



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE HEMISPHERE MEDIA GROUP,
INC. STOCKHOLDERS LITIGATION

C.A. No. 2023-0555-JTL

**PLAINTIFFS' UNOPPOSED MOTION
FOR AMENDED ADMINISTRATIVE ORDER**

Plaintiffs Robert Garfield, Carmel Spamer, and Theodor Karl Schricker, Jr. (collectively, "Plaintiffs")¹ hereby move the Court for an order amending this Court's prior Administrative Order dated April 17, 2025 (Trans. ID 76094602) (the "Initial Administrative Order") by: (1) modifying the Per Share Eligible Amount from \$0.80 per Eligible Share to \$0.65 per Eligible Share; and (2) authorizing the Settlement Administrator to take all necessary and reasonable steps with record owners and DTCC Participants who received Settlement funds in the Initial Distribution to effectuate payment reversals, reallocations, and/or returns, as necessary, to ensure that the correct Per Share Eligible Amount is paid to all Eligible Shares. In support of the motion, Plaintiffs state as follows:

The Settlement and Initial Administrative Order

1. The Court approved the Settlement on December 13, 2024.

¹ Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth in the Revised Stipulation and Agreement of Settlement, Compromise, and Release, dated September 11, 2024 (Trans. ID 74302083) (the "Stipulation").

2. Pursuant to the Settlement, Defendants and/or their insurers caused \$15,000,000 in cash to be deposited into an Account established by Plaintiffs' Counsel. Stipulation ¶III.2(a). After deducting the \$2,940,000 Fee and Expense Award and approximately \$113,865.16 in taxes and Administrative Costs, and accruing interest, approximately \$12,091,648.95 remained in the Account as of April 14, 2025.²

3. On April 16, 2025, Plaintiffs filed their Unopposed Motion for Administrative Order, along with the First Ewashko Affidavit in support.³ Therein, Plaintiffs and Mr. Ewashko, a Director of Case Management at A.B. Data, Ltd. ("A.B. Data"), explained that A.B. Data had received (1) a list of registered stockholders purporting to identify each stockholder of record as of the Closing, (2) a DTCC Allocation Report purporting to identify each DTC Participant's holdings of Hemisphere common stock as of the Closing, and (3) information regarding the shareholdings of Excluded Persons at Closing.⁴

4. Using that information, and believing that all Eligible Shares were included in the registered holder list and DTCC Allocation Report, A.B. Data

² See Affidavit of Jack Ewashko in Support of Plaintiffs' Unopposed Motion for Administrative Order, dated April 14, 2025 (Trans. ID 76067835) ("First Ewashko Affidavit" or "First Ewashko Aff.") ¶¶10-11.

³ Trans. ID 76067835 (the "Initial Administrative Motion").

⁴ See Initial Administrative Motion ¶¶7-9; First Ewashko Aff. ¶¶5-8.

calculated that there were 15,067,354 Eligible Shares.⁵ A.B. Data further calculated that the Per Eligible Share Amount was approximately \$0.80 per Eligible Share (the “Original Per Eligible Share Amount”).⁶

5. On April 17, 2025, the Court granted the Initial Administrative Order.

6. On May 23, 2025, A.B. Data issued payments of \$0.80 per Eligible Share via wires and checks to DTCC Participants and registered holders of 15,067,354 Eligible Shares.⁷

Miscalculation of Eligible Shares and Per Eligible Share Amount

7. On July 7, 2025, Plaintiffs’ Counsel learned from counsel for Petitioners Edenbrook Value Fund, LP and Edenbrook Long Only Value Fund, LP (together, “Edenbrook”) that Edenbrook had not received payment of Settlement consideration. Plaintiffs’ Counsel and A.B. Data investigated and subsequently concluded that: (1) shares of Hemisphere common stock for which appraisal was sought (“Appraisal Shares”) were not included in the registered holder list or the DTCC Allocation Report; (2) Appraisal Shares were not accounted for in A.B. Data’s calculations of Eligible Shares and the Original Per Eligible Share Amount; and (3) none of the Appraisal Shares received payment of Settlement consideration.⁸

⁵ First Ewashko Aff. ¶12.

