy making officer of a publicly traded company?

No

Employment Information

Employment status

Self-employed

Occupation

Business Owner

Industry of occupation

Construction/Carpentry/Landscaping

Business/employer name

Bibion Designs, Inc.

Business/employer address

11071 Laguna Bay Dr
Orlando, FL 32821
UNITED STATES

From: Z Porto <[REDACTED]>
Sent: Wednesday, May 31, 2023 9:38 PM
To: AMC Settlement Objections
Subject: Fwd: AMC Document Objections
Attachments: AMC Document .pdf

[External]

----- Forwarded message -----

De: **Z Porto** <[REDACTED]>
Date: mar, 30 may 2023 a las 9:51
Subject: AMC Document Objections
To: AMCSettlementObjections@blbglaw.com <AMCSettlementObjections@blbglaw.com>

Hi my name is Zaida Porto, and I am sending you the information. Thank you



All written objections accompanied by proof of stock ownership and submitted to Plaintiffs' counsel will be considered by the Court, even if the stockholder does not attend the settlement hearing to object in-person.

Only stockholders planning to attend the settlement hearing in-person to supplement their written objection with an oral statement under oath are required to fill out this form.

In-Person Settlement Objector Interest Form

May-29-2023

Date

Zaida M. Porto

Stockholder Name [First Name, Middle Initial, Last Name]

In Re AMC Entertainment Holdings, Inc. Stockholder Litigation

Case Caption

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

Case Number

Objector Information

Phone Number

Email Address

Address

City

State

ZIP Code

Objector Affirmations

Please indicate "yes" or "no" and sign to affirm.

I own AMC common stock.

Yes



No



I have submitted a compliant written objection to Plaintiffs' counsel, which states the basis for my objection and any support thereof, between the dates of **May 3, 2023** and **May 31, 2023**.

Yes



No



I have attached to my compliant written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.

Yes



No*



I will attend the **June 29 and 30, 2023** settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

Yes



No



I understand that each of the above statements must be true, and I must send this form to the below address in order to be eligible to object in person at the settlement hearing.

Yes



No



Stockholder Signature

Date

* Written objections not accompanied by proof of stock ownership will not be considered.

**Court-Ordered Legal
Notice**

**Forwarding Service
Requested**

*Important Notice about a
Settlement*

*This Notice may affect
your legal rights.*

Please read it carefully.

00224898



AMC ENTERTAINMENT HOLDINGS, INC.
STOCKHOLDER LITIGATION
C/O STRATEGIC CLAIMS SERVICES
P.O. BOX 230
MEDIA, PA 19063

PRESORTED FIRST CLASS
U.S. POSTAGE PAID
FARMINGDALE, NY
PERMIT NO.225
JOB# N87554-010
57#



08



*****AUTO**SCH 5-DIGIT 32801
ZAIDA PORTO



08

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

THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE LITIGATION.

PLEASE VISIT [INVESTOR.AMCTHEATRES.COM/NEWSROOM/DEFAULT.ASPX](https://investor.amctheatres.com/newsroom/default.aspx) FOR MORE INFORMATION.

The Court of Chancery of the State of Delaware (the "Court") has scheduled a hearing to consider whether to approve a proposed Settlement in the Action captioned above. The proposed Settlement would resolve all claims in the Action captioned above.

You received this notice because you may have held AMC common stock during the period from August 3, 2022 through and including the record time, expected to be set as of the close of business in accordance with any New York Stock Exchange and/or Depository Trust Company requirements or policies, on the business day prior to Conversion on which the Reverse Stock Split is effective (the "Class Period"), and you may be a Settlement Class Member. The Settlement was reached between Usbaldo Munoz, Anthony Franchi, and Allegheny County Employees' Retirement System ("Plaintiffs") and Adam M. Aron, Denise Clark, Howard W. Koch, Jr., Philip Lader, Gary F. Locke, Kathleen M. Pawlus, Keri Putnam, Anthony J. Saich, Adam J. Sussman, Lee Wittlinger, and AMC ("Defendants"), and consists of a payment to the record holders of common stock as of the Settlement Class Time of one share of common stock for every 7.5 shares of common stock owned by such holders (after giving effect to the Reverse Stock Split) (the "Settlement Payment"). No fractional shares of common stock will be issued. Record holders of common stock who would otherwise be entitled to receive a fractional share of the Settlement Payment will receive a cash payment in lieu thereof in the same manner as will be provided in connection with the Reverse Stock Split.

You can file a written statement in support of, or objection to, the Settlement that is required to be received no later than May 31, 2023, in accordance with the instructions set forth in the Notice and the letter that the Court published to AMC stockholders, which will be posted on the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx.

A hearing (the "Settlement Hearing") will be held before Vice Chancellor Morgan T. Zurn on June 29-30, 2023, at the Leonard L. Williams Justice Center, at 500 N. King Street, Wilmington, Delaware to, among other things: (i) determine whether the proposed Settlement is fair, reasonable, and adequate to the Settlement Class; (ii) determine whether a Judgment, should be entered dismissing the Action with prejudice as against Defendants and lifting the Status Quo Order; (iii) determine whether the application by Lead Counsel for an award of attorneys' fees and expenses and incentive awards should be approved; (iv) hear and rule on any objections to the proposed Settlement, Lead Counsel's application for an award of attorneys' fees and expenses, and/or Lead Counsel's application for incentive awards to Plaintiffs; and (v) consider any other matters that may properly be brought before the Court in connection with the proposed Settlement. Please visit the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx, or Lead Counsel's websites, blbglaw.com, gelaw.com or fksfirm.com, for more information.

Exhibit W

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

)

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

I, Asibur Rahman, affirm the following to be true:

1. I own AMC common stock.
2. On May 26, 2023, I submitted a written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screenshot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to

supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

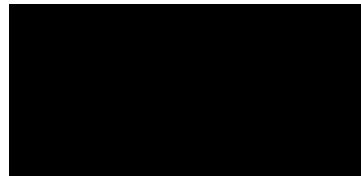
**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

05/26/23

Date



Asibur Rahman



AMC ENTERTAINMENT HOLDINGS, INC.

STOCKHOLDER LITIGATION

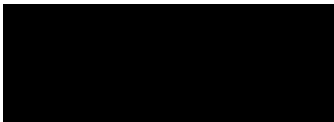
C/O STRAQGETIC CLAIMS SERVICES

P.O. BOX 230

MEDIA, PA, 19063

MAY 25, 2023

ASIBUR RAHMAN



Dear Vice Chancellor Morgan T. Zurn,

It is a pleasure having you as our judge and savior to fight against the corruption of AMC Entertainment. Adam Aron has illegally created the ticker symbol " Ape " without consent from shareholders. He created 'Ape' and divided our investment into AMC and "Ape", so half my shares became "Ape" which I and many people, did not approve of. A lot of investors did not receive their "Ape" shares on time, and when they did receive it, it was too late because ape was losing value rapidly. Adam Aron manipulates all the shareholders by keeping them guessing what the outcome is. He basically divided and conquered the retail holders by dividing the stock into two sides. Adam Aron even claimed "Ape" was supposed to be a free dividend given to us instead he sliced our equity in half for his gains. I have three brokers of AMC stock holdings; I have been patiently waiting for two and half years already. The mathematics of the ratio to buy and sell order does not equate to the share price because all the orders get rerouted to the dark pool. Adam Aron is working with hedge funds to shorten the living hell out of AMC. He does not care about the AMC stockholders at all. You can see the charts of AMC in 2015 when Adam Aron became CEO late 2015 the stock price of AMC declined from average of 20-30 dollars, it was doing just fine before him.

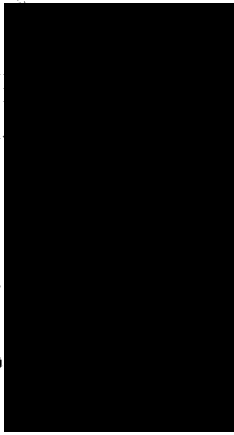
Many retailers that know how to trade stocks understand that the reverse split is devastating for a company. The value of the company has dropped drastically, which is not a good sign. There is no need for a reverse stock split for AMC, Adam Aron cannot just participate in a split without any actual financial reasons. Most of the people I know voted against reverse stock splits because it doesn't make sense. Adam Aron made multi millions when AMC reached 72 dollars and he sold on the way down, He has the funds to rebuy all AMC shares and pay the debt of the company off. The reverse split will leave us dry, taking 90 percent of hard-earned shares. We retail investors picked up the company from the soil when it was going bankrupt in 2020 during the pandemic. We saved the company while Adam Aron bailed from the millions of retail investors. Adam Aron is a master manipulator, scam artist, every company that he associates with went bankrupt because of naked shorting. He uses twitter to try to get the retailers with no experience in the stock market on his side (an average person that goes to the movies). Adam Aron is trying all the tricks in the books to milk every penny out of the pockets of the retailers. He has no good morals; he is only out for himself.

My family is working class. We do not get things handed to us and must work diligently and save our funds. I have been very patient. I believe in my AMC investment; I am down a lot of money on AMC because of all the corruption In the American Stock Market. I cannot afford to take this Loss it will be devastating for my financials as I hold 9000 shares. There has been fraudulent trading with AMC for the past 2 and half years, you can see all the failure to deliver shares and the short interest the numbers do not match up. I Object to the Proposed Settlement OF AMC Entertainment common stocks, I object to the Reverse Stock Split, I object to "Ape". We shareholders are looking for a return not a loss. We are going to keep fighting for stock market transparency. We the public move the markets; we will continue striving.

Sincerely,

Asibur Rahman

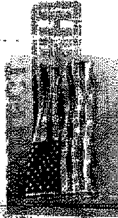
Asibur Rahman



MID-ISLAND NY 117

117

26 MAY 2023 PM 6



FOREVER / USA

AMC Entertainment Holdings, INC.
Stockholder Litigation
c/o Strategic Claims Services
P.O. BOX 230
Media, PA 19063

MAY 31 2023

19063-023030

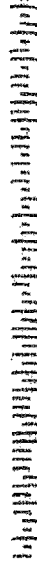


Exhibit X

FW: Elizabeth Ramirez

From: AMC Settlement Objections <amc.settlement@blbglaw.com>
To: Kelly Tucker <ktucker@gelaw.com>, Jason Avellino <javellino@gelaw.com>
Date: Wed, 31 May 2023 23:55:22 +0000
Attachments: SCAN0236.JPG (1.01 MB); SCAN0235.JPG (1.1 MB); SCAN0234.JPG (940.32 kB); SCAN0237.JPG (1.08 MB); SCAN0238.JPG (1.06 MB); SCAN0240.JPG (991.53 kB); SCAN0239.JPG (1.17 MB)

From: Christina Hernandez <[REDACTED]>
Sent: Wednesday, May 31, 2023 7:54 PM
To: AMC Settlement Objections <AMCSettlementObjections@blbglaw.com>
Subject: Fwd: Elizabeth Ramirez

[External]

Elizabeth Ramirez

----- Forwarded message -----

From: Robert Santos <[REDACTED]>
Date: Wed, May 31, 2023 at 4:51 PM
Subject: Elizabeth Ramirez
To: <[REDACTED]>

VIII. CONCLUSION

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

1. Defendant violated DGCL 242 when they Designated Voting rights To APE without shareholder Approval.
2. Defendant violated DGCL 242 when they comingled Preferred stock votes with AMC common.
3. Defendant violated DGCL 242 when They Entered into The Computer share INC. Depository AGREEMENT.

Dated May 30, 2023

Elizabeth T. Ramirez



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
)
)

I, E. Ramirez, affirm the following to be true:

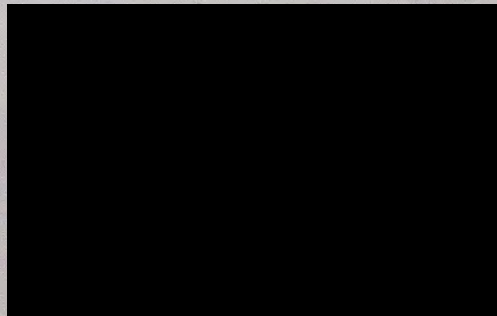
1. I own AMC common stock.
2. On May 1, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via email to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081

5-30-2023
Date

Elizabeth T Ramirez



downloads/Brokerage%20Statement%20-%20XXXXXX6151%20-%20202302%20(1).pdf

5 / 14 98% + -

EXTRADE
from Morgan Stanley

EXTRADE Securities
Investment Account

Account Number: 6151

Statement Period: February 1, 2023 - February 28, 2023

Account Type: INDIVIDU

ACCOUNT HOLDINGS

CASH & CASH EQUIVALENTS (0.00% of Holdings)

DESCRIPTION	PORTFOLIO %	AMOUNT
-------------	-------------	--------

CASH BALANCE

Opening Balance
Closing Balance

0.00
-33.9

Under the Extended Insurance Sweep Deposit Account (ESDA) Program, cash balances from your brokerage account into the ESDA Program may shift from one program bank to another on a daily basis and a different combination or subset of the Program Banks may be used from day to day with dynamic deposit limits. Your ESDA Program cash balances will be FDIC-insured up to an aggregate of \$500,000 for individual accounts and \$1,000,000 for joint accounts. Uninvested cash balances in the ESDA program are not covered by SIPC. The balance in your bank deposit sweep account may be withdrawn on your order and proceeds returned to your securities account or remitted to you. To see a list of Program Banks please visit www.etrade.com/esdaagreement or call us at 1-800-387-2331.

