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IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

PATRICK SULLIVAN, Plaintiff, v. DAVID COTE, *et al.*, Defendants, and GPGI, INC., Nominal Defendant.	C.A. No. 2026-0581-KSJM PUBLIC VERSION FILED MAY 14, 2026

VERIFIED STOCKHOLDER
DERIVATIVE AND CLASS ACTION COMPLAINT

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NATURE OF THE ACTION

1. Plaintiff Patrick Sullivan ("Plaintiff"), by and through his undersigned counsel, brings the following Verified Stockholder Direct and Derivative Complaint (the "Complaint") derivatively on behalf of Nominal Defendant GPGI, Inc., formerly named CompoSecure, Inc. ("GPGI" or the "Company"[1]), and individually with respect to Count V, against Defendants David Cote, John Cote, Rebecca Corbin, Joseph DeAngelo, Roger Fradin, Paul Galant, Brian Hughes, Mark James, Thomas Knott, Krishna Mikkilineni, Kevin M. Moriarty, Jane Thompson, Jonathan C. Wilk, and Timothy Fitzsimmons (defined below as the "Individual Defendants"), and Resolute Compo Holdings LLC ("RCH"), Resolute Holdings I, LP ("Resolute Holdings"), Ridge Valley, LLC ("Ridge Valley"), Tungsten 2024 LLC ("Tungsten"), and Resolute Holdings Management, Inc. ("Resolute Management," and together with RCH, Resolute Holdings, Ridge Valley, Tungsten, and the Individual Defendants, the "Defendants") for numerous breaches of fiduciary duty they committed from at least June 2024 through the present (the "Relevant Period").

2. The following allegations are based on Plaintiff's knowledge as to himself, including personal knowledge concerning his Company stock ownership. As to all other matters, this Complaint's allegations are made on information and belief based on, among other things: (i) a review of publicly available information—

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[1] All references to GPGI or the Company include GPGI's predecessor entity CompoSecure, Inc. (inclusive of its subsidiaries and affiliates, "CompoSecure"). As explained more fully *infra,* CompoSecure rebranded as GPGI in connection with its acquisition of Husky on January 12, 2026 (the "Husky Acquisition"). *See* Press Release, GPGI, Inc., "GPGI, Inc. Completes Rebrand and Starts Trading as GPGI on NYSE" (Jan. 23, 2026), https://gpgi.com/gpgi-inc-completes-rebrand-and-starts-trading-as-gpgi-on-nyse/.

including the Company's and Resolute Management's public filings with the United States Securities and Exchange Commission (the "SEC"); transcripts from public hearings; press releases and other publications disseminated by the Company and others; news articles; and postings on the Company's website; and (ii) a review of Company books and records produced in response to Plaintiff's demand for inspection pursuant to Section 220 of the Delaware General Corporation Law (the "Section 220 Production").

I. INTRODUCTION

3. This Action arises from a coordinated, eighteen-month bad-faith campaign by Defendants David Cote, his son John Cote, and Thomas Knott (defined below as the "Individual Resolute Controllers," and collectively with their Resolute-branded investment vehicles, defined below as "Resolute," the "Resolute Controller Defendants") to extract hundreds of millions of dollars from the Company. The Resolute Controller Defendants wrongfully extracted this windfall by acquiring a 62% stake in GPGI in September 2024, then forcing the Company to create, as a wholly owned subsidiary, an external "management company" called Resolute Holdings Management, Inc. (previously defined as "Resolute Management") just to spin it off as a new publicly traded company five months later (the "Spin-Off"). Because the Company distributed shares of the new entity on a pro rata basis, the Resolute Controller Defendants immediately secured mathematical control over Resolute Management.

4. Simultaneously with the Spin-off and in violation of 8 *Del. C.* § 141(a), the Resolute Controller Defendants caused the Company to enter into a patently unfair management agreement with Resolute Management (the "CompoSecure Management Agreement"), which does not hold any shares of GPGI stock. Pursuant to the CompoSecure Management Agreement, newly spun off Resolute Management began receiving 10% of the Company's annual Adjusted EBITDA, ***into perpetuity***, for doing nothing more than steering the Company's mergers and acquisitions ("M&A") activity in a way that unfairly benefits Resolute Management at the expense of GPGI. The compensation paid to Resolute Management, which at all times only had ***seven*** full-time employees, bore no relationship to the work it performed. And, in any event, that "work" largely overlapped with the obligations of the Company's Board of Directors (the "Board" or the "Company's Board") and existing management.

5. With a guaranteed perpetual revenue stream based on Adjusted EBITDA in place, the Resolute Controller Defendants no longer had to maintain mathematical control over GPGI. They allowed their GPGI ownership stake to drop from approximately 62% in September 2024 to approximately 41% in November 2025, while their majority ownership stake in Resolute Management went unchanged. They then caused the Company to acquire Husky Technologies Ltd. ("Husky") for a combination of cash and Company stock (the "Husky Acquisition"), which diluted the Company's stockholders by more than half and reduced the Resolute Controller Defendants' ownership to approximately 18%. Again, their majority stake in Resolute Management remained. In connection with the Husky Acquisition, Resolute

Management caused Husky (now a Company subsidiary) to enter into an unfair management agreement with Resolute Management that was substantially identical to the CompoSecure Management Agreement (the "Husky Management Agreement" and, together with the CompoSecure Management Agreement, the "Management Agreements"). Since the Husky Acquisition ***more than tripled*** the management fees flowing to Resolute Management, the increase in value of the Resolute Controller Defendants' interest in Resolute Management far outweighed the dilution of their GPGI ownership.

6. The Husky Acquisition thrust into the spotlight the unfairness of the Management Agreements and the resultant misalignment of the financial interests between Resolute Management and GPGI. The Resolute Controller Defendants drove the acquisition of Husky for $5.0 billion. The Company's directors, a majority of whom also sat on Resolute Management's Board of Directors ("Resolute Management's Board"), simply rubber stamped the merger without any meaningful involvement. Upon announcement of the transaction on November 3, 2025, Resolute Management's stock price more than doubled and remains up approximately 80%. In contrast, GPGI's stock has fallen approximately 12% over the same period.

7. Well aware of imminent litigation due to multiple books and records demands, the Resolute Controller Defendants sought to avoid liability under Delaware law by seeking stockholder approval to reincorporate in Nevada and adopted a forum selection bylaw that purports to require all derivative litigation to occur in Nevada.

*   *   *

8. Until 2024, the Company, then known as CompoSecure, Inc., was the dominant manufacturer of premium metal payment cards in the United States. CompoSecure supplied eight of the country's top ten card issuers. It had been the exclusive metal-card provider to American Express since 2003 and to JPMorgan Chase since 2008. It controlled an estimated 70% or more of the U.S. metal payment card market, and it generated EBITDA margins above 35%. By any measure, CompoSecure was a healthy, cash-generative public company with a stable franchise.

9. The Resolute Controller Defendants acquired control of that healthy franchise on September 17, 2024 (the "Resolute Transaction"). The Individual Resolute Controllers did not buy shares from the Company or its public stockholders, instead, they bought CompoSecure's high-vote shares from the prior controlling stockholders, Mitchell Hollin and Michele Logan, for approximately $372 million. David Cote principally funded the transaction. Following a series of transactions that collapsed CompoSecure's "Up-C" structure, the Resolute Controller Defendants' investment vehicles—Defendants RCH, Resolute Holdings, Ridge Valley, and Tungsten (previously defined as "Resolute")—emerged with approximately 62% of the Company's outstanding voting and economic shares and the contractual right to designate six of eleven Board seats. The Individual Resolute Controllers and Resolute file jointly on Schedule 13D, act in concert, and constitute a "control group" within the meaning of 8 *Del. C.* § 144(e)(1).

10. Five months later, on February 28, 2025, the Resolute Controller Defendants caused the Company to spin off Resolute Management, a recently created entity with no products, no customers, no independent revenue streams, and (then and now) only seven employees, as a separately traded public company (previously defined as the "Spin-Off"). The Individual Resolute Controllers stood on both sides of the Spin-Off: they sat on the Company's Board while serving as the founders, executives, controlling stockholders, and directors of Resolute Management. They were also the only people in the room who would benefit from the Spin-Off long-term.

11. Concurrent with the Spin-Off, the Resolute Controller Defendants caused the Company to enter into the CompoSecure Management Agreement with Resolute Management. The CompoSecure Management Agreement[2] is the central instrument in the controllers' scheme to tunnel value from the Company to themselves. It does the following four things at the same time.

12. ***First***, despite Resolute Management not owning any GPGI stock, the Management Agreement transfers to Resolute Management the day-to-day oversight of the Company's business, including substantive prerogatives that 8 *Del. C.* § 141(a) reserves for the Board: selecting and overseeing management, approving compensation plans, setting the budget, identifying and consummating acquisitions, and "counselling the Company in connection with decisions required by Delaware law to be made by the Board." It further makes Resolute Management the Company's attorney-in-fact to negotiate and execute contracts the manager "in its sole discretion,

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[2] And its post-acquisition clone agreements, like the Husky Management Agreement.

deems necessary or appropriate." According to the Company's own contemporaneous presentation (defined below as the "SpinCo Deck"), the CompoSecure Management Agreement's express purpose was to ensure the Resolute Controllers could "[REDACTED] [REDACTED]" and dilute the Resolute Controllers' stake in the Company, which has since in fact occurred.

13. ***Second***, it pays Resolute Management a quarterly fee equal to 2.5% of the Company's last-twelve-months Adjusted EBITDA—a non-GAAP measure that Resolute Management itself helps construct, and which is unaffected by the Company's debt level—for an initial ten-year term that automatically renews for successive ten-year terms in perpetuity.

14. ***Third***, it is, for all practical purposes, non-terminable. The only no-fee exit (a "Company Kick-Out Event") requires Resolute Management's bankruptcy, dissolution, conviction of a felony or material securities violation, or a final, non-appealable judgment of fraud, embezzlement, or willful misconduct that Resolute Management cannot cure within thirty days. Any other termination triggers a fee that would have [REDACTED] ***of the Company's market cap*** at the time the Individual Resolute Controllers first proposed the Spin-Off.

15. ***Fourth***, it expressly authorizes Resolute Management—not the Board—to enter into substantially identical management agreements with companies the Company later acquires.

16. The Board did not appoint a special committee to negotiate the Spin-Off or the CompoSecure Management Agreement. Instead, the Individual Resolute

Controllers selected as the Company's financial advisor their own longtime banker, Goldman Sachs & Co. LLC ("Goldman")—the same Goldman that advised the Resolute Controller Defendant (against the Company) in the Resolute Transaction six months earlier, and the same Goldman where, as head of the Permanent Capital Strategies Group from 2018-2023, Defendant Knott personally led "all aspects" of Goldman's co-sponsorship of SPACs that David Cote chaired. Rather than address Goldman's conflicts of interest, the Board turned a blind eye to them and didn't receive ***any*** conflict disclosures from Goldman. Because the Spin-Off was not conditioned on a majority-of-the-minority vote or led by a special committee, none of the safe-harbor protections of 8 *Del. C.* § 144(b) apply.

17. The Spin-Off structure has performed exactly as designed by the Individual Resolute Controllers. Less than six months after the Spin-Off closed, the Individual Resolute Controllers identified a target nearly three times the size of the Company itself. On November 2, 2025, the Company announced—and on January 12, 2026, the Company closed—the acquisition of Husky for approximately $5 billion (previously defined as the "Husky Acquisition"). The transaction consideration was $3.95 billion in cash and approximately 55 million newly issued Company shares, financed in substantial part by $2 billion of common stock sold to private placement investors at a substantial 12% discount and approximately $2 billion in incremental debt. To consummate the deal, the Company more than doubled its share count, took on substantial new leverage, and surrendered roughly 19% of its post-closing equity to Husky's prior owner, Platinum Equity Partners

("Platinum")—a private-equity firm that had previously partnered with David Cote and Knott to bring Vertiv public, that was advised by Goldman, and that came away with two new Board seats. Notably, the dilution of the Company's stockholders and its increase debt burden had no impact on Resolute Management's Adjusted-EBITDA-based revenue stream.

18. Resolute Management, not the Company's Board or the Company's management, drove the Husky Acquisition from start to finish. The proxy statement for the Husky Acquisition (the "Husky Acquisition Proxy") concedes that Resolute Management approached Platinum, conducted preliminary due diligence, met with Husky's senior management, signed the non-disclosure agreement and non-binding term sheet, and submitted three offers to Platinum—all before the Board held its first meeting on the deal on September 23, 2025. Throughout the process, Resolute Management "periodically updated" the Company's Board on its diligence, and these updates often occurred at joint meetings of the Company's Board and Resolute Management's Board. The Board did not appoint a special committee despite the obvious financial conflict of interest and the fact that, at all relevant times, the Individual Resolute Controllers exercised control over both GPGI and Resolute Management. The Husky Acquisition was not conditioned on a majority-of-the-minority vote, and the Husky Acquisition Proxy fails to disclose any of Goldman's history with the Resolute Controller Defendants, or the fact that the Board did not even receive any conflict disclosures from Goldman. The Individual Resolute Controllers rushed the transaction to close in just over two months.

19. The economic asymmetry of the Husky Acquisition is staggering. The transaction reduced the Resolute Controller Defendants' direct economic ownership of the Company from approximately 39% to approximately 18%—a dilution that, for ordinary stockholders, would be the central fact of the deal. For the Individual Resolute Controllers, however, that dilution was irrelevant, ***because the same transaction approximately tripled Resolute Management's annual management fee***. Husky's projected 2025 Adjusted EBITDA was $400 million; CompoSecure's was $165 million. Resolute Management's fee, calculated as 2.5% of LTM Adjusted EBITDA, payable in perpetuity, scaled accordingly. By contemporaneous estimate, every $1 million of Adjusted EBITDA the Company acquires is worth approximately $0.02 per share to the Resolute Controller Defendants in fees alone—meaning they profit from any acquisition that adds even $3 million in Adjusted EBITDA, even where the same acquisition destroys $0.02 per share of GPGI's value. Resolute Management stockholders recognized the substantial value this provided to Resolute Management, leading its stock price to immediately ***double***. In contrast, since the Husky Acquisition, GPGI's stock price has dropped by approximately 12%.

20. As demonstrated by the chart below, due to the substantial increase in Resolute Management's stock price, the Resolute Controller Defendants profited approximately ***$384 million*** after the Husky Acquisition was announced.

Aggregate Value of Resolute Controller Defendants' Holdings in GPGI and Resolute Management Before and After Husky Announcement		
Resolute Controller Defendants' Holdings	**Oct. 31, 2025** (Last Trading Date Before Husky Announcement)	**Nov. 4, 2025** (First Trading Date After Husky Announcement)
Value of GPGI Shares	**$1,022 million** (51,437,302 shares[3] at $19.86 per share)	**$1,087 million** (51,437,302 shares[4] at $21.14 per share)
Value of Resolute Management Shares	**$317 million** (4,305,864 shares[5] at $73.66 per share)	**$636 million** (4,305,864 shares[6] at $147.64 per share)
Aggregate Value	**$1,339 million**	**$1,723 million** **(+$384 million)**

21. Husky was an attractive target to the Individual Resolute Controllers precisely because Adjusted EBITDA, not free cash flow, drives the management fee. As subsequently exposed in a February 25, 2026 short-seller report by Jehoshaphat Research ("Jehoshaphat"), and corroborated by former Husky executives, Husky's reported Adjusted EBITDA had been inflated through a litany of devices that pulled forward revenue recognition, including the recurring practice of shipping Husky's

[3] GPGI, Inc., Beneficial Ownership Report (Schedule 13D) (Sep. 10, 2025).

[4] GPGI, Inc., Beneficial Ownership Report (Schedule 13D) (Nov. 4, 2025).

[5] Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 19, 2025).

[6] *Id.* (no intervening changes in beneficial ownership reported).

own products to its parking lot to recognize revenue sooner. Resolute Management adopted Husky's malleable Adjusted EBITDA as the fee base, layered on $328 million of "adjustments" (of which approximately $298 million reflected recurring items that should not have been excluded), and projected free cash flow growth that—on an apples-to-apples basis—exceeded Husky's historical performance by approximately 255%, while quietly shifting the definition of "free cash flow" between historical and projected periods to mask the implausibility. According to Jehoshaphat's analysis, Husky's actual post-transaction free cash flow is likely to come in approximately 90% below Resolute Management's projections. The Company's stockholders, not Resolute Management, will bear that shortfall; Resolute Management will continue to be paid on the inflated, non-cash-based measure. Indeed, since the publication of the Jehoshaphat Report, GPGI's stock price has dropped from $23.12 per share to $14.30 per share,[7] reducing the Company's market cap by approximately $2.5 billion.[8]

22. Concurrent with the Husky Acquisition's closing, Resolute Management—acting pursuant to Section 15(d) of the CompoSecure Management Agreement—caused the Husky operating subsidiary to enter into the Husky Management Agreement on substantially the same terms as the CompoSecure Management Agreement. With the stroke of a pen, the perpetual, non-terminable, Adjusted-EBITDA-based fee architecture encompassed the totality of the post-

[7] Per share price at close of trading on April 28, 2026. Yahoo! Finance, GPGI, Inc. Historical Data, https://finance.yahoo.com/quote/GPGI/history/ (last accessed on Apr. 29, 2026).

[8] Based on 289,642,587 shares outstanding. *See* GPGI, Inc., Annual Report (Form 10-K) at 2 (Mar. 12, 2026).

acquisition business. The Individual Resolute Controllers needed no additional Board action to install the new agreement.

23. The Management Agreements violate 8 *Del. C.* § 141(a). That statute vests management of "the business and affairs" of every Delaware corporation in its board of directors. The Management Agreements purport to delegate, indefinitely, to Resolute Management the very functions Section 141(a) reserves for actual or prospective stockholders, to an entity that has no ownership stake in GPGI whatsoever: the selection and oversight of management, the approval of compensation, the setting of budgets, the identification and execution of acquisitions, and the rendering of advice on "decisions required by Delaware law to be made by the Board." Because Resolute Management is the Company's subsidiary and not a current or prospective stockholder, none of the limited statutory exceptions in 8 *Del. C.* § 122(18) applies. The Management Agreements are accordingly invalid and unenforceable as a matter of Delaware law—a declaration the Court should issue under Count IV of this Complaint.

24. The Management Agreements also violate the Company's certification of incorporation, which enshrines the non-delegation principles of Section 141(a). The Management Agreements are invalid and unenforceable for this independent reason—a declaration the Court should issue under Count V of this Complaint.

25. Faced with stockholder books-and-records demands beginning in July 2025—including Plaintiff's demand of July 25, 2025—the Defendants did not investigate or form a special committee. Instead, in December 2025, the Officer

Defendants asked the Company's outside counsel to prepare a presentation on Delaware, Nevada, and Texas corporate law. By March 2026, that presentation had been delivered. On April 10, 2026—after Plaintiff identified deficiencies in the Company's Section 220 production and after Plaintiff served a supplemental demand directed at the Husky Acquisition—the Company announced that the Board unanimously approved the Nevada Reincorporation, which provided the Defendants the most protections from liability of the three states the Board evaluated. The proxy statement addressing the proposed Nevada Reincorporation (the "Reincorporation Proxy"), filed April 20, 2026, candidly identifies the "increasingly active litigation environment in Delaware" as a "key reason" for the move, and concedes that, under Nevada law: (i) stockholder inspection rights are "more limited" and effectively unavailable to public-company stockholders; (ii) directors and officers may consider non-stockholder constituencies; (iii) exculpation extends to breaches of the duty of loyalty (unlike Delaware law) and to transactions involving improper personal benefits; and (iv) corporations may indemnify directors for any breach of fiduciary duty in derivative actions—relief Delaware and Texas law expressly forbids.

26. The Nevada Reincorporation is not a clear-day governance decision. It is a defensive transaction undertaken by fiduciaries facing personal liability, designed to extinguish the books-and-records investigations already underway and to neutralize the derivative claims those investigations were designed to develop. Each Individual Defendant who voted for it stands to receive a material, non-ratable benefit from its consummation and has the ability to vote in favor of those changes

since the Board chose not to have an unconflicted vote. The stockholder vote is scheduled for June 11, 2026.

27. Plaintiff seeks rescission of the challenged transactions or rescissory damages, monetary damages, disgorgement, equitable governance reforms, and pre- and post-judgment interest, fees, and costs. Plaintiff did not make a pre-suit litigation demand on the Demand Board because demand is excused as futile under Court of Chancery Rule 23.1 and the test articulated in *United Food & Commercial Workers Union v. Zuckerberg*, 262 A.3d 1034 (Del. 2021). The Board at the time of this Complaint (the "Demand Board") has thirteen members. Under *Zuckerberg*, a plaintiff need only show that, as to a majority of those directors—here, seven—either (i) received a material personal benefit from the alleged misconduct, (ii) faces a substantial likelihood of liability, or (iii) lacks independence from someone who falls within (i) or (ii). Plaintiff satisfies that standard several times over.

28. As to Plaintiff's claims challenging the Spin-Off, the Management Agreements, and the Husky Acquisition: nine of the thirteen Demand Board members—David Cote, John Cote, DeAngelo, Galant, Hughes, James, Knott, Mikkilineni, and Thompson—are dual fiduciaries who simultaneously sat (and still sit) on the Resolute Management board, the principal beneficiary of the very transactions Plaintiff challenges. In addition, causing the Company to prosecute these claims would directly harm Resolute Management by exposing it to disgorgement of management fees and to invalidation of the illegal delegations in the Management Agreements. These nine directors cannot impartially consider that

prospect. Moreover, in forming the management Agreements, the Company's Board ***unanimously*** contracted away its right to control any litigation in which the Company is involved. The Management Agreements delegate ***to Resolute Management*** the ability to "oversee" any litigation arising out of the Company's day-to-day activities. Those same nine directors—joined, with respect to the Husky Acquisition, by Demand Board members Loree and Moriarty—face a substantial likelihood of liability for proposing, negotiating, approving, executing, and closing transactions they knew were unfair to GPGI and its public stockholders. In sum, eleven of thirteen are disabled as to the Husky Acquisition and Husky Management Agreement, and nine of thirteen are disabled as to the Spin-Off and CompoSecure Management Agreement—each well in excess of the seven required.

29. As to the Counts challenging the Nevada Reincorporation: each Demand Board Defendant who voted to approve it will receive a material, non-ratable benefit from its consummation in the form of (i) extinguishment of pending stockholder books-and-records investigations, (ii) materially expanded exculpation, (iii) indemnification for derivative-action liability that Delaware law prohibits, and (iv) the practical evisceration of stockholder inspection rights essential to investigating the very wrongdoing alleged in this Complaint. The Reincorporation Proxy itself concedes the magnitude of these protections. Eleven of thirteen Demand Board members harbor this disabling interest.