⁶ First Ewashko Aff. ¶12.

⁷ Second Ewashko Aff. ¶8.

⁸ Second Ewashko Aff. ¶¶14-15. The Class is defined to include Appraisal Shares. *See* Stipulation §1(d). As further explained in the Second Ewashko Affidavit (at ¶18), the

8. While working to confirm the above, beginning on July 9, 2025, A.B. Data began contacting DTC Participants regarding the Initial Distribution. A.B. Data sent emails to representatives of DTC Participants stating:

We've possibly identified additional eligible shares that may impact the pro rata payment calculation. If confirmed, this could require a return of funds to ensure proper allocation. We suggest that you take all steps as soon as possible to ensure that funds will be available for return if necessary.

We are actively researching the matter and will provide further details as soon as they become available.

9. A.B. Data received responses from dozens of DTC Participants and subsequently communicated with those and other DTC Participants via email and by phone regarding their capabilities for reversals, reallocations, and/or returns of excess funds.⁹ Nearly all of the DTC Participants who have been in communication with A.B. Data have communicated that they would be able to effectuate reversals, reallocations, and/or returns of excess funds, but would require a Court order that amends the Per Eligible Share Amount.¹⁰ A.B. Data is continuing to communicate with and conduct outreach to DTC Participants.

Initial Distribution payments to DTC Participants were sent with instructions to pay only the shares listed on the DTCC Allocation Report (which did not include Appraisal Shares), excluding any Excluded Shares.

⁹ Second Ewashko Aff. ¶¶10-13.

¹⁰ Second Ewashko Aff. ¶13.

Corrected Calculation of Eligible Shares and Per Eligible Share Amount

10. On July 14, 2025, Plaintiffs' Counsel and A.B. Data received confirmation from Edenbrook's counsel that Edenbrook held a total of 3,089,289 Appraisal Shares.¹¹

11. On July 30, 2025, Plaintiffs' Counsel and A.B. Data received confirmation from Hemisphere's counsel that there are an additional 364,602 Appraisal Shares held by investors other than Edenbrook (the "Non-Edenbrook Appraisal Shares").¹² Counsel for Hemisphere also provided contact information for the holders of the non-Edenbrook Appraisal Shares.

12. The total number of Appraisal Shares is 3,453,891.¹³ Adding that figure to the previous (incorrect) calculation of Eligible Shares amounts to a total of 18,521,245 Eligible Shares ("Corrected Eligible Shares Number").¹⁴ Because the Corrected Eligible Shares Number is higher, the Per Share Eligible Amount should have been lower than \$0.80. Factoring in the additional Eligible Shares results in a corrected Per Eligible Share Amount of \$0.65 (the "Corrected Per Eligible Share Amount").¹⁵

¹¹ Second Ewashko Aff. ¶16.

¹² Second Ewashko Aff. ¶17.

¹³ Second Ewashko Aff. ¶¶16-17.

¹⁴ Second Ewashko Aff. ¶19.

¹⁵ Second Ewashko Aff. ¶19.

Proposed Course of Action

13. As noted above, DTC Participants have confirmed their ability to reverse, reallocate, or return payments if they receive a Court order demonstrating that the Original Per Eligible Share Amount was incorrect. This motion accordingly seeks an order—submitted herewith as a Proposed Amended Administrative Order—that will assist A.B. Data in facilitating payment reversals, reallocations, and/or returns of funds from DTC Participants and registered holders who received Initial Distributions of the Original Per Eligible Share Amount.

14. DTC Participants will be asked to do different things, depending on the circumstances and ongoing communications among A.B. Data and DTC Participants. As a general matter, the proposed approach is as follows:

(a) For DTC Participants that have not allocated Settlement funds from the Initial Distribution to beneficial owners, A.B. Data will request that such DTC Participants allocate the Corrected Per Eligible Share Amount of \$0.65 per Eligible Share (including any Appraisal Shares held by such DTC Participant) and return the balance of funds to A.B. Data.

