SPECIAL COMMITTEE REPORT

This issue of the Debevoise & Plimpton Special Committee Report surveys corporate transactions announced during the first half of 2025 that used special committees to manage conflicts and key Delaware judicial decisions rendered during this period that relate to issues relevant to the use of special committees. We also discuss, in the section immediately below, how the recent amendments to the Delaware General Corporation Law relating to controlled companies may affect the structure of controller take-private transactions.

Delaware Reshapes Risk/Reward Considerations for Controllers

In the January 2024 issue of this *Report*, we published *The MFW Risk/Reward Trade-off*, an article that discussed factors controllers might consider when deciding whether to use the *MFW* playbook to obtain business judgment review of take-private transactions. The trade-offs discussed in the prior article changed when, early this year, Delaware enacted Senate Bill 21 (S.B. 21), which made significant changes to the Delaware General Corporation Law (the DGCL) with respect to controller transactions, including take-private transactions.[1] Below we discuss how S.B. 21 changes a controller's weighing of the risk/reward trade-offs in a take-private transaction.

In our 2024 article, we focused on a controller's consideration of whether to condition a take-private transaction on the approval of a majority of the outstanding shares held by disinterested stockholders, given that doing so could increase completion risk. We posited that a controller who held a large majority of the voting shares prior to the acquisition may elect not to condition the transaction on a majority-of-the-minority vote if there is a risk of an activist investor building a blocking stake. A survey of the transactions that occurred over the decade preceding the article supported this hypothesis, showing that controllers who held 70% or more of the shares in the target prior to the transaction were more likely to forego the majority of the disinterested stockholder vote than controllers who held less than 70% of the shares.

When those transactions took place, *MFW*[2] and its progeny were the law of Delaware. That law made take-private transactions subject to the most stringent standard of review—entire fairness—requiring the defendants to demonstrate that both the price paid and the process followed were entirely fair to the company and its stockholders. A controller could avoid the entire fairness standard of review and have the transaction judged under the deferential business judgment rule standard by complying with the *MFW* procedural protections, which required conditioning the transaction from the outset of economic negotiations (or *ab initio*) on the approval of both (i) a fully independent, disinterested special committee that is fully empowered to negotiate and approve (or reject) a transaction and (ii) the fully informed and uncoerced holders of a majority of the outstanding shares held by disinterested stockholders.

---

1 The changes to the DGCL with respect to controller transactions are discussed more thoroughly in the *DGCL Amendments' Impact on Going Private Transactions* in the Spring 2025 Issue of *MarketCheck*.

2 *Kahn v. M&F Worldwide Corp.*, 88 A.3d 635 (Del. 2014).

S.B. 21 changed these requirements for safe harbor protection of take-private transactions in important ways. First, it eliminated the *ab initio* requirement, requiring instead that a transaction be made subject to the disinterested stockholder vote no later than the time it is submitted for stockholder approval, rather than prior to the outset of economic negotiations with special committees. Second, a judicial determination that one or more of the members of the special committee were interested or conflicted will no longer result in the protections of the special committee being lost, so long as the board had determined in good faith that all members of the special committee were disinterested and a majority of the disinterested directors approved the transaction. Third, it reduced the disinterested stockholder voting threshold to a majority of the votes cast by disinterested stockholders—although tender offers by their very nature continue to require the approval (or a tender) of a majority of the disinterested shares outstanding. Finally, compliance with these requirements no longer results in the application of the business judgment rule; rather, S.B. 21 flatly bars equitable relief or an award of damages against a director, officer, controller or control group arising from a fiduciary duty breach (although it leaves open the possibility of aiding and abetting claims).

S.B. 21's changes to the disinterested stockholder vote threshold are meaningful. Reducing the threshold to a majority of the votes cast (rather than a majority of the disinterested shares outstanding) neutralizes the effect of abstaining stockholders. Prior to S.B. 21, the abstentions would be added to the stake of an activist seeking to assemble a blocking position. Following S.B. 21, this is no longer the case. This change requires controllers (and activists) to reconsider the risks and rewards in a take-private transaction.

