



HEDGE FUND  
SOLUTIONS



## CATALYST EQUITY RESEARCH REPORT™

Weekly Research Highlighting Activist Investments

APB  
FINANCIAL  
GROUP

OLSHAN

Schulte Roth & Zabel

MACKENZIE  
PARTNERS, INC.

Alliance  
ADVISORS

Innisfree  
M&A Incorporated

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

**HIGHLIGHTING ACTIVIST INVESTMENTS***Week Ending September 5, 2014*

SYMBOL	COMPANY	INVESTOR
AGN	Allergan, Inc.	Valeant; Pershing Square
ARIA	Aria Pharmaceuticals	Sarissa Capital
BTH	Blyth, Inc.	GAMCO Investors
BXE	Bellatrix Exploration Ltd	Orange Capital
CNMD	ConMed Corporation	Voce Capital
CPWR	Compuware Corporation	Elliott Associates
DDXS	diaDexus, Inc.	Norman Pessin
DRI	Darden Restaurants	Starboard Value
FDO	Family Dollar Store	Dollar General
GPX	GP Strategies Corp	Sagard Capital
LJPC	La Jolla Pharmaceuticals	Tang Capital
LTM	Life Time Fitness	Marcato Capital
NE	Noble Corp	Fir Tree Inc.
PBIP	Prudential Bancorp	Lawrence Seidman
RLD	RealD Inc.	Starboard Value
RLOG	Rand Logistics	JWest LLC
TRGT	Targacept Inc.	Biotechnology Value Fund
WAG	Walgreen Co	Jana Partners
WTSL	Wet Seal Inc.	Clinton Group

**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>

**Allergan Inc. (AGN)****Activist Investor:** Pershing Square; Valeant Pharmaceuticals**Investor Info**

Shares	28,878,538
% Outstanding	9.7%
Cost Basis	Not Avail

**Company Info**

Share Price	167.00
Revenue	6.7B
Market Cap	49B
Enterprise Value	48B
Net Cash	1.6B
EBITDA	2.3B
52 wk. range	86.95 – 174.49
EV/EBITDA	21.4

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

Allergan issued a press release announcing that it has received written requests from more than 25% of shareholders to call a special meeting. The special meeting is now scheduled for Dec 18.

**Comment:**

*We initially covered AGN on April 21 when Pershing Square announced it was teaming up with Valeant to purchase Allergan, offering \$46B (\$48.30 cash and 0.83 Valeant shares).*

*On May 19 Pershing Square issued an open letter concerning AGN's governance failures, including the CEO's conflict of interest in supporting a merger with Valeant since he will likely lose his job as a result of the transaction.*

*On May 13 Pershing Square called for a shareholder referendum on the merger proposal, requesting the company call a non-binding vote to hear what shareholders think about the deal.*

*On May 12 Pershing Square submitted a 220 Demand to review AGN's stocklist materials*

*On June 2 Pershing Square called for a special meeting of AGN shareholders in an effort to change six directors. In a statement, Bill Ackman from Pershing Square stated, "We believe the market has spoken, and that shareholders see substantial value in Valeant's revised proposal," adding, "to date, the board has refused to engage with Valeant in any way regarding a merger..."*

*On May 27 Pershing Square/Valeant submitted a revised proposal to acquire AGN for 0.83 Valeant shares and \$58.30 in cash per share (up from \$48.30/share in cash).*

*On May 30 Pershing Square/Valeant increased its offer for AGN a second time to \$72/share in cash and 0.83 Valeant shares for a total consideration of \$179.25/share based on Valeant's closing price of May 29. The second offer was also rejected.*

*Pershing filed a lawsuit in Delaware seeking confirmation that Allergan's poison pill will not be triggered by efforts to call a special meeting. The lawsuit was settled, confirming that the solicitation of proxies to call a special meeting does not trigger the company's poison pill.*

*On July 7 Pershing Square announced a slate of 6 nominees for election to the board at a special meeting.*

*On July 17 Pershing Square hosted a webcast to discuss Allergan (info about this can be found at the website [www.advancingallergan.com](http://www.advancingallergan.com)) and issued a presentation it gave to ISS relating to its call for a special meeting to replace directors with those who will engage with Valeant on its acquisition offer.*

**Pershing Square's presentation to ISS is available here:**

<http://www.sec.gov/Archives/edgar/data/850693/000119312514270746/d758703ddf14a.htm>

*On July 30 Pershing Square sent a letter to ISS highlighting the Company's newly added onerous terms for calling a special meeting.*

*On August 1 Allergan commenced a federal securities action against Pershing Square and Valeant, claiming insider trading violations when Valeant "tipped" Pershing to its intended offer for AGN.*