30. Demand is also futile as to those Defendants who do not sit on the Demand Board because Plaintiff's claims against them rest on a common nucleus of

operative facts shared with the claims against the Demand Board Defendants themselves. The Officer Defendants proposed and implemented the very transactions a majority of the Demand Board approved, and Resolute Management aided and abetted and received unjust benefits from these transactions, implicating its own members' wrongdoing and Resolute Management's permission.

31. The transactions challenged in this Complaint are not the product of good faith business judgment. They are the product of disloyalty: a sustained effort by fiduciaries to use a Delaware public company as a feedstock for fees payable to themselves, structured so as to be impossible to terminate and immune to the dilution of their own equity stake, and topped now by a redomestication intended to ensure they never have to answer for any of it.

II. PARTIES AND RELEVANT NON-PARTIES

A. PLAINTIFF

32. Patrick Sullivan (previously defined as "Plaintiff") has beneficially owned GPGI common stock since at least June 5, 2024.[9] As of March 31, 2026, Plaintiff owned 100 Company Class A shares with a market value of approximately $1,710.[10]

B. NOMINAL DEFENDANT

33. Nominal Defendant GPGI, Inc. (previously defined as "GPGI" or the "Company") is a Delaware corporation with its principal executive offices located at

[9] *See* Ex. D at Exhibit A thereto.

[10] *See* Ex. G at Exhibit A thereto.

200 Fifth Avenue, 7th Floor, New York, New York 10010. GPGI trades on the New York Stock Exchange ("NYSE") under the ticker symbol "GPGI."

34. Until January 2026, the Company was known as "CompoSecure, Inc." and had a single operating business, CompoSecure LLC (together, "CompoSecure"). CompoSecure was founded in 2000. CompoSecure was "a technology partner to market leaders, fintechs and consumers enabling trust for millions of people around the globe."[11] CompoSecure's principal IP was its "innovative metal payment card technology and Arculus security and authentication capabilities," which could "deliver unique, premium branded experiences, enable people to access and use their assets, protect their digital identities and ensure trust at the point of a transaction."[12]

35. The Company now describes itself as having "evolved . . . into a diversified permanent capital platform that is today comprised of two market leading businesses: (1) CompoSecure, L.L.C. ("CompoSecure"), [still] a leading manufacturer of premium metal credit cards and provider of secure authentication solutions, and (2) Husky Holdings LLC [], a leading manufacturer of injection molding equipment and aftermarket services for the food, packaging, and medical markets."[13] The Company describes this evolution as beginning with the Resolute Transaction, which is discussed in further detail below.[14]

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[11] *See* CompoSecure, Inc., Annual Report (Form 10-K) at 5 (Mar. 5, 2025).
[12] *Id.* at 86.
[13] GPGI, Inc., Annual Report (Form 10-K) at 4–5 (Mar. 12, 2026).
[14] *Id.* at 5; *see infra* § IV.

C. THE RESOLUTE CONTROLLER DEFENDANTS

36. In 2024, Defendants David Cote, John Cote, Thomas Knott, and their investment vehicles acquired a majority of the Company's outstanding voting shares and obtained majority Board control. This group, which files as a group on SEC Schedule 13D and which Company documents sometimes refer to as the "Dave Cote Family," had "hard control" over the Company when it effectuated certain of the transactions challenged in this Action. Even after giving up "hard control," this group continues to exercise substantial control over the Company through the Management Agreements.

1. The Individual Resolute Controller Defendants

37. David Cote was heavily involved in the SPAC boom of the late 2010s. David Cote previously launched two SPACs (called GSAH I and GSAH II) that later combined with Vertiv Holdings, Inc. ("Vertiv") and Mirion Technologies, Inc. ("Mirion").[15] David Cote has served as Executive Chairman of Vertiv's board of directors since February 2020. David Cote was a co-sponsor of the Vertiv SPAC and held the roles of CEO, President, Secretary, and Chairman of the board of directors of Vertiv's predecessor, GSAH I, from April 2018 until February 2020. David Cote held similar roles at Mirion and its predecessor GSAH II.[16] David Cote was also a

[15] Vertiv designs and manufactures digital infrastructure for applications in data centers, communication networks, and commercial and industrial environments. Vertiv Holdings, Co., Annual Report (Form 10-K) at 6 (Feb. 13, 2026). Mirion has business segments focused on nuclear energy and radiation safety and a medical segment focused on the quality and safety of cancer care delivery. Mirion Technologies, Inc., Annual Report (Form 10-K) at 7 (Apr. 1, 2026).

[16] As explained below, Goldman Sach & Co. LLC ("Goldman") received tens of millions of dollars in fees through its involvement with the Vertiv and Mirion SPACs.

director of the SPAC Juniper Industrial Holdings, Inc., from March 2020 until its merger with Janus International Group Inc. in June 2021. Before his SPAC ventures, David Cote served as CEO and Chairman of the Board of Honeywell International Inc. ("Honeywell") from July 2002 until April 2018, where he overlapped with Demand Board Defendants James, Mikkilineni, and Moriarty, as well as Former Director Defendant Fradin. Before Honeywell, David Cote: (i) served as Chairman, President, and CEO of TRW, a provider of products and services for the aerospace, information systems, and automotive markets; (ii) had multiple senior roles at General Electric Company, and (iii) was a director of the Federal Reserve Bank of New York.

38. John Cote. John Cote is David Cote's son. Since October 2013, John Cote has served as a Managing Partner and founder of SRM Equity Partners, LLC, a private equity firm. Among his previous roles, John Cote served as CEO of Industrial Inspection & Analysis, Inc., an inspection, testing, and analytical business, from September 2015 to September 2019, and as Chairman since September 2015. From 2005 to 2011, John Cote held multiple roles at J.P. Morgan Chase & Co. ("J.P. Morgan").

39. Thomas Knott (previously defined as "Knott") has deep ties to Goldman. From March 2018 to January 2023, Knott was Head of Goldman's Permanent Capital Strategies Group in the Consumer and Investment Management Division. Knott was also the CEO, CFO, Secretary and a director of GSAH I and GSAH II. Knott led all aspects of Goldman's co-sponsorship of GSAH II from its initial public offering in

June 2020 to its merger with Mirion in October 2021. Knott also led GSAH I from its initial public offering in June 2018 to its merger with Vertiv in February 2020.

40. This Complaint refers to David Cote, John Cote, and Knott as the "Individual Resolute Controllers."

2. The Resolute Defendants

41. Resolute Compo Holdings LLC (previously defined as "RCH"), a Delaware LLC, is "an investment firm led by David Cote and Tom Knott"[17] through which they have held shares of the Company's Class A Common Stock. RCH also has significant holdings in Resolute Management. Immediately following the Spin-Off, RCH owned 48.2% of the outstanding common stock of Resolute Management.[18] RCH recently transferred its stock holdings in Resolute Management to a new investment vehicle called Resolute ManCo Holdings LLC.[19]

42. Resolute Holdings I, LP (previously defined as "Resolute Holdings"), a Delaware LP, is an investment vehicle affiliated with RCH, Ridge Valley, and Tungsten. The press release for the Resolute Transaction identified Resolute Holdings as the entity by which David Cote was effectuating that transaction.[20]

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[17] CompoSecure, Inc., Annual Report (Form 10-K) at 6 (Mar. 6, 2025).

[18] Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 7, 2025).

[19] Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 19, 2025).

[20] *See* Ex. 99.1 (Press Release) to GPGI, Inc., Current Report (Form 8-K) (Sep. 17, 2024).

43. Ridge Valley LLC (previously defined as "Ridge Valley") is a Delaware LLC through which John Cote beneficially owns shares in the Company and Resolute Management.[21] John Cote is Ridge Valley's manager.[22]

44. Tungsten 2024 LLC (previously defined as "Tungsten"), a Delaware LLC, is the "investment entity affiliated with [RCH]" that acquired Class A shares in the Resolute Transaction.[23] John Cote owns a portion of his interest in Resolute Management through Tungsten.[24]

45. This Complaint collectively refers to RCH, Resolute Holdings, Ridge Valley, and Tungsten as "Resolute."

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46. This Complaint collectively refers to the Individual Resolute Controllers and Resolute as the "Resolute Controller Defendants." The following chart shows interrelationships between and among the Resolute Controller Defendants.[25]

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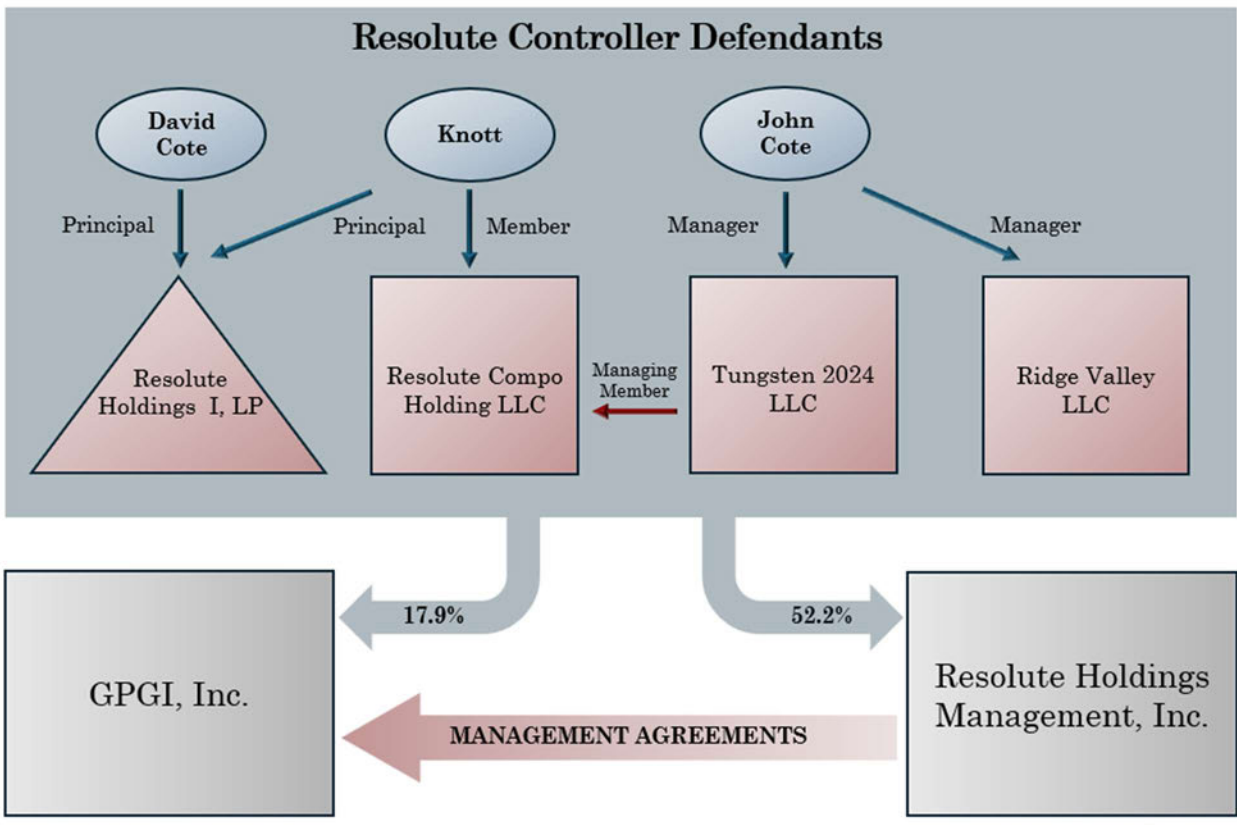
[21] *See, e.g.,* CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Sep. 10, 2025); Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 7, 2025).

[22] GPGI, Inc., Beneficial Ownership Report (Schedule 13D) (Jan. 14, 2026).

[23] CompoSecure, Inc., Current Report (Form 8-K) at Item 1.01 (Aug. 9, 2024).

[24] Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 7, 2025).

[25] *See* Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) (Sep. 17, 2024) (Resolute Holdings I, LP is an "investment firm under the leadership of David Cote and Tom Knott."); *id.* (Resolute Compo Holding LLC, Tungsten 2024 LLC, and Ridge Valley LLC are investment vehicles "affiliated" with Resolute Holdings I, LP); Ex. 10.1 (Governance Agreement) to CompoSecure, Inc., Current Report (Form 8-K) (Aug. 7, 2024) (Tungsten 2024 LLC was the "Buyer" in the Resolute Transaction; Resolute Compo Holding LLC is a "Controlled affiliate of [Tungsten]").



3. The Resolute Controller Defendants Constitute a Control Group

47. Since 2024, the Individual Resolute Controllers have acted in concert, using Resolute, and their own positions at the Company and Resolute Management, to wield control over the Company and Resolute Management. In the Resolute Transaction, they invested in the Company through Resolute, which is "affiliated [with] vehicles [of] an investment firm led by David Cote and Thomas Knott."[26] David Cote, John Cote, and Knott all joined the Company's Board together. They all joined the Resolute Management Board at its inception. They all continue to serve on both

[26] CompoSecure, Inc., Current Report (Form 8-K) at Item 7.01 (Aug. 7, 2024).

the Company's Board and the Resolute Management Board. Company documents referred to this group as the "Dave Cote Family."[27]

48. The Individual Resolute Controllers admit they control RCH.[28] John Cote is Tungsten's manager, and Tungsten is RCH's manager (Knott is an RCH member).[29] The Resolute Controller Defendants have disclosed that "each of Tungsten and Mr. John Cote may be deemed to share beneficial ownership of the shares of Common Stock held of record by Tungsten, and each of [RCH], Tungsten, Mr. John Cote and Mr. Knott may be deemed to share beneficial ownership of the shares of Common Stock held of record by [RCH]."[30]

49. The Individual Resolute Controllers jointly file beneficial ownership reports for their GPGI and Resolute Management holdings. Inclusive of their holdings through Resolute, the Individual Resolute Controllers collectively owned: 61.5% of the Company's Class A Common Stock immediately after the Resolute Transaction;[31] 52.8% of the Company's Class A Common Stock immediately before the Spin-Off;[32] and 41.3% of the Company's Class A Common Stock immediately

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[27] CPMO_SULLIVAN220_00001565, at -1578–79 (J. Cote 2026 questionnaire); CPMO_SULLIVAN220_00001491, at -1505 (D. Cote 2026 questionnaire); CPMO_SULLIVAN220_00001898, at -1911–-12 (Knott 2026 questionnaire).

[28] CPMO_SULLIVAN220_00000192, at -0210 (David); CPMO_SULLIVAN220_00000463, at -0486 (John); CPMO_SULLIVAN220_00000572, at -0594 (Knott).

[29] Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) at Item 4 (Mar. 7, 2025).

[30] *Id.*

[31] CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Sep. 19, 2024).

[32] CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Nov. 29, 2024). The decrease in the Individual Resolute Controllers' holdings since the Resolute Transaction appears to have resulted from an exchange of "Exchangeable Notes" (originally issued by the

before the Husky Acquisition.[33] According to their most recent disclosures, the Resolute Controller Defendants collectively own 52.2% of Resolute Management's outstanding common stock.[34]

50. The Resolute Controller Defendants are a control group for purposes of 8 *Del. C.* § 144(e)(1).

D. THE INDIVIDUAL DEFENDANTS

51. The relevant Board for the demand futility analysis in this Action (the "Demand Board") is the Board as of May 8, 2026, the date of the filing of this Complaint. The Demand Board has thirteen members, eleven of whom are Defendants in this Action. Nine of the thirteen Demand Board members (69%) are dual fiduciaries who hold director and/or officer positions at Defendant Resolute Management.[35]

OpCo) for Class A shares of the Company's common stock. *See* CompoSecure, Inc., Current Report (Form 8-K) at Item 8.01 (Nov. 29. 2024).

[33] CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Sep. 10, 2025). The decrease in the Individual Resolute Controllers' holdings since the Spin-Off appears to have resulted from the exercise of 19,178,670 warrants in the first nine months of calendar year 2024. *See* CompoSecure, Inc., Quarterly Report (Form 10-Q) at 20 (Nov. 3. 2025).

[34] *See* Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 19 (Apr. 24, 2026).

[35] The Resolute Management Board originally had ten members and has since expanded to twelve. All ten original members (who are still in place) were also members of the Company's Board that approved and effected the Spin-Off. *Compare* Resolute Holdings Management, Inc., Definitive Proxy Statement (Form DEF 14A) at 6 (Apr. 18, 2025), *with* CPMO_SULLIVAN220_00000745, at -0745. That list includes Former Director Defendant Fradin, *see infra* § V.D.I., but he has since resigned from the Company's Board and is therefore not a member of the Demand Board.

Former Director Defendant and Officer Defendant Wilk was the eleventh member of the Company's Board at the time of the Spin-Off, but Wilk did not join the Resolute Management Board. *See infra* § V.D.I He has also since resigned from the Company's Board and is therefore not a member of the Demand Board.

1. The Demand Board Defendants

52. Rebecca Corbin ("Corbin") has served on the Board since July 14, 2025. Corbin is the CEO of Corbin Advisors, LLC, a strategic investor relations and communications advisory firm she founded in 2007. Prior to founding Corbin Advisors, Corbin served as a Vice President within Thomson Reuters' Capital Markets Intelligence division. Corbin currently serves on the boards of several nonprofit organizations. Corbin holds a B.S. in Business Management with honors from Washington College.

53. David Cote has served as the Executive Chairman of the Board since September 17, 2024. David Cote was one of the six new directors appointed by Resolute in connection with the closing of the Resolute Transaction.[36] According to the Company, David Cote was "chosen to serve on our Board due to his many years of experience leading global organizations, his extensive knowledge of the global business environment, and his unique understanding of the opportunities and challenges facing our business."[37] Since the Spin-Off on February 28, 2025, David Cote has been the Executive Chairman of the Resolute Management Board. David Cote is therefore a dual fiduciary.

54. John Cote has served on the Board since September 17, 2024. John Cote was one of the six new directors appointed by Resolute in connection with the closing of the Resolute Transaction.[38] According to the Company, John Cote "was selected to

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[36] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024).

[37] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 12 (Apr. 18, 2025).

[38] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024).

be appointed to serve on our Board due to his deep leadership and investing experience, including in the industrial sector."[39] John Cote was a member of the Nominating and Corporate Governance Committee from September 17, 2024 to February 28, 2025 and served as its Chair. Since the Spin-Off on February 28, 2025, John Cote has been a member of the Resolute Management Board. John Cote is therefore a dual fiduciary.

55. Joseph J. DeAngelo ("DeAngelo") has served on the Board since September 17, 2024. DeAngelo was one of the six new directors appointed by Resolute in connection with the closing of the Resolute Transaction.[40] According to the Company, DeAngelo "was chosen to serve on our Board due to his extensive leadership, management experience, and industry knowledge."[41] DeAngelo serves as the Audit Committee Chair and a member of the Nominating and Corporate Governance Committee. Since October 2022, DeAngelo has served as a director of Vertiv, the de-SPAC led by David Cote and sponsored by Goldman.[42] For approximately 15 years, DeAngelo served as Chairman of the Board and President/CEO of HD Supply Holdings, Inc. ("HDS"), a large industrial distributor, which was acquired by The Home Depot. Since February 28, 2025, DeAngelo has been a member of the Resolute Management Board. DeAngelo is therefore a dual fiduciary.

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[39] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 9 (Apr. 18, 2025).
[40] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024).
[41] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 10 (Apr. 18, 2025).
[42] *See supra* § II.C.I.

56. Paul S. Galant ("Galant") has served on the Board since September 21, 2022. According to the Company, Galant was chosen to serve on the Board "because of his valuable experience in the financial services industry and in operations matters."[43] Galant is a member of the Nominating and Corporate Governance Committee. Galant previously served as an Operating Partner of Churchill Capital, a real estate investment banking and investment firm, and as a director of Vivint Smart Home, Inc. (NYSE: VVNT), a smart home and security provider. Prior to that, Galant was the CEO of Brightstar Corp. ("Brightstar"), a mobile services company for managing devices and accessories and a subsidiary of SoftBank Group Corp. Galant has also served as an Operating Partner of SoftBank. Before joining Brightstar, Galant was the CEO and a director of VeriFone Systems, Inc. Galant has also held senior positions with several prominent financial services and investment banking institutions, including as CEO of the Enterprise Payments business of Citigroup, Inc. Since February 28, 2025, Galant has been a member of the Resolute Management Board. Galant is therefore a dual fiduciary.

57. Brian F. Hughes ("Hughes") has served on the Board since December 27, 2021. According to the Company, Hughes was "chosen to serve on the Board because of his financial expertise, extensive accounting, auditing, and venture capital experience as well as his experience as a director and advisor of other companies [as well as because of his] experience in cybersecurity matters[.]"[44] Hughes is a member

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[43] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 12–13 (Apr. 18, 2025).
[44] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 11 (Apr. 18, 2025).

of the Audit Committee. Hughes also serves as a director and audit committee chair of both Bentley Systems (Nasdaq: BSY), an infrastructure engineering software company, and Innovid Corp. (NYSE: CTV), an advertising and analytics technology company. Hughes previously held senior roles at KPMG LLP, a multinational audit, tax, and advisory services firm, and as an audit partner at Arthur Andersen, where he worked from 1981 to 2002. Hughes holds an MBA and a BS in Economics and Accounting from the Wharton School of the University of Pennsylvania. Since February 28, 2025, Hughes has been a member of the Resolute Management Board. Hughes is therefore a dual fiduciary.

58. Mark R. James ("James") has served on the Board since September 17, 2024. James was one of the six new directors appointed by Resolute in connection with the closing of the Resolute Transaction.[45] According to the Company, James was "selected to serve on our Board due to his deep leadership and management experience, including in the industrial sector."[46] James is the Compensation Committee Chair and a member of the Nominating and Corporate Governance Committee. James owns and operates an executive consulting business called Mark James Enterprises. Previously, James held senior roles at Honeywell, including as Chief Human Resources Officer, until he retired in July 2020. At Honeywell, James overlapped with Demand Board Defendants David Cote, Mikkilineni, and Moriarty, as well as Former Director Defendant Fradin. Since February 28, 2025, James has

[45] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024).

[46] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 11 (Apr. 18, 2025).

been a member of the Resolute Management Board. James is therefore a dual fiduciary.

59. Thomas Knott has served on the Board since September 17, 2024, and he currently serves as a member of the Compensation Committee. Knott was one of the six new directors appointed by Resolute in connection with the closing of the Resolute Transaction.[47] Knott was chosen to serve on the Board due to his years of finance and investing experience and his extensive knowledge of the public markets. Since the Spin-Off on February 28, 2025, Knott has served as a member of the Resolute Management Board and as Resolute Management's CEO. Knott is therefore a dual fiduciary.

60. Krishna Mikkilineni ("Mikkilineni") has served on the Board since October 18, 2024. According to the Company, Mikkilineni was "chosen to serve on our Board due to his extensive leadership and investing experience, technological expertise, as well as for his experience growing and expanding new businesses."[48] Mikkilineni is a member of the Compensation Committee and Audit Committee. Since 2019, Mikkilineni has served as General Partner of StartupXseed, a deep-tech venture fund, and as Co-Founder of The GAIN, a startup accelerator. Prior to May 2019, Mikkilineni worked at Honeywell for over three decades including as its global Chief Technology Officer and Chief Information Officer. At Honeywell, Mikkilineni overlapped with Demand Board Defendants David Cote, James, and

[47] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024).
[48] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024).

