



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

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IN RE AMC ENTERTAINMENT  
HOLDINGS, INC.,  
STOCKHOLDER LITIGATION

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) **CONSOLIDATED**  
) **C.A. No. 2023-0215-MTZ**  
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**EXCEPTIONS TO REPORT AND RECOMMENDATIONS OF SPECIAL  
MASTER REGARDING OBJECTIONS TO PROPOSED SETTLEMENT**

Interested party and Objector Alexander Holland *pro se* respectfully submit his exceptions to the Report of the Special Master issued on July 21, 2023 (herein referred to as “RSM”).

1. Objector Alexander Holland takes exceptions to the Special Master’s recommendation that the Court deny all objections to the settlement proposal for the followings reasons. I have a thousand reasons and examples to show the Special Master misguided ruling and analysis but I will only focus on 4 main reasons.

## **I. Misinterpretation and misuse of the Activision precedent case**

2. In this case the Special Master recommends the release of claims asserted in this case “travel” with shares of AMC citing the Activision precedent case.<sup>1</sup> Her reading is erroneous and prejudicial. *First*, Activision was “purely derivative” allocating “all of the monetary considerations to Activision” with “no consideration to the unarticulated personal claims belonging to the Class” because the “strong Delaware corporate law claims belong(ed) to Activision”. (In Re Activision Blizzard Inc. Stockholder Litigation, 124 A.3d 1025 (Del.2020). *Second*, many of the individual, and personal claims, otherwise released under the proposed stipulation, do **not “travel” with shares**. In the case at hand, Franchi bargained a distribution of stock, he acquired in the market, in exchange for the release of claims he does not possess and he has not suffered. As Activision recognized, individual and personal claims - for example federal securities law violations:

1) do not “travel” with shares and

2) cannot be purchased simply through stock ownership. Id.

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<sup>1</sup> RSM Footnote 107: „The Settlement Shares are expected to be issued to those Class members who were common stockholders on the business day prior to the Conversion.<sup>107</sup>; <sup>107</sup>Id. ¶ 29. Sean Arnold objects to this issuance, arguing that because the Settlement Shares will be issued based on the common stockholder base on a single date, Class members will purportedly release claims without receiving consideration. Objection of Sean Arnold at 15. This is not a correct view of what is transpiring as a matter of Delaware law. “When a share of stock is sold, the property rights associated with the shares, including any claim for breach of those rights and the ability to benefit from any recovery or other remedy, travel with the shares.” Activision, 124 A.3d at 1050.

3. While much is left to be said about the release of claims not before a court, Vice Chancellor Laster never the less recognized in Activision it **is only fair to bar individual claims through releases:**

- a. “if it appears that those claims are weak or of little or no probable value or
- b. would not likely result in any recovery of damages by individual stockholders.” Id. (quoting Triac, 791 A.2d at 876) (emphasis added).

4. Both Activision and Triac **are derivative cases**, and in derivative cases, the claims belong to the company, not the individual shareholders. Consequently, the claims indeed travel with the rights associated with equity ownership, as determined by the Tooley test, which considers who suffered the alleged harm (the corporation or the stockholders, individually) and who would receive the benefit of any recovery or other remedy (the corporation or the stockholders, individually) (Brookfield Asset Management v. Rosson, 261 A 3d 1251).

It is important to note, Vice Chancellor Laster applied this treatment only after the dismissal of individual claims were affirmed on appeal. Id. The final judgement demonstrated

- 1) the claims had their day in court; and
- 2) a lack of prospective value.

The individual claims were heard, adjudicated and only derivative claims remained on the table. The Special Master ignores Laster's important analysis.

5. In the present case, Franchi's and Allegheny's litigations, the claims were **filed as a class action with individual claims for fiduciary duty, not as derivative claims**. The award for experienced damages of equity of shareholders is being distributed to shareholders, **regardless of when they purchased their shares**. The proposed Franchi distribution flows **from AMC not to AMC**. While there certainly is a case to be made AMC should be a nominal defendant seeking relief from the board defendants, it wasn't made here. D.I. Incongruent with Delaware law, valuable claims of individual shareholders **are being released away to shareholders of the future, regardless of whether those future shareholders were harmed, or not**. The claims Franchi and Allegheny allege have value and belong only to individual shareholders that experienced the damage - not AMC, or future shareholders that are unaffected of the dealt damages (like Franchi himself). Consequently, the special master's false reading of Activision suggesting individual claims may be released away with no compensation because those claims, and more importantly their release, "travel" with shares is erroneous, and prejudicial.

