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Case No. 2023-0215-MTZ



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June 28, 2023

**VIA FILE & SERVEXPRESS AND HAND DELIVERY**

The Honorable Morgan Zurn  
Court of Chancery  
Leonard L. Williams Courthouse  
500 N. King Street  
Wilmington, DE 19801

**Re: *In re AMC Entertainment Holdings, Inc. Stockholder Litigation,***  
**C.A. No. 2023-0215-MTZ**

Dear Vice Chancellor Zurn:

We write to provide the Court with stockholder exceptions to the Report and Recommendation of Special Master Regarding Objections to Proposed Settlement (the “Special Master’s Report”) (Trans. ID 70221082). While the Court’s May 3, 2023 letter to AMC stockholders (Trans. Id. 69944998) required AMC stockholders to file any exceptions to the Special Master’s Report with the Court and not submit them to counsel, several stockholders appear to have only provided their exceptions by sending them to the AMC settlement objections email address.

In order to ensure that the Court may consider these exceptions, to the extent the Court finds it appropriate, Plaintiffs’ counsel are providing these exceptions (to

the extent they were timely received by the 5:00 p.m. ET filing deadline today) to the Court as a courtesy. The exceptions are attached hereto as Exhibits A through B.

We are available at the Court's convenience should Your Honor have any questions about this matter.

Respectfully,

*/s/ Michael J. Barry*

Michael J. Barry (#4368)

**WORDS: 154**

cc: Raymond J. DiCamillo, Esq. (via File & ServeExpress)  
Kevin M. Gallagher, Esq. (via File & ServeExpress)  
Matthew W. Murphy, Esq. (via File & ServeExpress)  
Adriane M. Kappauf, Esq. (via File & ServeExpress)  
Edmond S. Kim, Esq. (via File & ServeExpress)  
Theodore A. Kittila, Esq. (via File & ServeExpress)  
Daniel Meyer, Esq. (via File & ServeExpress)  
Anthony Rickey, Esq. (via File & ServeExpress)  
Gregory V. Varallo, Esq. (via File & ServeExpress)

# **EXHIBIT A**

**From:** LIL' GREEN CANDLE LGC <fondais08@gmail.com>  
**Sent:** Tuesday, June 27, 2023 6:56 AM  
**To:** AMC Settlement Objections  
**Subject:** Judge Zurn... objections to recommendation

[External]

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In Re: AMC Entertainment Holdings Inc. Stockholders Litigation  
Consol. Cival Action No 2023-0215 MTZ

This Certified Member of the Class, Fonda, respectfully submits the following Exceptions to the Special Masters Analysis and Recommendations,

1. Post cards, they only sent 2,800 million of the 3,800 million. I got 2 of 3 cards in the middle of June, and the 3rd one still hasn't found it's way here. My son got one days after mine was delivered. My sister didn't receive one yet. Were they to be sent to each shareholder or to each account created? Was I (1) of the 3,800m or was I (2) of the 3,800m?
2. APE was presented to us as a divi, should have gave us a benefit, instead we woke up with approximately 40% of our money gone from our AMC portfolios and our voting rights manipulated, so defendants keep saying it was free to us but that's not true, we paid for those APE with 40% of our AMC, then the shorts came in and shorted what was left way down, they are the ones who received benefits of APE. They made the profits (no rewards to date for class). This RS will do the same thing again, instead of giving us our 40% back they want to take 90% away (give the APE back then immediately take 90% back with RS). We never benefit at all. And they behind closed doors made agreement to get the votes against shareholders wishes. And I'd like to add, when 20% or more shares are requested to be sold it must go thru shareholders approval which we we're never givin the opportunity to vote on. So when she says we didn't complain about getting APE had we known the TRUTH we would have denied creation of APE. And when it was created in disregard to our opinion, several shareholders did not recieve APE shares for weeks. Platforms kept us out from trading in the first trading hours while others were trading, and it plummeted (extremely shorted). None of this was fair to shareholders. The shares Antara bought are not voteable, the only APE with voting rights are the ones that were created with our 40%.
3. By the time they convert the shares and take 90% (RS) the 7.5 shares would be shorted also by 90%, my averages will be approx 100.00 per share, AMC will never be 100.00 a share again after this, I (and most others) will be deep in the red. And instead of having 740 shares at 10.25 per share, I will only have 75 shares at 102.50 per share, in one account. So instead of getting 7.5 to my 740, I'll only get 7.5 to 75. I have 2 other accounts, 9.20 average and 15.64 average currently.
4. She states that the amount of money isn't significant, it's significant to me and I am sure many others who put every extra dollar in this trade to improve our lives, only to be robbed in the US stock

market.

