



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)

**REPORT AND RECOMMENDATION OF
SPECIAL MASTER REGARDING A. MATHEW'S MOTION TO DEPOSE**

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Special Master

Dated: May 24, 2023

PRELIMINARY STATEMENT

The Court has issued two opinions in this matter. I have also issued reports and recommendations, including one in which I recommended that the Court deny A. Matthew's ("Mr. Mathew") motion to intervene.¹ I incorporate the factual recitation from my prior reports herein and presume familiarity with the general nature of this dispute.

On May 11, 2023, Mr. Mathew filed a "Motion to Depose,"² in which he requested an order permitting depositions of AMC Chief Executive Officer Adam Aron and "other key individuals," including AMC executives and members of the AMC board of directors.³ I recommend that the Court deny this motion.

ANALYSIS AND RECOMMENDATION

I previously recommended that objectors have access to the existing discovery record,⁴ which the Court adopted in relevant part.⁵ In the Motion to Depose, Mr.

¹ Trans. ID 69924744; Trans. ID 70017448.

² Trans. ID 69996232.

³ Motion to Depose ¶ 5. The Court appointed me as a Special Master in this action. *See* Order Appointing Special Master ¶ 1 (Trans. ID 69885808); Letter to Counsel & Interested Parties from Vice Chancellor Zurn, dated May 2, 2023, Regarding Special Master's Authority (Trans. ID 69935078). A recommendation concerning the Motion to Depose falls within the scope of my authority.

⁴ Report and Recommendation of Special Master Regarding Class Member Access to the Discovery Record at 4-8 (Trans. ID 70051000).

⁵ Trans. ID 70053696.

Mathew is not seeking access to the existing discovery record but rather to take depositions to “prepare for trial.”⁶

The Motion to Depose assumes without stating that the Court has permitted Mr. Mathew to intervene, as he writes: “Interested Party [A. Mathew] has initiated this litigation against Defendants, inclusive of Adam M. Aron, predicated upon allegations of fraud, breach of fiduciary duty, securities fraud, and other related claims.”⁷ He writes further that the depositions are “necessary to thoroughly explore the circumstances surrounding the alleged misconduct.”⁸ As mentioned above, I recommended that the Court deny Mr. Mathew’s request to intervene.⁹ On this basis, I recommend that the Court deny the Motion to Depose.

Even if I view the Motion to Depose as an objector’s post-settlement request for merits discovery, I still recommend that the Court deny it. “Normally, post-settlement agreement merits discovery is not allowed, except in very narrow circumstances.”¹⁰ The Court might permit an objector to take reasonable discovery

⁶ Motion to Depose ¶ 3; *see also id.* ¶¶ 8, 9 (seeking deposition testimony to prepare for trial).

⁷ *Id.* ¶ 1.

⁸ *Id.* ¶ 5.

⁹ Trans. ID 70017448. The Court has not yet had the opportunity to adopt or reject that recommendation.

¹⁰ *In re MAXXAM Inc.*, 1994 WL 449106, at *1 (Del. Ch. Aug. 5, 1994) (citing *In re Amsted Indus., Inc. Litig.*, 521 A.2d 1104, 1108-09 (Del. Ch. 1986) and *In re Mobile Commc’ns Corp. Consol. Litig.*, 1989 WL 122038 (Del. Ch. Oct. 16, 1989)).

if there is a “*prima facie* showing of bad faith or conflicting interests” or a class representative “failed to properly explore through discovery or otherwise the merits of the case and defenses” before agreeing to the settlement.¹¹ In those “unusual case[s],” an objector may be entitled to seek “narrow, specific and targeted” discovery.¹²

Mr. Mathew does not reference this standard in the Motion to Depose, and his arguments fall far short of the showing necessary to satisfy it. He contends that the depositions will enable him to “strengthen” and “to build a more robust case,”¹³ but has made no showing that the class representative failed to sufficiently use discovery to explore the matter before reaching an agreement to settle. Nor does Mr. Mathew seek narrow, specific or targeted discovery. Accordingly, I recommend that the Court DENY the Motion to Depose.

Dated: May 24, 2023

PRICKETT, JONES & ELLIOTT, P.A.

/s/ Corinne Elise Amato

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Special Master

¹¹ *Amsted*, 521 A.2d at 1108-09.

¹² *Id.* at 1109.

¹³ Motion to Depose ¶¶ 6, 7.

CERTIFICATE OF SERVICE

I, Corinne Elise Amato, certify on this 24th day of May, 2023, that I caused a copy of the foregoing *Report and Recommendation of Special Master Regarding A. Mathew's Motion to Depose* to be served via File & ServeXpress on the following counsel of record:

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I further certify that, on May 24, 2023, I caused a true and correct copy of the *Report and Recommendation of Special Master Regarding A. Mathew's Motion to Depose* to be served via email upon the following Pro Se parties:

Via Email by File and ServeExpress:

A. Mathew
Alfromdc202@gmail.com

/s/ Corinne Elise Amato
Corinne Elise Amato (#4982)