Moriarty, as well as Former Director Defendant Fradin. Since 2022, Mikkilineni has been a member of the board of directors of Kone Corporation, a global elevator and escalator company. Mikkilineni holds a Ph.D. in electrical and computer engineering from the University of Florida. Since February 28, 2025, Mikkilineni has been a member of the Resolute Management Board. Mikkilineni is therefore a dual fiduciary.

61. Kevin Moriarty ("Moriarty") has served on the Board since July 14, 2025. Moriarty currently serves as Principal of KMM Ventures LLC, where he advises and invests in early-stage companies. From 2018 to 2020, Moriarty served as Executive Vice President and Chief Financial Officer of Blue Yonder, a global supply chain software company. Prior to that, Moriarty served as Senior Vice President and Chief Financial Officer of Avnet, Inc., a global technology distributor and solutions provider. Moriarty previously held senior financial leadership roles at Honeywell and Bristol-Myers Squibb Company. At Honeywell, Moriarty overlapped with Demand Board Defendants David Cote, James, and Mikkilineni, as well as Former Director Defendant Fradin. Moriarty was also an audit partner at PricewaterhouseCoopers LLP. Moriarty currently serves on the board of directors of Vertiqal Studios (TSX: VRTS), where he serves as the chairman of the audit committee and the corporate governance and nominating committee. He holds a B.S. in Accounting with honors from Rutgers University.

62. Jane J. Thompson ("Thompson"). Thompson has served on the Board since December 27, 2021. According to the Company, Thompson was "chosen to serve

on the Board because of her extensive experience in the fields of fintech, financial services and payments, and management consulting, as well as her experience as a member of various boards of directors."[49] Thompson has served on the Nominating and Corporate Governance Committee and on the Compensation Committee, including as its Chair. Thompson is the founder and CEO of Jane J. Thompson Financial Services LLC, a management consulting firm she founded in 2011. Thompson previously served as President of Walmart Financial Services, a division of Walmart Stores, Inc., and was a partner with McKinsey & Company, Inc. Since 2012, Thompson has served on numerous public and private boards in fintech, financial services, and payments. Thompson currently also serves as a director for Navient Corporation (Nasdaq: NAVI), an education financing company, and Katapult Holdings, Inc. (Nasdaq: KPLT), a financial technology company. Thompson holds an MBA from Harvard Business School. Since February 28, 2025, Thompson has been a member of the Resolute Management Board. Thompson is therefore a dual fiduciary.

63. This Complaint refers to the foregoing 11 individuals—Corbin, David Cote, John Cote, DeAngelo, Galant, Hughes, James, Knott, Mikkilineni, Moriarty, and Thompson—as the "Demand Board Defendants."

2. The Demand Board Non-Defendants

64. Two Demand Board members are not currently named in this Action as Defendants. Plaintiff intends to add them if discovery shows it is appropriate to do

[49] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 9 (Apr. 18, 2025).

so. As explained below, in connection with the Husky Acquisition, the Company expanded the Board from 11 to 13 members and gave Platinum, the private equity fund that sold Husky to the Company and rolled over $1 billion in equity, the right to appoint the two new Board members (the "Platinum Directors"). Platinum previously "partnered with Dave, Tom Knott, and the team at Resolute [to bring] Vertiv to market together in 2019."[50]

65. Louis Samson ("Samson") has served on the Board since the Husky Acquisition closed on January 12, 2026. Samson is Platinum's Co-President.[51]

66. Delara Zarrabi ("Zarrabi") has served on the Board since the Husky Acquisition closed on January 12, 2026. Zarrabi is a Managing Director at Platinum.[52]

3. The Former Director Defendants

67. Roger Fradin ("Fradin") served on the Board from September 17, 2024 to February 28, 2025.[53] He was one of the six new directors appointed by Resolute in connection with the closing of the Resolute Transaction.[54] Since February 28, 2025, Fradin has been a member of the Resolute Management Board. Fradin was therefore

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[50] Press Release, GPGI, Inc., "CompoSecure Reports Strong 3Q25 Financial Results and Announces Business Combination with Husky Technologies" (Nov. 3, 2025), https://gpgi.com/composecure-reports-strong-3q25-financial-results-and-announces-business-combination-with-husky-technologies/.

[51] *See* GPGI, Inc., Current Report (Form 8-K) at Item 5.02 (Jan. 13, 2026).

[52] *See* GPGI, Inc., Current Report (Form 8-K) at Item 5.02 (Jan. 13, 2026).

[53] GPGI Press Release, "Resolute Holdings Completes Acquisition of Majority Interest in CompoSecure" (Sep. 17, 2024), https://gpgi.com/resolute-holdings-completes-acquisition-of-majority-interest-in-composecure/; CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 8 (Apr. 18, 2025).

[54] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024).

a dual fiduciary. Fradin is currently an adviser to the Board. Fradin served as President and CEO of Honeywell's Automation and Control Solutions business from 2004 to 2014, and as Vice Chairman of Honeywell from 2014 until his retirement in February 2017. At Honeywell, Fradin overlapped with Demand Board Defendants David Cote, James, and Mikkilineni. Since February 7, 2020, Fradin has served as a Vertiv director.

68. Jonathan C. Wilk ("Wilk") served on the Board from December 27, 2021 to January 21, 2026. According to the Company, Wilk was "chosen to serve on the Board because of his 25 years of banking, consulting, and private equity operating experience, and as the Company's President and Chief Executive Officer, he is able to provide the Board with critical insight into the day-to-day operations of the Company."[55] Concurrently with the Husky Acquisition, Wilk stepped down as a director.

* * *

69. This Complaint refers to Fradin and Wilk as the "Former Director Defendants." This Complaint refers to Corbin, David Cote, John Cote, DeAngelo, Fradin, Galant, Hughes, James, Knott, Mikkilineni, Moriarty, Thompson, and Wilk as the "Director Defendants".

4. The Officer Defendants

70. David Cote served as the Company's Co-Chief Investment Officer from September 25, 2024 until the completion of the Spin-Off on February 28, 2025.

[55] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 10 (Apr. 18, 2025).

71. Timothy Fitzsimmons ("Fitzsimmons") served as the Company's CFO from 2014 until his retirement on January 1, 2026. Before joining the Company, Fitzsimmons was: (i) President and founder of Your CFO & Controller LLC, a consulting firm; (ii) Vice President and Controller of Strategic Initiatives at Title Resource Group, an insurance agency; (iii) CFO of Vanguard Modular Building Leasing; and (iv) Global Controller of GE Capital Modular Space Leasing, among other positions. Fitzsimmons is a Certified Public Accountant and holds an MBA with a Finance concentration from Drexel University.[56] Fitzsimmons resigned as the Company's CFO effective January 1, 2026 and concurrently entered into a Transition and Consulting Agreement.[57]

72. Thomas Knott served as Co-Chief Investment Officer of the Company from September 25, 2024 until the completion of the Spin-Off on February 28, 2025. Since the Spin-Off, Knott has served as the Company's sole Chief Investment Officer.

73. Jonathan C. Wilk served as the Company's President and CEO from May 2017 to January 21, 2026. Concurrently with the Husky Acquisition, Wilk stepped down as CEO and entered into a one-year consulting agreement with the Company. Pursuant to his consulting agreement, the Company has agreed to pay Wilk $1.5 million in cash in two installments, among other benefits.[58] In March 2016, Wilk joined the Company as President and Chief Revenue Officer. Prior to joining

[56] CompoSecure, Inc., Definitive Proxy Statement (Form DEF 14A) at 23 (Apr. 18, 2025).

[57] *See* Ex. 10.47+ to GPGI, Inc., Annual Report (Form 10-K) (Mar. 12, 2026).

[58] GPGI, Inc., Current Report (Form 8-K) at Item 5.02 (Jan. 21, 2026).

the Company, Wilk was the President of PayChoice, a SaaS-based payroll company, and worked at J.P. Morgan as the Head of Product and Chief Marketing Officer for the Consumer Bank. Prior to that, Wilk held several senior positions at major banks and consulting companies. Wilk holds an MBA from the Kellogg Graduate School of Management at Northwestern University.

74. In their capacities as Company officers, this Complaint refers to David Cote, Fitzsimmons, Knott, and Wilk as the "Officer Defendants."

* * *

75. This Complaint refers to Corbin, David Cote, John Cote, DeAngelo, Fitzsimmons, Fradin, Galant, Hughes, James, Knott, Mikkilineni, Moriarty, Thompson, and Wilk as the "Individual Defendants."

E. THE UNJUST ENRICHMENT AND AIDING AND ABETTING DEFENDANT

76. <u>Resolute Holdings Management, Inc.</u> (previously defined as "Resolute Management") was formed as a Delaware corporation on September 27, 2024.[59] Resolute Management was "organized to provide operating management services to CompoSecure Holdings, L.L.C. [i.e., the Company's then-sole wholly owned operating subsidiary] . . . and other companies it may manage in the future" with the "inten[t] to earn management fees from [CompoSecure] pursuant to the CompoSecure Management Agreement that was executed in connection with the Spin-Off from CompoSecure on February 28, 2025."[60] On February 28, 2025, the Company

[59] Resolute Holdings Management, Inc., Annual Report (Form 10-K) at F-7 (Mar. 31, 2025).
[60] *Id.*

completed the Spin-Off and Resolute Management began trading publicly on the Nasdaq.[61] On September 23, 2025, Resolute Management began trading on the NYSE under the ticker symbol "RHLD."[62] In the Spin-Off, Company stockholders received shares in Resolute Management on a pro rata basis.[63] Resolute Management has no substantive operations, business lines, or revenue streams independent of the management fees it extracts from the Company. At all times since its inception, the Resolute Controller Defendants have owned a majority of the outstanding voting shares of Resolute Management.[64] The Resolute Controller Defendants recently caused Resolute Management to reincorporate in Nevada.[65]

F. RELEVANT NON-PARTIES

77. Goldman Sachs & Co. LLC (previously defined as "Goldman") is one of the principal U.S.-based operating subsidiaries of The Goldman Sachs Group, Inc., a publicly traded Delaware corporation. The Goldman Sachs Group is one of the world's largest global financial institutions. Its most recent annual report states that it provides a broad range of financial services to a large and diversified client base

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[61] Resolute Holdings Management, Inc., Current Report (Form 8-K) at Item 8.01 (Feb. 28, 2025).

[62] Resolute Holdings Management, Inc., Current Report (Form 8-K) at Item 3.01 (Sep. 8, 2025).

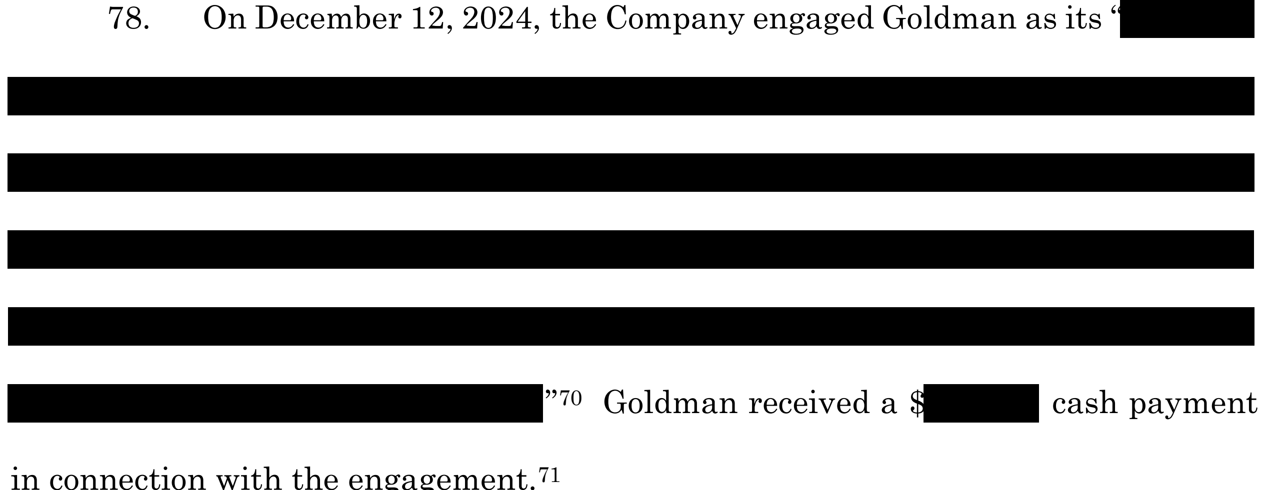
[63] CompoSecure, Inc., Current Report (Form 8-K) at Item 8.01 (May 8, 2025); *see also infra* § V.D.1.

[64] *See generally* Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 7, 2025); Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 19, 2025); Resolute Holdings Management, Inc., Definitive Information Statement (Form DEF 14C) at 25–26 (Feb. 9, 2026) (the "Nevada Reincorporation Information Statement").

[65] Resolute Holdings Management, Inc., Annual Report (Form 10-K) at F-32 (Mar. 12, 2026); *see also infra.* § VIII.

that includes corporations, financial institutions, governments and individuals.[66] Goldman has deep ties to the Resolute Controller Defendants. From March 2018 to January 2023, Knott was Head of Goldman's Permanent Capital Strategies Group in the Consumer and Investment Management Division.[67] Goldman represented the Resolute Controller Defendants' interests when it advised the Cotes and Knott in the Resolute Transaction.[68] And Goldman received tens of millions of dollars in fees in connection with sponsoring, along with David, the Vertiv and Mirion SPACs led by Knott.[69]

78. On December 12, 2024, the Company engaged Goldman as its "



"[70] Goldman received a $ cash payment in connection with the engagement.[71]

79. Husky Technologies Ltd. ("Husky"). Husky was a Canadian company that manufactured injection molding machines. On November 2, 2025, the Company

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[66] The Goldman Sachs Group, Inc., Annual Report (Form 10-K) at 1 (Feb. 25, 2026).

[67] *See supra* § II.C.1.

[68] *See infra* § IV.B.

[69] *See supra* § II.C.1.

[70] CPMO_SULLIVAN220_00001935, at -1935 (the "Goldman Engagement Letter"); *see also id.* at -1940 (executed on December 12, 2024).

[71] *Id.* at -1935.

entered into an agreement to acquire Husky for approximately $3.95 billion in cash and 55.3 million shares of the Company's common stock, a transaction value of approximately $5 billion (previously defined as the "Husky Acquisition"). Husky was acquired by Forge New Holdings LLC ("Forge"), a newly formed indirect wholly owned subsidiary of the Company created to effect the Husky Acquisition.[72] As explained below, concurrently with the closing of the Husky Acquisition and in order to capture increased management fees proportionate to the Adjusted EBITDA of the full post-acquisition entity, Resolute Management entered into a new management agreement with Forge on substantially the same terms as the unfair CompoSecure Management Agreement.[73]

III. <u>THIS COURT HAS JURISDICTION</u>

80. This Court has subject matter jurisdiction over Plaintiff's breach of fiduciary duty claims because breach of fiduciary duty is an equitable tort.[74]

81. This Court has subject matter jurisdiction over Plaintiff's unjust enrichment claim because Plaintiff seeks equitable disgorgement of the Defendants' unjustly received benefits.[75]

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[72] *See* CompoSecure, Inc., Definitive Proxy Statement (Form DEFM14A) at 34 (Nov. 24, 2025).

[73] *See infra* § VI.C.

[74] 10 *Del. C.* § 341.

[75] 10 *Del. C.* § 341.

82. This Court has subject matter jurisdiction over Plaintiff's unlawful delegation claims because they are based on violations of the Delaware General Corporation Law and the Company's certificate of incorporation.[76]

83. This Court has personal jurisdiction over RCH, Resolute Holdings, Ridge Valley, and Tungsten because they are Delaware entities and GPGI's controllers.[77]

84. This Court has personal jurisdiction over the Director Defendants because they are current or former directors of a Delaware corporation.[78]

85. This Court has personal jurisdiction over the Officer Defendants because they are current or former officers of a Delaware corporation.[79]

86. This Court has personal jurisdiction over the Unjust Enrichment and Aiding and Abetting Defendant, Resolute Management, because it has knowingly received wrongful benefits at the behest of the Resolute Controller Defendants and has conspired in the other Defendants' wrongdoing.[80]

87. This Court has personal jurisdiction over Resolute Management because it knowingly received wrongful benefits at the behest of the Resolute Controller Defendants and has conspired in the other Defendants' wrongdoing.[81] In the CompoSecure Management Agreement, which is governed by Delaware law, Resolute

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[76] 8 *Del. C.* § 111.

[77] 6 *Del. C.* § 18-105; 6 *Del. C.* § 17-105.

[78] 10 *Del. C.* § 3114(a).

[79] 10 *Del. C.* § 3114(b).

[80] 10 *Del. C.* § 3104.

[81] 10 *Del. C.* § 3104.

Management also consented to exclusive personal jurisdiction in Delaware for all proceedings arising out of the Management Agreements:

> *Forum; Consent to Service*. To the fullest extent permitted by law, in the event of any proceeding arising out of the terms and conditions of this Agreement, the parties hereto irrevocably (i) consent and submit to the exclusive jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline jurisdiction over a particular matter, in which case, any state or federal court within the State of Delaware), (ii) waive any defense based on doctrines of venue or forum non conveniens, or similar rules or doctrines and, (iii) agree that all claims in respect of such a proceeding must be heard and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline jurisdiction over a particular matter, in which case, any state or federal court within the State of Delaware). Process in any such proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Each of the parties hereto hereby agrees and consents that service of any process, summons, notice, or document pursuant to Section 15(a) shall be effective service of process for any suit or proceeding arising out of the terms and conditions of this Agreement.[82]

88. Moreover, personal jurisdiction is proper because Resolute Management was a Delaware corporation at the time of the Spin-Off, the execution of the Management Agreements, and the Husky Acquisition.[83]

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[82] CompoSecure Management Agreement § 15(g); *see also* Husky Management Agreement § 15(g); 6 *Del. C.* § 2708.

[83] 10 *Del. C.* § 3104.

89. This Court has personal jurisdiction over Nominal Defendant GPGI because it is a Delaware corporation.[84]

90. Venue is proper in this Court under 8 *Del. C.* § 115, consistent with which Section 9.16 of GPGI's Amended and Restated Bylaws (the "Bylaws") provides: "the Court of Chancery of the State of Delaware . . . shall, to the fullest extent permitted by law, be the sole and exclusive forum for . . . any derivative action or proceeding brought on behalf of the Corporation [or] any action asserting a claim of breach of a fiduciary duty owed by any Director, officer, employee, agent or stockholder of the Corporation to the Corporation or the Corporation's stockholders[.]"[85] As directors, officers, and/or stockholders of the Company, Defendants are bound by this forum provision in the Bylaws.

91. Venue is also proper in this Court under Section 18 of the confidentiality agreement governing Plaintiff's Section 220 investigation, which provides:

> The Stockholder, Stockholder's Counsel, and all Advisors agree that any claim, dispute, or controversy between or among the Parties arising out of, involving, or in connection with this Agreement (including the validity, negotiation, execution, or performance of the Agreement) (the "Potential Disputes") shall be heard and determined exclusively in the Court of Chancery of the State of Delaware or, in the event that the Court of Chancery of the State of Delaware declines to accept jurisdiction over a particular matter, any state or federal court of competent jurisdiction located in the State of Delaware. The Stockholder, Stockholder's Counsel, and all Advisors: (a) agree and consent to the personal jurisdiction of such courts in any legal proceeding or action regarding the Potential Disputes; (b) agree and consent not to object to

[84] 8 *Del. C.* § 321.

[85] Ex. 3.3 to GPGI, Inc., Annual Report (Form 10-K) § 9.16 (Mar. 12, 2026).

> the laying of venue of any legal proceeding or action regarding the Potential Disputes in such courts; (c) agree and consent not to claim that any such court is an inconvenient forum in connection with any legal proceeding or action regarding the Potential Disputes; and (d) agree and consent to service of process pursuant to the notice provision set forth in Paragraph 14 of this Agreement for purposes of any legal proceeding or action related to any of the Potential Disputes.[86]

92. This Court also has jurisdiction because the Share Purchase Agreement (the "SPA"), pursuant to which the Company acquired Husky, contains a Delaware forum selection clause:

> *Governing Law; Venue; Waiver of Jury Trial.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to such state's principles of conflicts of law. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of the Delaware Court of Chancery, and to the extent the Delaware Court of Chancery rejects jurisdiction, in any state or federal court located in the County of New Castle, State of Delaware, and in each case appellate courts therefrom (collectively, the "Delaware Courts"), in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the Transactions and other transactions contemplated hereby and thereby, and hereby waives, and agrees not to assert, as a defense in any Proceeding for the interpretation or enforcement hereof or thereof, that it is not subject thereto or that such Proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such Proceeding shall be heard and determined in the Delaware Courts. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of such dispute and agree that

[86] Ex. E ¶ 18.

> mailing of process or other papers in connection with any such Proceeding by registered or certified mail in the manner provided in Section 11.1 or in such other manner as may be permitted by applicable Legal Requirements, shall be valid and sufficient service thereof. Nothing herein shall affect the right of any party to commence Proceedings against any other party in any other jurisdiction to enforce Orders obtained in any Proceeding brought in accordance with this Section 11.8(a).

93. Knott executed the SPA as the Company's Chief Investment Officer, and Wilk executed the SPA as President of the subsidiary entity the parties created to effect the acquisition (defined below as "Forge").

IV. THE "DAVE COTE FAMILY" GAINS CONTROL OF THE COMPANY THROUGH THE RESOLUTE TRANSACTION.

A. THE COMPANY'S SINGLE BUSINESS LINE THRIVES FOR OVER TWO DECADES.

94. The Company[87] was originally founded as "CompoSecure" in 2000. CompoSecure described itself as "a technology partner to market leaders, fintechs and consumers enabling trust for millions of people around the globe."[88] The Company's principal IP was its "innovative metal payment card technology and Arculus security and authentication capabilities," which could "deliver unique, premium branded experiences, enable people to access and use their assets, protect their digital identities and ensure trust at the point of a transaction."[89]

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[87] As explained above, all references to the "Company" include GPGI's predecessor entity CompoSecure, Inc. (previously defined as "CompoSecure"). *See supra* § I. As explained below, CompoSecure rebranded as a "diversified holding company" called GPGI in connection with its acquisition of Husky on January 12, 2026. *See* Press Release, GPGI, Inc., GPGI, Inc. Completes Rebrand and Starts Trading as GPGI on NYSE (Jan. 23, 2026), https://gpgi.com/gpgi-inc-completes-rebrand-and-starts-trading-as-gpgi-on-nyse/.

[88] *See* CompoSecure, Inc., Annual Report (Form 10-K) at 5 (Mar. 5, 2025).