(b) For DTC Participants that (i) have already allocated Settlement funds to beneficial owners, and (ii) hold Appraisal Shares, A.B. Data will request that such DTC Participants partially reverse payments to beneficial owners who received \$0.80 per Eligible Share by the amount of \$0.15 per share and reallocate

the reversed amounts to Appraisal Shares held by such DTC Participants. For each such DTC Participant, A.B. Data will keep track of how much each such Appraisal Share has been paid and the remaining amounts those shares are entitled to receive.

(c) For DTC Participants that (i) have already allocated Settlement funds to beneficial owners, and (ii) do not hold any Appraisal Shares, A.B. Data will request that such DTC Participants partially reverse payments to beneficial owners who received \$0.80 per Eligible share by the amount of \$0.15 per share and return the reversed amounts to A.B. Data.

15. For registered holders who received \$0.80 per Eligible Share in the Initial Distribution, A.B. Data will email or mail a copy of the Court's Order and request that they return to A.B. Data the amount of \$0.15 per Eligible Share.

16. Plaintiffs' Counsel and A.B. Data anticipate requiring as much as several months to complete this process. If these recovery efforts result in a shortfall of funds owed to the Appraisal Shares, additional time may be needed to secure and effectuate full payment for the Appraisal Shares. As such, Plaintiffs' Counsel and A.B. Data envision filing interim motions to this Court for authority to make incremental distributions to the Appraisal Shares as funds are returned to A.B. Data, until such time as the Appraisal Shares are paid in full.

17. Subject to the approval of this Court, Plaintiffs' Counsel and A.B. Data are prepared to implement the proposed plan to effectuate payment of the Corrected Per Eligible Share amount to all Eligible Shares, including the Appraisal Shares.

18. Counsel for all Parties have advised Plaintiffs' Counsel that they do not oppose this Motion.

WHEREFORE, Plaintiffs respectfully request that the Court enter an Order, a form of which is submitted herewith: (1) amending the Per Eligible Share Amount from \$0.80 per Eligible Share to \$0.65 per Eligible Share; and (2) authorizing A.B. Data to take all necessary and reasonable steps to effectuate payment of the Corrected Per Eligible Share Amount of \$0.65 to all Eligible Shares, including Appraisal Shares.

LABATON KELLER SUCHAROW LLP

Of Counsel:

David Schwartz
John Vielandi
Joshua M. Glasser
LABATON KELLER SUCHAROW LLP
140 Broadway
New York, NY 10005
(212) 907-0700

/s/ Mark Richardson

Ned Weinberger (Bar No. 5256)
Mark Richardson (Bar No. 6575)
Michael C. Wagner (Bar No. 6955)
222 Delaware Avenue, Suite 1510
Wilmington, DE 19801
(302) 573-2540
neinberger@labaton.com
mrichardson@labaton.com
mwagner@labaton.com

BLOCK & LEVITON LLP

Of Counsel:

Jason Leviton
Nathan Abelman
BLOCK & LEVITON LLP
260 Franklin Street, Suite 1860
Boston, MA 02110
(617) 398-5600

/s/ Kimberly A. Evans

Kimberly A. Evans (Bar No. 5888)
Lindsay K. Faccenda (Bar No. 5772)
Irene R. Lax (Bar No. 6361)
Robert Erikson (Bar No. 7099)
222 Delaware Avenue, Suite 1120
Wilmington, DE 19801
(302) 499-3600
kim@blockleviton.com
lindsay@blockleviton.com
irene@blockleviton.com
robby@blockleviton.com

GRANT & EISENHOFER, P.A.

/s/ Christine M. Mackintosh

Christine M. Mackintosh (Bar No. 5085)

Edward M. Lilly (Bar No. 3967)

123 Justison Street

Wilmington, DE 19801

(302) 622-7065

cmackintosh@gelaw.com

elilly@gelaw.com

*Attorneys for Plaintiffs Robert Garfield,
Carmel Spamer, and Theodor Karl
Schricker, Jr.*

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