<http://advancingallergan.com/app/uploads/2014/08/Exhibit-A.pdf> Pershing responded saying the claims are baseless. <http://www.sec.gov/Archives/edgar/data/850693/000119312514291813/d768543ddf14a.htm>

*On August 6 ISS and Glass Lewis recommended AGN shareholders support Pershing's effort to call a special meeting. A copy of the PS/Valeant press release is available here:*

<http://www.sec.gov/Archives/edgar/data/850693/000119312514298792/d771221ddf14a.htm>

*On August 13 Pershing Square updated its LPs on the Allergan bid in its investor letter.*

<http://www.scribd.com/doc/236712968/Pershing-Sqr-IQ-2Q-2014-Investor-Letter-1-1>

*On August 22 Pershing/Valeant delivered a request from 31% of shareholders to call a special meeting, exceeding the requisite 25%.*

<http://www.sec.gov/Archives/edgar/data/850693/000119312514319182/d779136ddf14a.htm>

**Ariad Pharmaceuticals (ARIA)****Activist Investor:** Sarissa Capital**Investor Info**

Shares	12,850,000
% Outstanding	6.87%
Cost Basis	3.75

**Company Info**

Share Price	6.05
Revenue	37M
Market Cap	1.1B
Enterprise Value	974M
Net Cash	157M
EBITDA	-236M
52 wk. range	2.15 – 23.00
EV/EBITDA	Negative

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

Sarissa requested a waiver relating to the company's NOL Poison Pill in order to increase its ownership to 9.9%. The request was denied and ARIA claims the public request is a breach under the Feb 2014 standstill agreement.

**Comment:**

*On October 29, 2013 Sarissa Capital disclosed a 6.22% “active” stake in ARIA and disclosed plans to seek board representation.*

*On February 21, 2014 ARIA agreed to appoint 1 rep from Sarissa to the board immediately and 1 additional director in the future approved by Sarissa*

**A copy of the settlement agreement is available here:**

<http://www.sec.gov/Archives/edgar/data/884731/000089914014000284/s13d1b.htm>

**Blyth, Inc. (BTH)****Activist Investor:** GAMCO Investors**Investor Info**

Shares	937,000
% Outstanding	5.84%
Cost Basis	15.01

**Company Info**

Share Price	9.25
Revenue	774M
Market Cap	151M
Enterprise Value	104M
Net Cash	45M
EBITDA	20M
52 wk. range	5.65 – 17.17
EV/EBITDA	5.1

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

GAMCO sent a letter to BTH's Chairman criticizing the Company for poor shareholder communications and announcing that they will select 1 or more candidates to serve on the Board.

**A copy of GAMCO's letter is available here:**

[http://www.sec.gov/Archives/edgar/data/807249/000080724914000228/bth\\_01.pdf](http://www.sec.gov/Archives/edgar/data/807249/000080724914000228/bth_01.pdf)

**Continue to Next Page**

**Bellatrix Exploration (BXE)****Activist Investor:** *Orange Capital***Investor Info**

Shares	12,247,500
% Outstanding	6.4%
Cost Basis	8.16

**Company Info**

Share Price	7.18
Revenue	
Market Cap	1.3B
Enterprise Value	1.7B
Net Cash	-299M
EBITDA	188M
52 wk. range	6.38 – 10.70
EV/EBITDA	8.9

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

Orange Capital increased its ownership from 5.3% to 6.4%

**Comment:**

*We initially covered BXE on August 18 when Orange Capital disclosed a 5.3% ownership in BXE and announced its intention to discuss, among other things (i) hiring an independent financial advisor tasked to provide the Board with recommendations on strategic alternatives, capital allocation and improved investor communications; (ii) the size and composition of the Board; (iii) steps to raise the valuation to be in line with its intrinsic value, which current valuation is well below the intermediate sized company peers in the Canadian exploration and production sector (based on both price to proved-developed reserves and on enterprise value to debt adjusted cash flow); (iv) refraining from future dilutive equity issuances and outlining a clear use of proceeds for all newly raised capital; and (v) exploring alternatives to highlight the value of the infrastructure assets, including but not limited to improving disclosure on the cost and fair market value of the midstream infrastructure and / or exploring a possible joint venture, initial public offering or sale of the midstream assets.*

**Schulte Roth&Zabel****Legal counsel to Orange Capital****Continue to Next Page**

**CONMED Corporation (CNMD)****Activist Investor: Voce Capital****Investor Info**

Shares	See Comments
% Outstanding	See Comments
Cost Basis	See Comments

**Company Info**

Share Price	40.51
Revenue	747M
Market Cap	1.1B
Enterprise Value	1.3B
Net Cash	-186M
EBITDA	125M
52 wk. range	32.82 – 50.47
EV/EBITDA	10.14

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

On September 3 Voce Capital issued a press release posing a number of questions to the Company's Interim CEO. Shareholders will elect 3 directors on Sept. 10.