TOTAL CASH & CASH EQUIVALENTS

0.00%
\$-33.9

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (88.27% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
ADVANCED CONTAINER TECHNOLOGIES INC	ACTX	Cash	2	0.3200	0.64	0.01		
COMMON STOCK	AGTK	Cash	10,040	0.0001	1.00	0.02		
AGRITEK HOLDINGS INC	AGTK	Cash	500	0.0520	26.00	0.56		
COMMON STOCK	ALEAF	Cash	60,000	0.0003	21.00	0.45		
***ALEAFIA HEALTH INC	ALHM	Cash	263	7.1400	1,877.82	40.45		
AL KAME HOLDINGS INC	ALHM	Cash						
AMC ENTERTAINMENT HOLDINGS INC	AMC	Cash						



around the same price" the preferred stock equity units traded at just a fraction of AMC.²⁰ With 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.

MRS. RAMIREZ 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

²⁰ DI 200 at 12,13

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.

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
)
)

Elizabeth T Ramirez

OBJECTION TO THE PROPOSED
SETTLEMENT AGREEMENT

PAGE 1 OF 14

Customer Update:

All your tax info in one place
Forms 1099 for 2022, FAQs, key deadlines, cost basis info, and
more—find them all in our Tax Center at etrade.com/tax.

February 1, 2023 - February 28, 2023

Account Number: ~~6053~~-8151

Account Type: INDIVIDUAL

E*TRADE Securities LLC

P.O. Box 484

Jersey City, NJ 07303-0484

1-800-387-2331 etrade.com

Member SIPC

Important Information:

April 18 is Tax Day, but it's also the last day to
make a 2022 contribution to your IRA.

ELIZABETH T RAMIREZ

Account At A Glance

Exhibit Y

From: joseph ramirez <[REDACTED]>
Sent: Wednesday, May 31, 2023 8:53 PM
To: AMC Settlement Objections
Subject: Objecting to settlement case #2023 015-mtz
Attachments: Brokerage Statement - XXXX3060 - 202302 (4) (1).pdf

[External]

- # 1. Defendants violated DGCL 242 when they Designated voting Rights to APE without shareholder Approval.
- # 2. Defendants violated DGCL 242 when they Designated an automatic conversion clause to APE without shareholder Approval.
- # 3. Defendants violated DGCL 242 when they entered into the computershare inc. Depository Agreement.
- # 4. Defendants violated DGCL 242 when they commingled preferred stock votes with AMC common.
- # 5. Defendants owe to common stock an equitable remedy through DGCL 242,205 or otherwise.

I contest that I am a AMC shareholder with a etrade statement attached. thank you

Account Number:

Account Status: Pro Elite

P.O. Box 484

Jersey City, NJ 07303-0484

1-800-387-2331 etrade.com

Member SIPC

All your tax info in one place

Forms 1099 for 2022, FAQs, key deadlines, cost basis info, and more—find them all in our Tax Center at etrade.com/tax.

April 18 is Tax Day, but it's also the last day to make a 2022 contribution to your IRA.

JOSEPH D RAMIREZ

A bar chart comparing the Net Change in Cash and Cash Equivalents for two periods. The first bar, representing the period ending 01/31/23, is light gray and has a value of \$3,342.41. The second bar, representing the period ending 02/28/23, is black and has a value of \$3,824.71. The bars are positioned above a horizontal dashed line. Below the chart, the text 'Net Change:' is displayed.

Period	Net Change
As of 01/31/23	\$3,342.41
As of 02/28/23	\$3,824.71

DETACH HERE

JOSEPH D RAMIREZ

DETACH HERE

Use This Deposit Slip

Acct:

Please do not send cash

Make checks payable to E*TRADE Securities LLC

Mail deposits to:

E*TRADE SECURITIES LLC

P.O. Box 484

Jersey City, NJ 07303-0484

TOTAL DEPOSIT

Dollars	Cents

EXTRADE®
from Morgan Stanley

Please refer to the E*TRADE Securities LLC ("ETS") Customer Agreement (the "Customer Agreement") at www.etrade.com/custagree for a complete discussion of the terms and conditions governing your account and the Relationship Summary at www.etrade.com/formers for information about ETS services. If you have questions regarding the Customer Agreement, your account, or positions and balances please contact us through etrade.com or call 800-387-2331. THE INFORMATION CONTAINED IN YOUR ACCOUNT STATEMENT SHALL BE BINDING UPON YOU IF YOU DO NOT OBJECT, EITHER IN WRITING OR VIA ELECTRONIC MAIL, WITHIN FIVE (5) DAYS AFTER THE ACCOUNT STATEMENT IS FIRST RECEIVED BY YOU.

Securities products and services are offered by ETS, Member SIPC. Your account is carried by ETS, Member SIPC, which maintains your funds and securities deposited with ETS directly by you or your advisor firm. Please review this statement carefully. If you disagree with any transaction, or if there are any errors or omissions, please notify us at 800-387-2331 within five (5) days of your receipt of this statement. Any oral statements that you have made to us should be confirmed in writing.

Applicable Rules and Regulations. All transactions in your account shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market, and its clearing house, where the transactions are executed by ETS or its agents, including ETS affiliates. Also, where applicable, the transactions shall be subject to the provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission ("SEC"), the Board of Governors of the Federal Reserve System, and any applicable self-regulatory organization. For information about FINRA's Broker Check Program, including an investor brochure, please contact FINRA at 800-289-9999 or www.finra.org.

Securities Pricing. The amounts printed in the total market value column of the Account Holdings section, or any amounts derived therefrom, are based on US month end prices and are provided by outside quotation services for the securities held by us in your account. Prices of municipal bonds, certain over-the-counter securities, and federal obligations are approximations and are only for guidance purposes. Prices used are based on the last reported transaction known to the quotation services or the yields or values that are calculated on the basis of these prices. Value of brokered CDs reflected on this statement is estimated by a third-party pricing service. Actual value may differ if you elect to sell your CD(s) in the secondary market. Bonds and/or fixed income securities trade differently than equity securities and do not trade on a liquid exchange. Rather, they trade in the OTC (over-the-counter) market and sufficient liquidity may not exist for you to sell your position prior to maturity. The sale of instruments prior to maturity may result in a loss of principal.

Interest/Dividends. We are required by law to report annually to you and to the Internal Revenue Service on Form 1099 any taxable interest, dividends, and capital gains credited to your account, as well as any taxes withheld. The year-to-date figures shown on your statement reflects these amounts classified to the best of our current knowledge based on activity. In certain circumstances, payments may be subject to reclassification, such reclassifications will be reflected to the Internal Revenue Service on your Form 1099. Your statement may not reflect all adjustments required for tax purposes, please refer to your tax documents.

SIPC and other Insurance Coverage. ETS is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC currently protects the assets in each of your securities accounts at ETS up to \$500,000 (including \$250,000 for claims for cash). Visit www.sipc.org or call 202-371-8300 for more information including a brochure on SIPC protection. (Please note that money market mutual fund balances are considered securities rather than cash.) Additional protection for ETS has been secured through an independent insurer, more information about which can be found at <https://us.etrade.com/customer-service/faq>. The market risks associated with investing and any resulting losses are not covered by SIPC or the additional protection.

Payment for Order Flow. The SEC and (FINRA) requires that all broker-dealers inform their customers when a new account is opened, and on an annual basis thereafter, of payment for order flow practices (compensation received for placing orders through specialists on national securities exchanges, over-the-counter market makers, alternative trading systems, and ECNs (collectively, "market centers")). Consistent with the overriding principle of best execution, ETS routes orders to various market centers. ETS receives remuneration (generally in the form of per share cash payments or through profit sharing arrangements) for routing orders in securities to particular market centers for execution. Such remuneration is considered compensation to ETS, and the source and amount of any compensation received in connection with your transaction will be disclosed to you upon written request. ETS posts SEC Rule 806 quarterly reports that include order routing disclosures including the material aspects of the firm's relationships with outside market centers at www.etrade.com. In addition, on request, ETS may provide the identity of the venue to which your orders were routed for execution in the six months prior to the request, whether the orders were directed orders or nondirected orders, and the time of the transactions, if any, that resulted from such orders. ETS regularly assesses the execution quality provided by the market centers to which we route order flow in seeking best execution for our clients. For non-directed client orders, it is our policy to route orders to market centers based on a number of factors that are more fully discussed in the Supplemental Materials of FINRA Rule 5310, including where applicable, but not necessarily limited to, speed of execution, price improvement opportunities, differences in price-disimprovement, likelihood of executions, the marketability of the order, size guarantees, service levels and support, the reliability of order handling systems, customer needs and expectations, transaction costs and whether the firm will receive remuneration for routing order flow to such market centers. Price improvement is available under certain market conditions and for certain order types and we regularly monitor executions to test for such improvement if available.

Margin Accounts. The amount of margin required will be the greater of the (1) amount required by applicable laws, regulations, rules of applicable self-regulatory organizations and clearinghouses, or (2) amount required by ETS in its sole discretion. You will be charged interest on a daily basis on all debit balances that you owe to ETS and on credit extended to you by ETS for the purpose of purchasing, carrying, or trading in securities or otherwise. Interest is calculated on a 360-day basis using settlement date balances. Except as otherwise agreed by you and ETS, the applicable interest rate for margin loans will be determined by adding the prevailing base rate and the applicable sliding scale percentage rate, which is in turn determined by your average daily debit balance. Your stated interest rate is subject to change without notice during each period in accordance with fluctuations in your average daily debit balance and changes to the base rate that are attributable to a change in the Federal Funds rate. ETS will provide you with at least 30 days' prior written notice before changing your stated interest rate for any other reason. Information about ETS's base rate is available upon written request to ETS. For more information on how ETS calculates interest, please see the Customer Agreement. If you have a margin account, this statement is a combined statement for both your margin account and special memorandum account. The permanent record of the separate account as required by Regulation T of the Federal Reserve Board is available for your inspection.

Free Credit Balances. Any cash balances in your securities account, which represent an obligation of ETS, are payable to you upon demand and referred to as free credit balances. Your free credit cash balances: 1) can be maintained in the securities account and will earn interest through the "Cash Balance Program" as more fully described at <https://us.etrade.com/options-uninvested-cash>, and 2) as such are held unsegregated and may be used by ETS in the conduct of its business, subject to the limitations of Rule 15c3-3 under the Securities Exchange Act of 1934. Your free credit cash balances can alternatively be directed to other cash balance options.

Other Cash Balance Option. In addition to the Cash Balance Program you may have the option to have free credit balances in your securities account automatically transferred to a

bank sweep product, which is an account at a bank (or banks, collectively, "Program Banks") whose deposits are insured by the FDIC, but which are not obligations of ETS. Accounts opened prior to May 10, 2018 may also be eligible to have their free credit balances transferred to certain money market mutual funds. For information about the products available for free credit balances go to www.etrade.com/sweepoptions ("Sweep Program"). The products available under the Sweep Program may change at any time. Notification of changes will be provided to the extent required by applicable law. Additionally, you may at any time change your selection among the products available in the Sweep Program. You may elect, subject to any limitation set forth in any Sweep Program agreement or, with respect to an account at a bank, under federal banking laws (which includes, without limitation, program banks' potential requirement of seven days' notice before permitting a withdrawal or transfer of funds from such account) that the balance in the bank deposit account be returned, or shares of the money market mutual fund in which you have a beneficial interest be liquidated and the proceeds returned, as applicable, to the securities account or remitted to you. With respect to your decision to participate in a bank sweep product, please remember you are responsible for monitoring the cash balance of your bank sweep accounts deposited with the Program Banks to determine whether you have total deposit balances held in the same capacity at any Program Bank in excess of the \$250,000 FDIC deposit insurance limit.

Options Trading. If you are approved for options trading, you are responsible for advising ETS of any material changes in your investment objectives or financial situation. Additionally, further information regarding commissions and other charges related to the execution of option transactions has been included in the confirmations of such transactions previously provided to you. Such information will also be made available promptly upon request.

Random Allocation of Options Assignment Notices. Assignment notices for short option contracts are allocated among customer short option positions in accordance with a random allocation method. A detailed description of ETS's random allocation method is available at etrade.com and a hard copy of the allocation procedures is available upon request.

Financial Statement. A financial statement of ETS is available for your inspection at its offices or at etrade.com or will be mailed to you upon your written request.

Valuation of Certain Alternative Investments (including DPP and REIT securities). Account statements may include valuations for alternative investments. The values of such investments are estimated and reflect either the most recent valuation provided to ETS by the issuer of the investment, or a valuation provided by an independent third party, which ETS will obtain as part of its services, on an annual or more frequent basis. ETS does not provide a guarantee of the value or the appropriateness of the appraisal methodology applied by the independent third party in providing a value and ETS assumes no responsibility for verifying the accuracy of any valuation presented. Failure of the issuer to provide a timely valuation is your sole responsibility. The investment may reflect no value if a valuation was unavailable or is inaccurate. Investment in non-publicly traded securities, which includes alternative investments, often involves higher risk and less liquidity than other investments. Because there is generally no secondary market for alternative investments, the values reported to you should not be relied upon as any indication of market value. You may be able to sell your interests in the alternative investments held in your account, if at all, only for amounts that are substantially less than their purchase price or the estimated values on your account statements. If your statement reflects a distribution that included a return of capital on Direct Participation Programs and/or REITs, please note that said distributions are reported and a net investment per share estimated value is also reported. Pricing and distribution information has been provided by the sponsor, issuer or other external party responsible for reporting of the DPP or REIT, and the classification of distributions as income or return of capital, in whole or in part, is subject to final accounting by such party(ies) and will be reported to you on a Form 1099 or K-1, as applicable.

