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FOCUS AREAS
Corporate Governance & M+A

EDUCATION
University of Pittsburgh
B.A. 2012, magna cum laude

Temple University Beasley School of Law
J.D. 2015, cum laude

ADMISSIONS
Pennsylvania

New Jersey

Grant D. Goodhart, a Partner of the Firm, concentrates his practice in the areas of corporate governance and merger and acquisition litigation. Since joining the firm, Grant has represented shareholders in several class and shareholder derivative actions through all aspects of litigation, from pre-suit books and records investigations through trial. Through his practice, Grant helps institutional and individual shareholders obtain significant financial recoveries and corporate governance reforms.

Grant earned his undergraduate degree from the University of Pittsburgh, and his law degree from Temple University Beasley School of Law.

Current Cases
- Covetrus, Inc.

KTMC brought claims on behalf of the minority stockholders of Covetrus, Inc. (“Covetrus” or the “Company”) to challenge the take-private acquisition of the Company by Clayton, Dubilier & Rice, LLC (“CD&R”) and TPG Global, LLC (“TPG”) for $21.00 per share in cash (the “Merger”). Prior to the Merger, CD&R owned approximately 24% of Covetrus, and through that investment, CD&R was represented on the Company’s board of directors (the “Board”) by two of its partners, Ravi Sachdev (“Sachdev”) and Sandi Peterson (“Peterson”). Furthermore, CD&R’s investment agreement included a broad standstill provision that prevented CD&R from even expressing an interest in a transaction with the Company without prior Board authorization. However, after certain third parties expressed an interest in a transaction with Covetrus in mid-2021,

the Company's CEO tipped off Sachdev and Peterson, and soon thereafter, CD&R was provided with diligence materials. By December 2021, CD&R expressed—in violation of the standstill provision—that it valued the Company at $24.00 per share. But in March 2022, TPG offered to acquire the Company for a price between $21.00 and $22.00 per share, and immediately thereafter, Covetrus teamed up with TPG and submitted a joint bid at $21.00 per share—$4.00 per share less than what CD&R had indicated the Company was worth only months earlier. Only after the deal was nearly final, in May 2022, the Board formally granted a waiver of CD&R's standstill provision. The Company's proxy statement filed in connection with the Merger contained numerous misleading statements and omissions, including with respect to CD&R's violations of the standstill provision. Plaintiffs filed a complaint in November 2023, and in October 2024, the Delaware Court of Chancery denied Defendants motion to dismiss against CD&R, Sachdev, and Peterson. The case is now proceeding into discovery and the parties are preparing for trial.

- Fannie Mae/Freddie Mac

On August 14, 2023, after a three-week trial in the U.S. District Court for the District of Columbia, a federal jury unanimously found in favor of plaintiff shareholders of the Federal National Mortgage Association ("Fannie Mae"), and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). The jury found that in August 2012 the Federal Housing Finance Agency ("FHFA") breached the implied covenant of good faith and fair dealing inherent in the Fannie Mae and Freddie Mac shareholder contracts and awarded shareholders damages of $612.4 million. Kessler Topaz served as Co-Lead Plaintiffs' counsel for this momentous trial verdict, which was reached after a decade of litigating stockholders' claims through multiple rounds of pleadings, appeals, and after a previous jury was unable to reach a verdict after a twelve-day trial in November 2022.

On September 6, 2008, at the height of the financial crisis, FHFA placed Fannie Mae and Freddie Mac into conservatorship, giving FHFA full authority to run the companies. The law authorizing conservatorship directed FHFA as conservator to "preserve and conserve assets," and FHFA told stockholders at that time that the conservatorship would be temporary, and was designed to return Fannie Mae and Freddie Mac to safe and solvent condition, and to return the entities to their stockholders.

Also in 2008, the U.S. Treasury bought senior preferred stock in Fannie Mae and Freddie Mac, and provided a funding commitment of up to $100 billion for each of Fannie Mae and Freddie Mac in exchange for a 10% annual dividend on any amount Fannie Mae or Freddie Mac drew on the commitment. Treasury's funding commitment was later raised to $200 billion, and was later

amended to be unlimited through the end of 2012. Treasury, Fannie Mae, and Freddie Mac memorialized this agreement in the Senior Preferred Stock Purchase Agreements ("PSPAs"). Treasury ultimately invested a total of $189 billion in Fannie Mae and Freddie Mac to help support each companies' critical mission of backstopping the nation's housing finance system through the financial crisis.