**A copy of Voce Capital's letter is available here:**

<http://www.sec.gov/Archives/edgar/data/816956/000090266414003745/p14-1889dfan14a.htm>

On September 8 CNMD issued a letter to shareholders urging them to vote for all of the company's nominees.

<http://finance.yahoo.com/news/conmed-corporation-urges-shareholders-vote-120000206.html>

**Comment:**

We initially covered CNMD on November 4 when Voce Capital (1%) sent a letter to CNMD discussing its concerns relating to governance (Corasanti family influence, compensation and related-party deals -- despite little ownership), poor acquisition management, weak operational management, and other matters.

On December 16 Camber Capital disclosed a 5.02% "active" stake in CNMD

On February 6 Coppersmith Capital disclosed a 5.9% "active" stake in CNMD at an average cost of \$42.81

On February 11 Voce Capital nominated 4 individuals for election to the CNMD board and issued a press release.

On February 27 ConMed entered into a settlement agreement with Coppersmith Capital. Under the terms of the agreement ConMed added two new directors appointed by Coppersmith.

**A copy of the settlement agreement is available here:**

[http://www.sec.gov/Archives/edgar/data/816956/000092189514000433/ex991to13da109158003\\_022514.htm](http://www.sec.gov/Archives/edgar/data/816956/000092189514000433/ex991to13da109158003_022514.htm)

Voce Capital issued a press release questioning the board selection process and judgment in these new appointments.

On April 15, 2014 we reported a rumor that CNMD is exploring a sale.

On August 14 Voce Capital filed its definitive proxy statement to elect 3 directors.

**A copy of Voce's proxy statement is available here:**

<http://www.sec.gov/Archives/edgar/data/816956/000090266414003469/p14-1776defc14a.htm>

On August 18 CNMD mailed a letter to shareholders seeking support for its nominees

<http://finance.yahoo.com/news/conmed-corporation-mails-letter-shareholders-110000086.html>

On August 19 Voce Capital issued a press release responding to ConMed's plan to create value.

<http://www.sec.gov/Archives/edgar/data/816956/000090266414003609/p14-1823dfan14a.htm>

On August 21 Voce issued a shareholder presentation seeking support for its nominees

<http://www.sec.gov/Archives/edgar/data/816956/000090266414003633/presentation.pdf>

Glass Lewis recommended CNMD shareholders vote for two of Voce Capital's nominees; ISS recommended shareholders vote for all of the Company's nominees at the Sept. 10 annual meeting



Proxy Solicitor to CNMD

OLSHAN

Legal counsel to Coppersmith Capital

Schulte Roth & Zabel

Legal counsel to Voce Capital

**Compuware Corporation (CPWR)****Activist Investor:** Elliott Associates**Investor Info**

Shares	21,000,000
% Outstanding	9.6%
Cost Basis	9.59

**Company Info**

Share Price	10.63
Revenue	714M
Market Cap	2.4B
Enterprise Value	2.1B
Net Cash	275M
EBITDA	86M
52 wk. range	8.94 – 11.39
EV/EBITDA	24.1

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

On September 2 Compuware announced it has agreed to sell itself to a private equity firm for \$10.92.

**Comment:**

We previously covered CPWR in several Catalyst Research Reports highlighting Elliott Associates initial 5.7% “active” stake at an avg. cost of 8.63/share, Elliott’s \$11/share offer and Sandell Asset Management’s (2.5% shareholder) estimated value in a sale transaction of \$16/sh.

On December 4, 2012 Sandell issued a press release and presentation demanding that CPWR act with greater urgency to maximize shareholder value.

On January 14, 2013 we reported that Elliott sent a letter to CPWR’s board regarding their \$11/share offer, seeking an NDA and due diligence materials. On the following day Sandell urged CPWR to engage with Elliott.

On January 25 CPWR rejected Elliott’s 11.00/share offer and outlined its value creation actions.

**A copy of CPWR’s press release outlining its value plan and responding to Elliott’s offer is available here:**

<http://finance.yahoo.com/news/compuware-outlines-value-creation-actions-123500839.html>

Elliott increased its ownership from 6.6% to 8.3% in late January since CPWR rejected its 11.00/share offer. On February 14 Elliott entered into a confidentiality agreement in connection with its offer to acquire CPWR. On May 16 CPWR and Elliott extended the confidentiality agreement until July 15. CPWR and Elliott extended their confidentiality agreement to Sept. 15 2013.