Structuring the Transaction

S.B.21's changes strongly disincentivize controllers from using tender offers for transactions designed to receive business judgment review. Between March 15, 2014 (the day after the Delaware Supreme Court's *MFW* decision) and March 25, 2025 (the day Delaware enacted S.B. 21), more than half (six of 11) of the Delaware-governed take-private transactions surveyed[3] where the controller held 70% or more of the target's stock were structured as tender offers. Over the years prior to the adoption of S.B. 21, Delaware law had converged with respect to the treatment of take-private transactions structured as mergers and those structured as tender offers.[4] When all else is equal, a tender offer can be beneficial to an acquirer because it can be completed more quickly than a merger. However, following S.B. 21, the treatment of these two structures is no longer equal. Because "approval" in a tender offer is measured by shares tendered, there is no concept of an abstaining share, and therefore obtaining business judgment rule review necessarily requires the tender of a majority of the outstanding shares held by disinterested stockholders. Given the increased power, relative to a merger, that this may

---

3 Our survey was limited to transactions involving U.S. corporate targets (i) with a deal value of at least $100 million and (ii) in which a Schedule 13E-3 was filed.

4 See *In re Cox Communications, Inc. Shareholders Litigation*, 879 A.2d 604 (Del. Ch. 2005); *In re CNX Gas Corp. Shareholder Litigation*, 4 A.3d 397 (Del. Ch. 2010); *Krieger v. Wesco Financial Corp.*, 30 A.3d 54 (Del. Ch. 2011); *In re MFW Shareholders Litigation*, 67 A.3d 496 (Del. Ch. 2013); and *MFW*, 88 A.3d 635.

provide an activist opposing the transaction, controllers will be far more likely to structure transactions as mergers rather than as tender offers.

Analysis of the Public Float

Because unvoted shares will no longer be treated as votes against for purposes of the majority of the disinterested stockholder vote, controllers, targets and activists will need to consider how likely shares are to be voted in order to assess the size of the stake needed to block a transaction. Prior to the enactment of S.B. 21, an activist could block a transaction with materially less than 50% of the vote, depending on the number of shares held by disinterested stockholders that actually voted. Under the new rules, at least half of the votes cast by disinterested stockholders must be against the transaction regardless of the number of shares that are voted.

As an example, assume a company is 70% owned by a controller with a 30% public float. An activist would need a 15.1% stake to be mathematically certain to block a merger vote assuming that all disinterested shares are voted. However, if one-third of the publicly held shares do not vote, the activist would need only 10.1% to have a mathematical block. In contrast, under the *MFW* threshold prior to S.B. 21, the activist would need just 5.1% to block where one third of the public shares were unvoted, and a single share would suffice to block where half went unvoted.

One effect of the new rules is that we may see fewer attempts to block mergers in order to extract a higher deal price—so-called "bumpitrage"—at large companies simply because the cost of building a blocking stake is higher. One thing that will not change is the importance of carefully evaluating the stockholder base, including the percentages held by institutional and retail investors, how individual investors are likely to vote (or not vote), and how the stockholder base is likely to change between announcement of a transaction and a stockholder vote.

Recent Delaware Decisions Affecting Special Committees

Court of Chancery Rejects "Liquidity Conflict" in Take-Private by Private Equity Firm

In *Manti Holdings, LLC v. The Carlyle Group Inc.*, the Delaware Court of Chancery rejected after trial plaintiffs' claims that Carlyle caused the 2017 sale of its controlled company Authentix Acquisition Company at a fire-sale price because it was one of the last remaining investments in a Carlyle fund that had reached the end of its 10-year term. The court found that Carlyle, though a controller, did not have conflicts that would cause the transaction to be reviewed under the test of entire fairness. The court was persuaded by the evidence that, although Carlyle certainly wanted to sell in 2017, it did not need to do so. Authentix's controlling stockholder was a "bog-standard" Carlyle buyout fund with a 10-year term, but that term did not impose a deadline for a sale; Carlyle funds could, and sometimes did, hold investments for longer periods. According to the court, there was no evidence of a pressing liquidity crisis that would demonstrate the controller's willingness to accept less than fair value. The court noted the absence of limited partner pressure to exit the investment and found the generalized market expectations about the 10-year life of a private equity fund to be insufficient to demonstrate a conflict on Carlyle's part. Instead, the evidence showed that the transaction was the product of a year-long, comprehensive marketing and sale process, with outreach to 127 potential buyers. This helped demonstrate that Carlyle's "interest was the same as the minority stockholders—to

maximize the value of its investment." This decision should provide some comfort to private equity firms, confirming that a firm's mere desire for liquidity is not, alone, sufficient to constitute a non-ratable benefit. *Manti Holdings LLC v. The Carlyle Group Inc.*, C.A. No. 2020-0657-SG (Del. Ch. Jan. 7, 2025).