6. A proper reading of Activision and Triac explicitly instructs that only weak individual claims **can be released without compensation when individual claimants release their claims** and only in derivative actions (with rare exceptions inapplicable here). **Under common law any stipulation that prejudices individual claims without providing compensation cannot be considered as fair and equitable.** Therefore, in its capacity as a fiduciary to the settlement class, this Court should sustain shareholder objections, and deny the proposed settlement. Otherwise, the overbroad release Franchi, Allegheny and the defendants agreed upon will prejudice a significant portion of the 3.8 million member class.

7. Just because other individual or, personal, claims are currently not before this Court, yet, does not mean holders, or sellers of AMC common stock, do not have valuable claims, borne out of facts alleged in Franchi, and Allegheny's, respective complaints. There are numerous non-derivative claims plaintiff's attorneys leveraged (many Franchi does not hold). For example, a Rule 10b-5 is a personal claim. As Activision recognizes, the right to bring a Rule 10b-5 claim does not travel with shares, nor can it be invoked by those who simply purchase rights associated with stock ownership **after the alleged breach**. (Id. Citing: Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Dabit, 547 U.S. 71 (2006); 15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5; Blue Chip Stamps v. Manor Drug Stores, 421 U.S. 723 (1975)).

## **II. Ignoring the caused financial harm to the class with a “release”**

8. The Special Master completely disregards and ignores the experienced damage of AMC common stockholders by the defendant’s actions dismissing the significance of the steps and events leading up to the proposed distribution of settlement shares. She describes in her analysis “I have carefully scrutinized the “get” (a distribution of the Settlement Shares) and the “give” (a broad release)”<sup>2</sup> and demonstrates a shocking ignorance of the real-world impact on the stockholders. By comparing the market valuation of the settlement shares to a mere “pie”, the Special Master conveniently sidesteps the harsh realities faced by AMC common stockholders. She fails to acknowledge the immense damage caused by the issuance of APE shares to these stockholders and the further devastation that awaits them through the reverse split and conversion process.<sup>3</sup> It is imperative to visualize and emphasize **the severity of the damage caused by the APE issuance and the impending reverse split and conversion process, not only for some, but for ALL AMC common stockholders.**

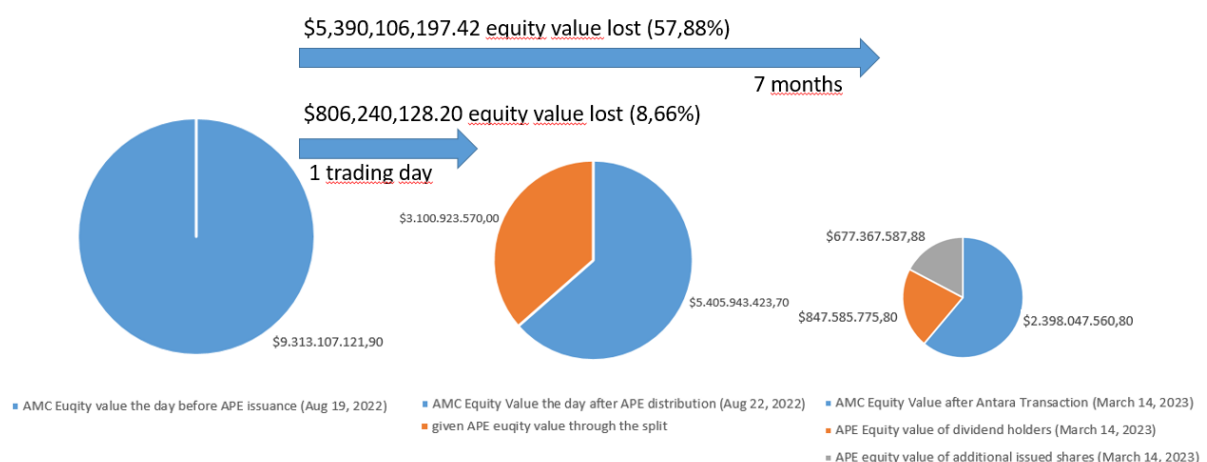
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<sup>2</sup> RSM Page 31.