5. She disregarded our objections, in one case stating that using chat gpt was not in her opinion usable?? Did she not use a calculator, did she not use a computer or google? Also stating that some used Gunter letter as a template was dismissable. I say using tech shouldn't dismiss your opinions/facts. And using a friend's letter as a template in my opinion is not dismissable. But then she contradicts (this happens a lot throughout this recommendation) herself and says the yes votes didn't send letters but the letters that were sent covered them/their yes votes.

6. There were several misinformed responses in this proposed "settlement" from the Special Master. With all the evidence, this seems very one sided against the class, feels like the defendants wrote it! In my opinion.

7. The GUNTER proposal was very thought out and actually pretty fair. I would hope you will consider this. So many people put all they have into this and have lost most of it, not due to a bad trade, just unknowing to the depth of deception in this market. No one would believe the depth of it unless they personally experienced this past 3 years. Please, NO RS, AMC is not going to go bankrupt, they have been hitting records every month in recent months, he stated at one point that the debt was paid up to 2024, if I remember correctly. Thank you kindly for considering my concerns.

Fonda Furtivo

301 Sell Street

North Versailles PA 15137

724-234-5004

Total shares held in AMC starting in January 2021 to date approximately 1200 not including APE.

# **EXHIBIT B**

**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**

**EXCEPTIONS TO REPORT AND RECOMMENDATIONS OF SPECIAL  
MASTER REGARDING OBJECTIONS TO PROPOSED SETTLEMENT**

Interested party and Objector John Hartranett *pro se* respectfully submits his exceptions to the Report of the Special Master issued on July 21, 2023 (herein referred to as "RSM").

**Preliminary Statement**

The RSM leaves no recommendation to the settlement but imparts no doubt that the settlement should proceed while ignoring key issues addressed that do not align with a consistently clear predilection. The report favors existential events that were detrimental to AMC's common stockholders while bypassing others to maintain an untenable narrative of determined malfeasance by AMC's board of Directors and the AMC CEO, Adam Aron.

Objector John Hartranett takes exceptions to the Special Master's recommendation that the Court deny all objections to the settlement proposal for the followings reasons:

Honorable Vice Chancellor, connected to my concerns with this settlement are two late postcard deliveries,<sup>1</sup> the categorization of my first objection along with many others, as only an inquiry,<sup>2</sup> and the lack of notification from the court germane to my request to appear.<sup>3</sup> These stripped away any autonomous privilege I held as a common stockholder of AMC, which prompts this additional objection that I believe is of utmost importance to my fellow retail shareholders. Since some of us do not have the assets to attain proper counsel, as our funds are held in limbo by a coordinated market structure, I do not plan to waste the Court's time with irrelevant artifacts but with pertinent information about this settlement with the hopes to incorporate statements that I was eager to deliver in person.

## **1. COVID**

In many of the documents presented before the Court, the Covid 19 pandemic is utilized as evidence for AMC's inability to pay down debt, placing them on the brink of bankruptcy. The historical crisis is outside the confines of the legal reference, something common stockholders are asked to present, yet it is acceptable only for counsel to utilize. How is invoking Covid similar to the use of a legal argument? Evidence of Covid's damage is unmistakable. AMC suffered greatly from the pandemic. An uncontrolled event such as a biological pandemic is referenced, but before Covid, CEO Adam Aron's controlled decision is not referenced as part of

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<sup>1</sup>Exhibit 1: Appendix.

<sup>2</sup>RSM, 21

<sup>3</sup>Exhibit 2: Appendix.



AMC's debt. Both are great fulcrums for increasing debt.