In case of errors or questions about your Electronic Fund Transfers please contact us at 800-387-2331 immediately or in writing at E*TRADE Securities LLC, P.O. Box 484, Jersey City, NJ 07303-0484 or by visiting etrade.com, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. The information contained in your account statement shall be binding upon you if you do not object within sixty (60) days for any transfer of funds subject to Regulation E, such as ATM and point-of-sale transfers, debit transactions, direct deposits, and withdrawals. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- (1) Tell us your name and account number.
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

ETS is a subsidiary of Morgan Stanley. If you have a complaint, please call 800-387-2331, or write to: E*TRADE Securities LLC, P.O. Box 484, Jersey City, NJ 07303-0484.

Definitions:

Activity/Trade Date. Trade date or transaction date of other entries.

Total Portfolio Percent. Percentage of your holding by issue of security.

DIV/CPN% Yield. Annual dividend or bond % yield.

Open Orders. Buy or sell orders for securities that have not yet been executed or canceled.

Symbol/CUSIP. The symbol or identification number for each security.

*** Denotes a security where either the country of issue or country of incorporation of the issuer is outside the US.

Pending and Unsettled Transactions. Based on the timing of statement generation, the value of certain unsettled trades and/or pending transactions (e.g., transactions that take place or settle after the last business day of the month) may not be reflected on your statement. Please e-mail us through etrade.com or call 800-387-2331 with any questions.

S1RB240 - 01/22

Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

Customer Update:

Visit the E*TRADE Tax Center to access tax forms (when available), plus tips and tools to help with your tax preparation. Bookmark etrade.com/tax today.

ACCOUNT OVERVIEW

Last Statement Date: January 31, 2023

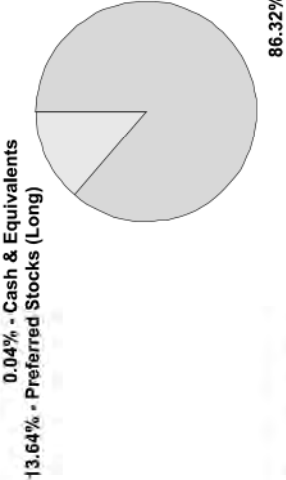
Beginning Account Value (On 01/31/23): \$ 3,342.41

Ending Account Value (On 02/28/23): \$ 3,824.71

Net Change: \$ 482.30

For current rates, please visit etrade.com/rates

ASSET ALLOCATION (AS OF 02/28/23)



ACCOUNT VALUE SUMMARY

	AS OF 02/28/23	AS OF 01/31/23	% CHANGE
Cash & Equivalents	\$ 1.60	\$ 0.69	131.88%
Total Cash/Margin Debt	\$ 1.60	\$ 0.69	131.88%
Stocks, Options & ETF (Long)	\$ 3,301.47	\$ 2,731.88	20.85%
Preferred Stocks (Long)	\$ 521.64	\$ 609.84	-14.46%
Total Value of Securities	\$ 3,823.11	\$ 3,341.72	14.41%
Net Account Value	\$ 3,824.71	\$ 3,342.41	14.43%

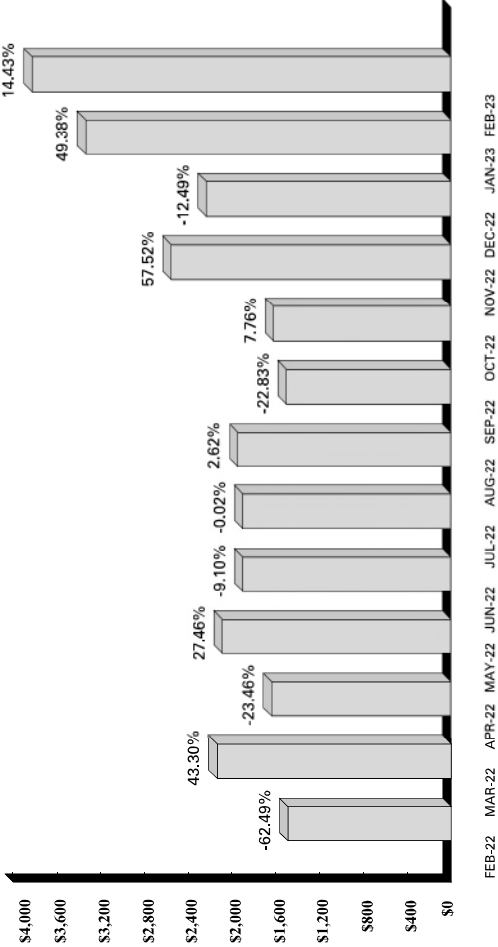
Securities products and services are offered by E*TRADE Securities LLC, Member FINRA/SIPC. Sweep deposits may be swept to Morgan Stanley Bank, N.A., and/or Morgan Stanley Private Bank, National Association, Members FDIC, and depending on the sweep program may also be swept to third party banks. Subject to other funds a customer might maintain at the recipient bank, sweep funds will receive a maximum of \$250,000 in FDIC insurance coverage at each federally insured depository institution to which funds are swept. Securities products and cash balances other than sweep deposits are not FDIC insured, not guaranteed deposits or obligations of Morgan Stanley Bank, Morgan Stanley Private Bank, or any third party bank to which they might be swept, and are subject to investment risk, including possible loss of the principal invested.

Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

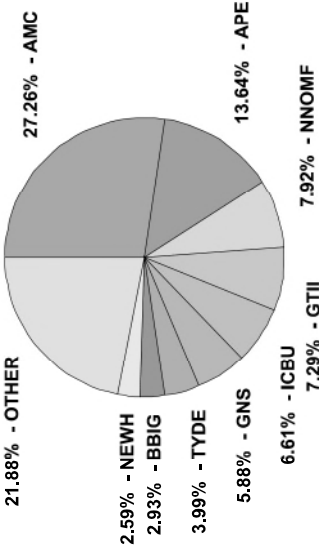
NET ACCOUNT VALUE BY MONTH END



ACCOUNT TRANSACTION SUMMARY

DESCRIPTION	THIS PERIOD	YEAR TO DATE
Securities Purchased	\$ -860.31	\$ -1,205.49
Securities Sold	\$ 36.22	\$ 327.80

TOP 10 ACCOUNT HOLDINGS (AS OF 02/28/23)



Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

ACCOUNT HOLDINGS

CASH & CASH EQUIVALENTS (0.04% of Holdings)

DESCRIPTION	PORTFOLIO %	AMOUNT
Extended Insurance Sweep Deposit Account		
Opening Balance		0.69
Closing Balance		1.60
Average Balance	0.04	50.45
Extended Insurance Sweep Deposit Account Balance by Bank as of February 28, 2023		
MORGAN STANLEY BANK NA		1.60
Under the Extended Insurance Sweep Deposit Account (ESDA) Program, cash balances from your brokerage account into the ESDA Program may shift from one program bank to another on a daily basis and a different combination or subset of the Program Banks may be used from day to day with dynamic deposit limits. Your ESDA Program cash balances will be FDIC-insured up to an aggregate of \$500,000 for individual accounts and \$1,000,000 for joint accounts. Uninvested cash balances in the ESDA program are not covered by SIPC. The balance in your bank deposit sweep account may be withdrawn on your order and proceeds returned to your securities account or remitted to you. To see a list of Program Banks please visit www.etrade.com/esdaagreement or call us at 1-800-387-2331.		
TOTAL CASH & CASH EQUIVALENTS	0.04%	\$1.60

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (86.32% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
AMC ENTERTAINMENT HOLDINGS INC	AMC	Cash	146	7.1400	1,042.44	27.26		
CL A COM								
ASCENT SOLAR TECHNOLOGIES INC	ASTI	Cash	3	0.4911	1.47	0.04		
COMMON STOCK								
***CANADA HSE CANNABIS GROUP INC COM	13509T105	Cash	110		0.00	0.00		
CANNABIZ MOBILE INC COM	LGBI	Cash	100,000	0.0001	10.00	0.26		
CREATD INC COMMON STOCK	CRTD	Cash	406	0.1710	69.43	1.82		
CRYPTYDE INC COMMON STOCK	TYDE	Cash	891	0.1714	152.72	3.99		
***ENTOURAGE HEALTH CORP COM	ETRGF	Cash	700	0.0187	13.13	0.34		
GAMESTOP CORP CLASS A	GME	Cash	4	19.2300	76.92	2.01		
***GENIUS GROUP LIMITED ORDINARY SHARES	GNS	Cash	63	3.5700	224.91	5.88		

Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (Continued)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
GLOBAL TECH INDUSTRIES GROUP INC COM	GTII	Cash	205	1.3599	278.78	7.29		
GREEN CURES & BOTANICAL DISTRIBUTION INC COMMON STOCK	GRCU	Cash	100,000	0.0007	70.00	1.83		
HELBIZ INC CLASS A COMMON STOCK	HLBZ	Cash	411	0.1389	57.09	1.49		
HEMP INC COM	HEMP	Cash	140,000	0.0002	28.00	0.73		
HYCROFT MINING HOLDING CORPORATION CLASS A COMMON STOCK	HYMC	Cash	200	0.3889	77.78	2.03		
IMD COMPANIES INC	ICBU	Cash	202,400	0.0012	253.00	6.61		
INDOOR HARVEST CORP COM	INQD	Cash	9,000	0.0108	97.20	2.54		
INTERNATIONAL CONSOLIDATED COMPANIES INC	INCC	Cash	11,000	0.0002	2.20	0.06		
MEDICAL MARIJUANA INC	MJNA	Cash	10,000	0.0047	47.00	1.23		
META MATLS INC COMMON STOCK	MMAT	Cash	38	0.6400	24.32	0.64		
MULLEN AUTOMOTIVE INC COMMON STOCK	MULN	Cash	100	0.2320	23.20	0.61		
***NANO ONE MATERIALS CORP COM	NNOMF	Cash	110	2.7550	303.05	7.92		
NEWHYDROGEN INC COMMON STOCK	NEWH	Cash	5,500	0.0180	99.00	2.59		
NEXT BRIDGE HYDROCARBONS COMMON STOCK	629999590	Cash	29		0.00	0.00		
NUGENEREX IMMUNO ONCOLOGY INC COMMON STOCK	NUGX	Cash	200		0.00	0.00		
NXGEN BRANDS INC COMMON STOCK	NXGB	Cash	200	0.0352	7.06	0.18		

Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

STOCKS, OPTIONS & EXCHANGE-TRADED FUNDS (Continued)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
***ORGANIGRAM HOLDINGS INC COMMON	OGI	Cash	100	0.7890	78.90	2.06		
PHARMACYTE BIOTECH INC COMMON STOCK	PMCB	Cash	33	3.0000	99.00	2.59		
***SNDL INC COM	SNDL	Cash	28	1.8800	52.64	1.38		
VINCO VENTURES INC COMMON STOCK	BBIG	Cash	229	0.4901	112.23	2.93		
WEEDHIRE INTERNATIONAL INC	WDHR	Cash	300,000		0.00	0.00		
TOTAL STOCKS, OPTIONS & ETF					\$3,301.47	86.32%		

PREFERRED STOCKS (13.64% of Holdings)

DESCRIPTION	SYMBOL/ CUSIP	ACCT TYPE	QUANTITY	PRICE	TOTAL MKT VALUE	PORTFOLIO (%)	EST. ANNUAL INCOME	EST. ANNUAL YIELD (%)
AMC ENTERTAINMENT HOLDINGS INC AMC PRFRD EQTY UNITS ECH CNSTNG OF DPSTRY SHR RPRSNTNG 1/100	APE	Cash	252	2.0700	521.64	13.64		
TOTAL PREFERRED STOCKS					\$521.64	13.64%		
TOTAL PRICED PORTFOLIO HOLDINGS (ON 02/28/23)					\$3,824.71			

TRANSACTION HISTORY

SECURITIES PURCHASED OR SOLD

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
01/30/23 15:50	02/01/23	***GENIUS GROUP LIMITED ORDINARY SHARES	GNS	Bought	7	5.0000	35.00	
01/30/23 11:15	02/01/23	HELBIZ INC CLASS A COMMON STOCK	HLBZ	Sold	-145	0.2500		36.22

Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

SECURITIES PURCHASED OR SOLD (Continued)