Four years later, Fannie Mae and Freddie Mac had just posted their first two quarters of profitability in four years. The housing market was recovering, and Fannie Mae and Freddie Mac management projected that the companies were on their way to sustained profitability. Stockholders reasonably believed that Fannie Mae and Freddie Mac were on a path to begin building capital and ultimately exit conservatorship. Instead, with no notice to stockholders, on August 17, 2012, Treasury and FHFA agreed to amend the PSPAs, changing the 10% dividend into a "Net Worth Sweep." The Net Worth Sweep required Fannie Mae and Freddie Mac to pay the full amount of their net worth to Treasury every quarter. As a result, Plaintiffs alleged that Fannie Mae and Freddie Mac were unable to build capital, or ever pay dividends to private shareholders, regardless of how profitable either company was. The Net Worth Sweep has continued to sweep all of Fannie Mae's and Freddie Mac's profits to the U.S. Treasury every quarter since 2012, resulting in Treasury receiving over $150 billion in dividends in excess of what it would have received under the original PSPAs, and all at stockholders' expense. Moreover, Fannie Mae and Freddie Mac still remain in conservatorship after fifteen years.

Plaintiffs proved at trial that FHFA's agreeing to the Net Worth Sweep was an "arbitrary and unreasonable" violation of stockholders' reasonable expectations under their shareholder contracts. Plaintiffs sought $1.61 billion in damages, which was the amount that Fannie Mae's and Freddie Mac's common and preferred stock prices collectively fell on August 17, 2012 when the Net Worth Sweep was announced. At trial, Plaintiffs called twelve witnesses, including stockholder class representatives, former Fannie Mae and Freddie Mac management, and three expert witnesses. Plaintiffs also cross-examined representatives of FHFA and Defendants' expert, who opined that the Net Worth Sweep was reasonable.

After ten hours of deliberations, the jury awarded damages of $612.4 million to Fannie Mae and Freddie Mac stockholders. Thereafter, on March 20, 2024, Judge Royce C. Lamberth of the U.S. District Court for the District of Columbia entered a final judgment in the amount of $812.05 million, which included $199.65 million in pre-judgment interest for the Fannie Mae preferred stockholders. Defendants responded by filing a motion for judgment as a matter of law, seeking to overturn the jury verdict and final judgment. On

March 14, 2025, Judge Lamberth denied Defendants' motion for judgment as a matter of law, ruling that "Plaintiffs provided ample evidence for the jury to conclude that the Net Worth Sweep is causing harm to shareholders today" and that "a reasonable jury could come to the verdict that was rendered here." Appeals are anticipated.

KTMC's trial team consisted of attorneys Lee Rudy, Eric Zagar, Grant Goodhart, Lauren Lummus, plus numerous additional staff.

The case is titled *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations, No. 13-mc-1288 (RCL) (D.D.C).*

- Foundation Building Materials, Inc.

KTMC brought claims on behalf of the minority stockholders of Foundation Building Materials, Inc. ("FBM" or the "Company") to challenge the take-private acquisition of the Company by American Securities LLC ("American Securities") for $19.25 per share in cash (the "Merger"). The Merger was instigated by FBM's then-controlling shareholder, Lone Star Fund IX (U.S.), L.P. ("Lone Star") in order to trigger a contractual "change-in-control" provision that entitled Lone Star to a hefty lump-sum payment upon the sale of the Company. Lone Star orchestrated the sale process with the help of a conflicted financial advisor, RBC Capital Markets ("RBC") and faced no resistance from a "special committee" of FBM directors—itself advised by a conflicted banker, Evercore Group LLC ("Evercore"). FBM's minority stockholders were not given the opportunity to approve the Merger, and did not receive timely notice of their appraisal rights as required under Delaware law. Among other things, Plaintiff alleged breaches of fiduciary duties in connection with the unfair Merger, aiding and abetting of those breaches by RBC and Evercore, and violation of Delaware's appraisal statute. Defendants moved to dismiss all claims, but the Delaware Court of Chancery denied, in large part, those motions. The case is now proceeding into discovery and trial preparation.

- Inovalon Holdings, Inc.

