



HEDGE FUND SOLUTIONS



# CATALYST EQUITY RESEARCH REPORT™

Weekly Research Highlighting Activist Investments

 **THE OFFICIAL ACTIVIST INVESTING BLOG**  
THE DEFINITIVE SOURCE FOR  
ACTIVIST SHAREHOLDER INFORMATION



THE CONFERENCE BOARD

**OLSHAN**  
OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP

**Georgeson**

**Schulte Roth & Zabel**

**MACKENZIE  
PARTNERS, INC.**

 **SSG**  
CAPITAL ADVISORS, LLC

**Innisfree**  
M&A Incorporated

**LH** **LAUREL HILL**  
ADVISORY GROUP

 **The Altman Group**

Subscribe to receive this **FREE** Report emailed weekly.  
[www.hedgerelations.com/research.html](http://www.hedgerelations.com/research.html)

**HIGHLIGHTING ACTIVIST INVESTMENTS***Week Ending December 3, 2010*

SYMBOL	COMPANY	INVESTOR
CTO	Consolidated Tomoka Land Co	Wintergreen Advisers
LGF	Lions Gate Entertainment Corp	Carl Icahn
MPG	MPG Office Trust	Aristeia Capital; Caspian Capital
RLH	Red Lion Hotels Corp	Columbia Pacific Opportunity
SGF	Singapore Fund	The City of London Investment

**HEDGE FUND SOLUTIONS (HFS)** provides investment research, strategy and stakeholder communications consulting to companies and investors interested in, or involved with, shareholder activist campaigns. Since 2001 HFS has become the trusted advisor to numerous institutional investors, CEOs and board members worldwide. HFS also administers The Official Activist Investing Blog™, the definitive source for activist shareholder information.



**Catalyst Investment Research™** is a portfolio of activist investing research products that combine company-specific shareholder activism research with deep value investment analysis and access to industry insiders.

**HEDGE FUND SOLUTIONS' PORTFOLIO OF ACTIVIST INVESTING RESEARCH INCLUDES:**

- Daily Email Alerts
- Weekly Summary of Activist Investments
- Quarterly Buying Analysis of Top 50 Activist Investors
- Company-Specific Shareholder Activism Analysis (combining shareholder activism & deep value company analysis)
- Special Reports on Activist Investing
- 400+ Page Shareholder Activism Report & Regularly Updated Shareholder Activism Resource Portal

**To Learn More:** Download a brochure <http://www.hedgerelations.com/CIR/CIR%20Brochure.pdf>

**Consolidated Tomoka Land Co. (CTO)****Activist Investor:** Wintergreen Advisers**Investor Info**

Shares	1,543,075
% Outstanding	27.0%
Cost Basis	57.48

**Company Info**

Share Price	27.60
Revenue	13M
Market Cap	158M
Enterprise Value	170M
Net Cash	-13M
EBITDA	2M
52 wk. range	26.19 – 37.10
EV/EBITDA	101

**Catalyst Info****Catalyst:**

On November 23 Wintergreen nominated one individual for election to the board at CTO's next annual meeting. Wintergreen also submitted a proposal to de-stagger the board so all directors are elected annually.

**Comment:**

*We previously covered CTO in numerous Catalyst Research Reports (most recently on April 16, 2010), highlighting letters Wintergreen had sent to the board disclosing concerns with the Company's slow response to unlock value.*

*On March 9 2009 Wintergreen filed a proxy in order to replace three directors at the annual meeting (2 nominees were elected). Wintergreen also submitted shareholder proposals to (i) declassify the board, (ii) separate the positions of Chairman and CEO (adopted by the new board), and (iii) ensure the board consist of no more than 11 people (adopted and included in amended bylaws effective April 30, 2010).*

*On December 10 2009 Wintergreen delivered three shareholder proposals for inclusion in the Company's 2010 proxy materials: (i) nominate one independent candidate for election to the board (nominees was elected), (ii) implement an annual shareholder referendum on executive compensation (proposal was adopted), and (iii) require majority vote for election of all directors in uncontested elections (adopted).*

*On April 12 2010 Wintergreen sent letters to CTO stating that the Company's proxy did not adequately disclose information regarding company investments, executive compensation and operating practices.*

**Lions Gate Entertainment Corp. (LGF)****Activist Investor:** Carl Icahn**Investor Info**

Shares	44,772,451
% Outstanding	37.13%
Cost Basis	Not Avail

**Company Info**

Share Price	7.36
Revenue	1.62B
Market Cap	994M
Enterprise Value	1.7B
Net Cash	-738M
EBITDA	-3M
52 wk. range	4.81 – 7.38
EV/EBITDA	Negative