TRADE DATE	SETTLEMENT DATE	DESCRIPTION	SYMBOL/ CUSIP	TRANSACTION TYPE	QUANTITY	PRICE	AMOUNT PURCHASED	AMOUNT SOLD
02/01/23 12:06	02/03/23	AMC ENTERTAINMENT HOLDINGS INC CL A COM	AMC	Bought	1	5.3650	5.37	
02/01/23 11:33	02/03/23	CREATD INC COMMON STOCK	CRTD	Bought	6	0.6500	8.85	
02/01/23 11:55	02/03/23	CREATD INC COMMON STOCK	CRTD	Bought	200	0.6453	134.01	
02/01/23 11:58	02/03/23	GLOBAL TECH INDUSTRIES GROUP INC COM	GTII	Bought	100	1.9000	194.95	
02/01/23 12:01	02/03/23	***GENIUS GROUP LIMITED ORDINARY SHARES	GNS	Bought	11	5.1800	56.98	
02/02/23 09:30	02/06/23	CRYPTYDE INC COMMON STOCK	TYDE	Bought	475	0.2137	101.51	
02/02/23 10:01	02/06/23	PHARMACYTE BIOTECH INC COMMON STOCK	PMCB	Bought	33	2.9400	97.02	
02/03/23 09:30	02/07/23	ASCENT SOLAR TECHNOLOGIES INC COMMON STOCK	ASTI	Bought	2	1.2500	2.50	
02/09/23 09:30	02/13/23	HELBIZ INC CLASS A COMMON STOCK	HLBZ	Bought	111	0.1980	21.98	
02/10/23 14:56	02/14/23	CRYPTYDE INC COMMON STOCK	TYDE	Bought	300	0.1785	53.57	
02/10/23 15:08	02/14/23	HYCROFT MINING HOLDING CORPORATION CLASS A COMMON STOCK	HYMC	Bought	100	0.4867	48.67	
02/10/23 14:57	02/14/23	HELBIZ INC CLASS A COMMON STOCK	HLBZ	Bought	300	0.1606	48.18	
02/10/23 15:09	02/14/23	MULLEN AUTOMOTIVE INC COMMON STOCK	MULN	Bought	100	0.3593	35.93	
02/10/23 15:20	02/14/23	VINCO VENTURES INC COMMON STOCK	BBIG	Bought	25	0.6315	15.79	
TOTAL SECURITIES ACTIVITY							\$860.31	\$36.22

WITHDRAWALS & DEPOSITS

DATE	TRANSACTION TYPE	DESCRIPTION	WITHDRAWALS	DEPOSITS
02/01/23	Deposit	ACH DEPOSIT REFID:72155106906;		100.00
02/01/23	Deposit	ACH DEPOSIT REFID:72158330906;		200.00

Account Number: [REDACTED]

Statement Period : February 1, 2023 - February 28, 2023

Account Type: INDIVIDUAL

WITHDRAWALS & DEPOSITS (Continued)

DATE	TRANSACTION TYPE	DESCRIPTION	WITHDRAWALS	DEPOSITS
02/01/23	Deposit	ACH DEPOSIT REFID:72155745906;		100.00
02/02/23	Deposit	ACH DEPOSIT REFID:72228959906;		100.00
02/02/23	Deposit	ACH DEPOSIT REFID:72229374906;		100.00
02/09/23	Deposit	ACH DEPOSIT REFID:72774839906;		25.00
02/10/23	Deposit	ACH DEPOSIT REFID:72942781906;		100.00
02/10/23	Deposit	ACH DEPOSIT REFID:72943516906;		100.00
NET WITHDRAWALS & DEPOSITS				\$825.00

EXTENDED INSURANCE SWEEP DEPOSIT ACCOUNT (ESDA) ACTIVITY (0.0100% APY/0.0000%APY Earned as of 02/28/23)
Under the Extended Insurance Sweep Deposit Account (ESDA) Program, cash balances from your brokerage account into the ESDA Program may shift from one program bank to another on a daily basis and a different combination or subset of the Program Banks may be used from day to day with dynamic deposit limits. Your ESDA Program cash balances will be FDIC-insured up to an aggregate of \$500,000 for individual accounts and \$1,000,000 for joint accounts. Uninvested cash balances in the ESDA program are not covered by SIPC. The balance in your bank deposit sweep account may be withdrawn on your order and proceeds returned to your securities account or remitted to you. To see a list of Program Banks please visit www.etrade.com/esdaagreement or call us at 1-800-387-2331.

DATE	TRANSACTION TYPE	DESCRIPTION	TRANSACTION AMOUNT
02/01/23	OPENING BALANCE		\$0.69
02/01/23	Deposit	EXTND INS SWEEP ACCT(FDIC-INS)	1.22
02/02/23	Deposit	EXTND INS SWEEP ACCT(FDIC-INS)	400.00
02/03/23	Withdrawal	EXTND INS SWEEP ACCT(FDIC-INS)	-200.16
02/06/23	Withdrawal	EXTND INS SWEEP ACCT(FDIC-INS)	-198.53
02/07/23	Withdrawal	EXTND INS SWEEP ACCT(FDIC-INS)	-2.50
02/10/23	Deposit	EXTND INS SWEEP ACCT(FDIC-INS)	25.00
02/13/23	Deposit	EXTND INS SWEEP ACCT(FDIC-INS)	178.02
02/14/23	Withdrawal	EXTND INS SWEEP ACCT(FDIC-INS)	-202.14
02/28/23	CLOSING BALANCE		\$1.60

THIS PAGE INTENTIONALLY LEFT BLANK

From: joseph ramirez <[REDACTED]>
Sent: Wednesday, May 31, 2023 8:27 PM
To: AMC Settlement Objections
Subject: Fwd: Delivery Status Notification (Failure)

[External]

----- Forwarded message -----

From: **Mail Delivery Subsystem** <mailer-daemon@googlemail.com>
Date: Wed, May 31, 2023 at 5:18 PM
Subject: Delivery Status Notification (Failure)
To: <[REDACTED]>



Address not found

Your message wasn't delivered to **amcsettlementobjections@blbglaw.co** because the domain blbglaw.co couldn't be found. Check for typos or unnecessary spaces and try again.

[LEARN MORE](#)

The response was:

DNS Error: DNS type 'mx' lookup of blbglaw.co responded with code NXDOMAIN Domain name not found: blbglaw.co Learn more at <https://support.google.com/mail/?p=BadRcptDomain>

----- Forwarded message -----

From: joseph ramirez <[REDACTED]>
To: amcsettlementobjections@blbglaw.co
Cc:

Bcc:

Date: Wed, 31 May 2023 17:18:25 -0700

Subject: Fwd: Objecting to settlement

----- Message truncated -----

Exhibit Z

From: Victor Rivera <[REDACTED]>
Sent: Wednesday, May 31, 2023 10:51 PM
To: AMC Settlement Objections
Subject: Emailing Amc Victor Rivera Account -1.pdf
Attachments: Amc Victor Rivera Account -1.pdf

[External]

My name is Victor Rivera
Phone num. [REDACTED]
I'm the Owner of the 214 AMC Stock
The broker is TD Ameritrade
Account Num. [REDACTED]

I send the attached the information
[Sent from Yahoo Mail on Android](#)



All written objections accompanied by proof of stock ownership and submitted to Plaintiffs' counsel will be considered by the Court, even if the stockholder does not attend the settlement hearing to object in-person.

Only stockholders planning to attend the settlement hearing in-person to supplement their written objection with an oral statement under oath are required to fill out this form.

In-Person Settlement Objector Interest Form

5/31/2023

Date

Victor Rivera Jr.

Stockholder Name [First Name, Middle Initial, Last Name]

In Re AMC Entertainment Holdings, Inc. Stockholder Litigation

Case Caption

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

Case Number

Objector Information

Phone Number

Email Address

Address

City

State

ZIP Code

Objector Affirmations

Please indicate "yes" or "no" and sign to affirm.

I own AMC common stock.

Yes



No



I have submitted a compliant written objection to Plaintiffs' counsel, which states the basis for my objection and any support thereof, between the dates of **May 3, 2023** and **May 31, 2023**.

Yes



No



I have attached to my compliant written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.

Yes



No*



I will attend the **June 29 and 30, 2023** settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

Yes



No



I understand that each of the above statements must be true, and I must send this form to the below address in order to be eligible to object in person at the settlement hearing.

Yes



No



Victor Rivera Jr.

Stockholder Signature

5/31/2023

Date

* Written objections not accompanied by proof of stock ownership will not be considered.

In re AMC Entertainment Holdings, Inc. Stockholder Litigation, C.A. No. 2023-0215-MTZ
THIS CARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE LITIGATION.
PLEASE VISIT [INVESTOR.AMCTHEATRES.COM/NEWSROOM/DEFAULT.ASPX](https://investor.amctheatres.com/newsroom/default.aspx) FOR MORE INFORMATION.

The Court of Chancery of the State of Delaware (the "Court") has scheduled a hearing to consider whether to approve a proposed Settlement in the Action captioned above. The proposed Settlement would resolve all claims in the Action captioned above.

You received this notice because you may have held AMC common stock during the period from August 3, 2022 through and including the record time, expected to be set as of the close of business in accordance with any New York Stock Exchange and/or Depository Trust Company requirements or policies, on the business day prior to Conversion on which the Reverse Stock Split is effective (the "Class Period"), and you may be a Settlement Class Member. The Settlement was reached between Usbaldo Munoz, Anthony Franchi, and Allegheny County Employees' Retirement System ("Plaintiffs") and Adam M. Aron, Denise Clark, Howard W. Koch, Jr., Philip Lader, Gary F. Locke, Kathleen M. Pawlus, Keri Putnam, Anthony J. Saich, Adam J. Sussman, Lee Wittlinger, and AMC ("Defendants"), and consists of a payment to the record holders of common stock as of the Settlement Class Time of one share of common stock for every 7.5 shares of common stock owned by such holders (after giving effect to the Reverse Stock Split) (the "Settlement Payment"). No fractional shares of common stock will be issued. Record holders of common stock who would otherwise be entitled to receive a fractional share of the Settlement Payment will receive a cash payment in lieu thereof in the same manner as will be provided in connection with the Reverse Stock Split.

You can file a written statement in support of, or objection to, the Settlement that is required to be received no later than May 31, 2023, in accordance with the instructions set forth in the Notice and the letter that the Court published to AMC stockholders, which will be posted on the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx.

A hearing (the "Settlement Hearing") will be held before Vice Chancellor Morgan T. Zurn on June 29-30, 2023, at the Leonard L. Williams Justice Center, at 500 N. King Street, Wilmington, Delaware to, among other things: (i) determine whether the proposed Settlement is fair, reasonable, and adequate to the Settlement Class; (ii) determine whether a Judgment, should be entered dismissing the Action with prejudice as against Defendants and lifting the Status Quo Order; (iii) determine whether the application by Lead Counsel for an award of attorneys' fees and expenses and incentive awards should be approved; (iv) hear and rule on any objections to the proposed Settlement, Lead Counsel's application for an award of attorneys' fees and expenses, and/or Lead Counsel's application for incentive awards to Plaintiffs; and (v) consider any other matters that may properly be brought before the Court in connection with the proposed Settlement. Please visit the "Investor Relations" section of AMC's website, investor.amctheatres.com/newsroom/default.aspx, or Lead Counsel's websites, blbglaw.com, gelaw.com or fksfirm.com, for more information.

Broker TD Ameritrade

js/u/EditContactInfo

My Account Trade Research & Ideas Planning & Retirement Education **Client Services**

Search

My Profile

Page help

You have updated your Personal Information.

General Personal Information Communication Preferences Investor Profile Subscriptions Link Accounts

Account information

Account name **VICTOR RIVERA**

Account type **Individual**

Account number [REDACTED] [Hide](#)

Account PIN --

[Edit](#)

Note: To update your name or Taxpayer Identification number, please contact a Client Services representative at 800-669-3900.

User ID security

User ID [REDACTED]

[Edit](#)

Password --

[Edit](#)

Security questions --

[Edit](#)

Account owner **VICTOR RIVERA**

Personal information

[Edit](#)

Physical street address [REDACTED]

Mailing Address [REDACTED]

Primary phone number [REDACTED]

Secondary phone number [REDACTED]

Primary email address [REDACTED]

Secondary email address [REDACTED]

Marital status **Single**

Number of dependents **1**

Beneficiaries

[Manage beneficiaries](#)

Financial information

[Edit](#)

Approximate annual income **\$50,000 - \$99,999**

Approximate net worth **\$50,000 - \$99,999**

Approximate liquid net worth **\$50,000 - \$99,999**

Source of ongoing funding **Employment Wages**

Employment information

[Edit](#)

Employment status **Self-employed**

Occupation **Driver**

Industry of occupation **Transportation**

Business/employer name **FEDEX**

Business/employer address **KINGSPPOINT
7460
ORLANDO, FL 32819
UNITED STATES**

Personal affiliations

[Edit](#)

1. Are you, or is your spouse, or is any member of your immediate family living in the same household (including parents, in-laws, siblings, or dependents) licensed by, employed by, or associated with a broker-dealer firm, a financial services regulator, a securities exchange, or a member of a securities exchange? **No**

2. Are you, or is your spouse, or is any member of your immediate family (including parents, in-laws, siblings, or dependents) a member of the board of directors, a 10% shareholder, or a policy-making officer of a publicly traded company? **No**

Quote

Options: Enter underlying symbol and click Chain | Index: use "\$" (e.g. \$DJ)

Chain \$?

^ SnapTicket Order Status Messages Market closed

9:28:19 am ET 5/31/23

Streaming on

Your original 1099 is available [Less](#)
To get your tax form for this account, [go to the Tax Center](#).