<sup>3</sup> RSM Page 32: „AMC will issue 6,922,565 Settlement Shares.108 Since the Settlement Shares do not come from a source outside of AMC, the Settlement does not increase the size of AMC’s equity pie, but rather reallocates the pieces of the pie so that Class members get a slightly bigger slice. This slightly bigger slice comes at the expense of the equity value of APE units.“

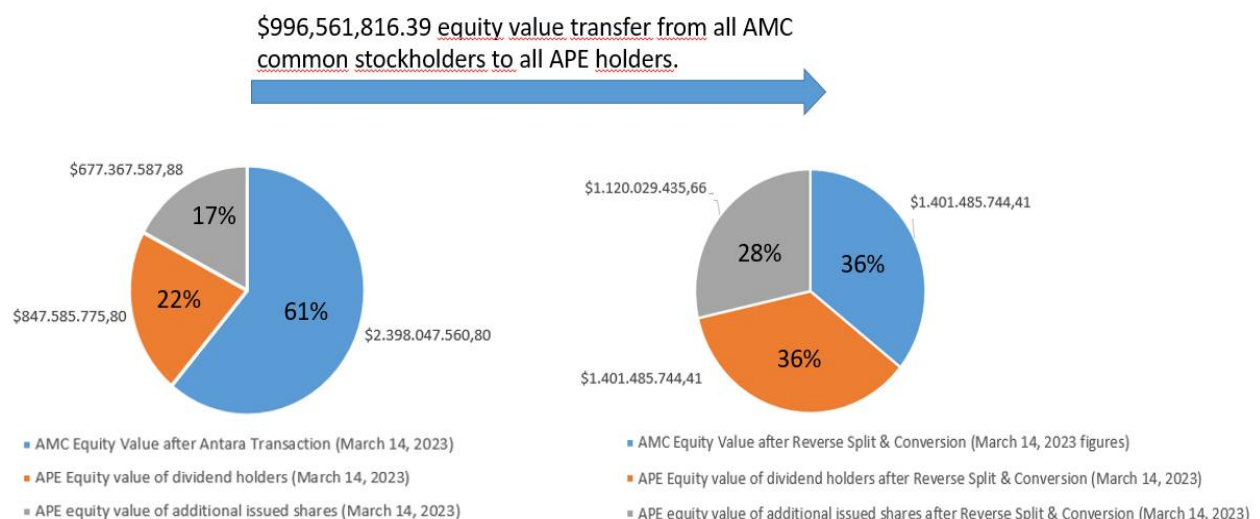
9. Through the distribution of APE shares AMC common stockholders have lost approximately 56,38% or \$5,250,564,636,77 in market valuation in from August 19, 2022 to the manipulated March 14, 2023 vote. While it is true, that AMC common stockholders have received APE shares as a dividend, the court cannot just assume that every dividend receiver still hold his/her APE dividend shares and this fact does **not protect AMC common stockholders from the caused damage by the conversion process**. In accordance with the Special Master's metaphorical description, I too will utilize the concept of "pies" for illustrative purposes. However, it is crucial to note that these "pies" do not merely represent abstract concepts or theoretical notions. Instead, they evidently illustrate the tangible and devastating losses suffered by AMC common stockholders.