[89] *Id.*

95. Prior to its rebranding in early 2026 as "GPGI," designing and manufacturing premium metal payment cards was the Company's principal business. Its proprietary manufacturing methods and well-established engineering practices established the Company as the dominant player in its field. Its customers include eight of the top ten card issuers in the U.S., with over 125 different card programs. The Company's metal card payment business generated more than 67% of its 2022 net sales from Amex and Chase, with which it has maintained exclusive metal card provider agreements since 2003 and 2008, respectively. Analysts estimate that the Company held at least 70% of the metal payment cards market as of April 2024.[90]

96. By all measures, the Company was well-positioned heading into 2024. In early 2024, the Company was generating significant cash flows, and analysts expected its metal cards business revenue to grow by approximately 5–10% year-over-year and to maintain EBITDA margins over 35%.[91] Reporting fourth quarter and full-year 2023 results, management targeted long-term double-digit growth and announced a $40 million share repurchase program.

B. THE RESOLUTE TRANSACTION GIVES THE "DAVE COTE FAMILY" MAJORITY OWNERSHIP AND BOARD CONTROL.

97. Until 2024, the Company utilized an "Up-C" corporate structure with a publicly traded holding corporation as the parent and an operating limited liability company as the subsidiary. Under this structure, "the sole asset of CompoSecure,

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[90] Joe Flynn, "CMPO 4Q23 Results: Beat on 4Q23, Guide Higher, Potential Multiple Expansion - Reiterate Buy, $11.50 Target," COMPASS POINT (March 8, 2024).

[91] *Id.*

Inc. [i.e., the public corporation] was its interest in [CompoSecure Holdings L.L.C., i.e., the operating company]."[92] The operating company was "taxed as a partnership for U.S. federal income tax purposes [and] was owned by both the historical owners and CompoSecure, Inc."[93] Those historical owners held their voting rights through the Class B stock of the holding corporation, which were exchangeable at the holder's election for Class A shares on a one-to-one basis but, until exchanged, had "no economic or participating rights."[94] . In contrast, public stockholders held both voting and economic interests through the Class A stock of the holding corporation.

98. On September 17, 2024, a series of transactions closed by which the Company's Up-C corporate structure was extinguished.

99. Until 2024, investment vehicles controlled by Mitchell Hollin ("Hollin") and Michele Logan ("Logan") owned approximately 62% of the Company's total outstanding Class B shares.[95] On August 7, 2024, Resolute Holdings I, LP and its affiliated vehicles ("Resolute") announced that it had entered into stock purchase agreements to acquire Hollin's and Logan's shares.[96] The stock purchase agreements

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[92] CompoSecure, Inc., Quarterly Report (Form 10-Q) at 10 (Nov. 3, 2025).

[93] *Id.*

[94] CompoSecure, Inc., Annual Report (Form 10-K) at 59 (Mar. 12, 2024).

[95] Ex. 99.3 (Joint Press Release of the Company and Resolute) to CompoSecure, Inc., Current Report (Form 8-K) (Aug. 7, 2024); CompoSecure, Inc., Current Report (Form 8-K) (Aug. 9, 2024); CompoSecure, Inc., Current Report (Form 8-K) (Sep. 17, 2024).

[96] Ex. 99.3 (Joint Press Release of the Company and Resolute) to CompoSecure, Inc., Current Report (Form 8-K) (Aug. 7, 2024).

provided that all sellers would exchange their Class B units for Class A shares before closing.[97]

100. David Cote and Knott formed Resolute and ran it together. David Cote provided much of the funding for Resolute, as the press release announcing the deal referred to "[t]he David Cote Family . . . investing $372 million through Resolute[.]"[98] CompoSecure was Resolute's first investment. According to David Cote, "CompoSecure meets all the criteria I look for when making an investment and I am thrilled that Resolute will become the Company's majority shareholder."[99] In the negotiations between Resolute and the Company, Goldman was Resolute's financial advisor, and Paul Weiss was Resolute's legal counsel.[100]

101. Initially, the market reacted positively to Resolute's involvement. David Cote had a long and successful career at manufacturing companies, including General Electric and Honeywell. The Company's stock price more than doubled from August to November 2024.

102. The Company was not a party to the stock purchase agreements between Resolute and the selling stockholders. However, the transaction affected several agreements to which the Company was a party, including a tax receivable agreement and a credit agreement. Given the conflicts of interest, the Board formed

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[97] *See* CompoSecure, Inc., Annual Report (Form 10-K) at 95 (Mar. 5, 2025)

[98] Ex. 99.3 (Joint Press Release of the Company and Resolute) to CompoSecure, Inc., Current Report (Form 8-K) (Aug. 7, 2024).

[99] *Id.*

[100] *See* CompoSecure, Inc., Current Report (Form 8-K) at Item 1.01 (Aug. 9, 2024); *see also* Ex. 99.3 to CompoSecure, Inc., Current Report (Form 8-K) (Aug. 7, 2024).

a special committee (advised by Houlihan Lokey (financial) and Potter Anderson (legal)) to negotiate a governance agreement with the Resolute Controller Defendants (the "Governance Agreement") and otherwise "evaluate the impact of the [t]ransaction to the Company and the minority stockholders of the Company."[101] This was the last special committee the Board would form in connection with transactions benefitting the Resolute Controller Defendants.

103. Upon the closing of the stock purchase agreements on September 17, 2024, Resolute received Company Class A common stock representing approximately 62% of the Company's voting and economic shares (previously defined as the "Resolute Transaction"),[102] thereby securing hard control over the Company. The final Governance Agreement gave the Resolute Controller Defendants majority control over the Board by expanding it to eleven seats and giving the Resolute Controller Defendants the right to appoint six new directors.[103] The Resolute Controller Defendants also secured the right to designate six directors on the

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[101] *See* GPGI, Inc., Current Report (Form 8-K) at Item 1.01 (Aug. 9, 2024); *see also id.* at Ex. 10.1.

[102] *See* CompoSecure, Inc., Annual Report (Form 10-K) at 86 (Mar. 5, 2025) ("Prior to the Resolute Transaction, the Company had operated as an umbrella partnership C [Up-C] corporation"); *id.* at 64 (the Resolute Transaction "eliminat[ed] the Company's Up-C structure"); CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Sep. 19, 2024) (as of September 17, 2024, John beneficially owned 61.5% of the Company's Class A Common Stock, and Knott, RCH, and Tungsten beneficially owned 59.7%).

[103] The Letter Agreement provided that David Cote and Knott would replace two of the departing directors; the Resolute Controller Defendants additionally appointed Defendants John Cote, DeAngelo, Fradin, and James. Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) (Sep. 17, 2024).

Company's director slate in the future as long as they held 35% of the Company's stock.[104]

104. In a press release announcing the transaction's closing, David Cote and Knott described their plan to use the Company's existing, stable cash flow and growth to deploy capital for new investments:

> We plan to focus our efforts on enhancing the Company's organic growth and operational efficiency while evaluating ways to further diversify its customer base and business mix through M&A. The Company's permanent capital base eliminates the duration and transactional constraints of traditional alternative asset structures and can allow it to become the acquiror of choice for companies in need of operational improvement and M&A expertise.[105]

105. In the Company's first earnings release after the transaction's closing, David Cote, in his capacity as Executive Chairman, emphasized his extensive M&A experience, reiterated his primary rationale for investing in the Company, and outlined his forward-looking strategy:

> As we embark on this next chapter, I want to express how excited I am about our long-term opportunities as well as our challenges ahead. We were attracted to the business because it hit the six hot buttons we used to evaluate acquisitions at Honeywell: Great position, good industry, technology differentiator, organic and inorganic sales growth, and margin expansion. That being said, this is a pivotal time for the company, and we are committed to building a culture centered on high performance, improving efficiency through the CompoSecure Operating System, reinvigorating organic growth, and driving accretive M&A. That work will require investment and you will see that reflected in our full year estimate.[106]

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[104] Ex. 10.1 (Governance Agreement) to CompoSecure, Inc., Current Report (Form 8-K) (Sep. 17, 2024).

[105] Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) (Sep. 17, 2024).

[106] Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) (Nov. 8, 2024).

106. Wilk, the Company's CEO, reiterated the plan to fuel accretive growth through M&A:

> We are also enhancing our capabilities to drive accretive M&A and remain focused on strategic investments in our business. To support this growth, we are revising our Adjusted EBITDA guidance for the year to account for additional investments aimed at accelerating our momentum.[107]

107. However, neither David Cote nor Wilk offered any solid M&A targets or any details about their purported plan. As explained in the next section, before presenting any prospective M&A targets to the Board, the Resolute Controller Defendants positioned themselves to extract massive fees from any future deals even if their stake in the Company was diluted.

V. THE RESOLUTE CONTROLLER DEFENDANTS SPIN OFF RESOLUTE MANAGEMENT AND CAUSE THE COMPANY TO ENTER INTO THE UNFAIR COMPOSECURE MANAGEMENT AGREEMENT.

108. Just one week after the Resolute Controller Defendants took control of the Company, they started pushing the Board to spin off a separate "management company" to pursue accretive M&A. Days later, the Company formed Resolute Management as a Delaware corporation and wholly owned subsidiary. On December 30, 2024, the Company announced it would spin-off Resolute Management to the Company's existing stockholders. This announcement occurred more than a month before the Board approved the Spin-Off on February 8, 2025. The Spin-Off was completed on February 28, 2025, at which point Resolute Management became

[107] Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) (Nov. 8, 2024).

an independent entity owned by the Company's existing stockholders. That same day, CompoSecure executed the CompoSecure Management Agreement. Throughout this process, the Resolute Controller Defendants controlled the Company and drove the transactions.

109. The Spin-Off was a heavily conflicted transaction because the Resolute Controller Defendants stood to receive massive non-ratable benefits, and the full Board knew it. Yet the Company did not form a special committee of independent directors to evaluate, negotiate, or approve the Spin-Off or the CompoSecure Management Agreement. The Company's minority stockholders never voted on either transaction. The conflicted Individual Resolute Controllers made no effort to recuse themselves or otherwise "wall" themselves off from the process. Instead, they wielded their control to conceive of, design, and consummate the Spin-Off to ensure they controlled Resolute Management and could use it to tunnel tens of millions of dollars to themselves.

A. THE BOARD PROCEEDS WITH THE SPIN-OFF WITHOUT FORMING A SPECIAL COMMITTEE AND ENGAGES HEAVILY CONFLICTED GOLDMAN.

110. After taking control through the Resolute Transaction, the Resolute Controller Defendants wasted no time positioning themselves to tunnel value from the Company.

111. By September 23, 2024, six days after the Resolute Transaction closed, the Resolute Controller Defendants had a presentation for the Board titled "

” (the “Preliminary SpinCo Deck”).[108] The logos on the Preliminary SpinCo Deck showed it was a creation of Resolute, not of the Company's directors or officers. The Resolute Controller Defendants circulated the Preliminary SpinCo Deck in advance of a September 25, 2024 Board meeting.[109]

112. At the September 25, 2024 Board meeting, David Cote presented the Preliminary SpinCo Deck to the Board.[110] All eleven then-serving Board members attended this meeting. Two representatives of Goldman—Matt McClure (“McClure”) and Emmanuel Lamouroux (“Lamouroux”)—joined the meeting specifically to participate in David Cote's presentation of the Preliminary SpinCo Deck.[111]

113. Goldman's presence at the very first Board meeting after the Resolute Transaction showed the Resolute Controller Defendants' new domination. Goldman had no previous ties to the Company at all. By contrast, Goldman and the Resolute Controller Defendants had long-established and deep ties. Goldman had received tens of millions of dollars in fees through its involvement with David Cote's SPACs with Knott at the helm.[112] Goldman had also just represented the Resolute Controller

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[108] CPMO_SULLIVAN220_00001060 (starting at CPMO_SULLIVAN220_00001189). The Preliminary SpinCo Deck is attached hereto as Exhibit A.

[109] CPMO_SULLIVAN220_00001060, at -1060 (agenda showing David Cote to present on ”); *see also id.* at -1189 (“ ”).

[110] *Id.*

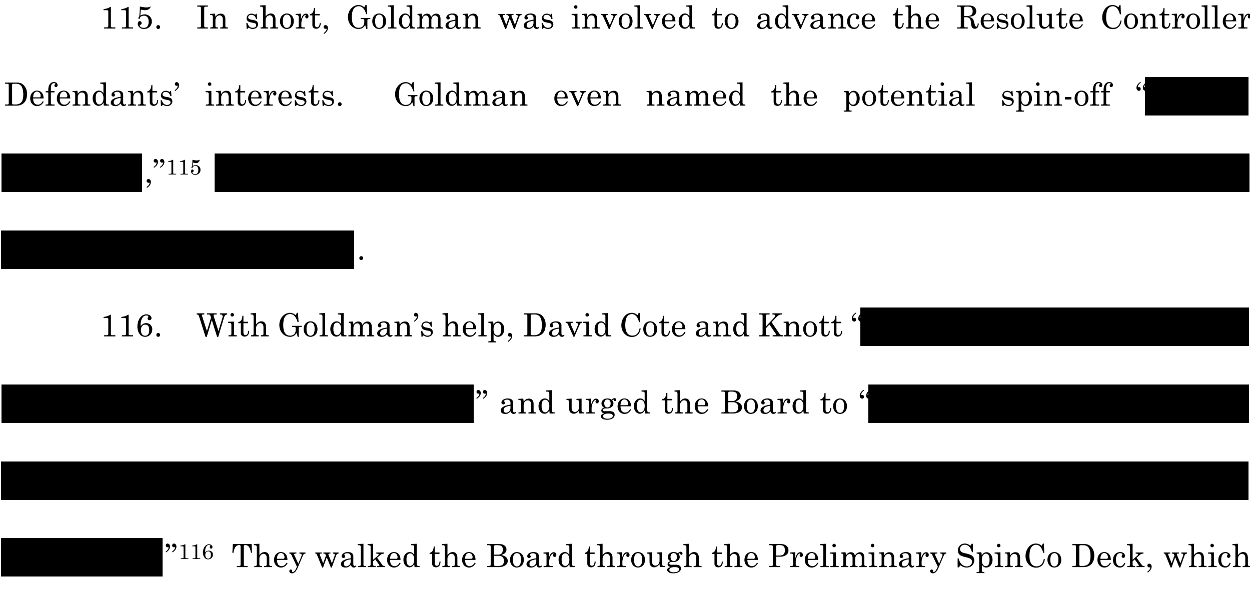
[111] CPMO_SULLIVAN220_00001317, at -1321.

[112] For Vertiv, Goldman received approximately $50 million in deferred underwriting discount, advisory fees, and placement agent fees. Vertiv Holdings, Co., Registration Statement (Form S-1) at 140 (Feb. 7, 2020). Goldman also recognized approximately $11.1 million for financial advisory and/or underwriting services provided to GSAH in the two years preceding the business combination. For Mirion, Goldman received approximately

Defendants' interests when it advised them, adverse to the Company, in the Resolute Transaction.[113]

114. Goldman would ultimately serve as the Board's financial advisor in connection with the proposed spin-off. McClure and Lamouroux attended multiple Board meetings in December 2024 and February 2025.[114] The Section 220 Production otherwise sheds no light on how the Company decided to engage Goldman. The Company has represented that the Board never received any conflicts disclosures from Goldman in connection with its engagement.

115. In short, Goldman was involved to advance the Resolute Controller Defendants' interests. Goldman even named the potential spin-off "



,"[115] .

116. With Goldman's help, David Cote and Knott " " and urged the Board to " "[116] They walked the Board through the Preliminary SpinCo Deck, which

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$33 million in deferred underwriting discount, advisory fees, and placement agent fees, plus an $18.4 million committed financing fee. Mirion Technologies, Inc., Prospectus (Form 424B3) at 151 (Nov. 4, 2021).

[113] *Supra* § IV.B. Moreover, as explained below, Goldman advised the Company's counterparty, Platinum, in the $5 billion Husky Acquisition in 2025. *See infra* § VI.B. In other words, Goldman was earning advising parties ***adverse to the Company*** shortly before ***and*** after the spin-off.

[114] *See, e.g.,* CPMO_SULLIVAN220_00000047; CPMO_SULLIVAN220_00000745.

[115] *See, e.g.*, CPMO_SULLIVAN220_00000809 (Goldman presentation for " ").

[116] CPMO_SULLIVAN220_00001317, at -1321.

similarly stated:

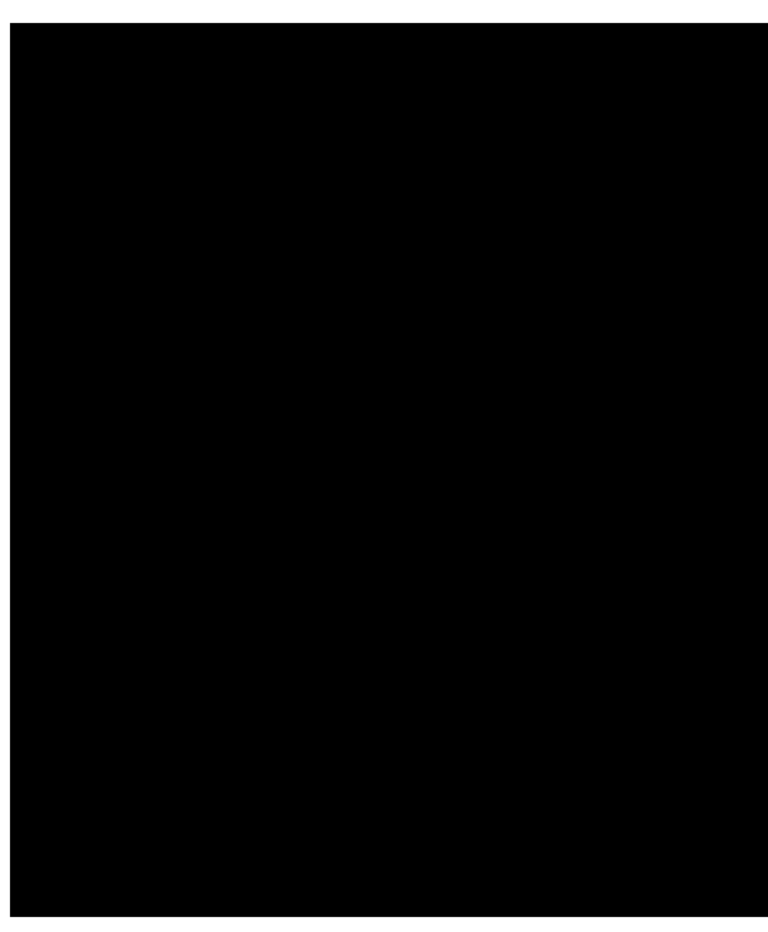
" by "[117] The " " in the foregoing sentence was the Resolute Controller Defendants.

117. The Preliminary SpinCo Deck went on to explain that the new management entity ("SpinCo") " " and " ."[118] The Preliminary SpinCo Deck included a diagram of [119]:

[117] CPMO_SULLIVAN220_00001060, at -1191.

[118] *Id.*

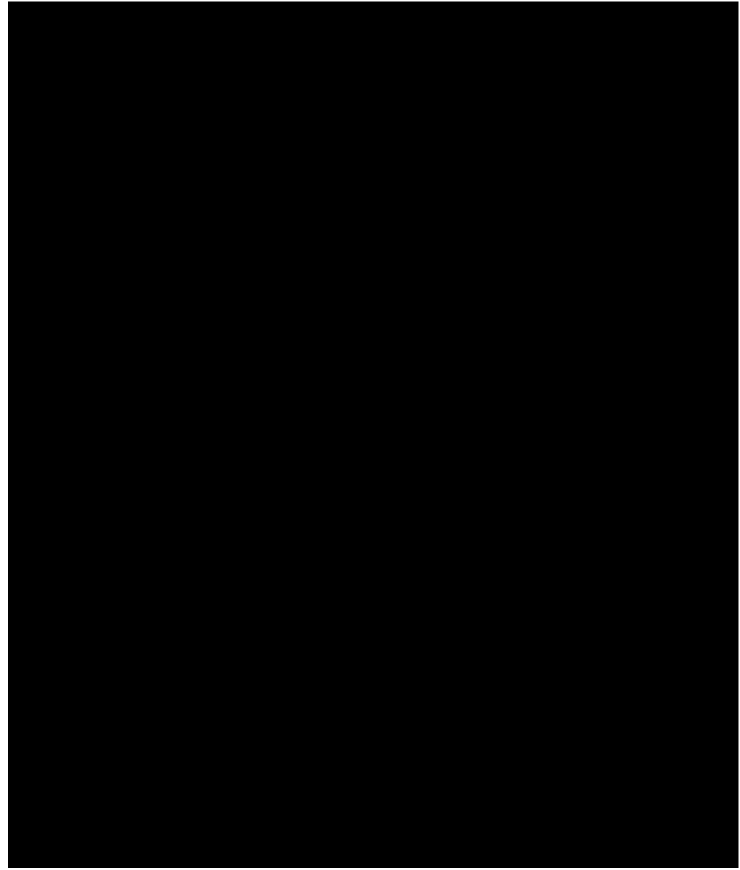
[119] *Id.* at -1193.



118. The Preliminary SpinCo Deck claimed that "[REDACTED]."[120] Had time stopped with the above diagram, [REDACTED]. But, as the next diagram shows, the Resolute Controller Defendants wanted SpinCo [REDACTED]

[120] CPMO_SULLIVAN220_00001060, at -1191.

(referred to as "M&A #1").[121]



119. If the Company paid for M&A #1, even in part, with newly issued Company stock, then all existing Company Class A stockholders would be diluted but there would be no effect on the relative ownership of SpinCo. The transaction would not provide the former stockholders of M&A #1 with any interest in SpinCo. Thus, the initial parity between stockholders' interests in the Company and SpinCo would

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[121] Preliminary SpinCo Deck at -1194 (red circle added). This preliminary diagram differs slightly from the eventual structure. SpinCo secured a contractual right to enter a ***new*** management contract, on identical terms, with each new M&A target. The substantive result is the same—the Preliminary SpinCo Deck contemplated

inevitably and materially change.[122] Future acquisitions using stock consideration ("M&A #2," etc.) would dilute the Company's stockholders even further, while the Resolute Controller Defendants' stake in SpinCo would remain the same.

120. It was not inevitable that CompoSecure, a metal credit card manufacturer, would give birth to a professional M&A company. The Resolute Controller Defendants simply identified CompoSecure as a solid company with stable cash flows that could be siphoned off to support the Individual Resolute Controllers' vision for a mini-PE firm.

121. The Preliminary SpinCo Deck stated that [REDACTED] "[123] This "[REDACTED]" was pretextual. The Resolute Controller Defendants had already put the wheels in motion.

122. On September 27, 2024, the Company formed Resolute Management as a Delaware corporation and wholly owned subsidiary.[124] At that time, the Company's Board had not approved, or even been asked to approve, a spin-off. Only ***48 hours earlier***, the Board had adjourned a meeting to supposedly await the results of a "[REDACTED]" performed by Resolute.