Delaware Supreme Court Affirms the Court of Chancery's Application of the Business Judgment Rule to Transaction with Conflicted Controller

The Delaware Supreme Court's opinion in *In re Oracle Derivative Litigation* affirmed the Court of Chancery's holding that Oracle's 2016 acquisition of NetSuite Inc. was protected by the business judgment rule despite the fact that Larry Ellison was a co-founder of both companies with substantial equity interests in each. The Court of Chancery concluded that the transaction was negotiated at arm's length by a fully empowered special committee of Oracle's board and, while Ellison was conflicted because of his interest in NetSuite, he removed himself from the process. The court rejected claims that Ellison generally controlled Oracle: while being Oracle's "visionary leader," he held less than 30% of Oracle's voting power and did not control Oracle's day-to-day functions or board decisions over the company's operations. Nor did he exercise "transactional control" over the deal: while Ellison "had the potential to influence the transaction, [he] did not attempt to do so." The court also rejected claims that Ellison defrauded the board and special committee by failing to disclose material facts about NetSuite's valuation and interactions with NetSuite.

The Supreme Court, affirming, emphasized that it was reviewing a decision reached after over five years of litigation culminating in a 10-day trial, rather than a decision to dismiss at an early stage. The Court declined to find that the Court of Chancery erred in holding that Ellison was not a controller despite his "potential" to control transactions. According to the Court, "the potential to control, without more, does not lead ineluctably to controlling stockholder status." In affirming the holding that Ellison did not defraud the board, the Court held that the multi-factor test applied by the Court of Chancery was unnecessary. Instead, the question was simply whether the challenged fiduciary acted in good faith and with candor. Because the information alleged to have been concealed by Ellison was found not to be material, he did not breach the duty of loyalty. *In re Oracle Derivative Litigation*, No. 139, 2024 (Del. Jan. 21, 2025).

Court of Chancery Finds Large Minority Stockholding Fails to Support Inference of Control[5]

In *Turnbull v. Klein*, the Delaware Court of Chancery dismissed entire fairness claims arising from the 2022 acquisition of U.S. Well Services, Inc. based on claims that its largest stockholder, Crestview Advisors, received non-ratable benefits in the transaction. According to the court, Crestview's ownership of 25.7% of USWS's common stock, as well as warrants, notes and preferred stock that, if exercised, would have increased Crestview's vote to 40.2%, and a contractual right to designate two of nine USWS directors were insufficient to support a reasonable inference that Crestview controlled the USWS board, either in general or in connection with the transaction. The court emphasized that, to consider Crestview a controller despite its minority stake, the plaintiffs would have needed to allege that Crestview *actually*

[5] *Turnbull v. Klein* was decided prior to the adoption of S.B. 21, and the Court of Chancery's control analysis did not take that new law into account.

controlled USWS, not merely that it had the potential to do so by increasing its voting power. The court further held that even assuming Crestview's as-converted ownership was the right metric to consider "that level of voting power still does not, on its own, give rise to a reasonable inference of control." The court declined to infer that one of the two Crestview designees on the USWS board was beholden to Crestview, despite his role as President and CEO of a Crestview joint venture with a majority of the board designated by Crestview, because no facts were alleged supporting an inference that those designees *themselves* were beholden to Crestview. The court also rejected claims that Crestview exercised transaction-specific control, emphasizing that such control must occur at the board level. The court similarly was unmoved by allegations that Crestview representatives attended at least five board meetings, given the absence of allegations as to what Crestview said or did at those meetings. *Turnbull v. Klein*, C.A. No. 2023-1125-BWD (Del. Ch. Jan. 31, 2025).

