

Recent Shareholder Activist Litigation Representations

While the following list is far from exhaustive, our notable representatives in the shareholder activist context include:

Board Representation Campaigns

- We represented an individual activist shareholder in a proxy contest for a seat on the Board of **Lone Star Steakhouse**, an underperforming restaurant chain with long-entrenched management. The company, controlled by its CEO and Chairman, sued the activist based on his proxy materials, alleging SEC violations and sought a restraining order and an injunction. We successfully defended the activist, and defeated the restraining order and injunction, allowing him to complete the proxy contest, whereby he was elected to the board along with his slate of candidates. His efforts were supported by the Institute of Institutional Investors as well as numerous large pension funds.
- We represented a majority of the Board of **Reading International**, a publicly held company, in a series of lawsuits over the termination of the CEO, including defending against investor claims challenging the board and seeking to change the direction of the company. We ultimately defeated all claims in Clark County District Court (Nevada), and obtained affirmance by the Nevada Supreme Court.
- We represented **Elliott Management** in its activist campaign at Twitter, securing one board seat.
- We represented the **Harte Family Foundation** in connection with its proxy battle for Harte Hanks, Inc., securing a majority of Harte Hank's board seats.
- We represented **a prominent hedge fund** in connection with a proxy battle, securing two board seats.
- We represented **a family foundation** in connection with a proxy battle for a publicly-traded company, securing two board seats.

Plaintiff-side Representations

- We represent **a group of shareholders** who sold a cannabis company to a large multi-state operator in exchange for cash and a tranche of shares. The number of shares was to be determined in accordance with a formula that was based on the relative values of the two companies. The shareholders challenged the share determination in arbitration, alleging that the company valuations were skewed to depress the number of shares they were awarded.

- We represent **investors in a case asserting breaches of federal and state securities laws**, as well as voidable transfers, against several individual and entity defendants, including William “Beau” Wrigley, Jr., scion of the Wrigley Family. Wrigley and his lieutenants, James Whitcomb and Jay Holmes, are/were directors and officers of Parallel, a cannabis company in which Wrigley in particular held substantial interests. But beginning almost immediately after Wrigley’s assumption of the CEO role from Robert “Jake” Bergmann (defendant to the voidable transfers cause of action), he overloaded the company with debt and otherwise mismanaged it to the point where a sale or substantial cash infusion was necessary to keep it afloat. Although hopeful of a sale through a SPAC, once that fell through, Defendants made various misrepresentations and omissions about the company, its finances, its outstanding debt, and the level of interest from other equity investors (as well as from Wrigley himself) to induce our clients to invest \$25 million in a Simple Agreement for Future Equity (SAFE). Among other misrepresentations and omissions, remarkably, just two days after our clients finished funding their investment, the company experienced a cascade of major defaults on the vast majority (\$300 million) of its outstanding debt—which imminent defaults they did not disclose during our clients’ diligence.
- We represented **Warren Lichtenstein** in an expedited Delaware Chancery action involving corporate control of Aerojet Rocketdyne Holdings, Inc., securing a declaratory judgment, permanent injunction, and other equitable relief against defendants who had used Company resources without authorization to advantage themselves in a proxy contest against our client.
- Successfully representing **Chatham Asset Management** in an expedited action in Delaware Chancery Court seeking to enjoin takeover defenses erected by the board of target R.R. Donnelley, facilitating execution of a merger agreement between Chatham and the Company.
- Representing shareholders in a class action against **Australia’s largest general insurer** for misstating the likely effect of management failure to update policies to exclude pandemic shutdowns in business interruption cover.
- Representing a **large not-for-profit entity and minority investor** in several DAX companies in a campaign to get certain topics on the agenda for the companies’ annual shareholder meetings.
- Represented **Blackwells Capital** in connection with its investment in SuperValu.
- Represented **Elliott Management** in connection with its sale of Metrologic to Honeywell.
- Represented **Elliott Management** in connection with its position in Bayer relating to Bayer’s Roundup-related liabilities.
- Represented **Elliott Management** in connection with its investment in XPO Logistics, resulting in a €230 million buy-out.
- Represented **Madryn Capital** in connection with its investment in SomaLogic and its announced SPAC merger, resulting in a private sale.
- Represented **Crest Financial** in challenging Sprint deal to acquire Clearwire, leading to increased bid that raised deal price by over \$1.5 billion.

- Represented **shareholders** in a class action against a publicly owned law firm for misrepresenting revenue and fee recovery.
- Provided strategic advice relating to **minority shareholders' rights** with respect to a German squeeze-out resolution adopted by the general meeting.
- Represented **shareholders** in the annual general meetings of a German DAX company to exercise information rights.
- We represented three **“Zohar” CLO funds and current manager, Alvarez & Marsal Zohar Management**, in multiple litigations in Delaware courts against the funds' creators and prior managers, Patriarch Partners and Lynn Tilton. We succeeded at trial in obtaining trial judgments finding Patriarch in breach of obligations to turn over books and records and that the Zohar Funds are rightful owners of certain portfolio companies entitled to replace current boards of directors.
- Advised on **minority shareholders' rights** to adjust claims for fair compensation under domination and profit and loss sharing agreements.