On November 14 Starboard sent a letter to CPWR discussing the Company’s dividend yield (among the highest with Tech stocks) and calling for a large stock repurchase, explore the sale of non-core assets and repurchase additional shares, increase cost reduction targets to achieve 35% EBITDA margins, and increase the dividend to at least \$0.60

**A copy of Starboard’s November 14, 2013 letter is available here:**

[http://www.sec.gov/Archives/edgar/data/859014/000152153613000936/dfan14a08297108\\_11142013.pdf](http://www.sec.gov/Archives/edgar/data/859014/000152153613000936/dfan14a08297108_11142013.pdf)

On November 15 CPWR extended the deadline to nominate directors until January 10, 2014

On February 18, 2014 Elliott increased its “active” stake in CPWR from 8.6% to 9.6%

O L S H A N

Legal counsel to Starboard Value

Schulte Roth &amp; Zabel

Legal counsel to Sandell Asset Management

**Continue to Next Page**



**diaDexus, Inc. (DDXS)****Activist Investor:** Norman Pessin**Investor Info**

Shares	2,770,338
% Outstanding	4.9%
Cost Basis	0.74

**Company Info**

Share Price	0.67
Revenue	26M
Market Cap	38M
Enterprise Value	35M
Net Cash	2M
EBITDA	N/A
52 wk. range	0.60 – 2.23
EV/EBITDA	N/A

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

On September 5 Norman Pessin disclosed a 4.9% "active" stake in DDXS

O L S H A N

Legal counsel to Norman Pessin

**Darden Restaurants, Inc. (DRI)****Activist Investor:** Starboard Value**Investor Info**

Shares	See comment
% Outstanding	See comment
Cost Basis	See comment

**Company Info**

Share Price	47.21
Revenue	6.3B
Market Cap	6.2B
Enterprise Value	8.9B
Net Cash	-2.6B
EBITDA	643M
52 wk. range	43.56 – 54.89
EV/EBITDA	13.3

**ON JANUARY 30 2014 HFS  
HOSTED A WEBCAST  
WITH BARINGTON  
CAPITAL RE: DARDEN**

**To listen to a replay go to  
<http://barington.com/press-releases.html>**

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

Starboard commented on DRI's reconfigured slate of director nominees, saying the proposal remains suboptimal.

**A copy of Starboard's September 3 press release is available here:**

[http://www.sec.gov/Archives/edgar/data/940944/000092189514001982/ex991dfan14a206297125\\_090214.pdf](http://www.sec.gov/Archives/edgar/data/940944/000092189514001982/ex991dfan14a206297125_090214.pdf)

**Comment:**

*We initially covered DRI on October 9, 2013 when it was reported that Barington (~2%) began pressing the Company to separate into 2 business units. On October 17 Barington issued a press release publicizing its letter summarizing its recommendations, which include: (i) Forming 2 independently managed operating companies (one for the mature brands and one for its high-er growth brands), (ii) exploring all alternatives to monetize the value of the company's real estate, including the creation of a publicly-traded REIT, and (iii) reduce operating expenses.*

*On November 21 Barington announced it hired an investment bank and proxy solicitor as advisors.*

*On December 20 Starboard disclosed a 6% "active" stake*

*On January 13 Barington issued a press release stating that the Company's recently announced plan to enhance shareholder value by selling the Red Lobster business is "incomplete and inadequate".*

*On January 21 Starboard sent a letter to DRI expressing concern about the Company's announcement to examine a sale of Red Lobster and called for an operational plan and to examine the real estate assets.*

*On February 21 Starboard amended its SEC filing to include Brad Blum as part of its investment group.*

*On February 24 Starboard filed preliminary proxy materials seeking support to call a special meeting to give shareholders a platform for voicing dissatisfaction with the proposed Red Lobster Separation.*

*On February 28 Darden issued a presentation and addressed its priorities for value creation in a webcast saying the process to sell or spin-off Red Lobster is well underway*

*On March 26 Barington sent a letter to DRI's independent directors calling for a new CEO On March 31 Starboard issued an investor presentation on DRI. along with a presentation in conjunction with Green Street Capital called, "A Primer of Darden's Real Estate"*

*On April 22 DRI announced Starboard has delivered enough consents (Starboard delivered consents from more than 55% of the shares outstanding) to force the Company to hold a special meeting*



**- Darden Restaurants Continued -**

*On May 14 Starboard sent a letter to the board condemning them for delaying the annual meeting and expressing concern about forcing through a Red Lobster Spin-off.*