KTMC brought claims by minority stockholders of Inovalon Holdings, Inc. ("Inovalon") to challenge the take-private of Inovalon by a consortium of private equity investors led by Nordic Capital as well as Inovalon's founder, CEO, and controlling stockholder Keith Dunleavy. Inovalon provides cloud-based platforms for healthcare providers. In 2021, Inovalon was approached by Nordic who offered to take the company private and offered an attractive rollover and post-closing compensation package for Dunleavy. The Board agreed to a price of $44/share for the take private but, at the eleventh hour, Nordic informed the Board that it could not finance

the merger and dropped its bid to $40.50/share. Despite acknowledging the price drop was unacceptable, not in shareholders' best interests, and that there was no need to sell, the Board ultimately agreed to $41/share. Plaintiffs alleged that the merger was unfair and deprived shareholders of Inovalon's upward trending business at a time when there was no need to sell, and gave insiders preferential treatment. Further, Plaintiffs discovered that the banker that led the sale process, JP Morgan, had significant relationships with the consortium purchasers that were not disclosed to shareholders. Defendants moved to dismiss, which was granted by the Delaware Court of Chancery. However, Plaintiffs appealed and in May 2024 the Delaware Supreme Court reversed the dismissal based primarily on to the massive undisclosed conflicts of interest between JP Morgan and the private equity consortium. The case is now proceeding into discovery and trial preparation.

- SiriusXM Holdings, Inc.

KTMC brought claims by former minority stockholders of Sirius XM Holdings Inc. ("Sirius XM") to challenge Sirius XM's transaction with its controlling stockholder, Liberty Media Corporation ("Liberty Media"). In this transaction, Liberty Media separated Liberty SiriusXM Group, comprising Liberty Media's ownership of Sirius XM, into a new company holding Liberty SiriusXM Group's assets and liabilities, which then merged with Sirius XM to form "New Sirius" (the "Transaction"). Plaintiffs allege that the Transaction was unfair to Sirius XM's minority stockholders for a variety of reasons, including that, (i) it permits Liberty Media to offload potentially massive, unrelated tax liabilities onto New Sirius, and (ii) causes New Sirius to assume almost two billion dollars of Liberty SiriusXM Group debt. Moreover, the apparent purpose of the Transaction was to close the value gap between the trading price of Liberty SiriusXM Group's tracking stock and Sirius XM's net asset value which would not benefit former Sirius XM shareholders. Plaintiffs filed their complaint on October 15, 2024, and are currently awaiting Defendants' responses.

Settled

- Alon USA Energy, Inc.
  On October 29, 2021, Chancellor McCormick of the Delaware Court of Chancery approved a $44.75 million settlement to resolve class action litigation concerning the July 1, 2017 acquisition of Alon USA Energy by its controlling stockholder, Delek US Holdings. Representing the Arkansas Teacher Retirement System, Kessler Topaz brought this class action on behalf of former stockholders of Alon against Delek and Alon's board of directors. Through years of discovery, Kessler Topaz built a record demonstrating that Delek abused its power over Alon to secure an unfairly low price in the acquisition. The case settled just weeks before a June 2021 trial was set to

commence.

- Apple REIT Ten, Inc.
  This shareholder derivative action challenged a conflicted "roll up" REIT transaction orchestrated by Glade M. Knight and his son Justin Knight. The proposed transaction paid the Knights millions of dollars while paying public stockholders less than they had invested in the company. The case was brought under Virginia law, and settled just ten days before trial, with stockholders receiving an additional $32 million in merger consideration.
- CBS Corporation

CASE CAPTION	*In re CBS Corporation Stockholder Class Action and Derivative Litigation*
COURT	Delaware Court of Chancery
CASE NUMBER	Consolidated C.A. No. 2020-0111-JRS
JUDGE	Honorable Joseph R. Slights
PLAINTIFF	Bucks County Employees Retirement Fund
DEFENDANTS	ViacomCBS, Inc., Joseph Ianniello, Candace K. Beinecke, Barbara M. Byrne, Gary L. Countryman, Brian Goldner, Linda M. Griego, Martha L. Minow, Susan

Schuman, Frederick O. Terrell, Strauss Zelnick, Thomas J. May, Judith A. McHale, Ronald Nelson, Nicole Seligman, National Amusements, Inc., NAI Entertainment Holdings LLC, Shari E. Redstone, Robert N. Klieger and the Sumner M. Redstone National Amusements Trust