Prior to adding Adam Aron as CEO of AMC, AMC ran a surplus each year of twenty-one million dollars from 2014-2016. After his installation as CEO of AMC, Adam Aron doubled the debt in quarter four of 2016 by purchasing failing dilapidated theatre chains Carmike and Odeon.<sup>45</sup> The deficit ballooned to three billion seven hundred and forty-six million dollars while also paying down the debt of both companies. In quarter one of 2017, Adam Aron purchased Nordic Cinema<sup>6</sup>, adding to the debt by one hundred and twelve percent, ignoring AMC's debt again, and paying down Nordic's debt. AMC's stock price dropped in quarter four of 2017 as various hedge funds shorted the stock. In quarter three of 2018, Adam Aron compounds the debt again by taking a toxic loan from Silverlake.<sup>7</sup> Since his hiring at AMC, there has been no concerted effort to pay down the liability, only to increase it with frivolous spending. Adam Aron single-handedly reversed the direction of the company's profit by creating an unprofitable company.

AMC's debt was well over four billion dollars in the COVID era—all self-inflicted. In three years, AMC had the opportunity to institute the policies associated with APE sans the moniker, but they had no incentive to do so. Just before COVID, Adam Aron did an interview on CNBC admitting to the rampant short-selling of the company.<sup>8</sup> On Jan 2, 2020, the stock price was 4.59 cents, as of this writing June 22,

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<sup>4</sup> <https://www.hollywoodreporter.com/movies/movie-news/amc-theatres-closes-odeon-uci-acquisition-become-largest-exhibitor-europe-world-951348/>

<sup>5</sup> <https://investor.amctheatres.com/newsroom/news-details/2016/AMC-Entertainment-Holdings-Inc.-Completes-Acquisition-of-Carmike-Cinemas-Inc.-Becomes-Largest-U.S.-Movie-Exhibitor/default.aspx>

<sup>6</sup> <https://deadline.com/2017/03/amc-entertainment-completes-acquisition-nordic-cinema-group-1202054080/>

<sup>7</sup> <https://www.fool.com/investing/2021/02/05/how-silver-lake-exited-amc-above-the-top/>

<sup>8</sup> CNBC, November 7<sup>th</sup>, 2019

2023, with no pandemic and slightly lowered debt, the price is \$4.53. Yet, we are told that a reverse stock split must occur to save the company.

## **2. APE ISSUANCE**

Opposition to the issuance of an increased number of shares to surge the circulation of common stock coincided with the concerns of the common stockholder ignored by the CEO of the possibility of the continued shorting of the stock (see above). These concerns are connected to the class's pleading for a share count. As Adam Aron omitted Computershare, Citigroup, and Antara's involvement in the issuance of APE during his Aug 4, 2022, Tweetstorm, he did promise several things that were fabrications but were advertisements to evoke confidence and conviction in his leadership with the hashtag #todaywepounce.<sup>9</sup>

The RSM downplays the relevance, the violating unethical complicity, illegality, lack of fiduciary duty, and illicit behavior associated with 'project popcorn.' The same shorting mentioned included Antara Capital, Citigroup, and others, which is not in the best interest of the common stockholder. While giving the bulk number of \$110 million dollars' worth of APE as a win for paying down debt, the report selectively neglects to mention that similarly chosen stock price of 0.66 cents to pay down the all-important debt. In an email dated, the price is decided ahead of time.<sup>10</sup>

The RSM continues to say, "I do not have any reason to believe any AMC stockholder objected to the issuance or distribution of the APES (or any of the terms

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<sup>9</sup> Twitter, Aug 4<sup>th</sup> 2022

<sup>10</sup> See image 4, Appendix.

of the APES) at the time."<sup>11</sup> Common stockholders were not given the option. Adam Aron's Tweetstorm imbued a sense of confidence and trust in him that the entire community embraced, unaware of the deleterious dealings with the same short hedge funds common stockholders were gravely concerned about. Essentially, he kept communicating with common shareholders on Twitter as a form of manipulation.

### **3. The CLASS IS PERSONA NON GRATA**

Despite the claims by both parties that they are looking out for the best interest of the class and shareholder rights are "sacrosanct,"<sup>12</sup> there are widespread reports of common stockholders not receiving their postcards before the deadline to file an objection(myself included), some receiving them in the following month, compounding a statement made by Special Master Amato that, "The volume of *Objections* received here is nothing short of eye-popping."<sup>13</sup> Within the same paragraph, their *Objections* were not recommended to have any significance.<sup>14</sup> The volume would have increased exponentially if the postcards were delivered as quickly as the free NFTs, Icees, and popcorn AMC CEO Adam Aron continually touts. Not once did he use his large following on Twitter to inform the shareholders of any information available to them on the Investor Connect website, nor did he share a link to locate the Honorable Vice Chancellor Zurn's first letter of contact to the common stockholders.