Delaware Supreme Court Clarifies Standard of Review for Companies Seeking to Redomesticate Outside of Delaware

In *Palkon v. Maffei*,[6] the Delaware Court of Chancery permitted stockholders to pursue claims that TripAdvisor's board of directors and Greg Maffei, its controlling stockholder, CEO and Chairman, breached their fiduciary duties when TripAdvisor's board decided to move TripAdvisor's state of incorporation from Delaware to Nevada. The lower court determined that the conversion was a self-interested transaction because it would provide a non-ratable benefit to the controlling stockholder and directors in the form of greater litigation protection from suits by minority stockholders. As a result, the lower court denied the defendants' motion to dismiss, finding that the conversion should be judged under the test of entire fairness.

On appeal, the Delaware Supreme Court reversed the Court of Chancery in a unanimous *decision*, holding that the business judgment rule is the presumptive standard for reviewing a corporation's decision to redomesticate to another state. The Court found that the lower court erred in determining that the stockholder plaintiffs had alleged sufficient facts to subject the conversion to entire fairness review, stating that the "hypothetical and contingent" impact of Nevada law on future unknown corporate actions was too speculative to constitute a material non-ratable benefit that would trigger entire fairness review. In light of the absence of any threatened or pending claims that would be impaired by redomesticating to Nevada at the time the redomestication was approved by the board, the Court concluded that the stockholder plaintiffs failed to show that any reduction in exposure to liability under Nevada law would provide a material benefit to TripAdvisor's controlling stockholder and directors. The Court left open the possibility that redomestication might provide a material non-ratable benefit if the decision to redomesticate was made in order to avoid litigation claims or in contemplation of a particular transaction, citing several precedents where entire fairness was found to be the appropriate standard of review when transactions impacting stockholder litigation rights were not approved on a "clear day" (i.e., when the corporation is not facing any existing or threatened litigation and is not contemplating a particular transaction). *Maffei. v. Palkon*, C.A. No. 2023-0449-JTL (Del. Feb. 4, 2025).

---

6 *Palkon v. Maffei, et al.*, C.A. No. 2023-0449-JTL (Del. Ch. Feb. 20, 2024).

Stock Ownership Alone Is Not Dispositive for Purposes of Determining Whether a Significant Stockholder Is a Controller[7]

In *Frank v. Mullen*, a former stockholder challenged the take-private acquisition of National Holdings Corp. by its largest shareholder, B. Riley Financial, which controlled 46.4% of the company's voting power. The plaintiff alleged that B. Riley was a de facto controlling stockholder and had breached fiduciary duties by orchestrating a conflicted merger at an unfair price. A special committee of independent directors had negotiated the deal on behalf of the company. The Delaware Court of Chancery dismissed the breach of fiduciary duty claims, holding that a 46.4% stockholder did not automatically trigger controlling stockholder duties absent well-pled facts of actual control. The court reaffirmed that to treat a minority blockholder as a "controller," plaintiffs must plead particularized facts showing the stockholder exerted actual domination or control over the company's decision-making or acted as part of a control group. Here, the plaintiff failed to allege that B. Riley controlled the board or "unduly influenced the special committee" that evaluated the deal. With no indication that B. Riley coerced the process or dictated terms, the court declined to treat B. Riley as a controlling stockholder. As a result, the business judgment rule—not the entire fairness standard—applied, and the case was dismissed at the pleading stage. *Frank v. Mullen*, C.A. No. 2023-0381-MTZ (Del. Ch. May 5, 2025).

Entire Fairness Is Not Always a Free Pass to Trial

In *Roofers Local 149 Pension Fund v. Fidelity National*, the Delaware Court of Chancery dismissed a challenge to a $250 million preferred stock investment by the issuer's controlling stockholder. The transaction was approved by a two-person committee of independent directors but was not subject to a majority-of-the-minority vote.[8] Stockholders sued, alleging that the transaction was unfair to the minority, but failed to identify any facts demonstrating that unfairness, at least to the satisfaction of the court. A complaint must contain well-pled facts showing that the deal was unfair in process and price. Here, the court assumed for argument that the special committee process might have been imperfect but found fatal the lack of any particularized allegations that the price or terms were substantively unfair. The decision serves as a reminder that "a conflict of interest is not in itself a crime," and "entire fairness is not a free pass to trial." Even under entire fairness review, Delaware courts will dismiss lawsuits that do not plausibly allege unfair terms. *Roofers Local 149 Pension Fund v. Fidelity National Financial, Inc.*, C.A. No. 2024-0562-LWW (May 9, 2025).