Help us keep your account victorjr67-2458 up to date and secure by reviewing your contact information. [Review now](#)

rivervi21 **Combined accounts** victorjr67 + [Link/Add Acct](#)

Balances
Combined value
\$1,015.57 **+\$34.45 (3.28%)**

Positions cards Balance history

AMC
\$4.51
-0.12 (2.59%)
214 shares



TRKA
\$0.125
-0.0231 (15.59%)
380 shares

5% of
your portfolio



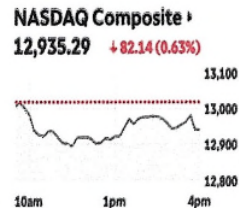
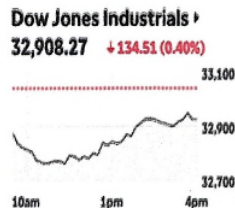
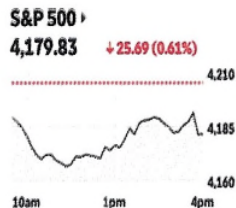
Find potential opportunities to fit your
investing style
[Try our powerful easy-to use screeners](#)

2 of 2 positions
[View all positions](#)

Market Snapshot

[Why Lucid Shares Are Backing Up After Hours](#)
[Berings](#)

Lucid Group Inc (NASDAQ: LCID) shares are trading lower in Wednesday's after-hours session after the EV company announced a public offering and private placement. What Happened: Lucid... [Read](#)



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[Earnings](#) [Dividends](#) [Ratings changes](#) [Splits](#) [Equity IPOs](#) [Investor conferences](#) [Economic events](#)

Select **None selected**

Wednesday, May 31, 2023

[See details](#)

MAY 2023							Symbol	Estimate (E) or Actual (A)	Previous quarter change	Estimate range	Date confirmed
S	M	T	W	T	F	S	<u>CRM</u>	\$1.69 A	0.5952%	\$1.57 to \$1.71	Yes
30 (1)	1 (119)	2 (230)	3 (371)	4 (503)	5 (95)	6 (2)	<u>VIG</u>	--	--	--	Yes
7 (4)	8 (218)	9 (481)	10 (345)	11 (367)	12 (104)	13	<u>CRWD</u>	\$0.57 A	21.28%	\$0.50 to \$0.52	Yes
14 (3)	15 (302)	16 (78)	17 (60)	18 (51)	19 (13)	20	<u>VEEV</u>	\$0.91 A	-20.87%	\$0.71 to \$0.832	Yes
							<u>NTIOF</u>	\$1.76 A	-7.03%	\$1.59 to \$2.14	Yes

Quote Options: Enter underlying symbol and click Chain | Index: use "\$" (e.g. \$DJII)

[Chain](#)

SnapTicket Order Status Messages Market closed

9:21:56 pm ET 5/31/23
[Streaming: on](#)

Exhibit AA

June 12, 2023, 6:50 pm Eastern

From:

Elisa J. Rizzolo

To:

AMC Investor Submissions

c/o John Mills, Esq.

Bernstein Litowitz Berger & Grossman LLP

1251 Avenue of the Americas

New York, NY 10020

In re AMC Entertainment Holdings, Inc. Stockholder Litigation, C.A. No. 2023-0215-MTZ
(Del.Ch.)

amcsettlementobjections@blbglaw.com

To whom it may concern:

As per email received and dated June 12, 2023 from Daniel E. Meyer, my objection was received to the proposed settlement in the above-referenced action and pursuant to paragraph 13 of *Plaintiffs' Proposal to Protect Privacy Interests of Objector Class Members*, I am submitting a redacted version of my objection.

Restate of objection as stated in my letter and email dated May 31, 2023 at 9:58 pm Eastern – to be recorded in confidentiality – and redacted copies of my investment holdings are attached hereto:

I, Elisa J. Rizzolo, AMC Shareholder of 8641 total shares (AMC 4276 and APE 4365, and attached hereto proof of holding said shares with Fidelity Investments and Vanguard Financial), object to the settlement and wish to appear at the hearing. Further, I did not vote for APE shares to be created and feel this was unethical and not legal, definitely not in the best interest of shareholders. If for some reason my health does not allow to me to attend in person, I would like my objection to be recorded and ruling communicated.

With regards,

Elisa J. Rizzolo



Elisa Rizzolo <[REDACTED]>

In re AMC Entertainment Holdings, Inc. Stockholder Litigation, C.A. No. 2023-0215-MTZ (Del. Ch.)

1 message

Daniel Meyer <Daniel.Meyer@blbglaw.com>

To: AMC Settlement Objections <AMCSettlementObjections@blbglaw.com>

Mon, Jun 12, 2023 at 2:37 PM

We have received your objection to the proposed settlement in the above-referenced action and your form indicating that you intend to appear, in-person, at the settlement hearing. Pursuant to paragraph 13 of *Plaintiffs' Proposal to Protect Privacy Interests of Objector Class Members* (attached), please submit a redacted version of your objection that redacts any personal, confidential, or sensitive information to be filed on the docket. **Please send any redactions to: amcsettlementobjections@blbglaw.com**. If you do not provide such redacted version, your objection will be publicly filed, as is.

Daniel E. Meyer

BLB&G

Bernstein Litowitz Berger & Grossmann LLP

[500 Delaware Avenue, Suite 901](#)

[Wilmington, Delaware 19801](#)

Direct: (484) 680-2507

 **CONF ORD - CONS W_ 2023-0216-MTZ - IN RE AMC ENTERTAINMENT HOLDINGS, INC. STOCKHOLDER LITIGATION, Docket No. 2023-0215**
(Del. Ch. Feb 20, 2023), Court Docket (1).pdf
287K



INVESTMENT REPORT
February 1, 2023 - March 31, 2023

Envelope # BNRJNKBBBMCZQ

ELISA RIZZOLO

Your Portfolio Value: **\$33,853.78**

Portfolio Change from Last Period: ▲ \$1,385.32

Total Including Other Holdings¹: \$49,786.03

	This Period	Year-to-Date
Beginning Portfolio Value	\$32,468.46	\$22,948.71
Additions	6,000.00	6,000.00
Change in Investment Value *	-4,614.68	4,905.07
Ending Portfolio Value **	\$33,853.78	\$33,853.78
Accrued Interest (AI)	-	
Ending Portfolio Value incl. AI	\$33,853.78	

Other Holdings¹

Stock Plans	\$15,932.25
Total Including Other Holdings	\$49,786.03

Contact Information

Online	Fidelity.com
FAST®-Automated Telephone	(800) 544-5555
Customer Service	(800) 544-6666
Stock Plan Services	(800) 544-9354
Sun 5pm - Sat 12am ET	

Save on your tax preparation services. Learn more at
Fidelity.com/taxprep. 1064976.1.0

- 1 Other Holdings, including Assets Held Away, are provided for informational purposes only and may not be custodied at Fidelity Investments and may not reflect accurate values. See individual account listing for additional details.
- * Reflects appreciation or depreciation of your holdings due to price changes, transactions from Other Activity In or Out and Multi-currency transactions, plus any distribution and income earned during the statement period.
- ** Excludes unpriced securities.

Brokerage services provided by Fidelity Brokerage Services LLC (FBS), Member NYSE, SIPC (800) 544-6666. Brokerage accounts carried by National Financial Services LLC (NFS), Member NYSE, SIPC.



M05068572720230331



INVESTMENT REPORT
February 1, 2023 - March 31, 2023

	This Period	Year-to-Date
1. Total	100	100
2. Total	100	100
3. Total	100	100
4. Total	100	100
5. Total	100	100
6. Total	100	100
7. Total	100	100
8. Total	100	100
9. Total	100	100
10. Total	100	100
11. Total	100	100
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76. Total	100	100
77. Total	100	100
78. Total	100	100
79. Total	100	100
80. Total	100	100
81. Total	100	100
82. Total	100	100
83. Total	100	100
84. Total	100	100
85. Total	100	100
86. Total	100	100
87. Total	100	100
88. Total	100	100
89. Total	100	100
90. Total	100	100
91. Total	100	100
92. Total	100	100
93. Total	100	100
94. Total	100	100
95. Total	100	100
96. Total	100	100
97. Total	100	100
98. Total	100	100
99. Total	100	100
100. Total	100	100

Total Cash Management Activity

Ending Balance

D Includes dividend reinvestments.

Holdings

Core Account						
Description	Beginning Market Value	Quantity	Price Per Unit	Ending Market Value	Total	Unrealized Gain/Loss
	Feb 1, 2023	Mar 31, 2023	Mar 31, 2023	Mar 31, 2023	Cost Basis	Mar 31, 2023
					not applicable	EY (%)
					not applicable	not applicable

Total Core Account (2% of account holdings)

Stocks

[illegible]



INVESTMENT REPORT
February 1, 2023 - March 31, 2023

Holdings

Stocks (continued)

Description	Beginning Market Value Feb 1, 2023	Quantity Mar 31, 2023	Price Per Unit Mar 31, 2023	Ending Market Value Mar 31, 2023	Total Cost Basis	Unrealized Gain/Loss Mar 31, 2023	EAI (\$) / EY (%)
Common Stock (continued)							
Total Common Stock (80% of account holdings)	\$22,473.49			\$27,224.13	\$41,258.47	-\$13,869.32	-
Preferred Stock							
AMC ENTMT HLDGS INC PFD EQT UNIT (APE)	\$9,994.60	4,130.000	\$1.4700	\$6,071.10	\$19,643.81 ^t	-\$13,572.71	-
Total Preferred Stock (18% of account holdings)	\$9,994.60			\$6,071.10	\$19,643.81	-\$13,572.71	-
Total Stocks (98% of account holdings)	\$32,468.09			\$33,295.23	\$60,902.28	-\$27,442.03	-
Total Holdings				\$33,853.78	\$60,902.28	-\$27,442.03	\$10.90

All positions held in cash account unless indicated otherwise.

EAI **Estimated Annual Income (EAI) & Estimated Yield (EY)** - EAI is an estimate of annual income for a specific security position over the next rolling 12 months. EAI may be negative on short & EY positions. EY is calculated by dividing the current EAI for a security position by its statement closing date market value. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. Actual income and yield might be lower or higher than the estimated amounts. **For calculation details, refer to the "Additional Information and Endnotes" section.**

Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

^t Third-party provided

Security Name	Symbol/ CUSIP	Description	Quantity	Price	Transaction Cost	Amount
---------------	------------------	-------------	----------	-------	---------------------	--------

Welcome back, Elisa

Value as of: May 31, 2023, 4:10 p.m., Eastern time

Last login: May 26, 2023, 11:50 a.m., Eastern time

Holdings

The holdings you've hidden in your **customized view** are excluded from the information displayed on this page.

Show:

Summary information



Elisa J. Rizzolo Brokerage Account

\$

More account information ⓘ Registration details ⓘ Definitions ⓘ

Transfer money ⓘ Transact ⓘ

Vanguard Federal Money Market Fund

(Settlement fund)

Total credits and debits

Available balance

Account balance detail

Funds available to trade

Funds available to withdraw

Commissions & fees

Corporate actions ⓘ

⌵ Show credit and debit details

Symbol Name	As of 5/31/2023 04:10 PM, ET Price	As of 5/31/2023 04:10 PM, ET \$ Change	As of 5/31/2023 04:10 PM, ET % Change	Quantity	Current balance	Transact
Stocks						
AMC AMC ENTERTAINMENT HLDGS INC CL A	\$4.50	↓ -\$0.13	↓ -2.81%	10.000	\$45.00	Transact ⓘ
APE AMC ENTERTAINMENT HLDGS INC PFD EQUITY UNIT	\$1.62	↑ +\$0.02	↑ +1.25%	10.000	\$16.20	Transact ⓘ
		↑	↑			Transact ⓘ

Symbol Name	As of 5/31/2023 04:10 PM, ET Price	As of 5/31/2023 04:10 PM, ET \$ Change	As of 5/31/2023 04:10 PM, ET % Change	Quantity	Current balance	Transact
			↓			Transact ⋮
			↓			Transact ⋮
			↑			Transact ⋮
		↓	↓			Transact ⋮
		↑	↑			Transact ⋮

Total\$

Elisa J. Rizzolo Rollover IRA Brokerage Account
\$

More account information ⋮ Registration details ⓘ Definitions ⓘ
Convert to Roth IRA Transfer money ⋮ Transact ⋮

Vanguard Federal Money Market Fund
(Settlement fund)

Total credits and debits
Available balance
Account balance detail

Funds available to trade

Funds available to withdraw

Commissions & fees

Corporate actions 📄

⌕ Show credit and debit details

Symbol Name	As of 5/31/2023 04:10 PM, ET Price	As of 5/31/2023 04:10 PM, ET \$ Change	As of 5/31/2023 04:10 PM, ET % Change	Quantity	Current balance	Transact
----------------	--	--	---	----------	--------------------	----------

Mutual funds

						Transact ⋮
--	--	--	--	--	--	------------

Stocks

AMC AMC ENTERTAINMENT HLDGS INC CL A	\$4.50	↓-\$0.13	↓-2.81%	225.000	\$1,012.50	Transact ⋮
---	--------	----------	---------	---------	------------	------------

Symbol Name	As of 5/31/2023 04:10 PM, ET Price	As of 5/31/2023 04:10 PM, ET \$ Change	As of 5/31/2023 04:10 PM, ET % Change	Quantity	Current balance	Transact
APE AMC ENTERTAINMENT HLDGS INC PFD EQUITY UNIT	\$1.62	↑+\$0.02	↑+1.25%	225.000	\$364.50	Transact ⋮
			↓			Transact ⋮
			↓			Transact ⋮

Total


Add accounts and outside investments

[Add a Vanguard account](#)

[Add an outside investment](#)

Intraday prices are generally provided for stocks, ETFs, and options on a delayed basis during market hours. Prices are delayed at least 20 minutes. If an intraday price is not available, the price displayed will reflect the previous business day's close. For mutual funds and fixed income holdings, the prices displayed are generally the previous business day's closing price.