[122] As explained below, this is precisely what happened in the Husky Acquisition, in which Company stockholders were diluted by almost two-thirds. *See infra* §§ VI.D, VII.

[123] Preliminary SpinCo Deck at -1191.

[124] *See* CPMO_SULLIVAN220_00001043, at -1044.

123. On October 4, 2024, the Company filed a draft Form 10 with the SEC.[125] The speed with which these steps occurred showed that the Resolute Controller Defendants treated the proposed spin-off as a *fait accompli*.

124. On October 29, 2024, the Board met to receive a process update on the potential spin-off.[126]

125. On November 5, 2024, less than two months after the Resolute Transaction and three days before the Company's third quarter 2024 earnings call, the Board met to discuss "[REDACTED]."[127] All eleven then-serving Director Defendants attended this meeting, as did Officer Defendant Fitzsimmons. Laura Turano of Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul Weiss"), the Company's outside counsel, also attended.[128]

126. The Board devoted nearly the entire November 5, 2024 meeting to discussing the potential spin-off. David Cote led an extended discussion about [REDACTED]

[125] CPMO_SULLIVAN220_00001043.

[126] SpinCo Deck (defined below) at Slide 8.

[127] CPMO_SULLIVAN220_00000065, at -0065.

[128] *Id.*

.[129] Despite the complexity and materiality of the potential spin-off, and the clear conflicts of interest that would result from milking CompoSecure in favor of a new management entity, "

"[130] The Section 220 Production does not explain how the Board reached this " ," what factors it considered, or whether there was any disagreement among Board members.

127. The Board recognized from the outset that the contemplated transaction would, over time, cause the Resolute Controller Defendants' interests in the Company to diverge from their interests in the spun-off management entity. Indeed, as explained below, the Board expressly discussed the divergent incentives the spin-off would create.[131] Yet despite acknowledging this conflict, the Board never revisited its decision to forgo a special committee at any of the five subsequent meetings held before it approved the Spin-Off. All the while, the Resolute Controller Defendants remained omnipresent as the Board considered, evaluated, and ultimately approved the Spin-Off and associated management agreement.

128. The decision not to form a special committee was especially conspicuous because, earlier that year, the Board ***had*** decided to create a special committee in connection with the Resolute Transaction ***even though*** the Company was not a party

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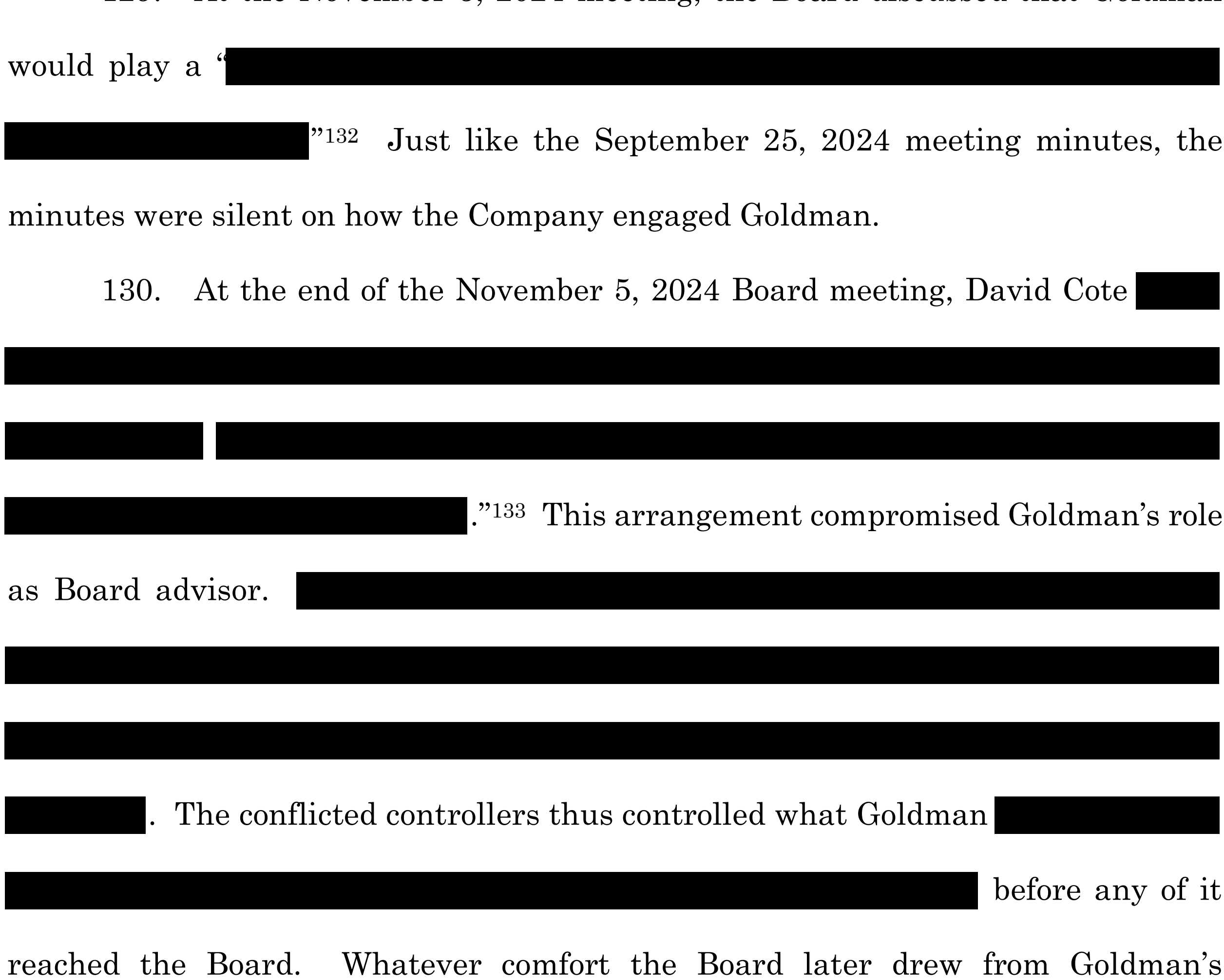
[129] *See generally* CPMO_SULLIVAN220_00000065.

[130] *Id.* at -0066 (emphasis added).

[131] *See infra* § V.B.

to any of the stock purchase agreements by which the Resolute Controller Defendants acquired their controlling stake. ***Membership*** was the most notable difference between the Board that oversaw the Resolute Transaction and the Board that chose not to appoint a special committee for the spin-off. Specifically, the spin-off Board included the self-interested Individual Resolute Controllers, who were unwilling to permit any check on their goals for the process.



129. At the November 5, 2024 meeting, the Board discussed that Goldman would play a " "[132] Just like the September 25, 2024 meeting minutes, the minutes were silent on how the Company engaged Goldman.

130. At the end of the November 5, 2024 Board meeting, David Cote . "[133] This arrangement compromised Goldman's role as Board advisor. . The conflicted controllers thus controlled what Goldman before any of it reached the Board. Whatever comfort the Board later drew from Goldman's

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[132] CPMO_SULLIVAN220_00000065, at -0066.

[133] CPMO_SULLIVAN220_00000065, at -0066.

responses would reflect the controllers' views as much as Goldman's purportedly independent review.

B. THE COMPANY'S OWN MATERIALS CONFIRM THE SPIN-OFF'S TERMS ARE UNFAIR AND UNPRECEDENTED.

131. The Board reconvened on November 17, 2024, with all eleven then-serving Director Defendants in attendance, including Officer Defendant Fitzsimmons. Turano of Paul Weiss also attended.[134] David Cote led the Board in discussing another slide deck regarding the spin-off of a new management entity (the "SpinCo Deck").[135]

132. Like the Preliminary SpinCo Deck, the SpinCo Deck "

."[136] The SpinCo Deck described the contemplated transactions in more detail than the Preliminary SpinCo Deck, and the transactions contemplated in the SpinCo Deck were substantially the same as the transactions that the Company ultimately enacted.[137]

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[134] CPMO_SULLIVAN220_00000045, at -0045.

[135] CPMO_SULLIVAN220_00000001. The SpinCo Deck is attached hereto as Exhibit B.

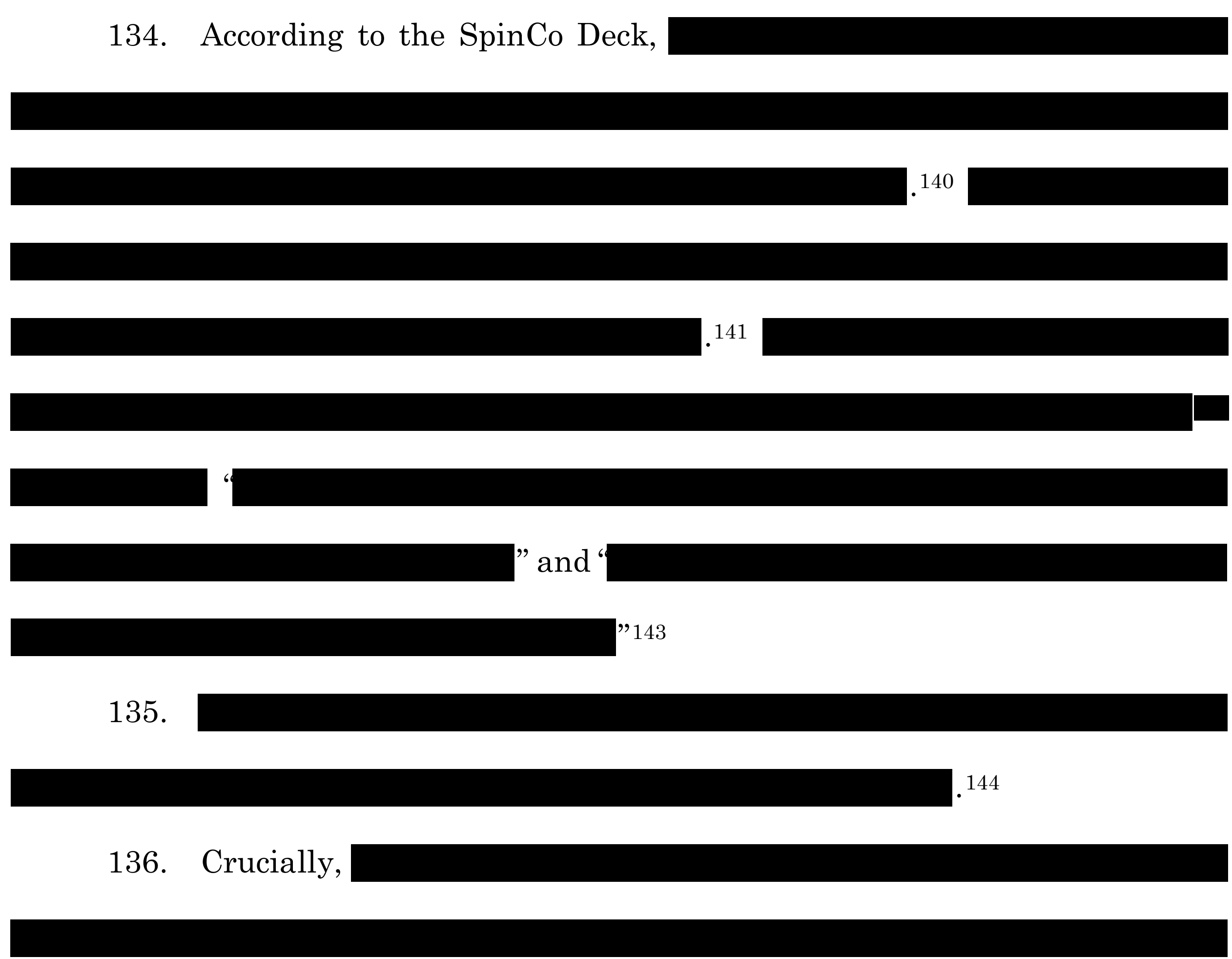
[136] SpinCo Deck at Slide 4. This Complaint refers to the hypothetical contract contemplated in Board deliberations from November 2024 through February 2025 as the "Management Contract." The "CompoSecure Management Agreement" refers to the actual contract CompoSecure and Resolute Management executed on February 28, 2025, which contains substantially all the provisions contemplated for the Management Contract. *See infra* § V.D.2.

[137] *See infra* § V.D.2.

133. Unlike the September 25, 2024 Board meeting, Goldman did not attend the November 17, 2024 Board meeting to discuss the deck.[138] David Cote led the discussion.[139]

1. The SpinCo Deck Contemplates a New Management Entity to Receive Massive Fees from the Company.

134. According to the SpinCo Deck,



.[140] .[141] " " and " "[143]

135. .[144]

136. Crucially,

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[138] *See* CPMO_SULLIVAN220_00000045, at -0045.
[139] *Id.*
[140] SpinCo Deck at Slide 5.
[141] *Id.* at Slide 27.
[142] *Id.* at Slide 23.
[143] *Id.* at Slide 26.
[144] *Id.* at Slide 4.

.[145]

137. Any Board member acting in good faith would have immediately concluded from the SpinCo Deck that: (i) the Company stood to realize few (if any) benefits from this type of transaction; (ii) the contemplated terms were unfair, unprecedented, and created misaligned incentives, (iii) the Resolute Controller Defendants' motivation was to control GPGI in perpetuity and use that control for self-interested ends; and (iv) the misalignment in incentives would only grow over time. However, the Board failed to create a special committee or require a favorable majority of the minority vote.

138. Just as they had done in creating Resolute Management and filing the draft Form 10 with the SEC, the Resolute Controller Defendants continued to treat the creation of SpinCo as a *fait accompli*. At the same time the Board was being told about the "contemplated" SpinCo, David Cote and his management team were already " "[146]

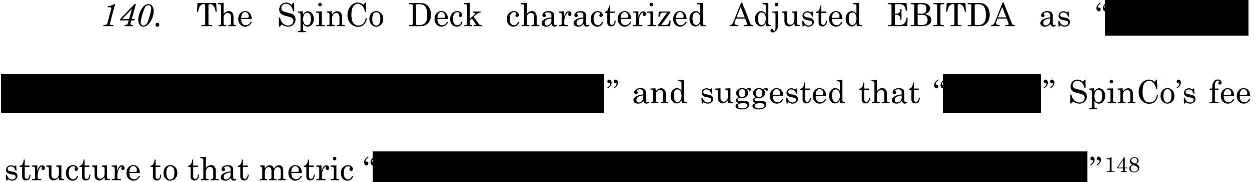
139. The creation of SpinCo was, in fact, a *fait accompli* because the Company's controlling stockholders wanted it. The Resolute Controller Defendants ultimately would cause the Company to enter into a management agreement on

[145] SpinCo Deck at Slide 24 (" ."); *see also infra* § VI.C.

[146] SpinCo Deck at Slide 25.

substantially the same terms as the Management Contract described in the SpinCo Deck.[147]

2. The Contemplated Management Contract Ties the Management Fee Stream to Adjusted EBITDA With No Strings Attached.



140. The SpinCo Deck characterized Adjusted EBITDA as "[REDACTED]" and suggested that "[REDACTED]" SpinCo's fee structure to that metric "[REDACTED]"[148]

141. Not so. Tying SpinCo's profits to the Company's Adjusted EBITDA would incentivize SpinCo to steer the Company towards acquisitions that maximized Adjusted EBITDA without regard for the target's or the Company's true financial health, which is best measured by free cash flow which considers critical real-world expenses such as interest, taxes and capital expenditures. Leading investors and analysts, including Warren Buffet, recognize that EBITDA is not the "most important value driving metric" of a company. As Warren Buffet observed, EBITDA "doesn't reflect a business's real health or value because it ignores cash flow."[149] Yet, the Management Contract was designed to reward SpinCo for causing the Company to acquire targets based ***solely*** on the target's Adjusted EBITDA prospects.

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[147] *See infra* § V.D.2.

[148] SpinCo Deck at Slide 18.

[149] Jim Schlecker, "Warren Buffett Hates EBITDA. Here's Why You Should Too," IST MAGAZINE (Mar. 18, 2025), https://istmagazine.com/warren-buffett-hates-ebitda-heres-why-you-should-too/#:~:text=On%20paper%2C%20his%20business%20seemed,enough%20cash%20to%20sustain%20themselves. *See also, e.g.,* Greg Crabtree, "EBITDA: The Misleading Metric," CRI SIMPLE NUMBERS BLOG, https://gregcrabtree.net/blog/ebitda-the-misleading-metric/ (last accessed Apr. 21, 2026).

142. The fact that Adjusted EBITDA excludes interest expense is particularly noteworthy because it made the Individual Resolute Controllers ambivalent to the amount of debt the Company needed to take on in connection with any acquisition. This enabled an absurd result—SpinCo could receive a percentage of the Company's interest expenses as fees, even though they did not represent income to the Company but, rather, obligations to its creditors. For example, prior to the Husky acquisition the Company had no debt, however, in connection with the Husky acquisition, the Company took on approximately $2 billion in debt.[150]

143. Tying SpinCo's fees to Adjusted EBITDA would also incentivize SpinCo to make questionable adjustments to EBITDA to inflate its fees. As explained below, this perverse incentive affected the Company's first acquisition.[151]

144. The SpinCo Deck did not identify any precedents for the proposed management and fee structure. The presentation [REDACTED] "[REDACTED]."[152] In contrast, here, SpinCo would ***not*** manage the acquired companies day-to-day.[153]

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[150] *See infra* § VI.B.

[151] *See infra* § VI.D.

[152] SpinCo Deck at Slide 27.

[153] *See supra* § V.B.; SpinCo Deck at Slide 26 (under the Management Contract, [REDACTED]").

By way of example, following the Husky acquisition, Husky did not eliminate any of its C-Suite management team positions and Resolute did not add a single new employee.

145. The SpinCo Deck referred to ” “.”[154] According to the presentation, “ ”[155] ***None*** of the tethered the fee structure to EBITDA or Adjusted EBITDA.[156]

146. The SpinCo Deck observed . It then “ ” .[157] Setting aside the fact that the relationship between Adjusted EBITDA and market capitalization would change over time and was subject to manipulation, the Company’s market capitalization was not “ .”[158]

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[154] SpinCo Deck at Slides 34–39.

[155] *Id.* at Slide 27.

[156] *See generally id.* at Slides 36–39.

[157] SpinCo Deck at Slide 36.

[158] *Id.* at Slides 27, 37–39.

147. The metrics of committed capital, or assets under management, in the PE and REIT contexts, respectively, link fees to work performed. Hedge fund managers and bankers are often compensated for M&A based on carried interest, which financially aligns those individuals with the profitability of M&A to the company they manage. REIT external managers are typically compensated by the value of assets under management, because often the more assets under management, the more work needs to be performed to manage the REIT real estate assets. Here, the Company was not a REIT or PE firm. And a change in the Company's Adjusted EBITDA would not correspond to an increase in the work SpinCo performed. Under the Management Contract, SpinCo would be paid to merely oversee the operating subsidiaries' managers.[159] Many of SpinCo's directors and officers already had that responsibility as sitting Company directors.

148. The comparison was further massaged by calculating the Company's market capitalization as of September 19, 2024—over a month after the Company's stock price rose almost 80% following the announcement of the Resolute Transaction. As of September 19, 2024, the Company's stock traded at a highly unusual 11 times next twelve month (NTM) earnings, up from 6.1 times as of August 7, 2024 (when the Resolute Transaction was announced). The increase in the Company's market capitalization reflected the market's anticipation of future accretive M&A

[159] *See generally id.* This is exactly what happened after the Company completed the Spin-Off and executed the CompoSecure Management Agreement. Company management remained in place and continued running CompoSecure's day-to-day business just as it had before the Spin-Off.

transactions as touted by David Cote and Knott.[160] Comparing Resolute Management's fee to the Company's market capitalization based on the pre-appreciation 6.1 times multiple equates to a fee ratio of 2.40%—60% more than the median comparator and higher than all but one of the comparators.

149. The contemplated fee structure incentivized SpinCo to pursue large stock-for-stock deals, even at the risk of diluting the Company's minority stockholders. The illustrative examples in the SpinCo Deck [redacted]

[redacted]

[redacted].[161]

150. The contemplated fee structure bore no relationship to whether the M&A activity recommended by SpinCo succeeded. As the Company's first acquisition would show, Adjusted EBITDA and market capitalization can significantly increase while stockholder value declines.[162]

151. Based on the Company's expected 2024 Adjusted EBITDA[163] of $155 million and a market capitalization of $1.44 billion as of September 19, 2024,

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[160] *See supra* § IV.B.

[161] SpinCo Deck at Slide 14.

[162] *See infra* § VII.

[163] The SpinCo Deck does not define "Adjusted EBITDA." The ultimate management agreement defined Adjusted EBITDA as, "for any period":

> Net Income for such period, plus, without duplication, (i) the sum of the amounts for such period included in determining such Net Income of (A) Interest Expense, (B) Income Tax Expense, (C) Depreciation and Amortization Expense, (D) losses and expenses that are properly classified under GAAP as extraordinary, (E) all Quarterly Management Fees, (F) actual one-time and non-recurring fees, expenses and costs relating to any acquisition, business combination transaction or other transaction, in each case, evaluated,

the contemplated fee structure would have entitled SpinCo to a 2024 fee of approximately $[REDACTED], even though SpinCo did not have anything to do with the Company's acquisition (or even exist at the time).[164]

152. The "[REDACTED]" potential acquisitions modeled in the SpinCo Deck showed the debilitating size of a management fee based on Adjusted EBITDA. [REDACTED] [REDACTED], the SpinCo Deck estimated the combined entity's 2025 Gross Adjusted EBITDA at $[REDACTED], which implied a management fee of $[REDACTED].[165] That fee would have [REDACTED] of the combined entity's free cash flows.[166] The result was similar for [REDACTED].[167] For

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> negotiated and, if applicable, implemented in accordance with the Management Agreement (whether or not closed), (G) any non-cash compensation charge or expense realized or resulting from any contingent payment obligation or similar payment obligation (including any "earn-out" obligation) that would require payments to any Person arising in connection with any acquisition, business combination transaction or other transaction consummated in accordance with the Management Agreement, (H) any impairment charges or asset write-offs, in each case, pursuant to GAAP, and (I) any other non-cash non-recurring expenses, minus, without duplication, (ii) (A) the sum of the amounts for such period included in determining such Net Income of (1) any gains on sales of assets and gains that are properly classified under GAAP as extraordinary, all as determined for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP and (2) any cash payments made during such period in respect of non-cash charges described in clause (i)(I) taken in a prior period, and (B) Parent Allocated Expense.

CompoSecure Management Agreement § 1(a).

[164] This approximation aligns with what actually happened. Over the first ten months of the actual CompoSecure Management Agreement (March 2025–February 2026), the Company paid Resolute Management approximately $12.278 million in fees. *See* Resolute Holdings Management, Inc., Annual Report (Form 10-K) at F-30 (Mar. 12, 2026). Resolute Management's fees for the first quarter of 2026 will be reported in its forthcoming 10-Q, and will include fees collected under both Management Agreements.