10. Damage caused to AMC common stockholders by APE issuance:



As the Court can evidently see the last pie is the smallest (which illustrates the lost equity value, the overall pie on March 14 is 57,88% smaller as of August 19, 2022) and it contains a new group of APE holders which is reflected by the fact, that AMC issued around 413.029.017 new APE shares into the market.<sup>4</sup> It also shows, that the smallest group of equity holders has “won” the manipulated conversion vote. It is evident that this new group will benefit greatly from the manipulated conversion vote and the resulting conversion process. This means the smallest group of equity holders (including 3<sup>rd</sup> party Antara Capital L.P.) are **the only "winners" in this scenario.**

11. Damage caused to AMC common stockholders by the reverse split and conversion of APE:



<sup>4</sup> SEC filing DEF 14A, Proxy Statement (definitive); filed on Feb 14 2023 page 12; Source: <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001411579/4e923416-1963-4c40-8c23-e82b168b6647.pdf>



The Special Masters blatant disregard for the devastating financial consequences imposed on AMC common stockholders is utterly outrageous. It is evident to anyone with a shred of common sense that the reverse split and conversion of APE shares **will only inflict ADDITIONAL damage on AMC common stockholders** with the “release” and the proposed settlement falls far short of compensating them adequately. Yet, the Special Master, in her analysis, conveniently chooses to ignore the painstaking steps and consequences leading up to the so-called “get” to the class.

12. It is infuriating to witness the Special Master's complete disregard for the damages that the “release” will inflict on AMC common stockholders. In a footnote, she brazenly dismisses objections raised by acknowledging the harm that common stockholders will bear but brushes it off as if it's irrelevant.<sup>5</sup> How can she possibly justify such negligence in interpreting investor protection laws? She has utterly failed in her duty to safeguard the interests of the stockholders in this case.

13. The illustrations presented, which clearly demonstrate the dire financial harm to AMC common stockholders, make it abundantly clear that the Sugarland

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<sup>5</sup> RSM Page 41: „132 For this reason, I do not agree with the Objectors who claim that the Settlement does not provide any real benefit to common stockholders. See Objection of Amelie Holland at 3, 11. Amelie Holland also objects because the common stockholders **will bear the brunt of the harm in the Conversion**. Id. at 5. **True, but that is the purpose of the Settlement—to offset some of the dilutive harm.**“

factors, meant to evaluate fairness in settlements, are being shamelessly disregarded by the Special Master and the plaintiffs. Instead of offering any semblance of relief, this settlement will only serve to exacerbate the financial hardships faced by AMC common stockholders. This flagrant disregard for the well-being of the stockholders is an outrage that cannot be ignored. **The proposed settlement is not only woefully inadequate but also a slap in the face to the very individuals who have already suffered tremendous losses and saved the company.** It is an affront to justice and fairness. The court should rectify this grave injustice and protect the rights and interests of AMC common stockholders.

### **III. Failure to give the amount of objections raised the serious attention it deserves**

14. The Special Master's interpretation of *Forsythe v. ESC Fund Mgmt. Co. (U.S.), Inc.*, 2012 WL 1655538 (Del. Ch. May 9, 2012), is deeply flawed and undermines the integrity of her analysis.<sup>6</sup> By relying on this erroneous interpretation, she dismisses the plaintiffs' ability to effectively manage the class in accordance with

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<sup>6</sup> RSM page 30: „On at least one occasion, this Court has considered the volume of objections as a relevant consideration—*Forsythe v. ESC Fund Mgmt. Co. (U.S.), Inc.*, 2012 WL1655538 (Del. Ch. May 9, 2012). That was a much different case, as the objectors had “significant holdings,” and were permitted to bond the proposed settlement amount if they wanted to take over the litigation. Here, those who attempted to comply with the proof of ownership requirement had only varying degrees of success. It is, therefore, difficult to ascertain the total equity held by the collective body of Objectors, but given the relatively small stakes of each retail investor, there is no reason to believe it is “significant,” as was the case in *Forsythe*. Thus, while the volume of Objections is notable, that alone has not meaningfully impacted my analysis.”

Chancery Rule 23. The Special Master's assertion that the volume of objections has not meaningfully impacted her analysis fails to acknowledge **the significance of shareholder dissent**. It is crucial to recognize that each objection represents a valid concern and deserves careful consideration.<sup>7</sup> Rather than making a **genuine effort to calculate the number of shares collectively held by these objectors**, she simply overlooks this crucial factor. As only one of those objectors I hold more than double the amount of shares of lead plaintiffs and approximately 17 times the amount of the „average shareholder (approx. 136 shares)“. The claim that the volume of objections alone should not be given much weight **overlooks the potential collective impact of those objections**. Even if individual objections may not appear substantial, their collective force should not be underestimated. Disregarding the volume of objections without thoroughly evaluating **the substance of each objection** undermines the principles of fairness and due process. This oversight of the Special Master is a disservice to the shareholders who have taken the time and effort to voice their concerns.

