



IN RE AMC ENTERTAINMENT
HOLDINGS, INC., STOCKHOLDER
LITIGATION

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

To: The Honorable Morgan T. Zurn
Vice Chancellor, Delaware Court of Chancery
Leonard L. Williams Justice Center
500 North King Street
Wilmington, DE 19801

June 26, 2023

RE: *In re AMC Entertainment Holdings, Inc. Stockholder
Litigation,*


Civil Action No. 2023-0215 MTZ – Letter to Vice
Chancellor Zurn from Jordan Affholter Regarding
Potential Conflicts of Interest with Special Master
Amato and Antara Part 2

Your Honor,

I write to acknowledge receipt of your response letter¹ to the letter I submitted on June 22, 2023.² I write to clarify. The letter I submitted was a letter not a motion. The letter's purpose was to ask the Court in good faith whether Special Master Corinne Elise Amato may have potential conflicts of interest with Frank Amato, Director of Operations at Antara Capital ("Antara") that may compromise her from working with impartiality on this case. This was not a herculean request.

¹ D.I. 534

² D.I. 522



(19) Frank Amato | LinkedIn


×


+


← → ↻

🔒

https://www.linkedin.com/in/frank-amato-71126918/





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Frank Amato

Director Of Operations at Antara Capital LP

Staten Island, New York, United States · [Contact info](#)

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 Message

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About

Experienced employee with a demonstrated history of working in the financial services industry. Professional skilled in Securities, Prime Brokerage, Trading Systems, Trading, and Hedge Funds Operations. Team-oriented personality and also works independently. Builds a collaborative culture across teams and keeping everyone engaged.

FRANCESCO M AMATO - Broke X

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FRANCESCO M AMATO
FRANCESCO MASSIMO AMATO ^, FRANK M AMATO ^
CRD#: 5017918
(PR) Previously Registered Broker

0 Disclosures

2 Years of Experience
2 Firms

My background is in the medical research field and if I were to see a potential unreported conflict of interest that may be affecting other people's livelihood, it is without a question my personal responsibility to raise the question so that any conflicts of interest can be reviewed and managed appropriately.

In October 2021, AMC stock was trading around \$35 dollars. However, since November 2021, AMC, Antara, and Citigroup (AMC's Banker) all participated in the "Project Popcorn" fiasco³ that cost shareholders billions of market value and the manipulated March 2023 vote to push a reverse split and APE conversion on AMC common stockholders (substantiated via the December 2022 email from Citigroup's Van Zandt). AMC and APE are now trading for less than \$7 combined (80% drop since October 2021). Defendant Aron clearly failed his fiduciary duty to protect shareholders like myself, but instead Defendant Aron helped historic short sellers Citigroup and Antara. According to SEC and Fintel data, both Antara and Citigroup currently hold over \$100 million worth of short positions or puts in AMC common stock.⁴ If the price of AMC falls, Antara and Citigroup will benefit substantially.

³ ID: 70063853

⁴ Fintel. June 2023. <https://fintel.io/sosh/us/amc>

Date: Thursday, December 8 2022 03:11 PM
Subject: RE: Antara
From: Van Zandt, Derek <derek.vanzandt@citi.com>
To: Adam Aron <AAron@amctheatres.com>; Sean Goodman <SeGoodman@amctheatres.com>; Kevin Connor <KConnor@amctheatres.com>;
CC: Gonzalez, Cristian <cristian.gonzalez@citi.com>; Mikullitz, Mark <mark.mikullitz@citi.com>; Kak, Shiv <shiv.kak@citi.com>; Meadows, Cass <cass.meadows@citi.com>;

Just spoke with Himanshu. He was very positive on yesterday's meeting.
They want to proceed but are limited to \$150mm in size due to risk limits but believe they can stretch it to \$190mm with the repurchase of their \$100mm face of 2Ls at 40.
He is willing to allocating value to the bonds to provide for a higher APE price but we need to think this through.
\$190mm purchase of APEs at 20% discount.
AMC purchases their \$100mm 2L notes @ 40.
AMC commits to proceeding with vote.
Antara agrees to hold shares until vote and vote in favor.
He wants AMC restricted from selling more APEs until after the vote including converts. Restriction lifted if APES >\$3. Also, willing to be supportive of AMC adding more liquidity from ATM program if >\$3.
Wants participation in 8k / Press release drafting.
Available for public information diligence on Monday in KC (Adam and / or Sean).
Target transaction timeframe next week.