### **4. THE FALLACY OF REWARD**

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<sup>11</sup> RSM, 2

<sup>12</sup> Plaintiff's Brief, 37

<sup>13</sup> RSM, 29

<sup>14</sup> Ibid

In the RSM, the adequacy of the settlement is mentioned by the RSM, the Plaintiff's brief, and the Defendant's brief. Like the positing of forced class representation, all three presume another idea that is counterintuitive to reality. The "Award" to common stockholders will not hold value: Promoted by both parties and I am sure agreeable by both Antara and Citigroup, is the fallacious idea that "the class" is benefiting from the settlement agreement with the issuance of a free stock for every 7.5 that a common stockholder has AFTER the reverse stock split, i.e., they will be given one share.

***If I am correct:*** If I have 100 shares before the reverse stock split at 10:1, they will turn into ten shares. For every 7.5 of those shares, I will be awarded one share. This will leave me with 11.5 shares. The plaintiffs and Mr. Adam Aron<sup>15</sup> have stated that the price of AMC after this is completed would be around three dollars, yet the current price of AMC at the time of this writing is 5.03. My 100 shares (in the above example) at 5.03 equals=\$503.00. After the conversion for long-term investors, as the plaintiffs have noted as desirable<sup>16</sup>, 2.97<sup>17</sup> a share with 11.5 shares will equal \$34.27. There is no value in this example of the one share. The "award" does not give; it takes. It is then a cooperative stripping away value from the class as AMC did with the issuance of APE through their simultaneous conflict of interest agreement with Antara, Citigroup, and their issuing agent Computershare.

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<sup>15</sup> Twitter Apr 16<sup>th</sup> 2023

<sup>16</sup> Plaintiff's Brief pg. 10-11.

<sup>17</sup> Plaintiff's Brief pg. 30

Moreover, the board, in its willful neglect of the class, will, as in the past, allow for the shorting of AMC by facilitating bankruptcy they contest is looming. Adam Aron stated in a Tweet on Apr 16, 2023, "...it is every bit as easy to short a stock priced at \$3.00 as it is on a stock priced at \$30."<sup>18</sup>

## **5. TRUE CONCERN FOR BANKRUPTCY**

The Antara deal would have never occurred if the Board of Directors had been genuinely concerned about the prospect of bankruptcy and the loss of millions of dollars to the class. When enacting a deal of this magnitude, I would gladly posit that Antara and the CEO Adam Aron with approval from the Board of Directors decided on a price for APE to sell at the .66 cents, later lauded as a significant victory. They had clear opportunities to sell at much higher prices to remove a much more substantial portion of the debt that is mentioned as the enabler to an imminent bankruptcy, but they did not. The Plaintiff's brief justly describes the deal as a "windfall" for Antara.

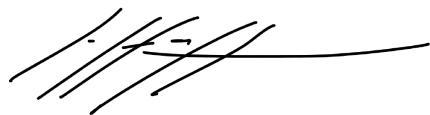
Retail common stock long positions are to aid in the resurgence of AMC and allow the Board of Directors to investigate an exponential number of short positions, including naked short positions. Still, they refuse to address this with urgent fervency. If bankruptcy were imminent, a short position would be a priority. Mitigating and tackling extensive short positions by companies like Antara and Citigroup will ultimately save the company from bankruptcy as short sellers refuse to close long-held positions that common stockholders have maintained and are

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<sup>18</sup> Twitter Apr 16<sup>th</sup> 2023.

owed a significant amount of interest on the borrowing of those stocks through rehypothecation of shares. In addition, a share count needs to occur, as there could be billions of counterfeit AMC shares on the market. Adam Aron tacitly addressed this but paid only lip service to his devoted common stockholders as per his usual behavior. He said APE "will have the impact of a share count"<sup>19</sup> to uncover short positions. It did nothing of the sort, but it did boost his credibility with his base and allowed retail investors to hold their positions long enough so that he could abscond with their equity.

With all due respect to the Court and the Honorable Vice Chancellor, I thank you for your time,

A handwritten signature in black ink, consisting of several overlapping diagonal strokes followed by a horizontal line.