15. Moreover, the Special Master's unwavering faith in the postcard notification process is misguided. She just assumed that all 3.8 million shareholders

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<sup>7</sup> RSM page 29: „The volume of Objections received here is nothing short of eye-popping. While that volume could be a “significant factor” to be weighed when considering the adequacy of the Settlement, I do not recommend affording that fact alone much weight here.“

have been timely and properly informed, despite the lack of undeniable proof to support this claim.<sup>8</sup> I have personally corresponded with the court and can unequivocally demonstrate that the Special Master's assumption is false.<sup>9</sup> Thus she factually does not know the real and representing percentage of all (potential) objections nor their collective holdings.

16. Furthermore, the Special Master's dismissive attitude towards the objections is deeply troubling. While she acknowledges the sheer number of objections (over 3500), she quickly brushes them aside, claiming that many objectors lack an understanding of basic law.<sup>10</sup> This condescending approach disregards the genuine concerns and valid legal arguments raised by these shareholders. It is unacceptable to ignore the objections simply because they may not align with her personal perspective. The fact that the Special Master recommends **denying ALL** objections, without critically examining the flaws in the settlement, is deeply concerning. It demonstrates a clear bias and a failure to consider the potential deficiencies in the proposed resolution. By simply disregarding the

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<sup>8</sup> RSM page 30 footnote: 102 In Forsythe, 57 of the 344 stockholders objected (i.e., approximately 17% of the class). Exhibit A to Notice of Filing of Affidavit of Mailing and Distribution at 1-2, Forsythe, 2012 WL 1655538 (No. 1091-VCL) (Trans. ID 42740646). Here, **less than 0.01% of the Class objected**. See Plaintiffs' Reply Settlement Brief at 8, 37."

<sup>9</sup> D.I. 465, 511 and 541

<sup>10</sup> RSM footnote 104: "The number of Objections is a de minimis percentage of the Class. Plaintiffs' Reply Settlement Brief at 8. Federal courts utilize a nine-factor test to evaluate the reasonableness of a proposed settlement, one of which is the stockholders' reaction."

objections „en masse“, the Special Master undermines the fundamental principles of fairness and due process.

17. The timeline in which the Special Master was confronted with, raises concerns about the adequacy of the review process.<sup>11</sup> Given the limited timeframe for reviewing objections, it is mathematically challenging to allocate sufficient time to thoroughly analyze each objection. With a record breaking large number of and lengthy objections to review, the available time of approximately 11 minutes per objection is inadequate to ensure a comprehensive assessment.

18. It is crucial to question whether the Special Master's analysis adequately considered the underlying facts and information supporting the objections. While she claim to have read all the arguments, it is essential to ensure that the relevant supporting evidence and data were appropriately reviewed and taken into account. Neglecting to thoroughly consider the factual basis of the objections undermines the integrity and credibility of the analysis. At least one of my arguments were not

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<sup>11</sup> RSM page 29 footnote 99: “It took a considerable amount of work from Plaintiffs’ counsel to provide Objections to me as soon as possible, and I thank counsel for their cooperation during the process. I typically received Objections within 24 hours of counsel’s receipt. There were understandable delays associated with the Memorial Day holiday weekend and the large volume of Objections submitted on or around the May 31, 2023 Objection deadline. Plaintiffs’ counsel were able to provide all of those to me by June 2, 2023. On June 19, 2023, I received approximately 560 Objections, some of which were compliant Objections. With the assistance of an outstanding team of attorneys and staff at Prickett, Jones & Elliott, P.A., we were able to analyze all of these Objections prior to issuing this report.”

considered in her overall analysis. In addition to that, the Special Master's citation of my daughter's objection letter in footnote 234 is a prime example of her blatant disregard and misleading tactics.<sup>12</sup> She has the audacity to claim that the objection letter did not propose how to determine the impacts on different groups, completely ignoring the fact that the objection letter thoroughly outlined all the relevant impacts and provided a clear methodology for determining sub-classes as the following screenshots prove.