From: Van Zandt, Derek [ICG-BCMA]
Sent: Thursday, December 8, 2022 1:19 PM
To: Adam Aron (aaron@amctheatres.com); Sean Goodman
Subject: Antara

Adam / Sean – Attached is a preliminary ownership and vote analysis based on various investment scenarios with Antara. We need to confirm their existing stake size but are assuming 60mm shares for now.
We probably need to discuss size considerations relative to 20% threshold with your lawyers and any governance / control implications.
I am talking to Antara at 2pm ET to connect following yesterday's lunch.
Derek

AMC Short Positions, Funds Sh...
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SHORTS OWNERS FORECASTS DIVIDENDS EARNINGS INSIDERS OPTIONS SEC FILINGS SCREENER INTERSECT EXPLORE
Short Owners 78
Overview Chart Owners Insiders Short Interest Options Filings Financials Dividends Earnings Forecast Investor Relations Screens

Funds Shorting AMC Entertainment Holdings Inc - Class A

This page shows institutions, funds, and major shareholders that have reported short positions in their last reporting period. We consider put option positions to be short positions and include all institutions that have options here. **Green rows indicate new positions. Red rows indicate closed positions.** Click the link icon to see the full transaction history.

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File Date	Source	Investor	Type	Avg Price (Est)	Shares	Δ Shares (%)	Reported Value (\$1000)	Δ Value (%)
2023-05-12	13F	Antara Capital LP	Put		55,328,700	165.60	277,197	226.95
2023-05-11	13F	Citigroup Inc	Put		37,779,400	67.12	189,275	105.71

There was a motion filed to treat Antara similar to the AMC Defendants regarding trading on potential confidential/insider information.⁵ Special Master Amato recommended against that motion to the Court.⁶ There is now a pending action against Antara in New York's Southern District (Donoghue et al v. Antara Capital Master Fund LP et al, CIVIL DOCKET FOR CASE #:1:23-cv-04985-JHR). Antara continues to trade AMC and APE freely despite "allegedly" having insider deals with AMC. Given the hundreds of millions of dollars on the line, and the fact that the Special Master recommended in favor of Antara, there are valid questions on whether Special Master Amato acted with impartiality.

The company responsible for sending class members notice Strategic Claims Services⁷ is located in Media, PA, a very small town of 0.77 sq mi and under 6,000 people. Interestingly, this is the home town of Special Master Corinne Elise Amato and she has family members who still reside in the area. What are the odds?

Your Honor, you had explicitly stated shareholders cannot contact Special Master Amato, which is why I directed the letter to you. **If the Special Master is related or associated with the director of a small firm that is a controlling stockholder in AMC is 100% relevant to any concerns regarding impartiality and conflict of interest.** A simple yes or no from Your Honor regarding if Special

⁵ Transaction ID: 70127630

⁶ Transaction ID: 70142285

⁷ <https://www.strategicclaims.net/contact/>

Master Amato was associated in any way with Frank Amato from Antara could have easily alleviated any shareholder concerns. However, the lack of a yes or no answer has only further raised speculations.

Mr. Mathew had filed a motion questioning if the Special Master had a conflict of interest because she had a working relationship with the plaintiffs' counsel.⁸ Your Honor had asked Special Master Amato to sign an affidavit denying any conflicts of interest on that concern, which happened.⁹

EFiled: May 10 2023 05:57PM EDT
Transaction ID 69991767
Case No. 2023-0215-MTZ



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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

AFFIDAVIT OF CORINNE ELISE AMATO

STATE OF DELAWARE)
) : SS
NEW CASTLE COUNTY)

I, Corinne Elise Amato, being duly sworn on this 10th day of May, 2023, do hereby depose and say as follows:

1. I am a Director of the law firm Prickett, Jones & Elliott, P.A. ("Prickett Jones"), and a member in good standing of the Delaware Bar.
2. I serve as the Special Master in the above-captioned action (the "Action").