---

7 *Frank v. Mullen* was decided prior to the adoption of S.B. 21, and the Court of Chancery's control analysis did not take that new law into account.

8 *Roofers Local 149 Pension Fund v. Fidelity National* was decided prior to the adoption of S.B. 21. Had the case been filed following the adoption of S.B. 21, the transaction most likely would have been afforded deference under the business judgment rule under the safe harbor provided under Section 144(b) of the DGCL, assuming a properly functioning, disinterested special committee.

Failure to Adequately Disclose Financial Advisors Conflicts Leaves Special Committee Members Potentially Liable for Breach of Fiduciary Duty Claims

In 2021, Inovalon Holdings was sold to a private equity firm in a transaction in which Inovalon's controller rolled over a portion of his equity interest. Because the transaction was approved by a special committee of independent directors and a majority-of-the-minority stockholder vote, the Court of Chancery dismissed breach of fiduciary duty claims brought against Inovalon's controller and directors. The Delaware Supreme Court overturned the lower court's decision, finding that inadequate disclosure of financial advisor conflicts rendered the minority stockholders' vote ineffective. The Supreme Court's decision[9] is discussed in greater detail in in the July 2024 issue of this *Report*.

On remand, in a letter decision, the Court of Chancery addressed the defendants' motions to dismiss for failure to state a non-exculpated claim. The court denied the motions to dismiss, finding that plaintiffs adequately alleged that the special committee members acted in bad faith based on disclosure deficiencies in the proxy statement. The court found it reasonably conceivable that the defendants acted in bad faith by knowingly failing to disclose one of the financial advisor's conflicts and knowingly making false disclosures regarding the other financial advisor's role in the process, including its participation in market outreach. In reaching this conclusion, the court placed particular emphasis on the discrepancies between the special committee's meeting minutes and the proxy statement. This decision reinforces the importance of ensuring that financial advisor conflicts are accurately and comprehensively disclosed, particularly in transactions with conflicted controlling stockholders. *City of Sarasota Firefighters' Pension Fund, et al. v. Inovalon Holdings, Inc.*, C.A. No. 2022-0698-KSJM (Del. Ch. June 10, 2025) (Letter Op.).

---

[9] *City of Sarasota Firefighters' Pension Fund, et al. v. Inovalon Holdings, Inc* No. 305, 2023 (Del. May 1, 2024).

Special Committee Transactions Overview[10]

Transaction Summary and Reasons for Special Committee	On January 10, 2025, Clearwater Analytics Holdings, Inc. ("Clearwater") entered into a definitive agreement to acquire Enfusion Inc. ("Enfusion") for $11.25 per share, delivered as approximately $5.85 in cash and $5.40 in Clearwater Class A common stock. In connection with the transaction, Clearwater will pay $30 million to the TRA Holders (defined below) to terminate Enfusion's tax receivable agreement ("TRA"). Shareholders affiliated with FTV, ISP and CSL (collectively, "TRA Holders"), ICONIQ and Oleg Movchan, CEO of Enfusion, who collectively hold approximately 45% of Enfusion's total voting power, entered into a voting and support agreement pursuant to which they agreed to vote in favor of the transaction. The transaction was approved by a special committee of Enfusion's board of directors consisting solely of independent and disinterested directors and was approved by the affirmative vote of the holders of a majority of the outstanding shares of common stock.
Announced Date	January 13, 2025
Target Name	Enfusion, Inc., a Delaware corporation
Acquirer Name	Clearwater Analytics Holdings, Inc., a Delaware corporation
Equity Value	$1,500,000,000
Transaction Status	Completed
MFW[11]	No

[10] This Special Committee Transaction Overview generally does not include transactions with an equity value of less than $500 million (excluding, unless otherwise indicated, the value of the equity already owned by the acquirer and its affiliates).