Market information is provided by Thomson Reuters. **Disclaimer**

Additional information about prices for other products and outside investments 

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* Brokerage assets are held by Vanguard Brokerage Services, a division of Vanguard Marketing Corporation, member **FINRA** and **SIPC**

***Annual percentage yield (APY) for the Bank Sweep program will vary.

Your cost basis related to any security you hold refers to the price you paid for that security and can be adjusted by items such as return of capital, commission, or transaction fees.

- When **covered securities** are sold, Vanguard reports the cost basis to you and the IRS.
- When **noncovered securities** are sold, Vanguard does not report the cost basis to the IRS. You are responsible for tracking and reporting the cost basis of your securities.

In cases where the cost basis of a security is unknown, Vanguard will assume a cost basis of zero; therefore, the lot's gain will be equal to the proceeds.

Vanguard does not provide a brokerage. Please contact your broker with questions related to cost basis. SIPC Brokerage assets are held by Vanguard Brokerage Services, a division of Vanguard Marketing Corporation, member **FINRA** and **SIPC**.

For outside investments you entered manually, the price displayed depends on the type of security you entered. Prices for stocks and mutual funds are updated automatically whenever you open or refresh the page. Prices for bonds, short-term investments, or other holdings must

[Broker-Dealer Form Client Relationship Summary \(Form CRS\)](#) and [Investment Advisor Form Client Relationship Summary \(Form CRS\)](#)

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IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

In re AMC ENTERTAINMENT)	
HOLDINGS, INC. STOCKHOLDER)	Consolidated
LITIGATION	)	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 is 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

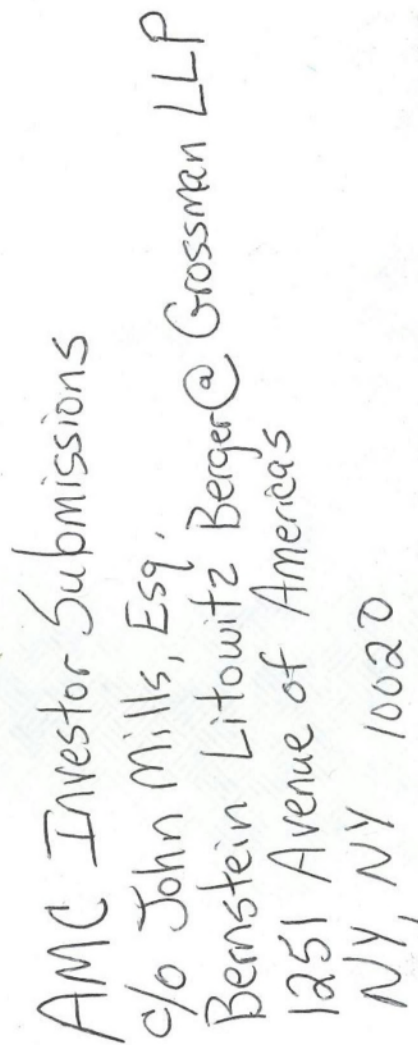
11. The substance of nearly all objections submitted by stockholders is reflected in one or more of the Form Objections and the Izzo Objection. The Gunter Objections raise issues that are either subsumed within the Form and Izzo Objections or do not address the substance of the Proposed Settlement at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

Exhibit BB



03 11 1981

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

I, Cory R. Belmont, affirm the following to be true:

1. I own AMC common stock.
2. On March 30, 2023, I submitted a complaint written objection to the Plaintiffs' counsel via [REDACTED], which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081

5-30-23

Date

Dorey Robinson





Account Statement

April 01, 2023 - April 30, 2023

Cash App Investing LLC
1455 Market Street Suite 600
San Francisco CA 94103
Phone : (800) 969-1940

Account Number: [REDACTED]

Account Name: CORY ROBINSON

Account Executive: D52710

128 Obrey Drive
Carrollton VA 23314

Valuation Summary	This Period	This Year
Beginning Account Value	\$349.60	295.56
Deposits	\$0.00	\$12.00
Dividend & Interest	\$0.00	\$0.00
Withdrawals	\$0.00	\$0.00
Other Activity	(\$15.00)	(\$27.00)
Net Change in Portfolio Value	\$39.38	\$83.40
Ending Account Value	\$373.98	\$373.98

Asset Allocation Summary

Value Last Period	Value This Period
Cash & Cash Equivalents	(\$15.00)
Equities	\$388.98
Options	\$0.00
Fixed Income	\$0.00
Mutual Funds	\$0.00
Other Assets	\$0.00

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Account Statement

April 01, 2023 - April 30, 2023

Cash App Investing LLC
1455 Market Street Suite 600
San Francisco CA 94103
Phone : (800) 969-1940

Account Number: [REDACTED]

Account Name: CORY ROBINSON

DISCLOSURES

General Information

DriveWealth, LLC provides this account statement as a summary of your account, which will be provided every month in which your account has activity, and at minimum, quarterly.

Activity shows your detailed transaction information during the statement period, including the trade date, settlement date, security purchased or sold, quantities and prices, and any rebates from fully paid for securities lending. All Activity is listed in date order.

Alternative Asset means a non-standard asset which are typically illiquid and do not trade on a national securities exchange. Alternative Assets include certain publicly or non-publicly traded alternative investment assets and do not include securities or equity securities of a Direct Participation Program (DPP) or Real Estate Investment Trust (REIT), on deposit in a registered securities depository and settled in the regular way, listed on a national securities exchange or the NASDAQ, or any equity securities of a DPP registered as a Commodity Pool with the Commodities Futures Trading Commission. The values shown for these investments are estimated and may be obtained through various sources including unconfirmed figures provided by third-parties, without independent verification by DriveWealth. Alternative Assets are not covered under SIPC. Please refer to your Alternative Investment Agreement for further detail.

Asset Allocation Summary refers to the current allocation of the assets in your accounts among different types of asset classes, including domestic (US) equities, options, fixed income, mutual funds, short-term investments (cash equivalents, CDs, money market funds, etc.), and other assets. The portfolio allocations are separated and sorted into whichever asset class they best fit based on holdings data provided by a third-party vendor. The Other Assets category includes nonasset class holdings (i.e., identified holdings that cannot be categorized as stocks or short-term investments). Any instrument which qualifies as an alternative asset will be categorized as Other Assets. The purpose of this breakdown is to help you manage your investment risk by asset class. You should regularly review to make sure that the asset allocation reflects your risk tolerance and investment goals. Note that pending trades may materially impact the asset allocation information presented by inflating either a particular asset class or the available short-term investments.

Balances Summary the Trade Date Balance and Settlement Date Balances are reconciled here for quick reference.

Currency shows your aggregated Balances Summary as maintained on DriveWealths books reflected in US Dollars.

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Account Statement

April 01, 2023 - April 30, 2023

Cash App Investing LLC
1455 Market Street Suite 600
San Francisco CA 94103
Phone : (609) 969-1940

Account Number

Account Name: CORY ROBINSON

Free Credits means uninvested cash held in your account.

Holdings the holdings section of your statement includes only settled transactions and is organized by asset class type. The **Unrealized Gain/Loss** is the hypothetical value of the gain or loss that would be realized if shares were sold at the indicated price. The **Total Cost** represents the aggregate dollar value across all trades in a particular security and is inclusive of all applicable fees, commissions, and adjustments; is not available for money market mutual funds (presumed to always be \$1) and is sometimes not available for securities transferred in without a cost basis.

Market Price means the market value of the security as obtained from a quotation service or other independent sources. Values displayed may be based on the closing price, the mean between the bid and ask, or other method. Certain Alternative Assets may not have an available Market Price as it may be difficult or impossible to ascertain. Any estimated value reflected on the account statement is for informational purposes only, may not be current, and may be significantly different than the actual market value or the liquidation value of such Alternative Asset.

Securities Lending Rebate is a cash payment for lending stock as cash collateral to investors who need to borrow stock. When a security is loaned out, a loan fee is charged to the borrower of the shares, along with any interest due related to the loan. Holders of the security that was loaned receive a portion of this fee as a rebate. Securities Lending Rebate amounts reflect rebates earned in the prior months account statement period. Credit for Securities Lending Rebate amounts for the current month will appear on the following months account statement.

Settlement Date Balance means the balance of your account on the date that the trade settles; for US equities this is typically two days after the Trade Date.

Sweep Activity / Insured Deposit Activity outlines all of your transactions specific to the management of free credits held in your account for the statement period. Balances swept from your account will appear as withdrawals and amounts swept to your account will appear as deposits. Interest will be paid once per month and appear on your statement as bank interest. Money Market Funds are held with Dreyfus. FDIC Insured Deposit Account balances are FDIC-insured up to the applicable limits. FDIC balances are not covered by the Securities Investor Protection Corporation (SIPC) protection applicable to your account. DriveWealth may receive compensation from the Program Banks or money market funds based on your cash management program election.

Trade Date Balance means the balance of your account on the date that you place a trade.

Valuation Summary provides a summary which reflects the total value of holdings in your account. The change in your account value is organized by cash flow activity followed by investment value changes. **This Period** represents the value from the last statement date through the current statement period, whereas **This Year** represents the accumulated value from January 1st of the current year through the current statement period. The **Net Change**

Page 3 of 8

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Account Statement

April 01, 2023 - April 30, 2023

Cash App Investing LLC
1455 Market Street Suite 600
San Francisco CA 94103
Phone : (800) 986-1940

Account Number

Account Name: CORY ROBINSON

in **Portfolio Value** represents any additions, subtractions, and change in the market value of your investments since the last statement period.

Other Terms and Conditions

Please review this statement carefully. If you disagree with any transaction or believe that there is an error or discrepancy, contact your Introducing Firm and/or DriveWealth within ten (10) days after this statement is sent or made available to you. Oral communications should be reconfirmed in writing to protect your rights, including those under SIPA. This statement will otherwise be considered conclusive.

DriveWealth does not provide legal or tax advice of any kind. DriveWealth does not solicit or recommend any securities transaction or investment strategy. All investing carries risk; past performance does not guarantee future results. You should consult your Introducing Firm and/or tax professional for any questions regarding the appropriateness of your investments. If you believe that you did not authorize the activity in your account or that your account has been compromised you should contact your Introducing Firm immediately.

Account Protection: Depending on your cash management program election your eligible Free Credits may receive FDIC insurance protection.

DriveWealth, LLC FDIC insured Deposit Account (IDA) deposits are held at one or more program banks (Program Banks). IDA deposits are insured by the FDIC up to \$250,000 per account ownership per institution; IDA deposits are not covered by SIPC. You can learn more information about FDIC coverage and obtain publicly available information about each Program Bank on the FDIC's website, [fdic.gov](https://www.fdic.gov), or by contacting the FDIC's Division of Information and Research by writing to Federal Deposit Insurance Corporation, Division of Information and Research, 550 17th Street, NW, Washington, DC 20429-9990; or by calling the FDIC's Division of Information and Research at 877-275-3342. DriveWealth does not guarantee the financial condition of the Program Bank, or the accuracy of any publicly available information concerning the Program Bank. The Free Credit Balances included in the FDIC Bank Sweep constitute a direct obligation of the Program Bank and is not directly or indirectly an obligation of DriveWealth or any of its affiliates.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Money market funds generally seek to preserve their value at \$1 per share; however, it is possible to lose money by investing in a money market fund. Mutual fund purchases may be subject to eligibility and other restrictions, as well as charges and expenses. Certain money market funds may impose liquidity fees and redemption gates depending on the circumstances.

Fractional Shares and Rounding. DriveWealth enables notional based/ fractional trading in securities to eight decimal places (market orders only). Fractional trades are executed on a principal basis. DriveWealth, on a best-efforts basis, provides the National Best Bid Offer (NBBO) on all fractional buy trades. DriveWealth provides the NBBO for all fractional sell trades. Due to certain rounding considerations statement totals may not equal statement details.

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Account Statement

April 01, 2023 - April 30, 2023

Cash App Investing LLC
1455 Market Street Suite 600
San Francisco CA 94103
Phone : (800) 969-1940

Account Number: [REDACTED]

Account Name: CORY ROBINSON

Fully Paid Securities Lending Program. Customers participating in the Fully Paid Securities Lending Program should be aware that shares on loan are not covered by FDIC or SIPC. Collateral for these shares in the form of cash or securities is held at a third party bank and is not subject to FDIC or SIPC protections. Additional information for customers participating in the Fully Paid Securities Lending Program is contained in the Master Securities Lending Agreement.

Margin Accounts (Regulation T). Trading on margin poses additional risks and may not be suitable for all investors. Please refer to our margin agreement and margin risk disclosure document for additional information. If your account is a margin account, this statement will reflect your applicable margin positions.

Payment for Order Flow (PFOF) SEC Rules 606 and 607. DriveWealth and its affiliates may receive compensation in the form of PFOF or revenue sharing arrangements for directing order flow to selected market centers (broker-dealers, exchanges, and alternative trading systems) during normal business hours. Such compensation varies based on the agreement reached with each market venue but is generally in the form of a per share or per contract cash payment. DriveWealth posts SEC Rule 606 quarterly reports that include order routing disclosures at www.drivewealth.com. DriveWealth may also receive compensation related to the foreign currency exchange component of transaction in converting your deposit or withdrawal to/from US dollars.