*On May 15 DRI announced it is selling Red Lobster to a private equity group for \$2.1B in cash, providing 1.6B in net cash. \$1B will repay debt and \$700M will be used for a stock buyback. On May 19 Barington announced its strong opposition to the Red Lobster transaction.*

*On May 21 Starboard nominated 12 to the board and issued an open letter to shareholders*

*On July 15 Starboard increased its ownership from 6.2% to 7.1% and sent a letter to the board seeking a change to management and a board that they can trust.*

*On July 24 Starboard filed a Complaint against DRI seeking to compel the Company to provide the books and records relating to the analysis and rationale relating to the sale of Red Lobster.*

*On July 28, Darden announced it will nominate 9 candidates to its 12-member board, ensuring Starboard will obtain 3 board seats. The company also announced the CEO will resign when a new CEO is found, but no later than Dec 31. Starboard issued a press release saying it will continue to seek a majority change in the board*

*On August 5 Barington withdrew its shareholder proposal that the Chairman be an independent director after the board adopted that policy. Barington also expressed strong support for Starboard's nominees.*

*On August 5 Starboard increased its ownership from 8% to 8.8% and issued a press release responding to DRI's "latest misleading statements" saying it is committed to the \$2.20 annual dividend and investment grade rating*

*On August 29 DRI moved its annual meeting from Sept 30 to Oct. 10. Starboard filed its definitive proxy materials to elect 12 new directors*

[http://www.sec.gov/Archives/edgar/data/940944/000092189514001955/defc14a06297125\\_08252014.htm](http://www.sec.gov/Archives/edgar/data/940944/000092189514001955/defc14a06297125_08252014.htm)

*On September 2 DRI issued a press release announcing its director nominees would include 4 new independent nominees unaffiliated with the Company or Starboard, 4 incumbent nominees, and 4 Starboard nominees.*

<http://finance.yahoo.com/news/darden-announces-director-nominees-2014-123500325.html>

**MACKENZIE  
PARTNERS, INC.**

**Proxy Solicitor to Barington**

**O L S H A N**

**Legal counsel to Starboard Value**

**Continue to Next Page**

## Family Dollar Stores, Inc. (FDO)

*Activist Investor: Dollar General***Investor Info**

Shares	Not Avail
% Outstanding	Not Avail
Cost Basis	Not Avail

**Company Info**

Share Price	79.11
Revenue	10.4B
Market Cap	9.0B
Enterprise Value	9.6B
Net Cash	-594M
EBITDA	815M
52 wk. range	55.64 – 80.97
EV/EBITDA	11.8

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

On September 2 Dollar General increased its offer to \$80/share and agreed to pay \$500M if the deal fails antitrust approval. DG Says it may do a hostile bid if the new offer is rejected.

On September 5 FDO rejected DG's revised offer.

**Comment:**

*We previously covered FDO in our March 18, February 18, 2011; and July 30, 2010 Catalyst Research Reports (In July 2010 FDO was trading around \$41.35/share), highlighting Trian's aggressive ownership accumulating since early June 2010.*

*On July 28 2010 Trian announced they had met with FDO's senior management team to discuss the Company's business and strategies to enhance value for shareholders. During these discussions, Trian communicated its view that there is an opportunity to enhance shareholder value by improving operational performance. Trian said they look forward to working with FDO on operating initiatives such as increasing sales per square foot to peer levels, improving operating leverage and optimizing the number of new store openings. Trian also discussed how the Company could utilize its capital structure and significant free-cash flow, including by considering the use of prudent amounts of leverage to increase the size of the stock repurchase program.*

*On February 15, 2011 Trian proposed to acquire FDO for \$55 to \$60 per share. The offer was rejected as undervaluing the business.*

*On March 14 Trian sent a letter to FDO responding to the Company's rejection of the buyout proposal. In the letter Trian stated their disappointment that the proposal was rejected as "not in the best interest of shareholders" despite the fact that it represented a 25% to 36% premium to market and without management attempting to reach out to discuss the offer with Trian. In addition, Trian stated they are troubled by the Company's adoption of a poison pill and that they wanted to underscore the fact that their intentions are not hostile, and that any transaction would be conditioned on approval from FDO's Board.*

*On September 28, 2011 FDO entered into a standstill agreement with Trian. Under the terms of the agreement FDO agreed to appoint one person to an expanded board of 11 directors through the 2013 annual meeting. In exchange, Trian agreed to withdraw its proposal to buy the Company.*

*On June 6 Icahn disclosed a 9.39% "active" stake in FDO (through stock and options) and announced he may seek board representation.*

