

CAPABILITY STATEMENT

ACTIVIST DEFENSE

We believe finding creative, legal, and ethical solutions is an art, not a science.

Nardello & Co. has unparalleled experience assisting in proxy battles, helping corporations defend against activist funds. Drawing on our experience as attorneys, former law enforcement officials, corporate investigators, and former journalists, we design and implement investigative plans tailored to the client's needs. In a timely and cost-effective manner, we deliver strategic advice to bolster our clients' defenses.

Informed by our extensive experience in high-stakes litigation, we seek to identify information about adverse parties that corporate clients can utilize in activist and proxy matters.

Such information includes:

- Undisclosed relationships or affiliations that establish adverse parties are acting in concert
- Conflicts of interest
- Undisclosed liabilities such as regulatory inquiries and significant litigation
- Misrepresentations, misstatements, or material omissions in securities filings
- Integrity problems
- Strategies used previous takeovers or proxy battles waged by the adverse party
- Detailed background material that might expose vulnerabilities of director nominees

Our Services

With Nardello & Co. as your best kept secret, we've got you covered with worldwide capabilities working in your best interest:

- Due Diligence
 - Third-Party Agent & Intermediaries
 - Board & C-Suite Vetting
- Anti-Corruption & Fraud Investigations
 - Foreign Corrupt Practices Act
 - UK Bribery Act Investigation
 - Fraud Investigation Services
 - Forensic Accounting Services
- Litigation & Arbitration Support
 - White Collar Criminal Defense
 - Civil Litigation Support
 - Arbitration Support
- Asset Tracing
- Activist Defense
- Political Risk & Strategic Intelligence
- Digital Investigations & Cyber Defense
- Monitorships & Independent Investigations
- Compliance

SELECT ACTIVIST DEFENSE EXPERIENCE



Case Study | **Due Diligence on Board of Directors**

Nardello & Co. was retained to investigate an activist shareholder and his proxy slate. Our open source work identified multiple problems, including: a pattern of investment in pharmaceutical companies followed by disproportionate drug price increases that led to allegations of price gouging and government investigations; civil fraud allegations that led to a class action suit resolved by a significant financial settlement; and evidence that the proposed slate had very limited experience in the client's industry. Based on these findings, the client engaged Nardello & Co. to conduct self-due diligence on its director candidates to identify areas of potential vulnerability. Our findings were used by the client to inform its successful legal strategy in the proxy battle.



Case Study | **Surreptitious Behavior by Disgruntled Shareholder**

Nardello & Co. was retained to investigate a proxy slate submitted by a dissident shareholder whom the client believed was secretly working in concert with several major shareholding funds. To that end, we were asked to identify any current or past links among the relevant parties. Among other things, our investigators checked to see whether parties co-invested in other companies and identified trading patterns where two or more funds invested in the same company. Our staff established the educational and professional background of the principals of the target funds in order to identify possible links through schooling, employment, association membership, or social media activity. Our findings were used by the client to inform its successful legal strategy in the proxy battle.



Case Study | **Proxy Solicitation by Controversial Canadian**

On behalf of a US biotechnology company, Nardello & Co. provided proxy battle defense support against a well-known Canadian businessman with a long history of questionable dealings and regulatory problems. Nardello & Co. conducted an open source investigation of the businessman and some of his associates. While many of the businessman's woes were well known, our investigation identified several new problems, including hundreds of millions of dollars of losses in recent years in his various business operations, as well as the sale of personal assets, which suggested that the businessman was financially overextended. In addition, we identified his failed business ventures that had received significant Canadian government financial support despite questions about their viability. Our client used the information we developed to inform its strategy in discussions with the businessman and successfully defend itself against the proxy solicitation.



Case Study | **Negative Intelligence Regarding Dissident Slate**

A well-known media company that was the target of a proxy battle retained Nardello & Co. to investigate the dissident slate. Our investigation revealed that one of the more outspoken members of the slate had made statements about the client that contradicted his current positions. In addition, we identified information that reflected negatively upon the business dealings of other members of the slate. Utilizing this information, the client emerged victorious from the proxy battle.

Why risk it?

Whether you have an urgent situation today or something looming on the horizon, whenever, wherever you need us, we'll work with you to develop custom solutions to meet your needs.

WHAT SETS US APART

Nardello & Co.'s adherence to core values has led clients to retain us time and again on matters of the utmost importance and sensitivity. Our relationships are built on:

- **Integrity.** Acting ethically and legally is of paramount importance to us. We respect the laws of the countries and the jurisdictions in which we work. We regard our clients' confidences as sacrosanct and we rigorously screen for conflicts.
- **Analysis. Creativity. Thoroughness.** We don't believe in menu-driven investigations or a democracy of facts. Our investigations are exhaustive but focused. We are adept at teasing out inferences, providing corroboration, and separating "information" from evidence.
- **Responsiveness. Hands-on management.** We focus on our clients' objectives and tailor our investigative strategies accordingly. There are no layers between the professionals who do the work and the clients we serve.
- **Client focus.** We communicate with our clients clearly, succinctly, and in real time. We respect budgets and deadlines.
- **Independence. Collaboration.** We are independently owned and answer only to our clients—not to investors, not to shareholders. Instead of competing, our offices collaborate to provide our clients with seamless service.

No parachutes needed

We're already on the ground with in-country resources worldwide. We speak the language, we're on top of the politics, we understand the regulatory environment, and we know the key players.

About our firm

Nardello & Co. is a global investigations firm whose experienced professionals handle a broad range of issues including due diligence, anti-corruption & fraud investigations, civil and white collar criminal litigation and arbitration support, asset tracing, activist defense, political risk and strategic intelligence, digital investigations and cyber defense, monitorships and independent investigations, and compliance.

Our clients include the world's leading law firms and financial institutions, Fortune 500 and FTSE 100 companies, high-net-worth individuals and family offices, governments, NGOs, sports organizations, and academic institutions.

With offices in New York, London, Washington DC, Hong Kong, Tokyo, Milan, and Dubai, Nardello & Co. maintains a professional staff that includes former US federal prosecutors, US and international lawyers, former law enforcement personnel and intelligence operatives, licensed investigators, research analysts, former journalists, financial crime specialists, forensic accountants, and computer forensic experts.

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