DriveWealth continuously seeks the best price in the market and assesses its execution quality provided by the market centers to which we route our order flow. Due to the nature of fragmented markets and high frequency counterparties, the best price in non-displayed markets may not always be obtainable. DriveWealth revises its execution venues on a predominantly real time basis but no less than quarterly as guided by FINRA Rule 5310 including factors such as the character of the market for the security (e.g. price, volatility, relative liquidity, and pressure on available communications), size and type of transaction, number of markets checked, accessibility of quotation, and the terms and conditions of the order which result in the transaction. All agency orders received by DriveWealth, unless specifically instructed otherwise, are handled on a not held basis. Price improvement is available depending on the market conditions.

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Tax Reporting. This account statement is not a tax document. You will receive a Form 1099 or 1042-S for annual tax reporting in compliance with IRS requirements. Form 1099 includes investment activity from your brokerage account, including dividends, income, gains or losses, and taxes withheld. Generally, Form 1042-S reports U.S. sourced income such as interest, dividends, and income subject to Non-Resident Alien (NRA) tax. Form 1042-S does not typically include trading activity (buys, sells, and cost basis) or foreign sourced income. Tax lot disposition defaults to first-in, first-out.

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Account Statement

April 01, 2023 - April 30, 2023

Cash App Investing LLC
1455 Market Street Suite 600
San Francisco CA 94103
Phone : (800) 969-1940

Account Number: [REDACTED]

Account Name: CORY ROBINSON

BALANCES

Balance Summary

Type	Trade Date Balance	Settlement Date Balance
Cash Balance	0.00	0.00
Margin Balance	0.00	0.00
Short Balance	0.00	0.00

Currency	Trade Date Balance	Exchange Rate	USD Equivalent	Settlement Date Balance	Exchange Rate	USD Equivalent
US Dollar	(15.00)	1.000000	(15.00)	0.00	1.000000	0.00
Totals			(15.00)			0.00

HOLDINGS

Equity

Description	Symbol	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Gain/ (Loss)	A/C Type
AMC ENTMT HLDGS INC CL A COM	AMC	45.14894085	13.16	594.07	5.50	248.32	(345.75)	M
AMC ENTMT HLDGS INC PFD EQT UNIT	APE	93.77293087	4.38	410.93	1.50	140.66	(270.27)	M

ACTIVITY

Trade Date	Settle Date	Currency	Activity Type	Symbol / Description	Quantity	Price	Amount
04/27/2023	05/01/2023	USD	BUY	AMC - AMC ENTMT HLDGS INC CL A COM - TRD AMC B 2 at 5.2 Agency.	2	5.20	(10.40)
04/27/2023	05/01/2023	USD	BUY	AMC - AMC ENTMT HLDGS INC CL A COM - TRD AMC B 0.88461538 at 5.2 Principal.	0.88461538	5.20	(4.60)

SWEEP ACTIVITY

Trade Date	Settle Date	Currency	Activity Type	Symbol / Description	Quantity	Price	Amount
------------	-------------	----------	---------------	----------------------	----------	-------	--------

Clearing and execution services provided by DriveWealth, LLC member FINRA and SIPC. DriveWealth, LLC is a wholly owned subsidiary of DriveWealth Holdings, Inc. Custodial services provided by DriveWealth, LLC, Citibank, N.A., RBC Capital Markets, and Securities Inc. All DriveWealth trademarks are the property of DriveWealth and its affiliates. Any third-party trademarks appearing on this statement are provided with the consent of such third party and are the property of their respective owners.



Account Statement

April 01, 2023 - April 30, 2023

Cash App Investing LLC
1455 Market Street Suite 600
San Francisco CA 94103
Phone : (800) 969-1940

Account Number: [REDACTED]

Account Name: CORY ROBINSON

Fully Paid Securities Lending Interest Supplemental Report

Loan Date	Symbol	Cusip	Quantity	Accrued Interest	Collateral
-----------	--------	-------	----------	------------------	------------

IMPORTANT INFORMATION

Your Default Tax Lot Disposition Method is:

First-In, First-Out

Information from your Introducing Broker:

Introducing brokerage services provided by Cash App Investing LLC (CAI), member FINRA/SIPC and a subsidiary of Block, Inc. CAI only offers certain securities and does not offer fixed income or alternative assets, options, mutual funds, the DriveWealth Steady Saver ETF (STBL) or the DriveWealth Power Saver ETF (EERN). CAI does not engage in securities lending or Sweep or Insured Deposit Activity and does not extend credit or buying power. This statement is furnished by DriveWealth, LLC and may contain disclosure language that is not applicable to your account or the products or services offered by CAI. To speak to a member of the Cash Team, request contact through the Cash App or at cash.app/help

End of Statement

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Exhibit CC

To: AMC Settlement Objections[AMCSettlementObjections@blbglaw.com]
From: [REDACTED]
Sent: Wed 5/31/2023 3:57:07 PM (UTC-04:00)
Subject: Re:

3:52



◀ Search

\$11.25
Investing



Interest accrued this month \$0.00

Lifetime interest paid \$0.00

Cash earning interest ⓘ \$0.00

Deposit cash

Cryptocurrencies

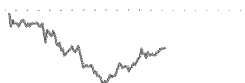
DOGE
134.00



\$0.071575

Stocks

AMC
0.113723 shares



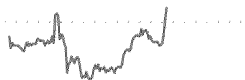
\$4.51

APE
0.113723 shares



\$1.61

TSLA
0.004742 shares



\$202.51



[External]

Sent from my iPhone

> On May 31, 2023, at 1:53 PM, [REDACTED] > wrote:
>
> Nicholas sanchez

To: AMC Settlement Objections[AMCSettlementObjections@blbglaw.com]
From: [REDACTED]
Sent: Wed 5/31/2023 4:26:05 PM (UTC-04:00)
Subject: Re:



All written objections accompanied by proof of stock ownership and submitted to Plaintiffs' counsel will be considered by the Court, even if the stockholder does not attend the settlement hearing to object in-person.

THIS FORM IS TO BE COMPLETED BY A STOCKHOLDER WHO IS OBJECTING TO THE SETTLEMENT OF THE LITIGATION. IT IS TO BE FILED WITH THE COURT OF CHANCERY OF THE STATE OF DELAWARE.

In-Person Settlement Objector Interest Form

05/31/23

Nicholas Sanchez

Date

Stockholder Name [First Name, Middle Initial, Last Name]

In Re AMC Entertainment Holdings, Inc. Stockholder Litigation

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

Case Caption

Case Number

Objector Information

Phone Number

Email Address

Address

Nj

City

State

ZIP Code

Objector Affirmations

Please indicate "yes" or "no" and sign to affirm.

I own AMC common stock.

Yes

No

☒

☐

I have submitted a compliant written objection to Plaintiffs' counsel, which states the basis for my objection and any support thereof, between the dates of **May 3, 2023** and **May 31, 2023**.

Yes

No

☐

☐

I have attached to my compliant written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screen shot of an official brokerage account, or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.

Yes

No*

☒

☐

I will attend the **June 29 and 30, 2023** settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

Yes

No

☒

☐

I understand that each of the above statements must be true, and I must send this form to the below address in order to be eligible to object in person at the settlement hearing.

Yes

No

☒

☐

Nicholas Sanchez

Stockholder Signature

Date

* Written objections not accompanied by proof of stock ownership will not be considered.

Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington, DE 19801

(302) 255-0508



[External]

Sent from my iPhone

> On May 31, 2023, at 3:57 PM, [REDACTED] wrote:
>
>
> <image0.png>
>
> Sent from my iPhone
>
>> On May 31, 2023, at 1:53 PM, [REDACTED] wrote:
>>
>> Nicholas sanchez

To: AMC Settlement Objections[AMCSettlementObjections@blbglaw.com]
From: [REDACTED]
Sent: Wed 5/31/2023 1:53:18 PM (UTC-04:00)

[External]

Nicholas sanchez

Exhibit DD

FW: AMC Settlement Objections document and proof of stock ownership

From: AMC Settlement Objections <amc.settlement@blbglaw.com>
To: Kelly Tucker <ktucker@gelaw.com>, Jason Avellino <javellino@gelaw.com>
Date: Tue, 30 May 2023 20:57:00 +0000
Attachments: Objection.docx (2.44 MB); confirmation-of-holdings-2023-05-23.pdf (28.57 kB); In Person Settlement Interest Form.docx (8.64 kB)

From: Neil Smith <[REDACTED]>
Sent: Tuesday, May 30, 2023 4:54 PM
To: AMC Settlement Objections <AMCSettlementObjections@blbglaw.com>
Subject: AMC Settlement Objections document and proof of stock ownership

[External]

I am writing to submit my formal objection to the plaintiff's counsel regarding the AMC settlement. Please see attached documents.

In person settlement Interest
Objection documents
Confirmation of AMC Stock Holdings

Faithfully submitted,

Neil Smith

Confirmation of holdings

as of 23/5/2023

Trading 212 Invest

Holdings value: 762.95 GBP

INSTRUMENT	ISIN	QUANTITY	PRICE
iShares UK Property UCITS ETF	IE00B1TXLS18	3	GBX 453.75
AMC Entertainment Holdings...	US00165C1045	112	USD 5.01
AMC Entertainment Holdings...	US00165C2035	172	USD 1.6
Mullen Automotive Inc	US62526P2083	101.73377	USD 0.9059

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**
)
)

I, Neil Curtis Joseph Smith, affirm the following to be true:

1. I own AMC common stock.
2. On May 30th, 2023, I submitted a written objection to the Plaintiffs' counsel via email, to AMCSettlementObjections@blbglaw.com, which states the basis for my objection.
3. I have attached to my complaint written objection mandatory proof of my AMC common stock ownership in the form of copies of an official brokerage account statement, a screenshot of an official brokerage account or an authorized statement from my broker showing my name containing the transactional and holding information found in an account statement.
4. I will attend the June 29th and 30th, 2023 settlement hearing at the Leonard L. Williams Justice Center, 500 North King Street, Wilmington, Delaware to supplement my written objection orally and under oath.

5. I understand that each of the above statements must be true, and I must send my Objector's Affirmation to the below address in order to be eligible to object in person at the settlement hearing:

**Register in Chancery
Court of Chancery of the State of Delaware
New Castle County Leonard L. Williams Justice Center
500 North King Street, Wilmington DE. 19081**

____ 30th May 2023 ____
Date

Neil Smith



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

**Neil Curtis Joseph Smith'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 Awards¹ ("Plaintiffs' Brief") and Defendants' Brief in Support of Proposed Settlement² ("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

¹ DI 206

² DI 200

³ DI 206 at 1, 25 DI 200 at 6, 29

⁴ DI 206 at 4

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 ("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

⁵ DI 206 at 16

⁶ *Id.*

⁷ *Id.*

⁸ *Id.* at 17

⁹ DI 200 at 10, 12 (bold and capital original)

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 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

¹⁰ *Id.*

¹¹ *Id.* at 10

¹² *Id.*

¹³ DI 1

¹⁴ *Id.*

¹⁵ DI 200 at 11

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

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 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.

Mr Smith’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. Smiderland*, it violates the class members due process and the vote on March 14th, 2023 was unlawfully

¹⁹ DI 206 at 19

²⁰ DI 200 at 12,13

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.

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

ARGUMENTS

I. APPROVAL 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’

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.*

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 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

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.*

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., 38 Del. 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).

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 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

⁴² *Aronson v. Lewis*, 473 A.2d at 812.

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

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 Earning Call, held on February 28th, 2023, Defendant Aron was asked a question 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

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

scheme. One of the elements required to allege for an action for fraud, scienter, has been established as a result of discovery - ProjectPopcornGate⁴⁹.

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

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

⁴⁹ *Id.* at 14

⁵⁰ D.I. 200 at 1

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.

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 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 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

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.

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.

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:

“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

⁵⁵ The official number has not been verified by a third party

⁵⁶ February 28, 2023 AMC Form 10-K (Ex. C) at 23

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.

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 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

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

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'(ing) 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 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

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

⁶⁰ *Id.* at 10

⁶¹ *Id.*

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.

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 before such hearing takes place.”); AMC Entertainment Holdings, Inc., Current Report

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

(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).

Court did deny Lead Counsel's motion, this Court should not overlook this application, as the standing and ability of counsel cuts both ways.

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 letter⁶⁷ addressing the parties' filing of the settlement stipulation, proposed scheduling order, and proposed notice.⁶⁸ This Court put the Lead

⁶⁷ DI 175

⁶⁸ DI 165

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 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

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. 2022-1032-JTL, 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)

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 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

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).

adoption” of the Mirror-Image preferred equity units shows a calculated intent to lever such breach against the will of common stockholders.⁷⁶

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

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).

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

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.

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

⁷⁸ D.I. 206, pages 9-10

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 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

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

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 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

⁸⁵ D.I. 206 page 11

⁸⁶ D.I. 254

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.

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

⁸⁷ AMC's Form 10-Q, August 4, 2022. Link: <https://investor.amctheatres.com/financial-performance/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

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 (\$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

⁹² D.I. 206, pg. 30

⁹³ D.I. 206, pg. 31

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>

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 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

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>

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 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

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

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 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 shares 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

¹⁰³ DI 206

¹⁰⁴ D.I. 188

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 deliver (FTDS), average 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 analysis 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

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.

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.

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.

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

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, 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 shares¹⁰⁸ 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

¹⁰⁸ DI 206 at 9, 31, 52

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 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.**

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.

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

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

¹¹⁰ DI 206 at 5

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 Allegheny 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, extensive 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 Complaint¹¹¹, 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"
- "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

¹¹¹ DI 1

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 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

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).

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

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*:

- (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

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.