*On June 10 FDO installed a 1-year poison pill with a 10% trigger (without the support of Trian's representative on the board). Trian currently owns 7.4%.*

*On June 19 Icahn sent a letter to FDO demanding the company be put up for sale.*

***A copy of Icahn's June 19 letter is available here:***

<http://www.sec.gov/Archives/edgar/data/34408/000092846414000063/fdosch13damd10619ex1.htm>

*On July 25 FDO announced it will be acquired by Dollar Tree (DLTR) in cash and stock worth \$74.50/share; Trian (who has board representation) entered into a voting agreement supporting the deal*

*On August 18 Dollar General (DG) offered \$78.50 per share in cash. The offer was rejected due to antitrust concerns.*

**GP Strategies Corp (GP)****Activist Investor:** Sagard Capital**Investor Info**

Shares	3,513,274
% Outstanding	18.4%
Cost Basis	Not Avail

**Company Info**

Share Price	27.41
Revenue	483M
Market Cap	524M
Enterprise Value	537M
Net Cash	-11M
EBITDA	51M
52 wk. range	23.06 – 30.88
EV/EBITDA	10.5

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

On September 3 GPX announced it will purchase up to \$80M of its shares via a Dutch Tender offer.

Sagard says it does not intend to tender and shares into the offer and therefor its ownership is expected to increase to approx. 22%

**La Jolla Pharmaceuticals Co (LJPC)****Activist Investor:** Tang Capital**Investor Info**

Shares	1,741,907
% Outstanding	11.4%
Cost Basis	Not Avail

**Company Info**

Share Price	10.02
Revenue	N/A
Market Cap	155M
Enterprise Value	149M
Net Cash	4M
EBITDA	-20M
52 wk. range	0.16 – 19.50
EV/EBITDA	N/A

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

Tang announced that a representative of the Fund has joined the board as part of an arrangement to avoid a proxy contest. Tang's representative is expected to become the Company's Chairman.

**Life Time Fitness (LTM)****Activist Investor:** Marcato Capital**Investor Info**

Shares	3,115,167
% Outstanding	8.0%
Cost Basis	48.12

**Company Info**

Share Price	50.08
Revenue	1.3B
Market Cap	1.9B
Enterprise Value	3.0B
Net Cash	-1.0B
EBITDA	349M
52 wk. range	38.01 – 56.78
EV/EBITDA	8.7

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

Marcato sent a letter to LTM's CEO commending the Company on its announcement that it has retained advisors to explore a REIT conversion and stated that the stock could reach \$70/share (currently \$47).

**A copy of Marcato's letter is available here:**

[http://www.sec.gov/Archives/edgar/data/1076195/000095014214001817/eh1401031\\_ex9902.htm](http://www.sec.gov/Archives/edgar/data/1076195/000095014214001817/eh1401031_ex9902.htm)

**Comment:**

*We initially covered LTM on May 21 when Marcato disclosed a 7.2% "active" stake in LTM through a combination of stock and options.*

*On June 18 Marcato exercised options and bought additional stock totaling 7.6% of LTM shares outstanding*

**Noble Corp (NE)****Activist Investor:** *Fir Tree Inc.***Investor Info**

Shares	24,506,283
% Outstanding	9.6%
Cost Basis	19.81

**Company Info**

Share Price	26.60
Revenue	4.6B
Market Cap	6.7B
Enterprise Value	12.6B
Net Cash	-5.9B
EBITDA	2.3B
52 wk. range	25.06 – 35.54
EV/EBITDA	5.5

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

Fir Tree disclosed it has spoken to Noble's lead director regarding the Company's dividend policy, share buybacks, the Board composition and compensation, and other strategic alternatives, including the formation of a master limited partnership.

**Schulte Roth & Zabel**

Legal counsel to Fir Tree

**Prudential Bancorp (PBIP)****Activist Investor:** *Lawrence Seidman***Investor Info**

Shares	565,164
% Outstanding	5.92%
Cost Basis	10.97

**Company Info**

Share Price	12.10
Revenue	14M
Market Cap	107M
Enterprise Value	78M
Net Cash	30M
EBITDA	N/A
52 wk. range	10.42 – 12.20
EV/EBITDA	N/A

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

On September 4 PBIP entered into an agreement with Seidman to appoint 1 person to the board

**Comment:**

*We initially covered PBIP on October 28, 2013 when Warren Mackey disclosed a 7.2% "active" stake in PBIP*

*On August 22 Seidman disclosed a 5.87% ownership stake and requested board representation*

