



Activist Insight
Monthly

2018 INTERMEDIARY AWARDS

CANNABIS
STOCKS

ARGYLE STREET
MANAGEMENT

PAPA JOHN'S

ACTIVIST INSIGHT MONTHLY
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Editor's letter



Josh Black, editor-in-chief at Activist Insight.

DECEMBER rolled round quicker than ever this year, prompted by what we expect to be record volumes in the five biggest markets for activism, slow motion train wrecks, **Qualcomm** and **Campbell Soup**, and everyone else just trying to get the deal done.

For the law and proxy solicitation firms recognized in our intermediary awards, this year must have felt incredibly hectic. **Olshan Frome Wolosky** rang up a century of campaigns over the 12 months to October 31, while many others upped their number of representations and still struggled to keep their place in the rankings. Congratulations to **Olshan, Innisfree**, and **Okapi**, the top ranked firms in their categories, and to **Vinson & Elkins** for ranking the highest among the crowded activism legal defense field.

“The amount of activity around cannabis companies had become too voluminous to ignore.”

For those reading and wondering how they can get in on the action, our submissions process is open all year. We do periodic data drives and a final frantic month of chasing before completing the list but get your marketing teams to add data@activistinsight.com to their mailing lists to keep us up to date. Also, we welcome submissions from communications firms and banks, which are displayed on *Activist Insight Online* along with a detailed breakdown of the law firm and proxy solicitor representations.

This month's magazine touches on two areas that have sparked a lot of interest in the first few days of December. First, in Japan, two hotly contested deals secured shareholder approval. A merger between **Alpine Electronics** and **Alps Electric** won support from **Elliott Management** to dent **Oasis Management's** hopes of extracting a major dividend instead. Meanwhile, **Takeda Pharmaceutical's** acquisition of **Shire** survived a domestic rebellion. Our activist interview, with **Argyle Street Management**, presents an optimistic take on balance sheet activism in Japan.

On the short side, we decided that instead of a campaign in focus this month, the amount of activity around cannabis companies had become too voluminous to ignore. Three days into December, **Quintessential Capital Management** lit into Canada's **Aphria** at Kase Learning's short selling conference in New York. Other short sellers at the event presented on **Tilray**, one of **Citron Research's** many targets in the space. Even with legalization barreling forward, many stocks are in serious bubble territory. Knowing which ones to pop, and when, is a skill many short sellers will be wishing for in the new year.

Also in the magazine are our customary features: a profile of the campaign at **Papa John's International**, new investments, news in brief, and the ESG corner.

Since this is the final issue of *Activist Insight Monthly* this year, it's worth acknowledging the busy year we've had. Three special reports, covering Europe, short selling, and a survey of activists, were added to our regular issues, newswire, and two weekly newsletters (*The weekly wrap*, a subscriber-only newsletter written by my colleague Iuri Struta, recently launched). *Activist Insight Governance* launched in March and has become a popular part of our product suite. We have also increased the number of reports we produce for *Activist Insight Vulnerability*, to meet demand for activism preparation work.

Worthy of special mention is the launch of *The Activist Insight Podcast*, hosted by my colleague Elana Duré. Our first few episodes have been well-received and we plan to bring you lots more in the new year. Please subscribe through your usual podcast service and leave us a review.

With that, it leaves me only to wish our readers a happy holiday season and a prosperous 2019. We will be back before you know it with our sixth annual review. Until then, be good or be activist! 🍷

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**2018
INTERMEDIARY
AWARDS**

Advisers in the shareholder activism space were met with a flurry of activity in 2018, leaving the top law firms and proxy solicitors with more representations than ever before. “There’s been a tremendous level of activist activity in 2018, even surpassing the amount of activity in 2017,” said Andrew Freedman, a partner with the most prolific law firm for the fourth consecutive year, **Olshan Frome Wolosky**.

Specifically, advisers saw an increased amount of activist movement in the M&A space, and many expect the trend to continue in the new year. In addition, the universal proxy became a popular topic of conversation following its adoption by management teams at **SandRidge Energy** and **Mellanox Technologies**.

2018, however, did not see much action in the mega-cap space to compete with 2017’s showdowns at giants such as **Procter & Gamble**. In addition, Freedman said 2018 “lacked the big, punchy fights” where activists “go the distance to the vote” for board representation. Instead, the year saw a spike in the number of settlements between activists and corporations, according to data from *Activist Insight Online*.

Schulte Roth & Zabel partner Eleazer Klein said he noticed an increased interest in engagement between institutional investors and their portfolio companies. “But that doesn’t automatically translate to a shift in sentiment,” he said, noting that activists still worked hard for the vote.

Other observations included a spike in activist participation across the globe – with record numbers in Canada and Asia – and activists’ willingness to battle corporations with large insider ownership, as was the case at **Campbell Soup** and **Taubman Centers**.

Methodology

This is the fourth consecutive year Activist Insight has published its listings of law firms and proxy solicitors who make their livings from activism. The following records are derived from public announcements – proxy statements, regulatory filings, and press releases – supplemented by the records of the firms themselves. To be included, a campaign must have seen the company in question subjected to a public demand by an activist from November 1, 2017 up until October 31, 2018, and the full listings made available on *Activist Insight Online*. Several firms listed operate internationally – the data included overleaf are global where possible.

We welcome submissions for next year’s listing, including from PR firms and investment banks. To arrange a call with a member of the team, email support@activistinsight.com.

01.

OLSHAN FROME WOLOSKY

KEY CONTACTS: ANDREW FREEDMAN, STEVE WOLOSKY

ACTIVIST CAMPAIGNS WORKED ON: 100

For the fourth year, Olshan placed first in our law firm rankings with an impressive gap between it and the rest of the advisers. “How much we touch is a pretty good barometer for how active the industry is in general,” partner Andrew Freedman told *Activist Insight Monthly*, noting that 2018 has been a busy year.

Olshan worked on **Starboard Value**’s proxy contest at **Mellanox Technologies**, which ultimately ended in a settlement with the Israeli chipmaker adding two independent directors recommended by Starboard to its board and another agreed upon by both parties. In addition, the New York-based law firm helped **Elliott Management** gain two board seats in a settlement with **Commvault Systems**.



“HOW MUCH WE TOUCH IS A PRETTY GOOD BAROMETER FOR HOW ACTIVE THE INDUSTRY IS IN GENERAL.”

- ANDREW FREEDMAN

02.

SCHULTE ROTH & ZABEL

KEY CONTACTS: ELEAZER KLEIN, MARC WEINGARTEN

ACTIVIST CAMPAIGNS WORKED ON: 42

New York-based Schulte placed second with 42 representations in 2018, including **Elliott Management**’s campaign at **Akamai Technologies**, **Jana Partners**’ engagement at **Pinnacle Foods**, and **SRS Investment Management**’s crusade at **Avis Budget**.

Schulte partner Eleazer Klein said he saw a decrease in the amount of mega-cap fights that occurred this year compared to last, noting that “we didn’t see the mega caps in play in 2018.” He estimated this is largely because mega-cap campaigns are always episodic, adding that he believes this does not reflect an overall trend that activists are avoiding corporate juggernauts and behemoths. Instead, the year saw a spike in the amount of action surrounding M&A activism.



“WE DIDN’T SEE THE MEGA CAPS IN PLAY IN 2018.”

- ELEAZER KLEIN