**Catalyst Info****Catalyst:**

On November 26 Icahn nominated 5 people to be elected to LGF's 12-person board at the annual meeting scheduled for December 14, 2010. On December 3 Icahn presented his case to ISS and on December 6 launched a website to support the proxy contest. Connections to the website and various investor presentations can be found on our blog <http://activistinvesting.blogspot.com/>

**Comment:**

*We previously covered LGF in numerous Catalyst Research Reports (most recently on September 3, 2010), highlighting Icahn's steady increase in ownership since late October 2008. On February 23, 2009 Icahn announced he may seek to add nominees to LGF's board at the next annual meeting or at a special meeting. On March 11 2009 Icahn issued a press release announcing that discussions with LGF regarding the possibility of having a number of Icahn's designees added to the board had been terminated.*

*On July 9 2009 LGF entered into a settlement agreement with Mark Rachesky from MHR Group (a significant shareholder and director of the Company (and also Icahn's former investment officer) agreeing to nominate him to the board.*

*On February 16 2010 Icahn announced a tender offer to purchase up to 13,164,420 shares of Lions Gate for \$6.00 per share which, together with the shares he already own, would constitute 29.9%. On March 19 Icahn offered to purchase ALL of LGF for \$6.00 per share. On March 22 LGF rejected his bid as too low. On April 15 Icahn raised his takeover offer from \$6 to \$7 per share in cash.*

*On July 26 Icahn commented on LGF's transaction with Mark Rachesky stating that the \$100M senior subordinated note transaction (the notes were convertible into 16,236,305 shares at a price of \$6.20 per share), sold to Rachesky via a third party (and immediately converted into shares - resulting in Rachesky owning 28.9% of LGF) was done in an attempt to shield the board from losing a proxy contest against him.*

*On August 31 Icahn raised his unsolicited tender offer to acquire LGF from \$7.00 to \$7.50/share in cash.*



Proxy Solicitor to Lions Gate

**MPG Office Trust (MPG)****Activist Investor:** *Aristeia Capital; Caspian Capital***Investor Info**

Shares	1,256,346
% Outstanding	12.5%
Cost Basis	Not Avail

**Company Info**

Share Price	2.41
Revenue	460M
Market Cap	117M
Enterprise Value	4B
Net Cash	-3.9B
EBITDA	227M
52 wk. range	1.20 – 4.60
EV/EBITDA	17.6

**Catalyst Info****Catalyst:**

On November 29 Aristeia Capital and Caspian Capital formed an investment group in order to shares the cost associated with calling a special meeting to elect two new directors to MPG.

**Comment:**

*Under the terms of MPG's Articles Supplementary for the Preferred Stock, a failure to pay dividends on the preferred stock for six consecutive quarters allows the holders of the preferred stock to vote as a single class to elect two additional directors until all dividends in arrears are paid.*

*On November 9, 2010 MPG indicated that due to its current liquidity position and the availability of substantial net operating loss carryforwards, it does not expect to pay dividends and distributions on the Preferred Stock for the foreseeable future. According to the Form 10-Q, as of October 31, 2010, the eight missed dividend payments total \$38.1 million.*

**Red Lion Hotels Corp (RLH)****Activist Investor:** *Columbia Pacific Opportunity Fund***Investor Info**

Shares	4,158,976
% Outstanding	22.3%
Cost Basis	Not Avail

**Company Info**

Share Price	8.11
Revenue	162M
Market Cap	151M
Enterprise Value	273M
Net Cash	-120M
EBITDA	24M
52 wk. range	4.37 – 8.08
EV/EBITDA	11.5

**Catalyst Info****Catalyst:**

On December 1, 2010 Columbia Pacific stated their belief that RLH should consider a sale of one or more assets. Furthermore, Columbia stated they may be interested in acquiring certain assets.

**Comment:**

*We previously covered RLH in our February 13, 2009 Catalyst Research Report, highlighting a letter from Columbia to RLH expressing their disappointment in the Board's decision to adopt a poison pill. Columbia, who has previously expressed an interest in acquiring RLH, demanded the Board remove the pill and begin the process of liquidation or sale of the Company to return value to shareholders in the timeliest manner possible. At the time of Columbia's letter in early 2009, RLH stock was trading around \$2.60/share.*

**Singapore Fund (SGF)****Activist Investor:** *City of London Investment Group***Investor Info**

Shares	2,359,100
% Outstanding	24.85%
Cost Basis	11.41

**Company Info**

Share Price	16.22
Revenue	3M
Market Cap	153M
Enterprise Value	148M
Net Cash	6M
EBITDA	N/A
52 wk. range	11.75 – 14.35
EV/EBITDA	N/A

**Catalyst Info****Catalyst:**

On December 1 City of London stated their belief that SGF's board has allowed the closed end fund's shares to trade at a persistent discount to net asset value (NAV) for far too long. Furthermore, City of London pointed out that at the Fund's June 2, 2010 annual meeting stockholders voted by a margin of 4:1 to approve a non-binding proposal for the Fund to conduct semi-annual tender offers for 10% of the Fund's shares at 98% of NAV. Despite the vote, SGF has not implemented a buyback.