**O L S H A N**

Legal counsel to Lawrence Seidman

**RealD, Inc. (RLD)****Activist Investor:** *Starboard Value***Investor Info**

Shares	4,550,000
% Outstanding	9.1%
Cost Basis	10.61

**Company Info**

Share Price	9.77
Revenue	195M
Market Cap	502M
Enterprise Value	496M
Net Cash	-7M
EBITDA	55M
52 wk. range	6.19 – 13.18
EV/EBITDA	9.0

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

Starboard increased its "active" ownership from 7.9% to 9.1%

**Comment:**

*We initially covered RLD on February 7 when Altai Capital changed its filing status from "passive" investor to "active", disclosed a 9.8% ownership stake (at an avg. cost of \$7.52), and said it was having discussions with management.*

*On May 2 Starboard disclosed a 6.3% "active" stake in RLD*

*Starboard increased its "active" ownership from 6.3% to 7.9%*

**O L S H A N**

Legal counsel to Starboard Value

**Rand Logistics (RLOG)****Activist Investor:** JWest, LLC**Investor Info**

Shares	1,412,877
% Outstanding	7.88%
Cost Basis	6.17

**Company Info**

Share Price	6.45
Revenue	156M
Market Cap	117M
Enterprise Value	319M
Net Cash	-188M
EBITDA	28M
52 wk. range	4.66 – 7.49
EV/EBITDA	11.2

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

On September 3 JWest issued a (very colorful) shareholder presentation outlining its case for change and seeking support for its 2 nominees

**A copy of JWest's presentation is available here:**

<http://www.sec.gov/Archives/edgar/data/1294250/000119312514330968/d784082ddf14a.htm>

On September 5 JWest sent a letter to the Board demanding they explain the financial metrics the Company uses to demonstrate its performance track record.

**A copy of the September 5 letter is available here**

<http://www.sec.gov/Archives/edgar/data/1294250/000119312514333930/d784490ddf14a.htm>

**Comment:**

*We previously covered RLOG on July 30, 2013 when JWest nominated 1 individual for election to the board.*

*On July 1 Jonathan Evans (JWest) sent a letter to the Board announcing his intention to nominate 1 person for election unless several organizational and operational changes are met.*

*On July 16 JWest sent a letter to RLOG informing the board of its intent to wage a proxy battle if they do not support JWest's 2 nominees.*

**A copy of JWest's July 16 letter is available here:**

<http://www.sec.gov/Archives/edgar/data/1294250/000119312514270037/d758818dex1.htm>



Proxy Solicitor to Rand Logistics

**Targate, Inc. (TRGT)****Activist Investor:** Biotechnology Value Fund (BVF)**Investor Info**

Shares	6,655,128
% Outstanding	19.70%
Cost Basis	4.48

**Company Info**

Share Price	2.63
Revenue	0.2M
Market Cap	90M
Enterprise Value	-8M
Net Cash	98M
EBITDA	-46M
52 wk. range	2.62 – 6.11
EV/EBITDA	N/A

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

On September 5 BVF disclosed it has been in discussions with TRGT about ways to improve value

O L S H A N

Legal counsel to BVF

**Walgreen Co. (WAG)***Activist Investor: Jana Partners***Investor Info**

Shares	12,500,000
% Outstanding	1.3%
Cost Basis	Not Avail

**Company Info**

Share Price	63.95
Revenue	75B
Market Cap	61B
Enterprise Value	64B
Net Cash	-2.4B
EBITDA	5.0B
52 wk. range	49.54 – 76.39
EV/EBITDA	12.7

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

WAG added a Jana rep to its Board and agreed to add one additional mutually agreed upon Board member

**Schulte Roth&Zabel**

Legal counsel to Jana Partners

**Continue to Next Page**

**Wet Seal Inc. (WTSL)****Activist Investor:** Clinton Group**Investor Info**

Shares	5,907,994
% Outstanding	7.0%
Cost Basis	\$1.97

**Company Info**

Share Price	0.73
Revenue	490M
Market Cap	57M
Enterprise Value	43M
Net Cash	18M
EBITDA	-45M
52 wk. range	0.66 – 4.11
EV/EBITDA	Negative

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

On September 3 WTSL announced its CEO and its Chairman are both leaving. WTSL also announced plans to raise up to \$50M in an equity raise. Clinton agreed to purchase \$3M worth in an initial \$18.5M private placement. One Clinton representative joined the board.