[11] As described in more detail in this Debevoise Update, on March 25, Delaware Governor Matt Meyer signed into law S.B. 21, which, among other things, revises and makes more readily available safe harbors for conflicted transactions (including controller transactions), and increases certainty as to when a stockholder will be treated as a controller. Now, under Section 144(b) of the DGCL, non-take-private transactions involving a conflicted controller will be provided safe harbor if there is either a disinterested special committee or a fully informed vote of a majority of the votes cast by disinterested stockholders, meaning that the dual requirements of *MFW* no longer need to be satisfied for non-take-private transactions to be afforded business judgment rule review. Accordingly, for non-take-private transactions announced after March 25, this *Report* will indicate whether the safe harbor provided by Section 144(b), rather than *MFW*, has been satisfied. For controller take-private transactions announced after March 25, this *Report* will state whether the safe harbor provided under Section 144d(c) has been satisfied. Section 144(c) retains the dual *MFW* requirements (i.e., both a disinterested special committee and a majority-of-the-minority stockholder vote), but it makes obtaining early dismissal easier and more predictable by removing the *ab initio* requirement, lowering the disinterested stockholder voting threshold, and focusing on the board's determination that all members of the special

Transaction Summary and Reasons for Special Committee	On February 23, 2025, Apollo Global Management, Inc. ("Apollo") entered into a definitive agreement to acquire Bridge Investment Group Holdings, Inc. ("Bridge") in a stock-for-stock transaction. Certain members of Bridge management, who collectively own approximately 51.4% of the outstanding voting power of Bridge common stock, entered into a voting agreement to vote in favor of the transaction. The transaction was unanimously recommended by a special committee of Bridge's board of directors comprised of independent directors and was approved by the affirmative vote of the holders of a majority of the outstanding shares of common stock.
Announced Date	February 24, 2025
Target Name	Bridge Investment Group Holdings, Inc., a Delaware corporation
Acquirer Name	Apollo Global Management, Inc., a Delaware corporation
Equity Value	$1,500,000,000
Transaction Status	Pending
MFW	No

Transaction Summary and Reasons for Special Committee	On April 15, 2025, Cal-Maine Foods, Inc. ("Cal-Maine") entered into a stock repurchase agreement with family members of Cal-Maine's late founder Fred R. Adams, Jr. to repurchase 551,876 shares of Cal-Maine's common stock for $90.60 per share ("Share Repurchase"), totaling approximately $50 million. Prior to the share repurchase, the family members held 100% of Cal-Maine's Class A shares, which have 10 votes per share and represented 52% of Cal-Maine's total voting power. Post-Share Repurchase, the family's total voting power would decline to 12.0% of the total voting power of Cal-Maine. This Share Repurchase was conducted pursuant to a broader $500 million share repurchase program authorized by the board on February 25, 2025. The Share Repurchase was approved by a special committee of Cal-Maine's board of directors comprised solely of disinterested and independent members.
Announced Date	April 17, 2025
Target Name	N/A
Acquirer Name	N/A
Equity Value	$50 million

committee are disinterested (together with the presumption of disinterestedness for directors meeting national securities exchange independence requirements).

Transaction Status	Completed
DGCL 144(b) Safe Harbor	Yes

Transaction Summary and Reasons for Special Committee	On May 4, 2025, Beach Acquisition Co Parent, LLC, an acquisition vehicle created by 3G Capital Partners L.P. ("3G"), entered into a definitive agreement to acquire Skechers U.S.A., Inc. ("Skechers"). As consideration, Skechers' stockholders holding either Class A or Class B shares can elect to receive either (i) $63.00 per share in cash or (ii) $57.00 per share in cash and one LLC unit in the new private parent ("Mixed Election Consideration"). A maximum of 20% of the outstanding shares of Skechers common stock is eligible to receive Mixed Election Consideration. If holders of shares representing more than 20% of the outstanding Skechers stock elect to receive Mixed Election Consideration, the elections will be subject to proration. The Greenberg Family Trust, the Skechers Voting Trust, Robert Greenberg, Chairman of the Board and CEO of Skechers, and members of the Greenberg family, who collectively own approximately 12% of the Class A common stock (entitled to one vote per share) and 95% of the Class B common stock (entitled to 10 votes per share), entered into a support agreement pursuant to which they agreed to vote in favor of the transaction and elected to receive Mixed Election Consideration. The transaction was approved by a special committee of Skechers' board of directors comprised of solely independent directors and was approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock and Class B common stock, voting as a single class.
Announced Date	May 5, 2025
Target Name	Skechers U.S.A., Inc., a Delaware corporation
Acquirer Name	Beach Acquisition Co Parent, LLC, a Delaware limited liability company (3G Capital Partners L.P.)
Equity Value	$9,000,000,000
Transaction Status	Pending
DGCL 144(c) Safe Harbor	No

