

## *In re MINDBODY, Inc. Stockholders Litigation*

**COURT:** Delaware Court of Chancery  
**CASE NUMBER:** 2019-0442-KSJM  
**CASE LEADERS:** Jeroen van Kwawegen, Gregory V. Varallo, Christopher J. Orrico, Andrew Blumberg  
**CASE TEAM:** Rebecca L. Reyhani

In February 2019, Vista Equity Partners (“Vista”) acquired Mindbody, Inc. (“Mindbody” or the “Company”) for \$36.50 per share (the “Merger”). In connection to the Merger, large investors in Mindbody engaged BLB&G to pursue appraisal and breach of fiduciary duty claims.

On April 17, 2019, BLB&G filed petitions for appraisal on behalf of Luxor Capital Partners, LP, Luxor Capital Partners Offshore Master Fund, LP, Luxor Wavefront, LP, and Lugard Road Capital Master Fund, LP (“Luxor”) and Blue Mountain Credit Alternatives Master Fund L.P., BlueMountain Logan Opportunities Master Fund L.P., BlueMountain Foinaven Master Fund L.P., BlueMountain Fursan Fund L.P., and BlueMountain Kicking Horse Fund L.P. (“BlueMountain”).

On June 12, 2019, BLB&G filed a verified class action complaint in Delaware Court of Chancery on behalf of Luxor and all other similarly situated former stockholders of Mindbody against Richard Stollmeyer (Mindbody’s Founder, Chairman, and CEO), Brett White (Mindbody’s CFO), and Eric Liaw (a Mindbody constituency director for venture capital firm IVP) in connection to the Merger.

Luxor, which owned 18.9 % of Mindbody’s outstanding common stock prior to the Merger, alleges that the Merger price was unfair to former Mindbody stockholders and that it was the product of a transaction that was tainted by Mindbody’s directors’ and officers’ self-interest.

On October 2, 2019, the Court consolidated the appraisal and fiduciary duty actions, appointed Luxor as lead plaintiff in the fiduciary action, and appointed BLB&G as co-lead counsel.

On February 20, 2020 Plaintiffs filed the Amended Complaint. On March 12, 2020 Defendants filed a motion to dismiss the Amended Complaint. On October 2, 2020, the Court denied Defendants’ motion to dismiss as to Stollmeyer and White, but granted it as to Liaw.

On June 4, 2021, after the close of fact discovery, Luxor filed a Second Amended Consolidated Class Action Complaint that re-asserted the claim against Liaw for breach of fiduciary duty and added claims against IVP and Vista for aiding and abetting breaches of fiduciary duty.

In January 2022, Plaintiffs, Liaw, and IVP agreed to a \$27 million partial settlement for the claims asserted against them. The claims asserted against Mindbody and Vista were not settled.

An eight-day trial was held from February 28, 2022 to March 9, 2022. On July 28, 2022, the Court heard post-trial argument.

On March 15, 2023, in a first-of-its-kind decision, the Court of Chancery held that Stollmeyer breached his *Revlon* and disclosure duties and that Vista aided and abetted Stollmeyer’s breaches of his disclosure duties. The Court awarded the class \$1.00/share in damages.

After the Court of Chancery decision, the parties exchanged briefs regarding, *inter alia*, the impact of the partial settlement on the post-trial judgment and whether the appraisal petitioners are entitled to elect to participate in the class. On June 5, 2023, the Court of Chancery heard argument in those issues.

## Case Documents

- March 15, 2023 - Post-Trial Memorandum Opinion
- October 2, 2020 - Memorandum Opinion
- February 27, 2020 - First Amended Verified Consolidated Class Action Complaint
- April 17, 2019 - Verified Petition for Appraisal