⁸ D.I. 241

⁹ D.I. 265, 268

3. On May 10, 2023, the Court issued a letter opinion (Trans. ID 69986488) requesting that I submit an affidavit addressing whether I believe that I (a) can “hear the case free of bias or prejudice” concerning the party seeking recusal, and (b) “may resolve motions in this case free of bias in light of [my] service alongside Mr. Lebovitch in the *In re Globe Specialty Metals* matter.”

4. I believe I am free of bias or prejudice as to Mr. Mathew, the party seeking recusal. I do not believe I have ever met or spoken to Mr. Mathew. I have no reason to resolve motions for or against Mr. Mathew based on anything other

than my analysis of the applicable law, as applied to the facts. I also conducted a conflict check at Prickett Jones on April 25, 2023 to ascertain whether there were any actual or potential conflicts as to Mr. Mathew and did not find any conflict.

5. Prickett Jones was designated as co-lead counsel to represent plaintiffs in the action captioned *In re Globe Specialty Metals, Inc. Stockholder Litigation*, C.A. No. 10865-VCG (the “*Globe* Litigation”) and I worked on the matter. The law firm of Bernstein Litowitz Berger & Grossmann, LLP, at which Mr. Mark Lebovitch, Esq. (“Mr. Lebovitch”) is a Partner, was also designated as co-lead counsel to represent plaintiffs in that action and Mr. Lebovitch worked on the matter. The *Globe* Litigation was resolved through a settlement that was approved by the Court on February 15, 2016.

6. There was nothing unique or notable about the *Globe* litigation that would cause me to have any subjective bias for or against Mr. Lebovitch. I have no reason to resolve motions for or against any party, or counsel to any party, to this Action based on anything other than my analysis of the applicable law, as applied to the facts.

On standing, I have a right to object to the process and to establish a record for appealable issues. I have already proven to the Court I own 2,800 shares of AMC and APE.¹⁰ I can actually prove holding AMC common stock from July 2022 until now, and it is unclear whether Franchi or Allegheny can prove that.

In the response letter, Your Honor cites the Code of Judicial Conduct, but does not answer the question if Special Master Amato is in fact related or associated with Antara's Frank Amato.

¹⁰ D.I. 497

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

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

...

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

...

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

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

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

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

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

⁶ Code Jud. Con. R. 2.11.

⁷ *Id.* at 8.

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

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

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

Sincerely,

/s/ Morgan T. Zurn

Vice Chancellor

Your Honor states “the implication that every Antara employee has an interest that will be impacted by a ruling in this matter is speculative.” This conclusion is wrong. If one follows the money, Antara reports having over \$100 million in puts against AMC. Antara owns over 118 million APE shares (trading at \$1.81)¹¹ and

¹¹

<https://www.sec.gov/Archives/edgar/data/1411579/000114036123031018/xslF345X03/fo rm4.xml>

ZERO AMC common stock shares (trading at \$4.01).¹² Ripley's affidavit estimates that during reverse split and conversion, the two stocks price will meet at the middle (\$2.87) because they will become the same security.¹³ If approved, Antara (and its employees) is set to profit potentially hundreds of millions of dollars worth. Then again, the sun rising tomorrow morning is also speculation.

Funds Shorting AMC Entertainment Holdings Inc - Class A

This page shows institutions, funds, and major shareholders that have reported short positions in their last reporting period. We consider put option positions to be short positions and include all institutions that have options here. Green rows indicate new positions. Red rows indicate closed positions. Click the link icon to see the full transaction history.

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¹²

<https://www.sec.gov/Archives/edgar/data/1411579/000114036123030571/xslF345X03/fo rm4.xml>