**Comment:**

*As of December 3, 2010 SGF was trading at a -6.13% discount to its NAV.*

**CONTACT INFORMATION:****Hedge Fund Solutions, LLC**

Damien J. Park

Tel. +1 215.325.0514

[dpark@hedgerelations.com](mailto:dpark@hedgerelations.com)

FREE Subscription to the weekly report:

<http://www.hedgerelations.com/research.html>or Email: [research@hedgerelations.com](mailto:research@hedgerelations.com)

The *Catalyst Equity Research Report™* is a general circulation weekly. Hedge Fund Solutions and/or its affiliates (the "Firm") may have a consulting relationship with the companies featured in this report (the "Companies"). The Firm may also actively trade in the securities of the Companies for its own account. At any time, the Firm, funds it manages and/or its employees or their family members may have a long or short position in registered or non-registered securities or in options on any such security of any company mentioned in this report.

The information contained in this report is not a complete analysis of every material fact with respect to the company, industry, or security and is not an offer or solicitation to buy or sell any security. Although opinions and estimates expressed in this report reflect the current judgment of the Firm, the information upon which such opinions and estimates are based is not necessarily updated on a regular basis. In addition, opinions are subject to change without notice. The Firm from time to time may perform consulting services for companies mentioned in this report and may occasionally possess material, nonpublic information regarding such companies. This information is not used in the preparation of this report. Facts and other information contained in this report have been obtained from the public sources considered reliable but are not guaranteed in any way.

## Hedge Fund Solutions' Portfolio of Activist Investing Products Catalyst Investment Research™

**Daily: Email Alerts****Weekly: Catalyst Equity Research Report™****Quarterly Buying Analysis Top 50 Activist Investors**

Name	Buy Date	Buy Price	Buy Volume	Buy Value
1. BlackRock	12/15/09	12.15	10,000,000	121,500,000
2. Vanguard	12/15/09	12.15	8,000,000	97,200,000
3. State Street	12/15/09	12.15	6,000,000	72,900,000
4. Fidelity	12/15/09	12.15	5,000,000	60,750,000
5. T. Rowe Price	12/15/09	12.15	4,000,000	48,600,000

**Specific Activist Target Catalyst Investment Research™****Special Reports****Shareholder Activism Report & Resource Portal****Download a Brochure**

<http://www.hedgerelations.com/CIR/CIR%20Brochure.pdf>

## PLATINUM SPONSORS – Legal Advisers



**Olshan Grundman Frome Rosenzweig & Wolosky LLP** is a law firm dedicated to providing personal service tailored to the specific requirements and concerns of the firm's clients. Olshan is widely recognized as a preeminent law firm in the activist strategy area, and represents experienced activist investors, funds new to the activist area, as well as other investment and hedge funds. Olshan has extensive experience advising clients in a wide range of activist strategies, from private negotiations with management to public, high profile proxy contests, including expertly and efficiently handling litigation relating to activist matters. We also specialize in mergers and acquisitions and hostile takeovers, with extensive expertise in these matters. Olshan's highly regarded attorneys provide a full range of legal services and are uniquely positioned to provide expert advice regarding the complicated and nuanced legal issues facing activist investors today.

**Contact:**

Steve Wolosky, Partner  
Email: [swolosky@olshanlaw.com](mailto:swolosky@olshanlaw.com)  
Tel: +1 212.451.2333

---

**Schulte Roth and Zabel LLP**, one of the leading law firms in the activist investing area, has been involved in some of the highest-profile campaigns facing the business world in recent years. Serving both activist-only and occasional activists, the firm advises on federal securities law, state corporate law, Hart-Scott-Rodino, proxy rules and related matters, as well as handling investigations and litigations arising out of clients' activist activity. The firm, with over 450 lawyers in offices in New York, Washington, D.C., and London, has a long history of serving private equity and hedge fund clients.