[165] SpinCo Deck at 41.

[166] *Id.*

[167] SpinCo Deck at 42.

[REDACTED], the implied management fee would have [REDACTED] of the combined entity's free cash flow.[168] Diverting that much free cash flow every year to a "management" company that was not actively managing operations made no business sense.

153. The management fee for SpinCo was not the only value the Company diverted to SpinCo. After the Spin-Off, the Company remained responsible for paying equity compensation to Resolute Management's officers.[169] This would prove to be a material expense. In 2024, the Company awarded David Cote and Knott $6 million each in equity compensation.[170] As explained above, during the first ten months the actual CompoSecure Management Agreement was in place, the Company paid Resolute Management approximately $12.278 million in fees. Accordingly, the $12 million in equity awards that David Cote and Knott continued to receive ***nearly doubled*** the amount that the Company was required to divert to Resolute Management for the Individual Resolute Controllers' benefit.

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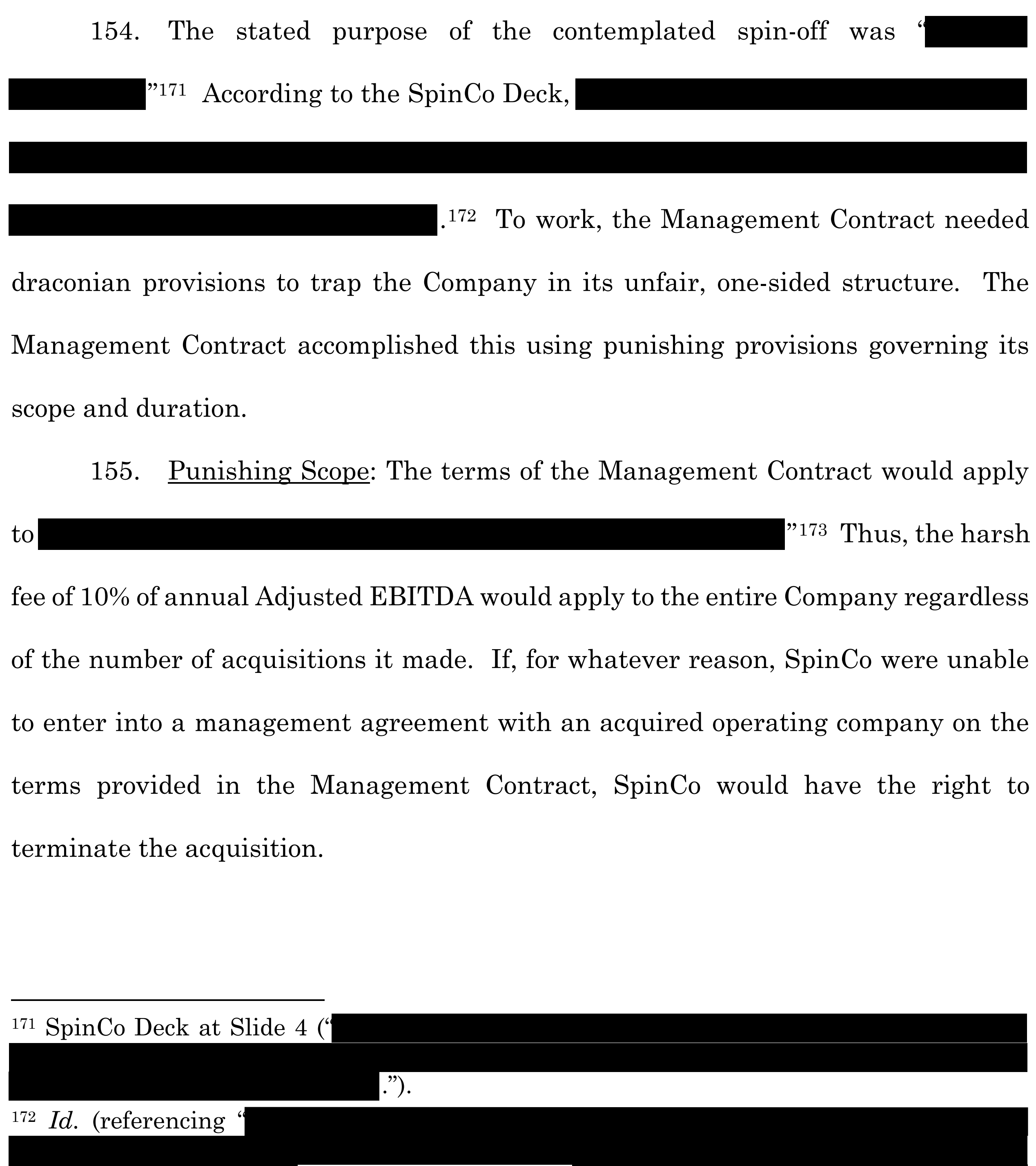
[168] SpinCo Deck at 43 (estimated 2025 Gross Adjusted EBITDA of $[REDACTED], implying management fee of $[REDACTED]; 2025 estimated free cash flow of [REDACTED]).

[169] *See* Exs. 10.41 (D. Cote), 10.42 (Knott) to CompoSecure Inc., Annual Report (Form 10-K) (Mar. 5, 2025) (Amended and Restated Offer Letters) (providing that the equity grants each of David Cote and Knott received in connection with their offers of employment with CompoSecure "will continue to vest under the terms of the CompoSecure, Inc. 2021 Incentive Equity Plan (as amended) and the applicable option award agreement in connection with your consultant and advisor services to CompoSecure, Inc.").

[170] CompoSecure, Inc., Definitive Proxy Statement (Schedule 14A) at 28 (Knott), 37 (David Cote) (Apr. 18, 2025).



3. The SpinCo Deck Confirms the Spin-Off Was Intended to Benefit SpinCo and the Resolute Controller Defendants to the Company's Detriment.

154. The stated purpose of the contemplated spin-off was " "[171] According to the SpinCo Deck, .[172] To work, the Management Contract needed draconian provisions to trap the Company in its unfair, one-sided structure. The Management Contract accomplished this using punishing provisions governing its scope and duration.

155. Punishing Scope: The terms of the Management Contract would apply to "[173] Thus, the harsh fee of 10% of annual Adjusted EBITDA would apply to the entire Company regardless of the number of acquisitions it made. If, for whatever reason, SpinCo were unable to enter into a management agreement with an acquired operating company on the terms provided in the Management Contract, SpinCo would have the right to terminate the acquisition.

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[171] SpinCo Deck at Slide 4 (" .").

[172] *Id.* (referencing " ."); *id.* (asserting that).

[173] *See supra* § V.B.2.

156. As explained above, this incentivized SpinCo to prioritize acquisitions that would immediately add significant Adjusted EBITDA regardless of whether the acquisition was otherwise in the Company's long-term interests. The more Adjusted-EBITDA-accretive M&A activity the Company engaged in, the more money SpinCo would make, regardless of the quality of SpinCo's services or performance and regardless of whether the acquisition saddled the Company with debt or significantly diluted the Company's existing stockholders.[174]

157. Punishing Duration: The Management Contract would have a "[REDACTED]"[175] Terminating the Management Contract would be prohibitively expensive. According to the SpinCo Deck: "[REDACTED]"[176]

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[174] As explained below, this is precisely what happened with the Husky Acquisition. The Resolute Controller Defendants' stake in the Company dropped from ~38% to ~$17%, but they secured for themselves 10% of Husky's annual EBITDA in perpetuity by entering into a new management agreement that reflected the unfair terms of the original CompoSecure Management Agreement.

[175] SpinCo Deck at Slide 37.

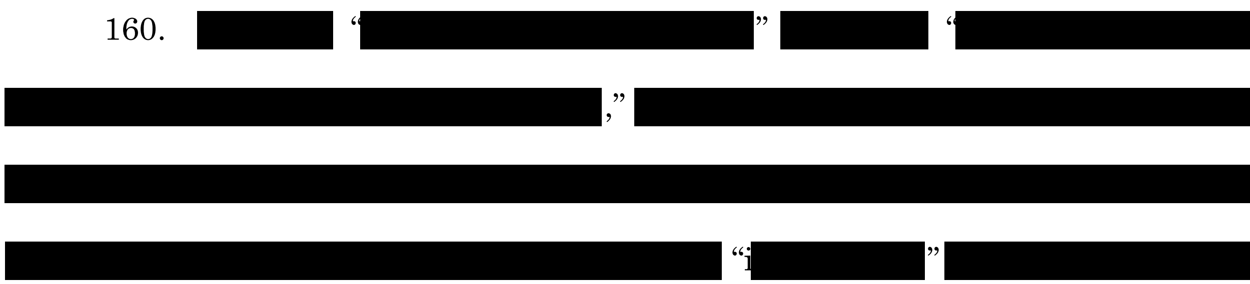
[176] *Id.* at Slide 18 (emphasis added); *see also id.* at Slide 28 ("[REDACTED]"). Unlike several of the [REDACTED] the Company would not be able to terminate based on the SpinCo's "[REDACTED]." SpinCo Deck at Slides 37, 39.

158. ██████ was an understatement. The fee for the Company to terminate the Management Contract would be the:

[177]

159. This was a crippling proposal. The SpinCo Deck provided an illustrative Termination Fee of $█████,[178] which was nearly ███ ***of the Company's market capitalization at the time***.[179] As explained below, the projected annual management fees would more than triple after the Husky Acquisition, going from approximately $16 million under only the CompoSecure Management Agreement to at least $49 million.[180] This implies a termination fee of well over $1 billion post-Husky Acquisition.

160. ████ "██████" ████ "██████

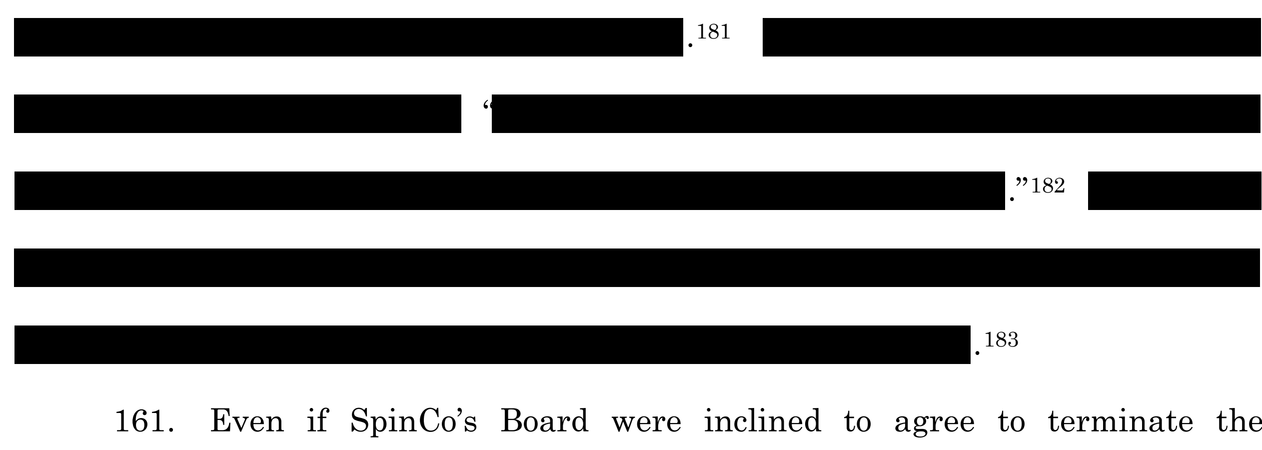


[177] SpinCo Deck at Slide 24.

[178] SpinCo Deck at Slide 32.

[179] The Company's market cap on November 17, 2024 was approximately $1.06 billion. The Company's closing price was $11.99 per share on November 17, and there were 88,131,008 shares outstanding as of November 6, 2024. *See* CompoSecure, Inc., Quarterly Report (Form 10-Q) at 1 (Nov. 8, 2024). At a meeting on December 10, 2024, Goldman put the range of a potential termination fee between $██ and $██ ███. CPMO_SULLIVAN220_00000815, at -0817; *see also infra* § V.C.

[180] *See infra* § VI.C.



.[181] “ .”[182] .[183]

161. Even if SpinCo's Board were inclined to agree to terminate the Management Contract (and there would be no economic reason to do so), the Company would still pay a heavy price. The Company would be expected to “ ”[184] Given that SpinCo was expected to trade at higher multiples than the Company, paying could be very expensive.

* * *

162. The Resolute Controller Defendants downplayed the harm to the Company from these punishing terms by emphasizing that Company stockholders would receive a pro rata interest in SpinCo.[185] Company stockholders were apparently supposed to ignore the Company's servient position because they would

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[181] SpinCo Deck at Slide 24. , it is practically impossible for to occur. Resolute Management secured the right to cure even if its officers commit a felony or fraud against the Company, or act in bad faith. CompoSecure Management Agreement § 1 (definition of “Company Kick-Out Event”).

[182] *Id.*

[183] *Id.*

[184] SpinCo Deck at Slide 18.

[185] *E.g.*, SpinCo Deck at Slide 5 (“ ”); *id.* at Slide 11 (listing as the first “ ,” the “ ”).

also share in SpinCo's dominant position. But this simplistic view ignored the obvious—only immediately after the original spin-off would stockholders have pro rata interests in both the Company and SpinCo. Over time, stockholders' interests in the Company and SpinCo would invariably diverge for several reasons, including because:

a. As SpinCo caused the Company to make serial acquisitions using the Company's equity, the Company's existing stockholders would be diluted;

b. The stockholders of the acquired companies that received Company equity as merger consideration would not receive a corresponding position in SpinCo; and

c. As stockholders bought and sold in the public markets, their ownership in each entity would not remain constant.

163. Even for stockholders who maintained positions in SpinCo, there would be no guarantee they would fully share in SpinCo's upside. David Cote, Knott, and other insiders would receive their multi-million-dollar salaries from SpinCo, and those lucrative salaries would enable those insiders to tunnel additional money out of SpinCo to the stockholders' detriment.[186]

[186] David Cote and Knott each stood to receive at least $1.5 million in salary and bonus for their first year as Resolute Management executives. Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 20 (Apr. 18, 2025). As explained below, the CY 2025 compensation they actually received exceeded that public estimate by nearly a million dollars. Inclusive of "discretionary annual cash bonus amounts," in CY 2025, David Cote actually received $2.36 million and Knott actually received $2.26 million. Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 26–27 (Apr. 24, 2026).

164. For these reasons, “ ” would compensate neither the Company nor its minority stockholders for the Company’s servient position.

165. “ ” was not the only purpose for the proposed spin-off and Management Contract. Another, express purpose of the spin-off was to ensure that the “ ” and thus dilute Company stockholders.[187] In other words, the spin-off was intended to entrench the Resolute Controller Defendants as the Company’s de facto controllers even after future stock-based acquisitions drove their stake in the Company below thresholds for mathematical control.

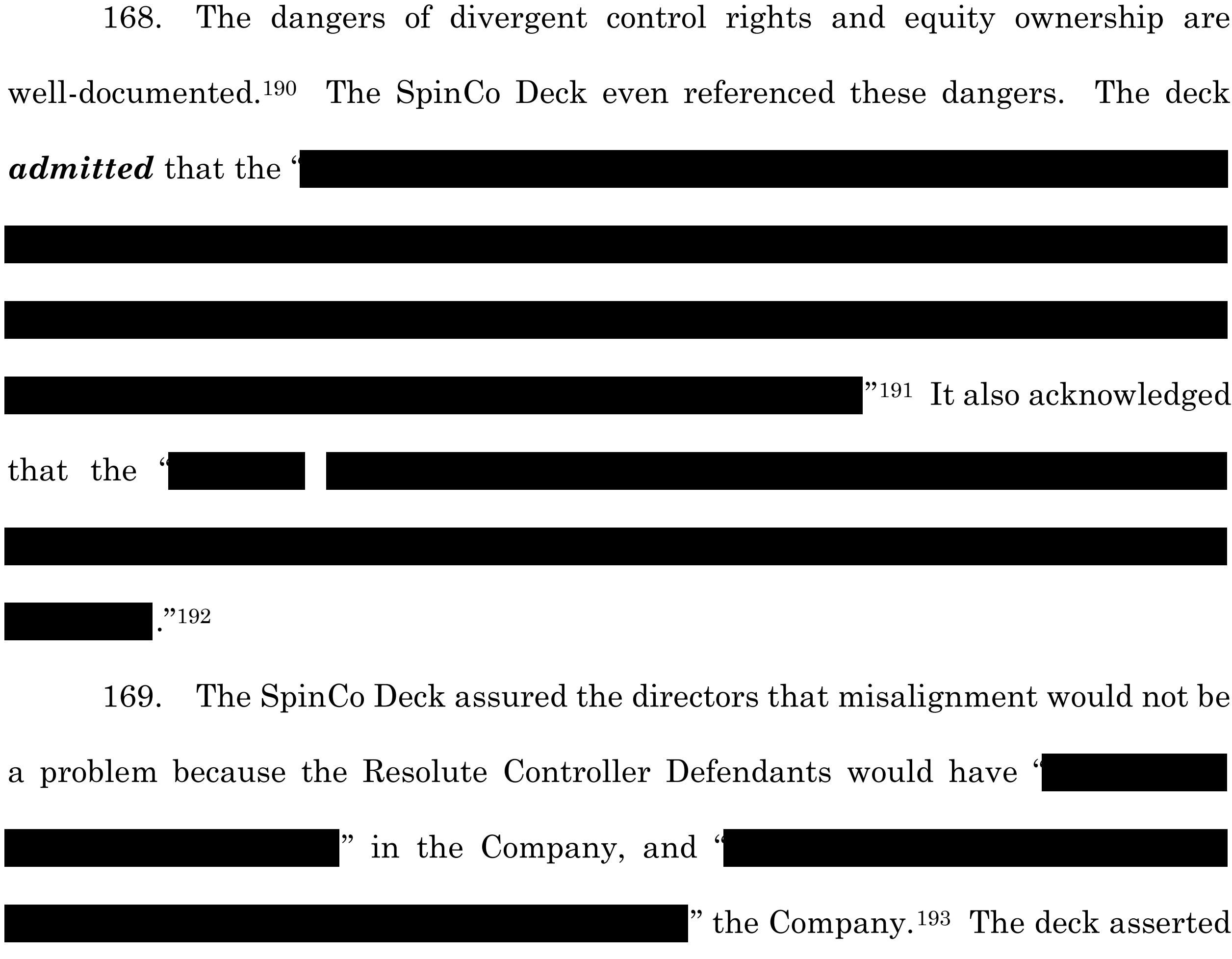
166. The SpinCo Deck suggested that Resolute’s perpetual control would .”[188] Apparently, the Company’s stockholders were supposed to welcome the obvious conflicts of interest created by the spin-off because they would have the marked privilege of investing in a company controlled in perpetuity by the esteemed Individual Resolute Controllers.

167. The privilege of being associated with David Cote was apparently worth an entry fee to Uncle Sam. The spin-off would be a taxable event, with CompoSecure expected to owe $ million, and CompoSecure stockholders taxed at the fair market value of the SpinCo shares they received.[189]

[187] SpinCo Deck at Slide 11.

[188] SpinCo Deck at Slide 11.

[189] SpinCo Deck at Slide 30.



168. The dangers of divergent control rights and equity ownership are well-documented.[190] The SpinCo Deck even referenced these dangers. The deck ***admitted*** that the " ."[191] It also acknowledged that the " ."[192]

169. The SpinCo Deck assured the directors that misalignment would not be a problem because the Resolute Controller Defendants would have " " in the Company, and " " the Company.[193] The deck asserted

[190] *See, e.g., In re Ezcorp Inc. Consulting Agreement Deriv. Litig.*, 2016 WL 301245, at *2 (Del. Ch. Jan. 25, 2016) ("As control rights diverge from equity ownership, the controller has heightened incentives to engage in related-party transactions and cause the corporation to make other forms of non-*pro rata* transfers. Economists call this "tunneling." The basic insight is a simple one: by virtue of its control over the firm, the controller can direct how that firm deploys its capital. As an equity owner, the controller participates in the resulting benefits (and losses) in proportion to its equity stake, effectively gaining or losing on a *pro rata* basis with other stockholders. By contrast, in a related-party transaction, the controller receives 100% of the benefit while only funding the payment to the extent of its equity stake. The balance of the payment is funded by the unaffiliated equity holders. The economic incentive to tunnel varies inversely with the controller's equity stake. All else equal, as the controller's equity stake declines, the relative benefit from a direct payment increase."); *see also id.* at fn. 2 (citing, inter alia, Simon Johnson et al., *Tunneling,* 90 Am. Econ. Rev. 22 (2000)).

[191] SpinCo Deck at Slide 18.

[192] *Id.* at Slide 11.

[193] SpinCo Deck at Slide 18.

that the Resolute Controller Defendants' [redacted]" to the Company post-spin-off would "[redacted]."[194] But the deck pointedly did not attempt to calculate the value of the Resolute Controller Defendants' interests in SpinCo after SpinCo caused the Company to make large acquisitions that supercharged SpinCo's fees and diluted the Resolute Controller Defendants' position in the Company. Given that "[redacted]" was the headline justification for the spin-off, it was obvious that the Resolute Controller Defendants' interests in SpinCo would dwarf its interests in the Company and that this misalignment would grow over time. As explained below, after only the first acquisition, the Resolute Controller Defendants' stake in the Company dropped to less than 18%.[195]

170. The SpinCo Deck's discussion of "[redacted]" ignored a key point—most of the Company's Board members would also be SpinCo Board members. The punitive Management Contract would extract value from the Company to pump up SpinCo's value. The deck made no attempt to explain how the dual fiduciaries could meet their duties to both companies.

171. The SpinCo Deck showed that misaligned interests were already at work. Several slides in the deck analyzed "[redacted]"

[redacted]

[194] *Id.* at Slide 11.

[195] *See infra* §§ VI.D, VII.

[redacted].[196] But these were not merely "[redacted]" [redacted]—they were under ***active*** consideration and [redacted] "[redacted]" with the targets.[197] This was approximately two-and-a-half months before the Board even approved a spin-off. The Resolute Controller Defendants were not going to let trifling details like Board approval get in the way of generating fees for SpinCo.

* * *

172. The Board should have concluded from the SpinCo Deck that there was no rational basis for the Company to enter into such an agreement, that the contemplated terms were grossly unfair, and that the agreement would inevitably misalign the Resolute Controller Defendants' and the Company's incentives.

173. But it did not. Instead, it proceeded with the Spin-Off at full steam and eventually executed the CompoSecure Management Agreement on substantially the same terms provided in the SpinCo Deck.

C. IN MULTIPLE FOLLOW-UP MEETINGS, THE BOARD MAKES NO EFFORT TO STEER THE COMPANY AWAY FROM THE GROSSLY UNFAIR TERMS REFLECTED IN THE SPINCO DECK.