Defense-side Representations

- Representing **Masimo Corporation** in an expedited action in the Delaware Court of Chancery brought by an activist investment fund regarding the enforceability of certain of Masimo's bylaws relating to director nominations.
- We represented **Create Music Group, Inc. (CMG)** in an action seeking rescission and asserting breaches of a stock repurchase agreement. The action was brought by Iraj Parvizi, a minority shareholder based in the United Kingdom, who maintained the company failed to pay the consideration due for his shares by the target closing date and that the stock agreement was procured by fraud, duress, or mistake. Specifically, Mr. Parvizi alleged he was unaware CMG was relying on third-party financing. CMG filed counterclaims seeking to enforce the agreement and conclude the share repurchase. After engaging in discovery, including taking and defending more than a dozen depositions, and motion practice for more than a year, the parties reached a settlement accomplishing the repurchase.
- We represented long-standing client **World Boxing Super Series AG** in defending actions brought in Swiss courts by former shareholders for repayment of loans and services.
- We represented **Athilon Capital Corp.** and its board of directors against Quadrant Structured Products LLC in a lawsuit in the Delaware Court of Chancery in which Quadrant sought not only \$200 million for alleged breaches of fiduciary duty, but also an order requiring Athilon to liquidate its assets and shut its business down entirely. After a week-long trial, the court issued a complete defense verdict that denied all the relief Quadrant requested and permits Athilon to continue executing the long-term business strategy that Quadrant challenged at trial. The decision was affirmed in its entirety on appeal.
- **Cape Technologies**, an Australian financial service and technology company, collapsed into insolvency in late-2021 following a shareholder dispute between its founders and investors. We were appointed lead counsel representing the joint and several administrators. The Cape business had limited cash and significant ongoing staff and

operational expenses and, in order to hold the business together to facilitate its sale as a going concern, we designed a unique sale structure and accompanying court application in the Federal Court of Australia. We negotiated the structure and subsequent sale of Cape, and then designed and wrote the ‘judicial advice’ Court application (that ultimately allowed the accelerated sale to occur). The Federal Court of Australia granted the application, providing the administrators with justification to sell the business without having run a competitive sales process, and without risking the business. The Cape business has now been recapitalized out of administration with a successful AU\$33.1m fundraising.

- The firm acted for a **global services entity** in a “bet the farm” shareholder dispute with a well-known billionaire shareholder who sought a greenmail outcome by obstructing the client from proceeding with a public listing. We successfully resolved the issue prior to trial and the client entity was successfully listed in 2021.
- We represented Chairman Shin, the CEO and majority shareholder of **Kyobo Life Insurance Company**, one of the leading life insurance companies in Korea. A consortium led by Hong Kong-based Affinity Equity Partners (“AEP”) had commenced arbitration against Dr. Shin based on a shareholder agreement governed by Korean law. The shareholders agreement included a put option in favour of the Claimants, which the Claimants purported to exercise in late 2018 and demanded over USD 1 billion. We challenged the put option agreement as unenforceable under Korean law, and that in any event, the USD 1 billion demand was grossly inflated. After two hearings, the arbitration tribunal issued a final award holding that our client was not obliged to pay the Claimants’ contended put price or any price at all for the Claimants’ shares. This was a complete victory for our client in a true “bet the company” case.
- Represented **Alteva, Inc.** and its board of directors against a shareholder alleging that the board of directors breached its fiduciary duties to public shareholders by entering into a proposed merger with Momentum Telecom.
- We represented **JBS S.A. and six of its directors** in a derivative action brought in the Delaware Court of Chancery by the minority shareholders of Pilgrim’s Pride Corp., which was controlled by JBS, claiming breach of fiduciary duty in connection with Pilgrim’s Pride’s 2017 acquisition of Moy Park, an entirely owned subsidiary of JBS. The matter was pending before Vice Chancellor Laster, and Quinn Emanuel, after negotiating the outright dismissal of certain individual defendants in the early stages of the litigation, subsequently obtained a favorable settlement for JBS and the remaining director defendants.
- We represented **H.I.G. Capital** in a derivative action brought in the Delaware Court of Chancery by a minority shareholder challenging H.I.G.’s sale of its controlling stake in Surgery Partners, a medical provider company, to Bain Capital for over \$500 million. The plaintiff alleged that H.I.G. had a conflict of interest that tainted a related transaction in which Surgery Partners issued \$310 million in preferred shares to Bain. Quinn Emanuel was retained after Chancellor Bouchard denied H.I.G.’s motion to dismiss in part. Quinn Emanuel litigated the case through discovery, after which the case settled favorably.
- Represented **MHR Capital Management** in its successful defense against a hostile takeover attempt for Lions Gate launched by Carl Icahn.
- Represented **E*TRADE** and its board of directors in connection with the board nomination rights of an E*TRADE investor.

- Represented **NextGen Healthcare, Inc.** in its successful defense against a potential proxy fight from an activist investor, resulting in an uncontested vote.
- Represented **GetSwift** and its managing director against an activist shareholder arising out of allegedly misleading statements made to the Australian stock exchange.