



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 FOR DISCOVERY OF ALLEGHENY PLAINTIFF'S
TRADING HISTORY AND INVESTIGATION AND MOTION
FOR ISSUANCE OF STOCK CERTIFICATE**

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Special Master

Dated: June 8, 2023

REPORT AND RECOMMENDATION

This report and recommendation addresses A. Mathew's ("Mathew") Motion for Issuance of Stock Certificate¹ ("Motion for Stock Certificate") and Motion for Discovery of Allegheny Plaintiff's Trading History and Investigation² ("Motion for Allegheny Discovery" and together, the "Motions").

Before addressing the Motions, I offer a few observations. Mathew is not a party to this action. I previously recommended that the Court deny Mathew's motion to intervene and Mathew did not take exception to that recommendation.³ Mathew is also not an objector as he did not submit a signed objection with proof of ownership by May 31, 2023.⁴ However, Mathew has filed numerous motions, letters and nearly 800 pages of memoranda (untethered to any motion) since April 25, 2023. In fact, the instant Motions are Mathew's eighth and ninth motions out of a current total of eleven motions. Many of these filings raise issues that are far beyond the claims and defenses in this action and improperly seek discovery and other relief

¹ Trans. ID 70138148. The Court has issued opinions in this matter and I have issued reports and recommendations. I, therefore, presume familiarity with the general nature of this dispute.

² Trans. ID 70134951.

³ Trans. ID 70017448.

⁴ Mathew filed a statement indicating that he owns AMC securities on June 7, 2023.

from non-parties.⁵ The instant Motions are no different and I recommend that the Court deny them.

In the Motion for Stock Certificate, Mathew seeks “a total count of stock certificates on file through the Depository Trust Clearing Corporation” to “authenticate shares from digital book entries by market makers.”⁶ Mathew claims that AMC Entertainment Holdings, Inc. (“AMC”) stockholders have been denied their right to a complete share count and seeks stock certificates, in effect, to audit AMC’s stock list.⁷

In the Motion for Allegheny Discovery, Mathew seeks discovery from one of the plaintiffs, Allegheny County Employees’ Retirement System (“Allegheny”), pursuant to Court of Chancery Rule 26.⁸ Mathew claims there are (unidentified) “significant discrepancies” in Allegheny’s quarterly investment reports and is concerned about a purported “sudden and drastic increase in [Allegheny’s] hedge

⁵ See, e.g., Trans. ID 69908660 (seeking discovery to ascertain the identity of the Twitter profile named Shlomo Zussman); Trans. ID 69915564 (seeking to add the Depository Trust & Clearing Corporation and its parent company as defendants); Trans. ID 69995935 (seeking to add Citigroup as a defendant); Trans. ID 69996168 (seeking the unsealing of documents in cases purportedly involving AMC in other jurisdictions); Trans. ID 69996232 (moving to depose a variety of non-parties).

⁶ Motion for Stock Certificate at 1, 7 (of the PDF).

⁷ *Id.* at 5, 7 (of the PDF).

⁸ Mathew identifies Court of Chancery Rule 26(a)(1)(A)(ii) as the basis for the Motion for Allegheny Discovery. No such subsection exists but I presume that Mathew intends to seek discovery generally under Rule 26(a).

fund allocations.”⁹ He believes this “calls into question” Allegheny’s ownership of both APE and AMC shares.¹⁰ Mathew makes other vague and unsubstantiated claims regarding Allegheny’s possible misuse of funds and potential improper connections with Crestline Capital and short sellers of AMC stock.¹¹ There is no discernable substance to these claims but Mathew asks the Court to take up the charge and “investigate” these issues.¹²

Although Mathew identifies as a “pro se intervenor,” he has not intervened in this action.¹³ Thus, Mathew is not a party and seeks discovery premised upon unverified allegations. I view this as a sufficient basis to recommend that the Court deny both Motions.

⁹ Motion for Allegheny Discovery at 1 (of the PDF).

¹⁰ *Id.* Mathew’s extensive memoranda include similarly vague and unverified allegations regarding Allegheny’s quarterly reports and stockholdings that are also facially unreliable. For example, Mathew references Allegheny’s publicly available quarterly reports claiming that they show that Allegheny did not hold AMC stock in certain quarters and therefore could not have continuously held AMC stock. *See* AMC Memorandum 1 at 5-13 (Trans. ID 70110717). Mathew, however, appears focused on lists in these reports that identify Allegheny’s top 10 weighted stocks, top 10 performing stocks (by quarter) and bottom 10 performing stocks (by quarter). *Id.*; *Pension Fund Reports*, ALLEGHENY COUNTY, <https://www.alleghenycounty.us/retirement/reports/reports.aspx> (last visited June 3, 2023). AMC stock is not identified in these charts in every quarterly report but there is nothing remarkable about that since these charts are not, as is evident from their titles, intended to be exhaustive lists of Allegheny’s stock holdings.

¹¹ Motion for Allegheny Discovery at 2 (of the PDF).

¹² *Id.*

¹³ Ct. Ch. R. 144(c).

There are also other reasons supporting that recommendation. I previously recommended that the Court deny similar requests for discovery directed at an AMC stock count.¹⁴ The logic behind those recommendations applies here because Mathew does not even attempt to make the requisite showing for additional discovery under *In re Amsted Industries, Inc. Litigation*, 521 A.2d 1104, 1108-09 (Del. Ch. 1986)¹⁵ and could have accessed, but chose not to access, the existing discovery record to investigate that issue.

In addition, Mathew's speculation about—and requests that the Court investigate—Allegheny's AMC stockholdings, possible misuse of funds and potential conflicts do not rise to the level of a *prima facie* showing of bad faith or conflicting interests required to obtain post settlement agreement merits discovery.¹⁶

¹⁴ Report and Recommendation of Special Master Regarding Etan Leibovitz's Rule 5.1 Notice of Challenge and Omnibus Motion at 3 (Trans. ID 70071905); Report and Recommendation of Special Master Regarding Certain Motions Filed by Jordan Affholter and Etan Leibovitz's Notice of Motion Oral Argument Requested at 10 (Trans. ID 70101662).

¹⁵ I described this showing in prior reports and recommendations that address motions Mathew filed. *See, e.g.*, Report and Recommendation of Special Master Regarding Certain Motions Filed by A. Mathew at 4-5 (Trans. ID 70029295); Report and Recommendation of Special Master Regarding A. Mathew's Motion to Depose at 2-3 (Trans. ID 70051594).

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

Accordingly, I recommend that the Court DENY the Motions.

Dated: June 8, 2023

PRICKETT, JONES & ELLIOTT, P.A.

/s/ Corinne Elise Amato

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Special Master

CERTIFICATE OF SERVICE

I, Corinne Elise Amato, certify on this 8th day of June, 2023, that I caused a copy of the foregoing *Report and Recommendation of Special Master Regarding A. Mathew's Motion for Discovery of Allegheny Plaintiff's Trading History and Investigation and Motion for Issuance of Stock Certificate* to be served via File & ServeXpress on the following counsel of record:

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I further certify that, on June 8, 2023, I caused a true and correct copy of the *Report and Recommendation of Special Master Regarding A. Mathew's Motion for Discovery of Allegheny Plaintiff's Trading History and Investigation and Motion for Issuance of Stock Certificate* to be served via email upon the following Pro Se parties:

Via Email by File and ServeExpress:

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/s/ Corinne Elise Amato

Corinne Elise Amato (#4982)