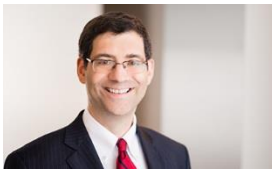
Transaction Summary and Reasons for Special Committee	On May 5, 2025, Pershing Square Holdco, L.P. and affiliated entities (collectively, "Pershing Square") entered into a Share Purchase Agreement with Howard Hughes Holdings Inc. ("HHH") and invested $900 million to acquire 9,000,000 newly issued shares at $100 per share. Following the investment, Pershing Square will own 46.9% of HHH, with beneficial ownership capped at 47% and voting power capped at 40%. Prior to this investment, Pershing Square owned 37.6% of HHH's common stock. The transaction was recommended and approved by a Special Committee comprised of independent and disinterested HHH directors and approved by the HHH Board of Directors.
Announced Date	May 5, 2025
Target Name	Howard Hughes Holdings Inc., a Delaware corporation
Acquirer Name	Pershing Square Holdco, L.P., a Delaware limited partnership
Equity Value	$900,000,000
Transaction Status	Completed
DGCL 144(b) Safe Harbor	Yes

Debevoise & Plimpton LLP has decades of experience in assisting special committees in transactions involving conflicted fiduciaries and other parties including controlling stockholders, other conflicted fiduciaries and transactional counterparties in transactions involving special committees. We keep databases of information relevant to the formation of special committees and regularly present on topics relating to special committees. We welcome the opportunity to speak with corporate general counsel, directors, advisors and others regarding these matters.

Please do not hesitate to contact us with any questions.

Authors

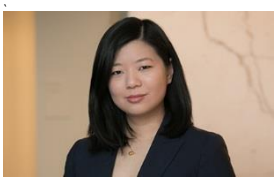
Erik J. Andrén
Partner – New York
ejandren@debevoise.com
+ 1 212 909 6431



Andrew L. Bab
Partner – New York
albab@debevoise.com
+1 212 909 6323

Gregory V. Gooding
Partner – New York
ggooding@debevoise.com
+1 212 909 6870

Elliot Greenfield
Partner – New York
egreenfield@debevoise.com
+1 212 909 6772

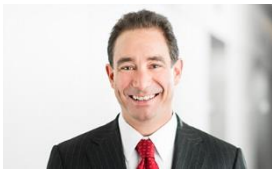


Emily F. Huang
Partner – New York
efhuang@debevoise.com
+1 212 909 6255

Jonathan E. Levitsky
Partner – New York
jelevitsky@debevoise.com
+1 212 909 6423

Gordon Moodie
Partner – New York
gsmoodie@debevoise.com
+1 212 909 6946

Maeve O'Connor
Partner – New York
mloconnor@debevoise.com
+1 212 909 6315



William D. Regner
Partner – New York
wdregner@debevoise.com
+1 212 909 6698

Jeffrey J. Rosen
Partner – New York
jrosen@debevoise.com
+1 212 909 6281

Katherine Durnan Taylor
Partner – New York
ketaylor@debevoise.com
+1 212 909 6426

Caitlin Gibson
Counsel – San Francisco
cgibson@debevoise.com
+1 415 738 5721

Jacob T. Dougherty
Associate – New York
jtdougherty@debevoise.com
+1 212 909 6156

Grace Huang
Associate – New York
ghuang@debevoise.com
+1 212 909 6255

Matthew Ryan
Associate – New York
mryan1@debevoise.com
+1 212 909 6247