In *In re CBS Corporation Stockholder Class Action and Derivative Litigation*, Consolidated C.A. No. 2020-0111-JRS, Kessler Topaz alleged that the merger of CBS and Viacom was unfair to CBS and its public shareholders because CBS was forced to overpay for Viacom's declining business. Kessler Topaz alleged that the merger was the culmination of a years-long effort by Shari Redstone, who controlled both CBS and Viacom, to combine the two companies in order to save her family's investment in the floundering Viacom as it suffered from industry headwinds due to consumers shifting away from cable television subscriptions. Ms. Redstone twice previously attempted to merge CBS and Viacom in the years leading up to the merger, but failed due to opposition by the board. Then, in 2019 after replacing a majority of directors on the CBS board, her third attempt to merge the two companies succeeded.

After the merger was announced in August 2019, Kessler Topaz quickly initiated a books and records investigation pursuant to Delaware law in order to investigate potential merger-related claims against CBS's board of directors. After negotiations over the scope of the investigation broke down, Kessler Topaz pursued its clients' inspection rights through a successful books and records trial. After trial, the Delaware Court of Chancery ordered CBS to turn over significant additional documents, including internal

communications. Kessler Topaz analyzed the documents received and used them to craft a 118- page complaint against CBS's board of directors in April 2020.
After successfully defeating the CBS board of directors' and Ms. Redstone's motions to dismiss in January 2021, the case moved into discovery and the parties prepared for trial. Kessler Topaz developed significant facts that the merger was concocted purely by Ms. Redstone and her advisors in order for CBS to bail out her failing interest in Viacom, a company comprised of a collection of cable-TV networks that was described by many as a "melting ice cube" due to the prevalence of "cord cutting." Ms. Redstone's hand-picked directors acquiesced to her plans, while hold-over directors from the previous board's opposition to the merger were sidelined throughout the process and given no substantive role. And because the market widely viewed Viacom as a weaker company without significant upside prospects, CBS's stock price plummeted in the wake of the merger announcement, costing shareholders hundreds of millions of dollars in value.
Trial in the case was set to begin in June 2023. On April 18, 2023, after extensive mediation, and after completing virtually all of fact and expert discovery, the parties reached an agreement to settle the action in exchange for a $167.5 million cash payment by defendants and their insurance policies to CBS. The settlement was structured to reimburse CBS for its overpayment for Viacom. Unlike in a class action, the settlement fund will not be distributed to CBS's minority stockholders, because the alleged harm was to CBS, the corporation, for overpaying for Viacom.
On September 6, 2023, Vice Chancellor Sam Glasscock of the Delaware Court of Chancery approved what he called an "extraordinary" $167.5 million settlement.

Read the Stipulation and Agreement of Settlement, Compromise, and Release Here
Read Notice of Pendency and Proposed Settlement of Stockholder Derivative and Class Action, Settlement Hearing, and Right to Appear Here

- Facebook, Inc.
  Just one day before trial was set to commence over a proposed reclassification of Facebook's stock structure that KTMC challenged as harming the company's public stockholders, Facebook abandoned the proposal.
  The trial sought a permanent injunction to prevent the reclassification, in lieu of damages. By agreement, the proposal had been on hold pending the outcome of the trial. By abandoning the reclassification, Facebook essentially granted the stockholders everything they could have accomplished by winning at trial.