174. On November 29, 2024, the Resolute Controller Defendants filed a Schedule 13D disclosing ownership of approximately 52.8% of the Company's common stock.[198] The drop in the Resolute Controller Defendants' stake was apparently caused by the holders of all $130 million of OpCo's 7.00% Exchangeable

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[196] SpinCo Deck at Slides 13–17. The Company has not produced documents in the Section 220 Production sufficient to identify what the code names "[redacted]" and "[redacted]" mean.

[197] *Id.* at Slide 25.

[198] CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Nov. 29, 2024).

Notes exchanging their convertible debt for the Company's Class A common stock.[199] This dilution brought the Resolute Controller Defendants dangerously close to losing mathematical control over the Company, and it reiterated the need for speed if the Resolute Controller Defendants were to lock in their control over the Company through SpinCo.

175. On December 6, 2024, the Board met with CFO Fitzsimmons, General Counsel Steven Feder ("Feder"), representatives of Paul Weiss, and McClure and Lamouroux of Goldman.[200] According to Knott, one purpose of the meeting was to "[REDACTED] [REDACTED]."[201] This description was misleading. While the minutes made it sound like the spin-off was uncertain, Resolute Management had ***already*** been formed, and the Company's controlling stockholders fully intended to push the spin-off through.

176. Another key issue flagged at the meeting was the [REDACTED] [REDACTED], but the Board pressed forward anyway.[202] A further key issue flagged at the meeting was the [REDACTED] "[REDACTED] [REDACTED]"[203] As explained above, keeping David Cote and his affiliates in control was a stated purpose of the spin-off.[204] Yet, the Management

[199] CompoSecure, Inc., Current Report (Form 8-K) at Item 8.01 (Nov. 29, 2024).
[200] CPMO_SULLIVAN220_00000047, at -0047.
[201] *Id.*
[202] SpinCo Deck at Slide 30.
[203] CPMO_SULLIVAN220_00000047, at -0049.
[204] *See supra* § V.B.3.

Contract would be essentially perpetual with no recourse even if these "star" managers died or moved on. But the Board pressed forward anyway.

177. On December 9, 2024, Goldman transmitted the Goldman Engagement Letter to Wilk and CompoSecure.[205] The Goldman Engagement Letter did not disclose any specific conflicts or potential conflicts Goldman had concerning the Resolute Controller Defendants or anyone else. It did not attach any separate documentation containing any such conflicts disclosures. As explained above, the Company has represented that it never received any conflicts disclosures in connection with the Goldman Engagement Letter.[206]

178. Also on December 9, 2024, the audit committee of the Board (the "Audit Committee") met.[207] Although the meeting was denominated as an Audit Committee meeting, the full Board and others attended, including Fitzsimmons and Feder.[208] At the meeting, the participants discussed .[209] Fitzsimmons also " " which would include a " "[210] The Board correctly focused on free cash flow, unlike the

[205] CPMO_SULLIVAN220_00001935, at -1940.
[206] *See supra* ¶ 114.
[207] *See* CPMO_SULLIVAN220_00000051.
[208] *Id.* at -0051.
[209] *Id.* at -0052.
[210] *Id.*

Management Contract, which was based on the unreliable metric of Adjusted EBITDA.

179. The Audit Committee never discussed the fact that, because of the Individual Resolute Controllers' holdings in the SpinCo, the contemplated management agreement would constitute a related party transaction that required approval under the Audit Committee Charter and the Company's Transactions with Related Persons Policy.[211] It would also run afoul of the Company's Code of Conduct.[212] In violation of these policies, in the February 8, 2025 resolutions effecting the Spin-Off, the Audit Committee never approved the Spin-Off or CompoSecure Management Agreement as a related party transaction.[213]

180. On December 10, 2024, the Board met again.[214] The full Board, multiple members of senior management, Paul Weiss, and McClure and Lamoroux of Goldman attended.[215] The Board's discussion focused on the proposed termination fee. In advance of the meeting, Goldman circulated a presentation discussing the proposed

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[211] *See* Transactions with Related Persons Policy, https://d2ghdaxqb194v2.cloudfront.net/3086/199204.pdf; *see also* Audit Committee Charter § VII(D)(v), https://d2ghdaxqb194v2.cloudfront.net/3086/199198.pdf (providing the Audit Committee "shall" review related party transactions).

[212] The Company's Code of Conduct defines conflicts of interest as arising when a director's or employee's "personal interest interferes — or appears to interfere — with the interests of GPGI" including when that person "use[s] [their] position with GPGI to obtain improper benefits for [themselves] or others." GPGI, Inc., Code of Conduct, at 9. The Code of Conduct further states that the "mere appearance of a conflict should be avoided."

[213] *See generally* CPMO_SULLIVAN220_00000745.

[214] *See* CPMO_SULLIVAN220_00000055.

[215] *Id.* at -0055.

termination fee construct, including illustrative calculations of the proposed fee (the "Termination Fee Deck").[216]

181. Like the SpinCo Deck, the Termination Fee Deck presented a massive termination fee as [redacted].[217] And also like the SpinCo Deck, the Termination Fee Deck emphasized the ability of the Company's stockholders "[redacted]"[218] The Termination Fee Deck glossed over the [redacted].[219]

182. The Termination Fee Deck estimated the range of a potential termination fee between $[redacted].[220] It also analyzed [redacted].[221]

183. At the meeting, the Board "[redacted]," and Goldman advised that "[redacted]

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[216] *See* CPMO_SULLIVAN220_00000815. The Termination Fee Deck is attached hereto as Exhibit C.

[217] CPMO_SULLIVAN220_00000815, at -0816 ("[redacted]").

[218] *Id.*; *see also id.* ("[redacted]").

[219] *See supra* § V.B.1.

[220] CPMO_SULLIVAN220_00000815, at -0817.

[221] *Id.*, at -0818.

."[222]

184. That answer was misleading. The proposed termination fee was far afield of the ranges implied by comparable agreements. The comparators in the Termination Fee Deck include .[223] .[224]

185. and termination fees were the annual management fee; termination fee was the annual management fee; and termination fee was times the annual management fee.[225] Goldman Sachs estimated that Resolute Management's initial annual management fee would be approximately $.[226] Goldman's assumed termination fee range for the Management Contract, which was more conservative than the fee implied by the SpinCo Deck, had a midpoint of approximately $,[227] or the

[222] CPMO_SULLIVAN220_00000055, at -0057.
[223] CPMO_SULLIVAN220_00000815, at -0018.
[224] *Id.*
[225] CPMO_SULLIVAN220_00000815, at -00818.
[226] *Id.* at -0822.
[227] *Id.* at -0818.

annual management fee. That was far greater than any of the comparators presented to the Board.

186. At the December 10, 2024 meeting, the Board also discussed "[redacted]."[228] Again, there was no reason for a metal credit card manufacturer to transmogrify into a mini-PE firm other than the Resolute Controller Defendants identifying the Company's stable adjusted EBITDA as a way to realize their self-interested vision.

187. On December 12, 2024, Wilk executed the Goldman Engagement Letter on behalf of the Company.[229]

188. On December 29, 2024, the Board met with Fitzsimmons, Feder, Turano of Paul Weiss, and Lamouroux of Goldman.[230] Despite the fact that the Board had not approved a form of Management Contract, which was a cornerstone of the spin-off, the Board unanimously approved the public announcement of a forthcoming spin-off transaction.[231]

189. On December 30, 2024, the Company issued a press release announcing a "Plan to Spin-Off Resolute Holdings Management, Inc. to Form a Differentiated

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[228] CPMO_SULLIVAN220_00000055, at -0057.
[229] CPMO_SULLIVAN220_00001935, at -1940.
[230] *See* CPMO_SULLIVAN220_00000063, at -0064.
[231] *Id.*

Alternative Asset Management Platform and Accelerate Value Enhancing Acquisitions for CompoSecure."[232] The press release touted that "David Cote will be Executive Chairman and Tom Knott will be CEO of Resolute [Management][.]"[233] The press release flagged the taxable nature of the spin-off and further explained: "CompoSecure's existing management team, led by President and CEO Jon Wilk, will continue to operate the day-to-day business and deliver for our customers around the world while leveraging the CompoSecure Operating System to drive revenue growth and profitability."[234]

D. THE BOARD APPROVES THE SPIN-OFF AND FINALIZES AND EXECUTES THE UNFAIR COMPOSECURE MANAGEMENT AGREEMENT.

190. On February 8, 2025, the Board met to, among other things, "[REDACTED]"[235] The notion that the Board would decline to approve a transaction the Resolute Controller Defendants wanted and the Company already publicly announced was laughable, but the Board maintained the façade. At the meeting, Houlihan Lokey rendered an opinion for the Board regarding certain financial implications of the Spin-Off and the Management Agreement, including an opinion that [REDACTED].[236] The Board

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[232] Ex. 99.1 (Press Release) to CompoSecure Inc., Current Report (From 8-K) (Dec. 30, 2024) (formatting removed).

[233] *Id.* (formatting removed).

[234] *Id.*

[235] CPMO_SULLIVAN220_00000745, at -0745.

[236] *Id.* at -0748; *see generally* CPMO_SULLIVAN220_00000824.

unanimously approved the spin-off. Eleven Director Defendants—David Cote, John Cote, DeAngelo, Fradin, Galant, Hughes, James, Knott, Mikkilineni, Thompson, and Wilk—voted in favor.

191. The Board resolutions approving the Spin-Off showed the Board's knowledge that Resolute Management would use Company equity as consideration to make acquisitions. According to the resolutions, "[REDACTED]"[237]

192. On February 28, 2025, Resolute Management began trading publicly as an independent entity, with the Company's existing stockholders holding Resolute Management's stock (previously defined as the "Spin-Off").[238] The same day, OpCo and Resolute Management executed the CompoSecure Management Agreement on terms substantially similar to the proposed Management Contract.[239]

1. The Spin-Off Gives the Resolute Controller Defendants Majority Economic and Voting Positions Over Resolute Management and the Resolute Management Board.

193. Shares of Resolute Management were distributed to the Company's stockholders on February 28, 2025, with each stockholder receiving one share of

[237] CPMO_SULLIVAN220_00000745, at -0773-74; *see also id.* at -0782 (approving the "Stock Issuance Delegations").

[238] CompoSecure, Inc., Current Report (Form 8-K) at Item 8.01 (Mar. 3, 2025).

[239] Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) at Item 1.01 (Mar. 5, 2025); Ex. 10.1 (CompoSecure Management Agreement) to CompoSecure, Inc., Current Report (Form 8-K) (Mar. 5, 2025).

Resolute Management stock for every 12 shares of Company stock they held as of February 20, 2025.[240] After the Spin-Off, the Resolute Controller Defendants reported a 50.5% stake in Resolute Management.[241]

194. The Company's ten pre-Spin-Off Board members other than CEO Wilk joined the Resolute Management board of directors (the "Resolute Management Board"), including all six of the Resolute Controller Defendants' designees.[242] Except for David Cote and Knott (who received substantial salaries from Resolute Management), every director began receiving compensation for their service on both boards.[243]

195. In connection with the Spin-Off, Director Defendant Fradin resigned from the Company's Board.[244] This left the Board with ten members. Fradin remained on the Resolute Management Board, and he entered into a "Board Adviser Agreement" with the Company.[245] Going forward, while Fradin was in the Company's Board room, he would owe director fiduciary duties to Resolute Management but not the Company.

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[240] CompoSecure, Inc., Current Report (Form 8-K) at Item 1.01 (Mar. 5, 2025).

[241] Resolute Holdings Management, Inc., Beneficial Ownership Report (Schedule 13D) (Mar. 7, 2025). The Resolute Controller Defendants have increased their stake in Resolute Management after the Spin-Off to approximately 52.2%. *See* Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 19 (Apr. 24, 2026) (disclosing collective ownership of 52.2%).

[242] *See* Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 19 (Apr. 18, 2025) ("Each of our directors, other than Mr. Fradin, is also a director on the board of CompoSecure."); *see also infra* ¶ 193.

[243] *Id.*

[244] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Mar. 5, 2025).

[245] Ex. 10.4 (Board Adviser Agreement) to CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Mar. 5, 2025).

196. David Cote's and Knott's employment went from the Company to Resolute Management, where they each stood to receive at least $1.5 million in salary and bonus for their first year as Resolute Management executives.[246] Separately, each of them entered into consulting agreements with the Company, under which they would continue to receive equity awards from the Company and remain eligible to become vested in their previously-granted equity incentive awards.[247]

197. The Spin-Off reduced the exercise price of the Company's outstanding stock warrants from $11.50 per share to $7.97 per share.[248] This put more of the warrants in the money and increased the fair value of warrant liabilities on the Company's financial statements. This had a major impact on the Company's net income, which went from $112.5 million in Fiscal Year 2023 to negative $83.2 million in Fiscal Year 2024.[249] Because of the interest they stood to acquire in Resolute Management, the Individual Resolute Controllers were agnostic as to negative externalities like this that the Spin-Off might create for the Company.

[246] Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 20 (Apr. 18, 2025). The CY 2025 compensation they actually received exceeded that public estimate by nearly a million dollars. Inclusive of "discretionary annual cash bonus amounts," in CY 2025, David Cote actually received $2.36 million and Knott actually received $2.26 million. Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 26–27 (Apr. 24, 2026).

[247] *See* Exs. 10.41, 10.42 to CompoSecure, Inc., Annual Report (Form 10-K) (Mar. 5, 2025).

[248] CompoSecure, Inc., Current Report (Form 8-K) at Item 8.01 (Mar. 3, 2025).

[249] *See* Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) (Mar. 5, 2025).

2. The Company and Resolute Management Finalize and Execute the Unfair CompoSecure Management Agreement.

198. On February 28, 2025, the same day the Company completed the Spin-Off, the Company and Resolute Management entered into a management agreement based on the terms of the Management Contract (previously defined as the "CompoSecure Management Agreement").[250] The CompoSecure Management Agreement provided that Resolute Management was "responsible for managing the day-to-day business and operations and overseeing the strategy of [the OpCo]," including as to M&A.[251] The CompoSecure Management Agreement used the concept of "managing the day-to-day business and operations" of the Company loosely. As explained above, the SpinCo Deck and the Company's public filings were clear that CompoSecure management would continue to run the Company day-to-day.[252] OpCo continued to have its own CEO (Wilk) and CFO (Fitzsimmons), and the individuals in those roles did not change before or after the Spin-Off.[253] At all times, Resolute

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[250] *See* Ex. 10.1 to GPGI, Inc., Current Report (Form 8-K) (Mar. 5, 2025).

[251] GPGI, Inc., Annual Report (Form 10-K) at 7-8 (Mar. 12, 2026). Resolute Management's responsibilities supposedly include, among other things, "establishing and monitoring [the OpCo's] objectives, financing activities and operating performance; selecting and overseeing [the OpCo's] management team and their operating performance . . . identifying, analyzing and overseeing the consummation of business opportunities and potential acquisitions, dispositions and other business combinations; originating and recommending opportunities to form or acquire, and structuring and managing, any joint ventures." *Id.*

[252] *See supra* § V.B.

[253] *See* CompoSecure, Inc., Annual Report (Form 10-K) at 119 (Mar. 12, 2024); CompoSecure, Inc., Annual Report (Form 10-K) at 122 (Mar. 5, 2025).

Management had only seven full-time employees,[254] so it could not actually manage the day-to-day business and operations of CompoSecure, a business with approximately 1,000 employees at the time.[255]

199. Resolute Management's specific tasks were:

i. "establishing and monitoring the Company's objectives, financing activities and operating performance;"

ii. "selecting and overseeing the Company's management team and their performance;"

iii. "reviewing and approving the Company's compensation and benefit plans, programs, policies, arrangements and agreements, including with respect to any grants of equity awards to Persons providing services to the Company;"

iv. "devising capital allocation strategies, plans and policies of the Company;"

v. "setting the budget parameters and expense guidelines of the Company and monitoring compliance therewith;"

vi. "identifying, analyzing and overseeing the consummation of business opportunities and potential acquisitions, dispositions and other business combinations;"

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[254] *See* Resolute Holdings Management, Inc., Annual Report (Form 10-K) at 13 (Mar. 31, 2025) ("Resolute [Management] has approximately seven employees"); Resolute Holdings Management, Inc., Annual Report (Form 10-K) at 4 (Mar. 12, 2026) (as of February 1, 2026, there were still only "7 full-time employees at Resolute [Management]").

[255] CompoSecure, Inc., Annual Report (Form 10-K) at 28 (Mar. 5, 2025).

vii. “originating and recommending opportunities to form or acquire, and structuring and managing, any joint ventures;”

viii. “leading or overseeing negotiations with potential participants in any business opportunity under the Company’s consideration and determining (or delegating to any officer of the Company the decision to determine) if and when to proceed;”

ix. “engaging and supervising, on the Company’s behalf, independent contractors and third-party service providers;”

x. “communicating on behalf of the Company with the holders of any securities of the Company (A) as required to satisfy any reporting and other requirements of any Governmental Authority having jurisdiction over the Company and (B) to maintain effective relations with such holders;”

xi. “overseeing all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which the Company may be involved or to which the Company may be subject arising out of the Company’s day-to-day activities (other than with the Manager or its Affiliates);”

xii. “counselling the Company in connection with decisions required by Delaware law to be made by the Board;” and

xiii. "performing such other services from time to time in connection with the management of the business and affairs of the Company and its activities as the Company shall reasonably request and/or the Manager shall deem appropriate under the particular circumstances."[256]

200. Section 3(b) of the CompoSecure Management Agreement made Resolute Management CompoSecure's attorney-in-fact to negotiate and execute any contracts Resolute Management, "as the Manager, in its sole discretion, deems necessary or appropriate to perform the Services[.]"[257]

201. In exchange, the CompoSecure Management Agreement required the Company to transfer 10% of its annual Adjusted EBITDA, paid in quarterly installments of 2.5% of last twelve months Adjusted EBITDA.[258] The Company was also responsible to reimburse Resolute Management for costs, with Resolute Management having the sole authority to calculate those costs.[259] Consistent with the Management Contract, the CompoSecure Management Agreement did not condition the fee on the quality of the services Resolute Management provided or the long-term success of the M&A activity it initiated. Nor did the agreement take into account the fact that Resolute Management's officers and directors were also

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[256] CompoSecure Management Agreement § 3(a).

[257] CompoSecure Management Agreement § 3(b).

[258] CompoSecure Management Agreement § 1 (definition of "Quarterly Management Fee"); *id.* § 7.

[259] *Id.* § 8(b).

receiving compensation from CompoSecure. The Company Board and the Resolute Management Board overlap almost entirely, but there is no indication Resolute Management performs more work than the Board and the Company's officers previously performed.

202. As contemplated by the Management Contract, the CompoSecure Management Agreement entrenched the Resolute Controller Defendants as the Company's de facto controllers indefinitely. Section 11(a) of the CompoSecure Management Agreement set a ten-year term with automatic renewals in perpetuity.[260]

203. As expected, the CompoSecure Management Agreement made terminating the agreement very difficult. Unless CompoSecure meets stringent requirements, it cannot terminate the CompoSecure Management Agreement without paying a termination fee "equal to the greatest of (i) the Fair Market Value of Fees Payable, (ii) the Net Present Value of Fees Payable and (iii) the Multiple on Fees Value."[261] "Fair Market Value of Fees Payable means "the fair market value of the aggregate Quarterly Management Fees then payable or that would become payable hereunder if this Agreement were automatically renewed and remained in effect in perpetuity."[262] "Net Present Value of Fees Payable" means:

> (i) the net present value of the aggregate Quarterly Management Fees then payable or that would become payable hereunder during the five (5)-year period following

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[260] CompoSecure Management Agreement § 11(a).

[261] CompoSecure Management Agreement § 1 (definition of "Termination Fee").

[262] *Id.* (definition of "Fair Market Value of Fees Payable").

> the Effective Termination Date, discounted annually at a per annum rate equal to six percent (6.0%), plus (ii) the net present value of the terminal value of the Quarterly Management Fees that would become payable hereunder after such five (5)-year period if this Agreement were automatically renewed and remained in effect in perpetuity, discounted from the terminal year to the applicable present date at a per annum rate equal to six percent (6.0%).[263]

"Multiple on Fees Value" means "the aggregate Quarterly Management Fees that became payable hereunder during the twenty-four (24)-month period ended as of the last day of the most recent fiscal quarter completed prior to the Effective Termination Date multiplied by [] four."[264] Goldman estimated termination would cost the Company anywhere from $[redacted].[265]

204. The only way for CompoSecure to terminate the CompoSecure Management Agreement without paying a termination fee is if there is a "Company Kick-Out Event," defined as:

> (i) a final judgment by any Governmental Authority of competent jurisdiction not stayed or vacated within thirty (30) days that the Manager has committed a felony or a material violation of applicable securities laws that has a material adverse effect on the business of the Company or the ability of the Manager to perform its duties under the terms of this Agreement, (ii) an order for relief in an involuntary bankruptcy case relating to the Manager or the Manager authorizing or filing a voluntary bankruptcy petition, (iii) the dissolution of the Manager or (iv) a final, non-appealable judgment by any Governmental Authority of competent jurisdiction that the Manager has (a) committed actual fraud against the Company, (b) misappropriated or embezzled funds of the Company or

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[263] *Id.* (definition of "Net Present Value of Fees Payable").

[264] *Id.* (definition of "Multiple on Fees Value") (emphasis removed).

[265] *See supra* § V.C.

> (c) acted, or failed to act, in a manner constituting bad faith, willful misconduct, gross negligence or reckless disregard in the performance of its duties under this Agreement; *provided, however*, that if any of the actions or omissions described in this clause (iv) are caused by an employee and/or officer of the Manager or one of its Affiliates and the Manager cures the damage caused by such actions or omissions within thirty (30) days of such determination, then such event shall not constitute a Company Kick-Out Event.[266]

205. The only way to lower the management fee would be if, immediately before the renewal period every decade, two-thirds of CompoSecure's independent directors determined that the fee was unfair and Resolute Management agreed to lower the fee either through direct negotiations or through professional mediation.[267] If Resolute Management did not agree to lower the fee, it could terminate the agreement and receive the staggering termination fee.[268]

206. In the first ten months of the CompoSecure Management Agreement's life, the Company paid Resolute Management over $12 million plus its out-of-pocket costs (as Resolute Management calculated them).[269]

207. The incentive misalignments previewed in the SpinCo Deck have also come to pass. The Company knows this is a problem. Its most recent annual report on Form 10-K acknowledges:

> We may have conflicts of interest with Resolute [Management] and its other affiliates . . . Moreover, some

[266] CompoSecure Management Agreement § 1 (definition of "Company Kick-Out Event"), § 11(c) (authorizing Husky to terminate the Management Agreement upon a Company Kick-Out Event).

[267] *See* CompoSecure Management Agreement § 11(b).

[268] *Id.* § 11(b)(iv).

[269] *See supra* ¶ 150.

