



Willamette Management Associates

8600 West Bryn Mawr Avenue, Suite 950-N
Chicago, Illinois 60631
773 • 399 • 4300/(Fax) 773 • 399 • 4310

For Immediate Release

CONTACT
Charlene M. Blalock
Willamette Management Associates
(503) 243-7509
cdblalock@willamette.com

WILLAMETTE MANAGEMENT ASSOCIATES CLIENT PREVAILS IN DELAWARE APPRAISAL RIGHTS MATTER

Chicago, IL (February 2020) – In the matter of *Manichaeon Capital, LLC, et al. v. SourceHOV Holdings, Inc.* (C.A. No. 2017-0673-JRS), the Delaware Chancery Court ruled in favor of the petitioners, concluding that the fair value of SourceHOV Holdings, Inc. ("SourceHOV"), was \$721.9 million or \$4,591 per share.

The case arose from a series of 2017 transactions in which certain SourceHOV minority shareholders were converted into unitholders of a limited liability company. The transactions included a business combination between SourceHOV, Novitex Holding Inc., and Quinpario Acquisition Corp. 2 ("Quinpario"), wherein SourceHOV merged into Quinpario and became a publicly traded company. The business combination triggered statutory appraisal rights under Delaware law, and those appraisal rights were exercised by the SourceHOV minority stockholders.

Willamette Management Associates managing director Timothy Meinhart provided testifying expert services at trial on behalf of the petitioners. At trial, Mr. Meinhart presented his conclusion that the fair value of SourceHOV was \$798.7 million or \$5,079 per share. The testifying expert for the respondent concluded a fair value of \$468.1 million or \$2,817 per share. However, at trial, the respondent argued for an even lower value of \$271.4 million or \$1,633 per share. The court noted that the wide gap between the value conclusions placed the spotlight squarely on the competing valuation experts, and that the case played out as "the quintessential battle of the experts."

In its 80-page opinion, the court concluded that the respondent's presentation lacked credibility. In contrast, the court adopted Meinhart's analysis "in toto" except for one minor adjustment, and the court concluded that Meinhart presented a credible valuation analysis from which the court saw no legal or evidentiary basis to depart. In discussing its conclusions, the court stated, "I see no basis to tinker with the careful analysis of a valuation expert whose testimony I have found to be credible and whose conclusions are well supported by the evidence."

The *Manichaeon Capital* decision is representative of the Willamette Management Associates thought leadership in valuation matters related to statutory appraisal proceedings. Founded over 50 years ago, Willamette Management Associates provides business valuation, forensic analysis, and financial opinion services. Our clients range from substantial family-owned companies to Fortune 500 international corporations and include the banking industry, the accounting profession, the legal community, and government and regulatory agencies.

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