As background, in 2010 Mark Zuckerberg signed the "Giving Pledge," which committed him to give away half of his wealth during his lifetime or at his death. He was widely quoted saying that he intended to start donating his wealth immediately.
Facebook went public in 2012 with two classes of stock: class B with 10 votes per share, and class A with 1 vote per share. Public stockholders owned class A shares, while only select insiders were permitted to own the class B shares. Zuckerberg controlled Facebook from the IPO onward by owning most of the high-vote class B shares.
Facebook's charter made clear at the IPO that if Zuckerberg sold or gave away more than a certain percentage of his shares he would fall below 50.1% of Facebook's voting control. The Giving Pledge, when read alongside Facebook's charter, made it clear that Facebook would not be a controlled company forever.
In 2015, Zuckerberg owned 15% of Facebook's economics, but though his class B shares controlled 53% of the vote. He wanted to expand his philanthropy. He knew that he could only give away approximately $6 billion in Facebook stock without his voting control dropping below 50.1%.
He asked Facebook's lawyers to recommend a plan for him. They recommended that Facebook issue a third class of stock, class C shares, with no voting rights, and distribute these shares via dividend to all class A and class B stockholders. This would allow Zuckerberg to sell all of his class C shares first without any effect on his voting control.
Facebook formed a "Special Committee" of independent directors to negotiate the terms of this "reclassification" of Facebook's stock structure with Zuckerberg. The Committee included Marc Andreeson, who was Zuckerberg's longtime friend and mentor. It also included Susan Desmond-Hellman, the CEO of the Gates Foundation, who we alleged was unlikely to stand in the way of Zuckerberg becoming one of the world's biggest philanthropists.
In the middle of his negotiations with the Special Committee, Zuckerberg made another public pledge, at the same time he and his wife Priscilla Chan announced the birth of their first child. They announced that they were forming a charitable vehicle, called the "Chan-Zuckerberg Initiative" (CZI) and that they intended to give away 99% of their wealth during their lifetime.
The Special Committee ultimately agreed to the reclassification, after negotiating certain governance restrictions on Zuckerberg's ability to leave the company while retaining voting control. We alleged that these restrictions were largely meaningless. For example, Zuckerberg was permitted to take unlimited leaves of absence to work for the government. He could also significantly reduce his role at Facebook while still controlling the company.

At the time the negotiations were complete, the reclassification allowed Zuckerberg to give away approximately $35 billion in Facebook stock without his voting power falling below 50.1%. At that point Zuckerberg would own just 4% of Facebook while being its controlling stockholder.

We alleged that the reclassification would have caused an economic harm to Facebook's public stockholders. Unlike a typical dividend, which has no economic effect on the overall value of the company, the nonvoting C shares were expected to trade at a 2-5% discount to the voting class A shares. A dividend of class C shares would thus leave A stockholders with a "bundle" of one class A share, plus 2 class C shares, and that bundle would be worth less than the original class A share. Recent similar transactions also make clear that companies lose value when a controlling stockholder increases the "wedge" between his economic ownership and voting control. Overall, we predicted that the reclassification would cause an overall harm of more than $10 billion to the class A stockholders.

The reclassification was also terrible from a corporate governance perspective. We never argued that Zuckerberg wasn't doing a good job as Facebook's CEO right now. But public stockholders never signed on to have Zuckerberg control the company for life. Indeed at the time of the IPO that was nobody's expectation. Moreover, as Zuckerberg donates more of his money to CZI, one would assume his attention would drift to CZI as well. Nobody wants a controlling stockholder whose attention is elsewhere. And with Zuckerberg firmly in control of the company, stockholders would have no recourse against him if he started to shirk his responsibilities or make bad decisions.

We sought an injunction in this case to stop the reclassification from going forward. Facebook already put it up to a vote last year, where it was approved, but only because Zuckerberg voted his shares in favor of it. The public stockholders who voted cast 80% of their votes against the reclassification.

By abandoning the reclassification, Zuckerberg can still give away as much stock as he wants. But if he gives away more than a certain amount, now he stands to lose control. Facebook's stock price has gone up a lot since 2015, so Zuckerberg can now give away approximately $10 billion before losing control (up from $6 billion). But then he either has to stop (unlikely, in light of his public pledges), or voluntarily give up control. There is evidence that non-controlled companies typically outperform controlled companies.

KTMC believes that this litigation created an enormous benefit for Facebook's public class A stockholders. By forcing Zuckerberg to abandon the reclassification, KTMC avoided a multi-billion dollar harm. We also preserved investors'

expectations about how Facebook would be governed and when it would eventually cease to be a controlled company. KTMC represented Sjunde AP-Fonden ("AP7"), a Swedish national pension fund which held more than 2 million shares of Facebook class A stock, in the litigation. AP7 was certified as a class representative, and KTMC was certified as co-lead counsel in the case.

News

- August 15, 2023 - KTMC Wins Historic $612 Million Jury Verdict For Fannie Mae and Freddie Mac Stockholders
- January 29, 2021 - Kessler Topaz Secures Major Legal Victory in CBS Merger Litigation
- September 22, 2017 - Facebook and Founder Mark Zuckerberg Capitulate To KTMC On Eve Of Trial