

In re Athlon Energy, Inc. Stockholder Litigation

COURT: Court of Chancery of the State of Delaware
CASE NUMBER: 10250-VCG
JUDGE: Vice Chancellor Sam Glasscock III
CASE CONTACTS: Mark Lebovitch, Jeroen van Kwawegen

On October 23, 2014, BLB&G filed a Verified Class Action Complaint on behalf of its client, The City of Cambridge Retirement System ("Plaintiff") and all other similarly situated public stockholders of Athlon Energy, Inc. against the members of Athlon's board of directors: Robert C. Reeves, Gregory A. Beard, Rakesh Wilson, Wilson B. Handler, Ted A. Gardner, Mark A. Stevens, and Bart Kalsu (the Apollo Global Management, LLC, Encana Corporation, and Alenco Acquisition Company, Inc.). The Complaint alleges breaches of fiduciary duties and aiding and abetting, including through alleged misleading or omitted disclosures in the Recommendation Statement, in connection with Encana's proposed acquisition of Athlon.

Pursuant to an October 28, 2014 Scheduling Stipulation, Plaintiffs engaged in expedited fact discovery in preparation for a preliminary injunction hearing scheduled for November 6, 2014. After arm's-length negotiations, all parties entered into a Memorandum of Understanding on November 3, 2014, in which the Defendants agreed to: (i) reduce the applicable termination fee from 3.5% to 1% of the Transaction's value; (ii) eliminate Encana's matching rights should a third-party make a Superior Offer; (iii) publicly disclose any bona fide acquisition proposal for Athlon; (iv) waive certain stockholders' obligations under various Support Agreements; (v) make material supplemental disclosures concerning the Transaction; and (vi) extend the date of the tender offer.

On December 5, 2014 BLB&G was appointed Co-Lead Counsel. On December 22, 2014 a Stipulation and Agreement of Settlement was filed with the court. The Court granted final approval of the Settlement on April 14, 2015.