John Hartranett, *pro se*

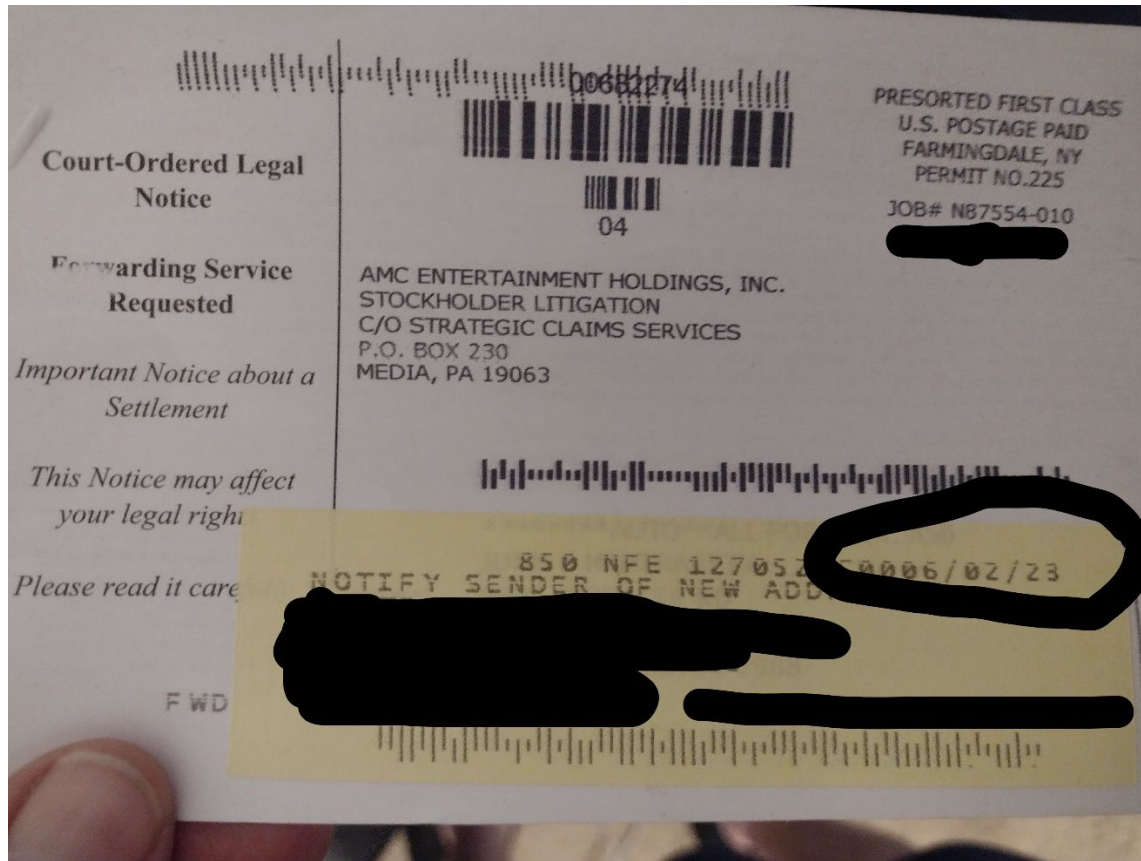
jhartranett@gmail.com

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<sup>19</sup> Exhibit 4: Appendix

## APPENDIX

### Exhibit1:



### Exhibit2:

<input type="checkbox"/>	928221	Allegheny County Employees' Retirement System 542 Forbes Ave #106 Pittsburgh, PA 15219	05/30/2023	2	Certified	<a href="#">92148902358909000021496434</a>	 
<input type="checkbox"/>	927877	Register in Chancery Court of Chancery of the State of Delaware New Castle County Leonard L Williams Justice Center 500 N. King Street Wilmington, DE 19801	05/22/2023	15			 
<input type="checkbox"/>	927873	Mr. John Mills Bernstein Litowitz Berger and Grossman LLP 1251 Avenue of the Americas AMC INVESTOR SUBMISSIONS New York, NY 10020	05/22/2023	21	Certified	<a href="#">92148902358909000021403173</a>	 

### Exhibit 3:

Microsoft Word - 2023-05-04 - UPI x +

← → ↻ https://s25.q4cdn.com/472643608/files/doc\_downloads/shareholder-meeting/2023/05/plaintiffs-affidavit-and-exhibits-filed-iso-settlement.pdf ☆

8 of 928 Automatic Zoom

**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>;

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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.

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**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

## Exhibit 4:





## Tweet



**Adam Aron**  
@CEOAdam



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](#)