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<sup>12</sup> Footnote 234, RSM page 72: “see also Objection of Amelie Holland at 17-18 (discussing how different common stockholders could be impacted differently, without proposing how to determine those sub-classes).”

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.

*AMELIE HOLLAND'S OBEJECTION LETTER*

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

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- 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 27<sup>th</sup>: \$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 27<sup>th</sup>: \$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 27<sup>th</sup>: \$2,980 (500 shares x \$4.55 + 500 shares x \$1.41)

Fictional portfolio of shareholder b) after 10:1 reverse split:

*AMELIE HOLLAND'S OBEJECTION LETTER*

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

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- 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 27<sup>th</sup>: \$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 27<sup>th</sup>: \$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 27<sup>th</sup>: \$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 27<sup>th</sup> 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.

It is either an appalling reflection of her incompetence that she failed to read the Objection Letter in its entirety or a deliberate attempt to deceive the court by

misrepresenting its contents. Either way, this outrageous behavior **calls into question the Special Master's credibility and raises serious concerns about the integrity of her analysis.** It is utterly disrespectful to dismiss the valid concerns and merits of our objection by distorting its contents. The court should not allow such blatant misconduct to go unchecked.

19. It is imperative that the court recognizes the **glaring errors in the Special Master's interpretation and takes appropriate action.** The shareholders who have raised objections deserve to have their concerns heard and addressed. Dismissing their objections without a fair and thorough evaluation would be a grave injustice. The court should reevaluate the Special Master's analysis, consider the legitimate objections raised, and ensure that the rights and interests of the shareholders are protected. Anything less would be a betrayal of justice and an affront to the principles of fairness and transparency.

#### **IV. Failure to apply broader investor protection goals sought by laws**

20. In my final argument, I want to highlight the broader implications of this case, as they extend far beyond the immediate parties involved. It is crucial for the court to recognize that the decision in this case will **set a new precedent and will**

**have far-reaching consequences for future litigations.** I must speak frankly, but if this settlement will be approved, **it will render Delaware's investor protection laws as worth less as a piece of toilet paper.**

Why should my family, countless others, and I ever again consider investing another penny in a Delaware-incorporated company if the court fails to take investor protection seriously?

This case is of utmost importance, and the court must decide whether it will prioritize the interests of greedy lawyers and obviously guilty criminals paying their way out with investors' money or **uphold the principles of investor protection.**

21. In my objection letter, I meticulously outlined the potential impacts of this case, and it is crucial for the court to make a decision that reflects the gravity of the situation. This case will serve as a milestone, and its outcome will shape the future landscape of shareholder rights and corporate governance. The analysis presented in my objection, which is also supported by the Izzo Objection, clearly demonstrates the necessity for the court to fulfill its fiduciary role and ensure that the interests of the class are fairly represented. In my Objection letter I made the following analysis:

*“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.”*



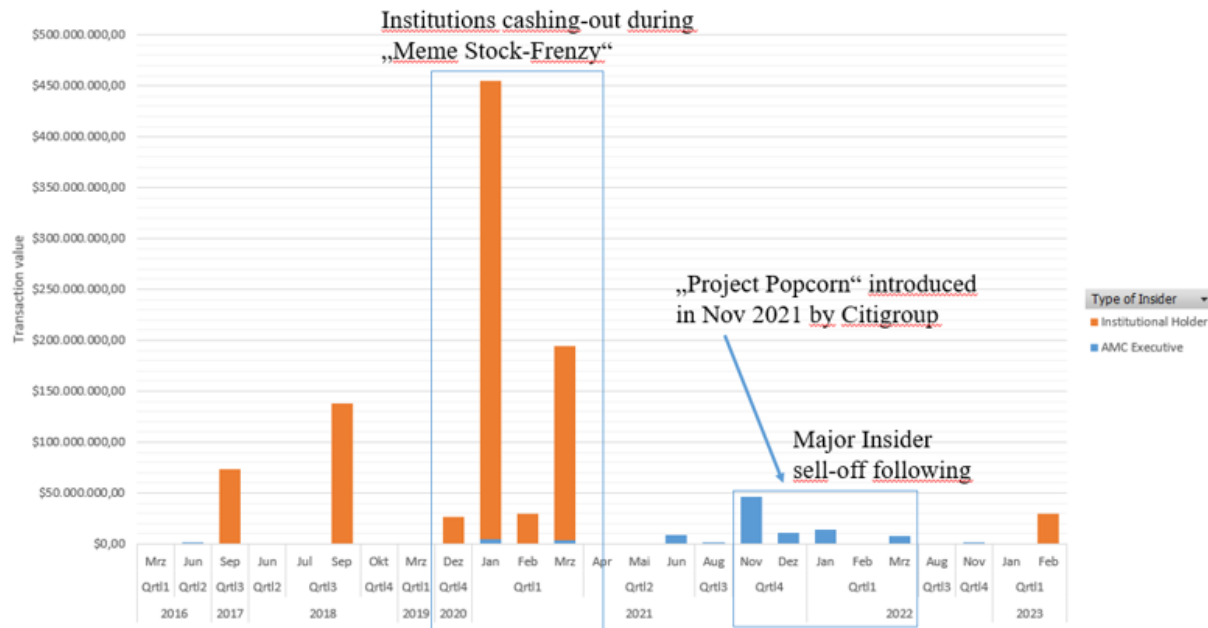


Figure 11: Insider transactions (sells only) between 2016–2023<sup>208</sup>

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.

22. All the Cards lie now on the table. If this settlement is approved, it will set a dangerous precedent that allows board members to dilute shareholders at will, manipulate votes, grant themselves excessive bonuses, sell off shareholder equity for mere pennies, engage in dubious deals with short sellers, deceive and mislead shareholders without facing any consequences and even paying their litigation with investors' money. If the court fails to recognize the criminal nature of the board's actions and turns a blind eye to investor protection, all the laws and regulations put

in place to safeguard investors will result in being absolutely meaningless. **It is a dire situation that demands the court's utmost attention and consideration.**

23. **Investor protection should never be compromised for the sake of expediency approving a harmful settlement.** By prioritizing beneficence, the court safeguards further damage and interests of common stockholders, recognizing that the consequences of a harmful settlement could have far-reaching implications on investors and the message it sends to the business community, investors, and the general public. The integrity of the judicial system and the trust of shareholders are at stake. By adhering to the principle of nonmaleficence, the court ensures that no harm will be inflicted upon investors through an unjust or detrimental settlement. Upholding the highest standards of integrity and fairness. Lastly it is the duty of the court to ensure that justice is served, and the rights of the shareholders are safeguarded. By upholding the principle of justice, the court acknowledges the importance of fair treatment, equal opportunities, and equitable outcomes for all parties. This includes considering the impact of its decision on investor protection and preserving the rights of shareholders.

## **CONCLUSION**

*“If it concerns truth and justice, there is no distinction between small and large problems. The general principles that pertain*

*to human actions are indivisible. Those who do not take truth seriously in small matters cannot be trusted in large matters either.” - Albert Einstein<sup>13</sup>*

Based on the aforementioned reasons, I humbly implore Your Honor to reassess the Special Master's suggestion to deny all over 3500 objections presented in this case. I can only hope the court will make the unequivocally just and ethical decision in the interest of investor protection and the principles of beneficence, nonmaleficence and justice by rejecting the proposed settlement and preserving the injunction against the reverse split conversion.

I declare with the signature of this letter, that what I said is true, correct, and written within all my conscience.

Sincerely,

Alexander Holland and Family

A handwritten signature in black ink that reads "Alexander Holland". The signature is written in a cursive, slightly stylized font. Below the signature is a horizontal line.

(electronically signed)

Alexander Holland

Alexander.holland85@googlemail.com

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<sup>13</sup> German original statement: “Wenn es sich um Wahrheit und Gerechtigkeit handelt, gibt es nicht die Unterscheidung zwischen kleinen und grossen Problemen. Denn die allgemeinen Gesichtspunkte, die das Handeln der Menschen betreffen, sind unteilbar. Wer es in kleinen Dingen mit der Wahrheit nicht ernst nimmt, dem kann man auch in grossen Dingen nicht vertrauen“