¹³ D.I. 206, Ripley Affidavit

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 302(b) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Antara Capital LP</u>			2. Issuer Name and Ticker or Trading Symbol <u>AMC ENTERTAINMENT HOLDINGS, INC. [AMC, APE]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director Officer (give title below)		
(Last) (First) (Middle) <u>55 HUDSON YARDS, 47TH FLOOR, SUITE C</u>			3. Date of Earliest Transaction (Month/Day/Year) <u>06/15/2023</u>					
(Street) <u>NEW YORK NY 10001</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(City) (State) (Zip)						6. Individual or Joint/Group Filing (Check Applicable Li Form filed by One Reporting Person Form filed by More than One Reporti <u>X</u>		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 3)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)
			Code	V	Amount	(A) or (D)	Price	
AMC Preferred Equity Units	06/15/2023		S		1,631,994	D	\$1.62	127,700,290
AMC Preferred Equity Units	06/15/2023		S		1,000,000	D	\$1.61	126,700,290
AMC Preferred Equity Units	06/15/2023		S		1,000,000	D	\$1.6	125,700,290
Class A Common Stock	06/15/2023		X		10,000	D	\$6	0 ⁽¹⁾
AMC Preferred Equity Units	06/16/2023		S		1,253,091	D	\$1.76	124,447,199
AMC Preferred Equity Units	06/16/2023		S		1,000,000	D	\$1.77	123,447,199
AMC Preferred Equity Units	06/16/2023		S		1,000,000	D	\$1.72	122,447,199
Class A Common Stock	06/16/2023		X		1,477,000	D	\$6	0 ⁽¹⁾

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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1. Name and Address of Reporting Person* <u>Antara Capital LP</u>			2. Issuer Name and Ticker or Trading Symbol <u>AMC ENTERTAINMENT HOLDINGS, INC. [AMC, APE]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director Officer (give title below)		
(Last) (First) (Middle) <u>55 HUDSON YARDS, 47TH FLOOR, SUITE C</u>			3. Date of Earliest Transaction (Month/Day/Year) <u>06/20/2023</u>					
(Street) <u>NEW YORK NY 10001</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(City) (State) (Zip)						6. Individual or Joint/Group Filing (Check Applicable Li Form filed by One Reporting Person Form filed by More than One Reporti <u>X</u>		

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			Code	V	Amount	(A) or (D)	Price	
AMC Preferred Equity Units	06/20/2023		S		1,121,511	D	\$1.72	121,325,688
AMC Preferred Equity Units	06/20/2023		S		1,000,000	D	\$1.73	120,325,688
AMC Preferred Equity Units	06/21/2023		S		1,759,735	D	\$1.66	118,565,953
AMC Preferred Equity Units	06/21/2023		S		75,000	D	\$1.85	118,490,953
AMC Preferred Equity Units	06/21/2023		S		424,400	D	\$1.92	118,066,553

b. Were Common Stock and APE collapsed into a single class of stock based on these April 28 figures, this new stock would have a post-collapse price

understand that the Company has agreed to pay stockholders cash for fractional shares not owned at a 7.5 to 1 multiple. This ensures that the aggregate value of the payment equals the numbers I calculated for any given date – primarily in stock, but with an amount of cash for fractional shares that cannot be estimated reliably at time.

of \$2.87 per share. Former Common Stockholders would comprise

Why wasn't Special Master Amato instructed to sign an affidavit regarding potential conflict of interest with Antara to help eliminate any shareholder concerns? If I were in her position, I would want to sign an affidavit clearly defending my impartiality, so why didn't Special Master Amato? Is Special Master Amato beyond reproach?

Your Honor, you responded back to me but never answered my initial question: **"I honestly ask the Court does Special Master Corinne Elise Amato know Frank Amato (from Antara) or is the Special Master associated with Frank Amato or Antara in any way?"** As of this moment, the question remains **unanswered**. With the non-answer response, that raises the question did Your Honor ask Special Master Amato directly if she knows Frank Amato at Antara? If so, how did Special Master Amato respond? Did Special Master Amato say yes, no, or did she stare back blank-faced with a nonverbal response?

The burden of proof lies on the Special Master. Any clarification on this issue would help alleviate shareholder concerns on whether or not Special Master Amato has a direct conflict of interest.



6-26-2023

Respectfully,
Jordan Affholter
Email: jordanaffholter@gmail.com
Word Count: 999

CERTIFICATE OF SERVICE

I, Jordan Affholter, hereby certify that, on June 26, 2023, a copy of the foregoing *Letter to Vice Chancellor Zurn from Jordan Affholter Regarding Potential Conflicts of Interest with Special Master Amato and Antara Part 2 and Certificate of Service* was filed and served electronically via File and ServeXpress. The list of recipients is listed on the following pages.


6-26-2023

Jordan Affholter *objector*

jordanaffholter@gmail.com

Via File and ServeXpress:

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