### SchulteRoth&Zabel

**Contact:**

Marc Weingarten, Partner  
Email: [marc.weingarten@srz.com](mailto:marc.weingarten@srz.com)  
Tel: +1 212.756.2280

---



## PLATINUM SPONSORS – Proxy Advisors



**The Altman Group** is a full service proxy solicitation firm whose senior professionals have over 250 years of industry experience. We have developed one of the most experienced proxy fight teams in the industry, having been retained in 46 contested solicitations over the past 3 years alone – and our 80% win record is unequaled. We were presented with the 2008 TOPS Award recognizing the firm with the highest rated proxy solicitation practice (the third consecutive win for us). We provide strategic consulting, shareholder identification, institutional and proxy advisory firm insight and advanced proxy solicitation services.

**Contact:**

Paul Schulman, Executive Managing Director  
 Email: [pschulman@altmangroup.com](mailto:pschulman@altmangroup.com)  
 Tel: +1 201.806.2206

**Georgeson Inc.** is the world's leading provider of strategic proxy and corporate governance advisory services to corporations and shareholder groups working to influence corporate strategy. For over half a century, Georgeson has specialized in complex solicitations such as hostile and friendly acquisitions, proxy contests and takeover defenses. For eight consecutive years, Georgeson has been ranked the No. 1 proxy solicitor for M&A transactions in the US.



Georgeson's experts include former corporate secretaries who have worked toward successful outcomes with activist investors, former directors of US research at RiskMetrics, M&A attorneys, and the most experienced proxy solicitation team in the industry.

**Contact:**

Rachel Posner, Senior Managing Director and General Counsel  
 Email: [rposner@georgeson.com](mailto:rposner@georgeson.com)  
 Tel: +1 212.440.9921

**Innisfree M&A Incorporated** is a full service proxy solicitation/investor relations firm providing clients with sound tactical and strategic advice and results-oriented implementation in proxy and consent solicitations (whether friendly or contested), tender and exchange offers, mergers, rights offerings, strategic restructurings and other domestic and cross-border transactions requiring action by public security-holders. We provide expert consulting services on a wide range of matters, including executive compensation proposals, corporate governance issues and investor relations.



Innisfree's reputation derives from our success in complex and/or contested situations. Key to that success is our ability to track, identify and understand the shifting dynamics of a company's security-holder base and provide battle-tested advice based on that information. We are convinced, and our unrivaled record demonstrates, that this refined, analytical based approach enables us to deliver the extraordinary results our clients expect.

**Contact:**

Arthur Crozier, Co-Chairman  
 Email: [acrozier@innisfreema.com](mailto:acrozier@innisfreema.com)  
 Tel: +1 212.750.5837

**MacKenzie Partners, Inc.** is a full-service proxy solicitation, investor relations and corporate governance consulting firm specializing in mergers-and-acquisitions related transactions. The firm has offices in New York City, Los Angeles, Palo Alto and London.



MacKenzie's services include corporate governance consulting, security holder solicitations, information agent services for tender and exchange offers, beneficial ownership identification, market surveillance and associated financial, investor and media relations services. We work in close partnership with our client's attorneys, investment bankers and other consultants, providing advice and counsel at each stage of the transaction.

**Contact:**

Mark Harnett, President  
 Email: [mharnett@mackenziepartners.com](mailto:mharnett@mackenziepartners.com)  
 Tel: +1 212.929.5877

## GOLD SPONSORS

**Laurel Hill Advisory Group** is a full service, cross-border proxy solicitation firm whose partners and associates are highly recognized in the areas of corporate governance, shareholder activism, and mergers & acquisitions. Laurel Hill was founded in late 2007 by a team of experienced professionals who have worked on over a hundred proxy fights and deals in the U.S. and Canada in the past two years. We are the fastest growing proxy firm in North America providing expertise in corporate governance consulting, shareholder identification, corporate actions (tender offers, consent solicitations), strategic proxy solicitation advisory services, and shareholder asset recovery programs.



**Contact:**

John O'Grady, Vice President

E-mail: [jogrady@lhsecurities.com](mailto:jogrady@lhsecurities.com)

Tel: +1 917.338.3187

---

**SSG Capital Advisors, LLC ("SSG")** is a nationally recognized independent investment bank that assists public companies, as well as their stakeholders in providing strategic alternatives analysis including sales and acquisitions, optimizing capital structures, evaluating dividends and share buyback programs, business unit divestitures, monetization of intellectual property, preservation of NOL's, PIPEs, and strategic investments such as joint ventures. As a specialist in maximizing shareholder value we offer the expertise our clients need in today's complex and ever changing financial markets. Since 2001, SSG has successfully completed over 160 investment banking assignments on behalf of clients throughout North America and Europe.



**Contact:**

Mark Chesen, Managing Director

Email: [mchesen@ssgca.com](mailto:mchesen@ssgca.com)

Tel: +1 610.937.2356

---