



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

**MANTI HOLDINGS, LLC,
MALONE MITCHELL,
WINN INTERESTS, LTD.,
EQUINOX I. A TX, GREG
PIPKIN, CRAIG JOHNSTONE,
TRI-C AUTHENTIX, LTD.,
DAVID MOXAM, LAL PEARCE,
and JIM RITTENBURG,**

Petitioners,

v.

**AUTHENTIX ACQUISITION
COMPANY, INC.,**

Respondent.

C.A. No.

VERIFIED PETITION FOR APPRAISAL

Manti Holdings, LLC, Malone Mitchell, Winn Interests, Ltd., Equinox I. A Tx, Greg Pipkin, Craig Johnstone, Tri-C Authentix, Ltd., David Moxam, Lal Pearce and Jim Rittenburg (“Petitioners”) hereby petition for appraisal pursuant to Section 262 of the General Corporation Law of the State of Delaware (“DGCL”) as follows:

1. On September 13, 2017, Authentix Acquisition Company, Inc., a Delaware corporation (“Authentix”), became a direct wholly-owned subsidiary of Authentix Guernsey Holdco Limited (“Parent”), a Guernsey private limited

company, pursuant to the terms of the Agreement and Plan of Merger, dated as of September 13, 2017, (the “Merger Agreement”), by and among Authentix, Parent, Authentix MergerSub, Inc. (“Merger Sub”), a Delaware corporation and wholly owned subsidiary of Parent, and TCG Ventures III, L.P., a Delaware limited partnership. Pursuant to the Merger Agreement, Merger Sub merged with and into Merger Sub, with Authentix surviving as a wholly-owned subsidiary of Parent (the “Merger”). Other than shares as to which, among other things, appraisal has been demanded, each share of Series B, D, and Common Stock was automatically cancelled and converted into the right to receive a cash payment as detailed below:

Class of Stock	Consideration Per Share
Series B	\$2.91
Series D	\$5.85
Common	\$0.00

2. Authentix stockholders also had the possibility of receiving an earn-out payment. The Merger Agreement defines the earn-out amount as

(a): if Bernard Bailey is the subject of an Unjustified Dismissal on or before the last day of the Earn-Out Period, seventeen million five hundred thousand dollars (\$17,500,000); or (b): otherwise: (i) nil value (\$0), if the Adjusted EBITDA for the Earn-Out Period is less than fifteen million dollars (\$15,000,000); (ii) eight million seven hundred fifty thousand dollars (\$8,750,000), if the Adjusted EBITDA for the Earn-Out Period is equal to or greater than fifteen million dollars (\$15,000,000) but less than seventeen million dollars (\$17,000,000); or (iii) seventeen million five hundred thousand dollars (\$17,500,000), if the Adjusted EBITDA for the Earn-Out Period is equal to or greater than seventeen million dollars (\$17,000,000).

3. Petitioners were the record owners of the following shares of Authentix Series D and Common Stock (“Petitioners’ Shares”):

Petitioner	Series D Shares	Common Shares
Manti Holdings, LLC	220,364	50,305,542
Malone Mitchell	0	8,548,757
Winn Interests, Ltd.	33,427	7,745,995
Equinox I. A Tx	19,555	4,497,175
Greg Pipkin	0	166,667
Craig Johnstone	0	100,782
Tri-C Authentix, Ltd.	0	102,218
David Moxam	0	1,000,000
Lal Pearce	0	76,822
Jim Rittenburg	0	324,716

4. Petitioners file this petition on their own behalf pursuant to Section 262(e) of the DGCL.

5. The registered agent in Delaware of Authentix is the Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801.

6. By letters dated September 25, 26, 27, and 29, 2017, and October 1 and 4, 2017, as the holder of record of Petitioners’ Shares, Petitioners demanded appraisal of Petitioners’ Shares.

7. The appraisal demands identified in Paragraph 6 hereof complied in all respects with Section 262 of the DGCL.

8. Petitioners did not vote any of Petitioners’ Shares in favor of the Merger or consent to the Merger.

9. Petitioners have not accepted any consideration in connection with the Merger for any of Petitioners' Shares, and Petitioners have not withdrawn their demands for appraisal with respect to Petitioners' Shares.

10. Petitioners are filing this petition within 120 days after the effective date of the Merger.

11. Petitioners are entitled to the valuation of and payment for their shares of Series D and Common Stock under Section 262 of the DGCL. The determination of fair value will also govern all other shares of Series D and Common Stock for which appraisal was properly sought.

WHEREFORE, Petitioners respectfully request that this Court:

- A. Determine and direct payment by Authentix of the fair value at the time of the Merger of Petitioners' Shares, together with interest from the effective date of the Merger, to the stockholders of Authentix entitled thereto;
- B. Tax all costs of this proceeding upon Authentix and order that all expenses incurred by Petitioners in connection with this appraisal proceeding, including, without limitation, reasonable attorneys' fees and the fees and expenses of experts, be charged *pro rata* against the value of all shares of Series D and Common Stock entitled to an appraisal; and
- C. Grant such other and further relief as the Court may deem just, proper and equitable.

DATED: December 13, 2017

DLA PIPER LLP (US)

/s/ John L. Reed

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