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 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

¹¹⁸ D.I. 254 I -4 also See Notice of Pendency of Stockholder Class Action and Proposed Settlement at 10.

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).

"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

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

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).

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 letter¹²⁴ 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 process¹²⁵ stipulates that "Objections must be accompanied by documentary evidence of beneficial ownership of AMC common stock. Such evidence must show the

¹²³ DI 257, 258, 259

¹²⁴ DI 190 Final Draft Exhibit 1

¹²⁵ DI 190 Exhibit 1 at 2

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?

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.

¹²⁶ DI 259

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?
- 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.

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).

- 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 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

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

(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 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,

“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.

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

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

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 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

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>

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>

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

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

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

¹⁴⁰ AMC Entertainment Holdings, Inc. (AMC) CEO Adam Aron on Q2 2022 Results - Earnings Call Transcript. Seeking Alpha. Posted on Aug. 04, 2022

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 interviews¹⁴² and on stockholder 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

<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

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

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

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 overseas 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

¹⁴⁶ *Id.*

¹⁴⁷ DI 200 at 11

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

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”

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 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

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.

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>

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 \$1.00¹⁶⁰ 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 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

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>

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 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 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

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

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 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

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>

¹⁶⁷ NYSE American 2023 Company Guide. NYSE. 2023. Link:

<https://nyseamericanguide.srorules.com/company-guide/09013e2c853aa8d6>

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 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**

¹⁶⁸ See Exhibit B for Table of Antara’s profits on APE.

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://nyseamericaguide.srorules.com/company-guide/09013e2c853aa8d6>

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 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-short) on the market multiple times the share float. Right after seeing those numbers, as part of their fiduciary responsibility to

¹⁷¹ AMC FORM 10-Q. August 9, 2021. Link: <https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=15147933>

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/>

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 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

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.

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, 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.

¹⁷⁶ See Exhibit C for screenshots regarding the AMC token

¹⁷⁷ AMC Form 8k. March 15, 2023. Link: <https://investor.amctheatres.com/financial-performance/sec-filings/sec-filings-details/default.aspx?FilingId=16490544>

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 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

¹⁷⁸ See Exhibit A for analysis on how the vote was rigged

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

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 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

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

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, its voting percentage. This apprehension signifies an intention to regulate the voting outcome by manipulating the influence of Antara's investment.

¹⁸¹ (AMC_00000050; see also AMC_000006419)

Altering the Voting Standard through Strategic Means

Moreover, an email chain involving Defendants Goodman and Merriwether, dated May 31st, 2022¹⁸², 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, 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 30th , 2023

Respectfully submitted,

(sign here)_Neil Smith_____

First Last Name:Neil Smith

Address: _____

¹⁸² (AMC_00019706, 19797)

Email: [REDACTED]

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	
Depository 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	
Depository 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 depository 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 portfolio on closing price	APE 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 =

0.00000000000000017645 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



Jordan Affholter <[REDACTED]>

Question about AMC Shareholder Voting Data

2 messages

Jordan Affholter <[REDACTED]>
To: InvestorRelations@amctheatres.com

Wed, Apr 12, 2023 at 9:24 AM

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 <[REDACTED]>
To: InvestorRelations@amctheatres.com

Thu, Apr 20, 2023 at 10:27 AM

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)



Jordan Affholter <[REDACTED]>

Question about AMC Shareholder Voting Data

Jordan Affholter <[REDACTED]>
To: InvestorRelations@amctheatres.com

Tue, May 9, 2023 at 11:35 AM

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



AMC Q2 2021 Earnings Q&A

AUGUST 9, 2021 5:00 PM EDT

SHARE

Ask a Question

All Most Shares Search

6633 Questions

Answered

View Answer

TIMOTHY B. ASKE

Retail

Do you have any plans to offer a dividend again?

63.6K Votes
87.9M AMC Shares Represented

Answered

View Answer

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
71.8M SHARES REPRESENTED

Exhibit EE

From: brian t
Sent: Wed, 31 May 2023 18:32:17 +0000
To: AMC Settlement Objections
Cc: Etan Leibovitz; Jordan Affholter; Theodore Kittila; Michael Barry; Mark Lebovitch
Subject: Objection
Attachments: objections Tuttle.pdf

[External]

Objection of Brian Tuttle pro se

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE AMC ENTERTAINMENT /

HOLDINGS, INC. STOCKHOLDER / CONSOLIDATED

LITIGATION / C.A. No. 2023-0215-MTZ

OBJECTION-TO PROPOSED SETTLEMENT



Brian Tuttle *pro se*

[REDACTED]

PRELIMINARY STATEMENT

1. Interested party, Brian Tuttle *pro se*, hereby objects to the proposed settlement. First and foremost, Plaintiffs, and their counsel, inadequately represent the classes' interests and have repeatedly misrepresented, material facts and law, to put forth a fatally flawed settlement proposal. Second, in the rush to enter into a self-serving stipulation, Plaintiffs' attempt to release away objector's valuable *individual* claims through further self-serving misinterpretations of law. Finally, the class cannot be certified as one of the lead Plaintiffs has not signed an affidavit in support, and the remaining plaintiffs do not adequately represent the class because they didn't hold shares in the class settlement time period and/or are repeated offenders abusing the class action process.

OBJECTION

2. Objector, Tuttle reincorporates all arguments, and facts in support thereof, pled in Tuttle's Response and Objections to The Report and Recommendations of The Special Master- Regarding Brian Tuttle's Motion to Intervene and; Tuttle's Motion for Declaratory Relief and Brief in Support or any other filing pled by Tuttle.

I. PLAINTIFF'S COUNSEL DO NOT ADEQUATELY REPRESENT THE CLASS

a. Plaintiff's Counsel Misrepresents Important Facts and Law

3. Plaintiffs' counsel does not adequately represent the class; *they don't even adequately represent the Plaintiffs*. As The Court is well aware, class representative, Usbaldo Munoz, *never filed an affidavit in support of the proposed settlement*. See (Plaintiff's) *Combined Motion Bt Counsel to Withdraw..* (filed 5/26/2023). Worse even, Plaintiffs' counsel misrepresented to The Court and class that Mr. Munoz did. PB at 51 n.122.

4. While Plaintiff's counsel were playing where in the world is Usbaldo San Diego, they were simultaneously misleading the class, and Court, by misrepresenting important material facts, and questions of law, at the heart of the proposed settlement. This is intolerable. Plaintiff's counsel delayed notice and the filing of other important documents, while attempting to conceal the material fact *they never obtained the required affidavit of Mr. Munoz*. Counsel failed Usbaldo Munoz, failed the class; and worse yet, attempted to cover up those failures by rushing to lift the status quo order and rush through their fatally flawed settlement.

5. This material omission is fatal to class representation, as it is now evident the classes' mistrust in plaintiff's counsel was legitimate - not some online conspiracy. Such a gross *attempted* miscarriage of justice brings into question plaintiff's repeated opposition to *pro se* class members requests for discovery, intervention, declaratory relief and *even basic notice*. Moreover, the Usbaldo alert

may have been the motivation for Plaintiff's repeated misinterpretations of law and delays in filings.

6. It is now impossible for this class to go forward with such inadequate representation. Plaintiff's counsel has without a doubt failed to maintain the class as required by Rule 23, and adequately represent Tuttle's interests. For these reasons alone, the remaining plaintiffs cannot be certified and the settlement they support cannot be approved.

b. Plaintiff's Investigation of 242 Claims Is Inadequate

7. It all makes sense now. In their original complaint, *Alleghany*-representing AMC common stockholders *as a class*: "challenge(d) a course of complex disloyal corporate engineering" *id.* at 2, which included "a violation of the DGCL" at 8, "effectuated for the very obvious *purpose* of eviscerating.. AMC common's specific power and right(s)". *Id.* at 8-9 (emphasis original). In Count II of their complaint, *Alleghany* continued: "***the Class are entitled to a declaratory judgment*** that the Preferred Stock is invalid and may not be voted..." *Id.* at 40 (emphasis added).

8. But now, the self serving Plaintiffs change of course claims seeking declaratory relief for alleged 242 violations "is not cognizable". Plaintiffs allege they "already examined" the claim. D.I. 101 at 9. Plaintiff's investigation of 242

claims is troubling as it appears to be driven by self interests. Peculiarly, Plaintiff's counsel argues the opposite, in an unrelated action with much weaker 242 violation claims. *In re Snap Inc. Section 242 Litig., Consol. C.A. No.2022-1032-JTL., (Del.Ch. 2022).*

9. Defendants undoubtedly breached DGCL 242, on multiple occasions, when they unilaterally designated special rights powers, conversion clauses to preferred stock; then further weaponized those designations by entering into an unprecedented depository agreement that instructed Computershare to vote non-affirmative votes in favor of their proposals without shareholder instructions or authorization. D.I. 282; D.I. 285. Plaintiffs investigation of 242 claims is *inadequate* to say the least.

II. THE PROPOSED SETTLEMENT IS NOT EQUITABLE

10. Approval of a class action requires more than a cursory scrutiny by the court of the terms of the proposed settlement. Rome v. Archer, 197 A2.d 49, 53 (Del. 1964). Under Delaware Court of Chancery Rule 23, the Court must approve or dismiss a settlement of a class action. Ct. Cg. R. 23 (e). The fiduciary duty character of a class requires the Court to examine the fairness of a class action settlement. Kahn v. Sullivan, 594 A.2d 48,52 (Del. 1991). In examining the fairness of a settlement the Court is required to determine whether the settlement is reasonable and intrinsically fair to the affected class members. Rome v. Archer,

197 A2.d 49, 53. To do so a Court evaluates the reasonableness and equitable nature of the ‘give’ versus the ‘get’. In re Activision Blizzard, Inc. Shareholder Litigation, 124 A 3.d 1025,1043 (Del.Ch.2015).

11. Under the proposed settlement the majority of the “Settlement Class” ‘give’ a broad release to the Defendants while ‘get’(ting) **nothing** in return for valuable **individual** claims. *See: Notice of Pendency of Stockholder Class Action and Proposed Settlement.* Amongst other inequities, the settlement hinges on a stipulation requires the bulk of the purported 3.8 million shareholders to release nearly a years’ worth of claims yet receive **no settlement distribution**. *Id.* 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. *Id.*(emphasis added).

12. The proposed settlement is inequitable. The stipulation plaintiffs negotiated forces the majority of the settlement class to ‘give’ Defendants broad releases but **the majority of the class ‘get’ nothing in return** for their **individual** claims they sold. Such an arrangement cannot allow the release of valuable individual claims without compensation. In re Activision Blizzard, Inc.

Shareholder Litigation, 124 A.3d 1025, 1043 (requiring a Court supervising a class action to assess the reasonableness of “give” versus “get” and only allowing the release of individual claims if they are “of little or no probable value”).

13. The proposed settlements’ treatment of Tuttle’s *individual* claims as *derivative* is not equitable. Plaintiff’s misapplication of *Activision* ruling that *derivative* claims “run with shares” is catastrophic to Tuttle’s *individual* claims. Tuttle sold 90% of his common stock holdings in AMC and is investigating valuable claims for the loss incurred. Under the global settlement 90% of Tuttle’s individual claims will be released by the proposed settlement. *Activision* was clear *only derivative* claims “run with shares” and a Court can only release *individual* claims “if it appears that those claims are weak or of little or no probable value or would not likely result in any recovery of damages by *individual* stockholders.” *Id.* (emphasis added). Clearly the *individual* claims have value because the settlement revolves around them- although plaintiffs and the settlement treat them as derivative in nature or a distribution better suited for a 205 ruling.

III. THE CLASS CANNOT BE CERTIFIED

14. Objector Tuttle reserves the right to amend or supplement this objection if the timeline is extended or material facts come to light subsequent the serving of this objection.

15. **Plaintiff Anthony Franchi.** Anthony Franchi is not qualified to represent the class because he purchased AMC subsequent the APE dividend distribution and the value of his individual claims are below the amount he will receive as a class representative under the proposed settlement. The substantial allegations at the heart of these proceedings predate his investment in AMC. Moreover, the settlement is seeking releases from individual claims he does not hold.

16. **Plaintiff Alleghany County Employees' Retirement System.** Plaintiff Alleghany is not qualified to represent the class because the value of its' individual claims are below the amount they will receive as a class representative under the proposed settlement

17. Plaintiff Alleghany and Franchi are repeated class action filers. Combined, they have filed no less than 5 other class actions- the majority filed by the same counsel they are currently represented by. Such prolific filers are against the interests of the class and public policy in general

IV. THE ATTORNEY FEES ARE UNREASONABLE AND ANY AWARD GIVEN SHOULD BE OFFSET BY SANCTIONS

18. The exorbitant requested attorney fees are the main motivation behind Plaintiffs' counsel's misrepresentation of facts, self-serving interpretations of law and overstated value of the settlement distribution.

19. Granted, without the settlement, the attorneys would not get the lucrative fees they seek. Still in light of the repeated self-serving misrepresentations, of facts and law, Plaintiffs' counsel should be barred from receiving *any* compensation for their work. They worked for themselves and their own interests with little regard for the class claims they leveraged.

20. The misrepresentation of the affidavit of Usbaldo Munoz is a serious offense. And they *almost* got away with it. Such a misrepresentation threatens the very nature of class action proceedings so the punishment should fit the crime.

OBJECTION SUBMITTED,



Brian Tuttle *pro se*



I hereby certify this brief has 1624 words