**Comment:**

*We initially covered WTSL in our August 3, 2012 Catalyst Research Report, highlighting Clinton's letters to WTSLA's board of directors stating that they intend to solicit written consents from other shareholders to remove board members and replace them with new directors unless the Company can justify why they are not examining a complete strategic review of the business with the aid of an investment banker.*

*On August 22, 2012 Clinton issued a press release announcing the five director nominees they plan to elect to the WTSLA board by way of written consent.*

*On August 30 Clinton disclosed that they have increased their ownership stake from 4.71% to 6.49% and announced they have filed a preliminary consent statement with the SEC to elect five new members to the company's 6-member board.*

*On September 5 Clinton sent a letter to the board of WTSLA stating that there is a misalignment between the board's compensation and the creation of shareholder value.*

*On September 13 Clinton Group sent a letter to the board of WTSL requesting their board nominees be provided equal access to strategic and operational information during the consent solicitation period. Clinton states that this will help to enable a smooth transition to a new board.*

*On September 18 Wet Seal proposed a settlement to end Clinton Group's consent solicitation. Clinton rejected the offer. On September 20 Wet Seal added two additional directors to their board, reduced overall director compensation and removed the poison pill.*

*On September 25 proxy vote advisor ISS recommended a vote "for" the removal of 2 incumbent directors and "for" the election of 2 Clinton nominees. On September 28 proxy vote advisor Glass Lewis recommended a vote "for" the removal of 4 incumbents and "for" the addition of 4 Clinton nominees.*

*On October 4 Wet Seal entered into a Settlement Agreement with Clinton. Under the terms of the Agreement Clinton replaced 4 of the Company's 7 directors.*

*On October 22 Clinton disclosed they have had discussions with WTSL's new Chairman and another board member about hiring a new CEO and returning excess cash to shareholders as quickly as possible. In particular, Clinton believes a \$50-75M buyback or self-tender would be appropriate.*

*On January 7 WTSL announced the hiring of a new CEO.*

*On February 13, 2013 Clinton sent a letter to the Board suggesting the Company implement a Dutch Auction to return as much as \$35 to \$55 million in capital this quarter. On August 22 we reported that Clinton continues to encourage the board to accelerate its buyback program.*

*On December 16, 2013 Clinton announced it is exploring a going private deal for WTSL*

*On March 11 WTSL announced it is expanding the board and adding 3 new directors. Clinton agreed to vote for the Company's directors at the 2014 annual meeting.*

*Clinton issued a press release commending WTSL for its focus, its recently announced 27M convertible note financing, and its future*

**Schulte Roth & Zabel**

Legal counsel to Clinton Group

**MACKENZIE  
PARTNERS, INC.**

Proxy Solicitor to Wet Seal



**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**

Company Name	Shares	Value	Change
Alkermes	1,000,000	\$10,000,000	100%
Amgen	500,000	\$5,000,000	50%
AbbVie	300,000	\$3,000,000	30%
Amgen	200,000	\$2,000,000	20%
Amgen	150,000	\$1,500,000	15%
Amgen	100,000	\$1,000,000	10%
Amgen	50,000	\$500,000	5%
Amgen	25,000	\$250,000	2.5%
Amgen	10,000	\$100,000	1%
Amgen	5,000	\$50,000	0.5%

**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 – Broker-Dealer

**APB Financial Group** is a Special Situations Brokerage Firm tailored to investors seeking fundamental value and catalyst-driven activist investments.



[www.apbfinancialgroup.com](http://www.apbfinancialgroup.com)

**Contact:**

Steven Abernathy, Principal  
 Email: [sabernathy@abbygroup.com](mailto:sabernathy@abbygroup.com)  
 Tel: +1 212.293.3469

---

## PLATINUM SPONSORS – Legal Advisers

**Olshan Frome 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 375 lawyers in offices in New York, Washington, D.C., and London, has a long history of serving private equity and hedge fund clients.



**Contact:**

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

David Rosewater, Partner  
 Email: [david.rosewater@srz.com](mailto:david.rosewater@srz.com)  
 Tel: +1 212.756.2208

---

## PLATINUM SPONSORS – Proxy Advisors

**Alliance Advisors LLC** is a multi-faceted shareholder communications firm specializing in proxy solicitation, corporate governance consulting, and information agent services. Our in-depth view of the investor communities and governance environment allows us to prepare for successful outcomes.



Alliance Advisors' "fight team" has built a distinguished reputation by successfully completing countless contested assignments. The team will complete a comprehensive analysis of the shareholder base and build a calculated battle plan accordingly. We will assist in the crafting and delivery of your message to the target audience, ensuring the message is heard and understood. Alliance Advisors consistently delivers successful outcomes to our clients.

**Contact:**

Peter Casey, Executive Vice President  
 Email: [pcasey@allianceadvisorsllc.com](mailto:pcasey@allianceadvisorsllc.com)  
 Tel: +1 973.873.7710

**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