> of our executive officers and/or directors, including David Cote and Thomas Knott, are also executive officers and/or directors of Resolute [Management] and may serve in similar positions at other companies managed by Resolute [Management]. As a result, certain of our directors may have duties to Resolute Holdings which duties could conflict with the duties they owe to us . . . In addition, we may from time to time have ***conflicts of interest with Resolute [Management]*** in its management of our business as operated through [the subsidiary businesses CompoSecure L.L.C. and Husky Holdings LLC], ***which may arise primarily from the involvement of Resolute [Management]*** and its affiliates in other activities that may conflict with our business, including conflicts between our business activities as operated through Holdings and the business activities of other companies managed by Resolute Holdings. ***Under the Management Agreements, Resolute [Management] and its affiliates are permitted to engage in such activities, and Resolute [Management] and its affiliates' engagement in such activities may not be favorable to us and may be contrary to our interests***. These and other potential conflicts of interest between us and Resolute Holdings and its affiliates could have an adverse effect on the operation of our business.[270]

208. As explained below, these conflicts have manifested with the Husky Acquisition, the Company's first major acquisition since the Spin-Off. The Husky Acquisition dramatically benefitted Resolute Management's stockholders to the detriment of Company stockholders.[271] And even though the Husky Acquisition diluted the Resolute Controller Defendants' (and all Company stockholders') stakes in the Company, it did not dilute their stake in Resolute Management.[272]

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[270] GPGI, Inc., Annual Report (Form 10-K) at 18 (Mar. 12, 2026) (emphasis added).

[271] *See infra* §§ VI(D), VII.

[272] *See infra* § VII.

3. The CompoSecure Management Agreement Is Invalid Under Delaware Law.

209. A cardinal precept of Delaware law is that "[t]he business and affairs of every corporation . . . shall be managed by or under the direction of a board of directors[.]"[273] There are limits to the board's power to delegate its duties under Section 141(a). For example, unless it qualifies for a statutory exception, the Board cannot make a binding delegation of its core functions, as doing so would prevent it from exercising its own business judgment. But this is precisely what the CompoSecure Management Agreement purports to do.

210. Section 3 of the CompoSecure Management Agreement improperly delegates to Resolute Management core Board decision-making powers and functions and renders the Board incapable of managing the Company's business and affairs in violation of 8 *Del. C.* § 141(a). The prior section of this Complaint lists all the "services" Resolute Management was to perform pursuant to Section 3(a) of the CompoSecure Management Agreement.[274]

211. The Board lacked the ability to veto Resolute Management's decisions, and the CompoSecure Management Agreement's perpetual existence and crippling Termination Fee entrenches Resolute Management in this regime indefinitely.[275]

212. Having delegated its core functions to Resolute Management, the Board no longer manages the Company's business and affairs. The Board's abdication,

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[273] 8 *Del. C.* § 141(a).

[274] *See supra* § V.D.2.

[275] *See supra* § V.C.

through the CompoSecure Management Agreement, of its core powers and functions to oversee and direct the Company's affairs therefore violates 8 *Del. C.* § 141(a).[276]

213. Section 122(18) of the DGCL is no safe harbor for at least two reasons. As an initial matter, Resolute Management was formed as a subsidiary of the Company and is now an independent publicly traded entity. It is not a current or prospective stockholder of the Company. Contractual delegations with Resolute Management therefore cannot qualify for the exception under 8 *Del. C.* § 122(18). Because the CompoSecure Management Agreement does not fall within the scope of Section 122(18), the CompoSecure Management Agreement is invalid and unenforceable under Section 141(a).

214. The Board's abdication, through the CompoSecure Management Agreement,[277] of any meaningful power to oversee and direct the Company's affairs, also violates the Company's Third Amended and Restated Certificate of Incorporation, dated May 28, 2025 (the "Charter"). Section 5.1 of the Charter provides: "The business and affairs of the Corporation shall be managed by, or under the direction of, the Board."[278] Even if Section 122(18) of the DGCL protected the Director Defendants from a violation of Section 141(a) (it doesn't), Section 122(18) would not excuse the Charter violation. Section 122(18) expressly provides "that no

[276] As explained below, the Husky Management Agreement formed in connection with the Husky Acquisition suffers from the same flaws and likewise violates DGCL § 141(a). *See infra* § VI.C.

[277] And, as discussed below, through the Husky Management Agreement. *See infra* § VI.C.

[278] The Company's prior certificate of incorporation, dated December 27, 2021, had an identical provision.

provision of such contract shall be enforceable against the corporation to the extent such contract provision is contrary to the certificate of incorporation[.]" 8 *Del. C.* § 122(18). Accordingly, the CompoSecure Management Agreement violates the Charter in addition to Section 141(a).

VI. RESOLUTE MANAGEMENT CAUSES THE COMPANY TO ACQUIRE HUSKY IN A TRANSACTION THAT HARMS THE COMPANY BUT MORE THAN TRIPLES RESOLUTE MANAGEMENT'S FEES.

A. RESOLUTE MANAGEMENT WASTES NO TIME IN EXERCISING ITS CONTROL OVER COMPOSECURE AND LOOKING FOR A NEW ACQUISITION.

215. The February 28, 2025 Spin-Off gave the Resolute Controller Defendants hard control over Resolute Management.[279] Resolute Management wasted no time exercising dominion over the Company. One way Resolute Management showed its control was by "systematic[ally] deploy[ing] the Resolute Operating System[.]"[280] Numerous Company and Resolute Management disclosures referenced the "Resolute Operating System," but none of the disclosures explain what it is. In any event, it is clear that the Resolute Operating System was driven by Resolute Management, not the Company.

216. Resolute Management also quickly began "evaluating potential acquisitions opportunities that fit the investment criteria Dave [Cote] and Tom [Knott] have employed historically."[281] As explained above, the Resolute

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[279] *See supra* § V.D.1.

[280] Ex. 99.1 (Press Release) to CompoSecure, Inc., Current Report (Form 8-K) (Feb. 28, 2025).

[281] CompoSecure, Inc., Additional Definitive Proxy Materials (Schedule 14A) (Nov. 3, 2025) at Slide 6.

Management Controllers were exploring potential acquisitions before the Spin-Off even occurred.[282] Less than three months after the Spin-Off, the Individual Resolute Controllers were exploring what would become the Company's first major acquisition.

B. RESOLUTE MANAGEMENT CAUSES COMPOSECURE TO ACQUIRE HUSKY.

217. In March 2018, affiliates of Platinum Equity Advisors, LLC (previously defined as "Platinum") acquired a manufacturer of injection molding machines called Husky Injection Molding Systems from Berkshire Partners and OMERS Private Equity for approximately $3.85 billion. Platinum controlled the business, which was renamed Husky Technologies Limited (previously defined as "Husky"), until 2025. In the second half of 2025, the Resolute Controller Defendants exercised their hard control over Resolute Management to steer the Company[283] to acquire Husky.[284]

218. According to the transaction proxy statement,[285] which admittedly provides only a summary of "certain key meetings and events" and "does not purport to catalogue every conversation of, by, with or among members of the Board, the Company's management, Resolute [Management], the Company's financial advisors, legal advisors or other representatives, Platinum], Husky and their respective

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[282] *See supra* § V.B.2.

[283] Then known as CompoSecure, Inc.

[284] As explained above, Section 3(a) of the CompoSecure Management Agreement gives Resolute Management the power to, among other things "identify[], analyz[e] and oversee[] the consummation of business opportunities and potential acquisitions, dispositions and other business combinations," and "lead[] or oversee[] negotiations with potential participants in any business opportunity under the Company's consideration and determine[e] . . . if and when to proceed." *See supra* § __.

[285] GPGI Inc., Definitive Proxy Statement (Schedule 14A) (Nov. 24, 2025) (the "Husky Acquisition Proxy").

financial advisors, legal advisors, affiliates or other representatives[,]"[286] Resolute Management had informal discussions with Platinum before June 2025 to discuss, among other things, "opportunities for transactions with certain Platinum portfolio companies."[287] On June 30, 2025, Resolute Management discussed Husky's business with Platinum and "expressed an interest in exploring a possible strategic transaction with Husky."[288] On July 9, 2025, Resolute Management and Husky entered into a non-disclosure agreement, and representatives of Resolute Management met with Husky's CEO and CFO at Husky's headquarters.[289]

219. In July 2025, Resolute Management received access to a Husky virtual data room and performed preliminary due diligence with Husky and Platinum.[290] The Board and CompoSecure management, in their capacities as such, were not involved in these activities. Resolute Management drove the process and "periodically updated the Board on its preliminary due diligence review and assessment."[291]

220. In August and September 2025, Resolute Management submitted three offers to acquire Husky for a combination of cash and CompoSecure stock.[292] First, on August 11, 2025, Resolute Management proposed a $4.839 billion deal, with

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[286] *Id.* at 42.
[287] *Id.*
[288] *Id.*
[289] *Id.*
[290] Husky Acquisition Proxy at 42.
[291] *Id.* at 43.
[292] Husky Acquisition Proxy at 43.

$887 million in the form of CompoSecure common stock based on a per share price of $17.53.[293] In other words, Resolute Management proposed to cause CompoSecure to issue 50,598,973 new shares, when CompoSecure had only 125,195,366 shares outstanding shares at the time.[294]

221. Second, on August 26, 2025, Resolute Management proposed a $4.949 billion deal, with $997 million in the form of CompoSecure common stock based on a per share price of $18.50.[295]

222. Third, on September 1, 2025, Resolute Management unilaterally increased the offer price yet again to $4.976 billion, with $1.023 billion in the form of CompoSecure common stock based on a per share price of $18.50.[296]

223. On September 6, 2025, Resolute Management and Platinum "executed a non-binding term sheet that outlined certain key terms of a potential business combination between CompoSecure and its subsidiaries, including CompoSecure Holdings, and Husky."[297] Knott executed the term sheet on behalf of Resolute Management. There were no signatures on behalf of the Company.[298] The term sheet provided, among other things, that: "

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[293] *Id.*

[294] CompoSecure Holdings, Inc., Quarterly Report (Form 10-Q) at 2 (Nov. 3, 2025).

[295] *Id.*

[296] *Id.*

[297] Husky Acquisition Proxy at 43.

[298] CPMO_SULLIVAN220_00001342.

”[299]

224. On September 15, 2025, CompoSecure gave Platinum access to a due diligence database.[300]

225. On September 23, 2025, the Board held its first regular meeting to discuss a potential transaction with Husky.[301] At this meeting, Resolute Management, "provided the Board with an overview of the status of discussions with Platinum, ***its*** due diligence conducted on Husky to date [and] ***its*** current assessment of the potential benefits and risks of a potential transaction between CompoSecure Holdings and CompoSecure with Platinum involving Husky[.]"[302] Knott led the discussion, during which he noted that the "

."[303] This meeting confirmed that Resolute Management was driving the process, and CompoSecure and the Board were in the back seat. In fact, the meeting minutes disclose that

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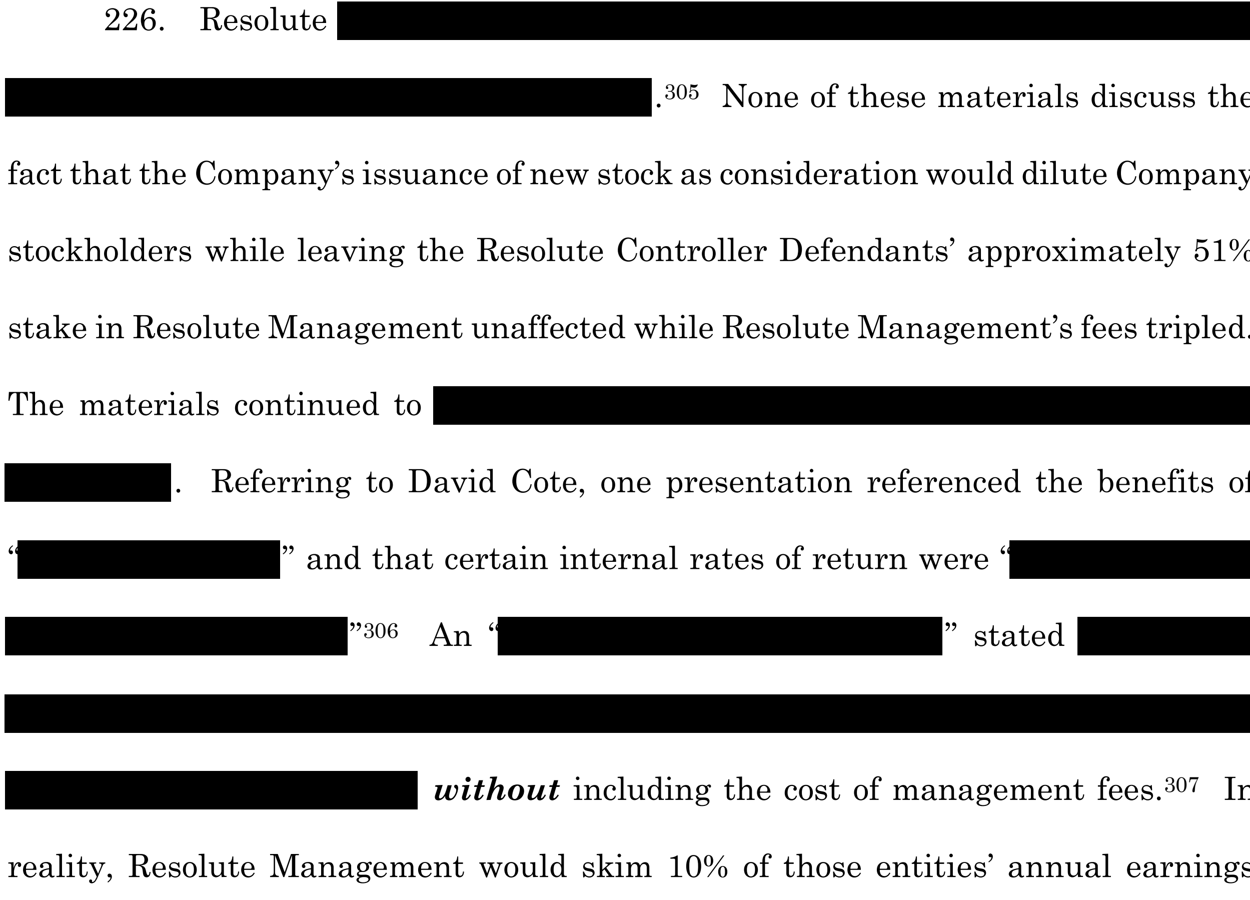
[299] *Id.* at -1342.
[300] Husky Acquisition Proxy at 43.
[301] CPMO_SULLIVAN220_00001373.
[302] Husky Acquisition Proxy at 44 (emphasis added).
[303] CPMO_SULLIVAN220_00001373 at -1374.
[304] *Id.* (italics removed).



226. Resolute [redacted] .[305] None of these materials discuss the fact that the Company's issuance of new stock as consideration would dilute Company stockholders while leaving the Resolute Controller Defendants' approximately 51% stake in Resolute Management unaffected while Resolute Management's fees tripled. The materials continued to [redacted] . Referring to David Cote, one presentation referenced the benefits of "[redacted]" and that certain internal rates of return were "[redacted]"[306] An "[redacted]" stated [redacted] ***without*** including the cost of management fees.[307] In reality, Resolute Management would skim 10% of those entities' annual earnings before they benefitted the entities in any practical way.

227. In September and October 2025, Paul Weiss communicated with potential investors for a private placement to fund a portion of the transaction consideration.[308]

228. On Saturday, November 1, 2025, the Board held a virtual special meeting at which it approved a transaction between the Company and Husky by

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[305] *See* CPMO_SULLIVAN220_00001344; CPMO_SULLIVAN220_00001351; CPMO_SULLIVAN220_00001352; CPMO_SULLIVAN220_00001416; CPMO_SULLIVAN220_00001445.

[306] *Id.* at -1345, -1347.

[307] CPMO_SULLIVAN220_00001344, at -01347.

[308] Husky Acquisition Proxy at 43-44.

which the operating businesses of CompoSecure and Husky would become wholly owned subsidiaries of the Company (previously defined as the "Husky Acquisition").[309] Multiple representatives of Resolute Management attended the meeting, including members of the Resolute Management Board who had no fiduciary duties to Company. This included Defendant Fradin, who was originally appointed to the Company's Board by Resolute after the Resolute Transaction, but who stepped down from the Company's Board after the Spin-Off,[310] and non-party Timothy Mahoney.[311]

229. Importantly, the Board did not form a special committee of disinterested directors to approve the Husky Acquisition, and the transaction was not conditioned on a favorable majority-of-the-minority vote.

230. Morgan Stanley was the Company's financial advisor. Morgan Stanley rendered a fairness opinion.[312] Two Morgan Stanley representatives presented a slide deck (the "Morgan Fairness Deck") at the November 1, 2025 meeting. The Morgan Fairness Deck repeatedly conceded that [redacted]

[redacted].[313]

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[309] *See generally* CPMO_SULLIVAN220_00001356.

[310] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Sep. 17, 2024). Fradin entered into a "Board Adviser Agreement" concurrently with the Spin-Off, pursuant to which he continued to provide advice to the Company's Board "regarding the Company's business and strategy and the industrial distribution sector." *See* Ex. 10.4 to CompoSecure, Inc., Current Report (Form 8-K) (Mar. 5, 2025).

[311] CPMO_SULLIVAN220_00001359, at -1359.

[312] Husky Acquisition Proxy at 4; CPMO_SULLIVAN220_00001359.

[313] *See* Morgan Fairness Deck at Slides 2, 5–7, 11, 14.

231. Morgan Stanley was heavily conflicted. Although it had no history of advising the Company, during the two years leading up to the Husky Acquisition, it had provided services to ***Platinum*** for which it had received up to $[redacted] in fees.[314] As explained below, Platinum had worked together "very well" with David Cote in the Vertiv SPAC deal.[315] Morgan Stanley did not disclose this conflict until ***three days*** before the November 1, 2025 Board meeting.[316]

232. The Company's decision to engage Morgan Stanley reveals a troubling pattern. In the Resolute Transaction, Goldman advised the Resolute Controller Defendants as the Company's ***counterparty***. Yet, the Company chose to engage Goldman as ***its*** financial advisor for the Spin-Off just months later. Then, in the Husky Acquisition, the Company again chose to engage a financial advisor that had previously advised its ***counterparty*** which—yet again—had ties to the Resolute Controller Defendants.

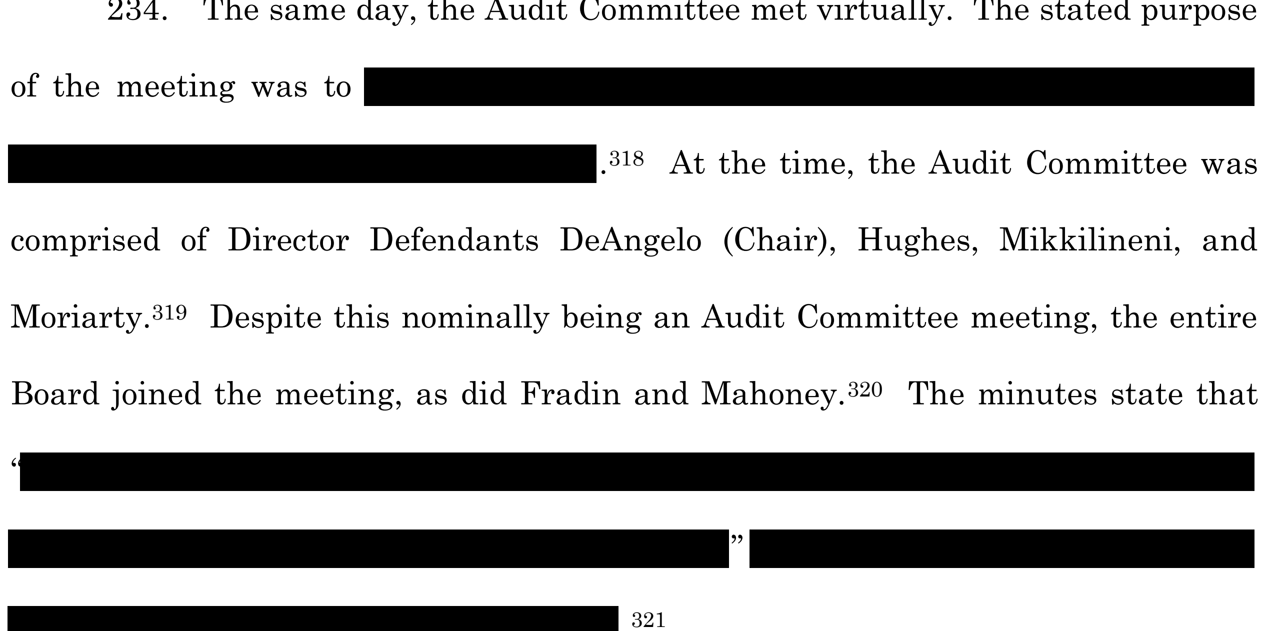
233. Also at the November 1, 2025 meeting, the Board considered [redacted] (the "Private Placement").[317] Based on the Company's price at the close of trading on the preceding business day, the Private Placement price represented a [redacted].

[314] CPMO_SULLIVAN220_00001439, at -1439–40.

[315] *Infra* ¶ 234.

[316] *See* CPMO_SULLIVAN220_00001439 (Morgan Stanley conflicts disclosure dated October 29, 2025).

[317] CPMO_SULLIVAN220_00001359, at -0062.



234. The same day, the Audit Committee met virtually. The stated purpose of the meeting was to .[318] At the time, the Audit Committee was comprised of Director Defendants DeAngelo (Chair), Hughes, Mikkilineni, and Moriarty.[319] Despite this nominally being an Audit Committee meeting, the entire Board joined the meeting, as did Fradin and Mahoney.[320] The minutes state that " " .[321]

235. The Audit Committee approved the Private Placement.[322] Because the entire Board attended the Audit Committee meeting, any interested director was necessarily present for the Audit Committee's vote.

236. On November 2, 2025, the Company entered into a share purchase agreement (the "SPA")[323] to acquire Husky from Platinum (previously defined as the "Husky Acquisition").[324] The Company paid $3.95 billion in cash and approximately 55 million shares of CompoSecure common stock, for a total purchase price of

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[318] CPMO_SULLIVAN220_00001356, at -0057.

[319] *Id.* at -0056.

[320] *Id.*

[321] *Id.*

[322] CPMO_SULLIVAN220_00001356, at -0056–57. The meeting minutes note that the Audit Committee "d ." *Id.* at -1356 (italics removed).

[323] Ex. 2.1 to CompoSecure, Inc., Current Report (Form 8-K) (Nov. 4, 2025).

[324] CompoSecure, Inc., Current Report (Form 8-K) at Item 7.01 (Nov. 3, 2025).

approximately $5 billion.[325] Forge, an indirect and wholly owned subsidiary of CompoSecure, purchased the Husky interests from Platinum's affiliates.[326]

237. Contemporaneous evidence shows that the Individual Resolute Controllers were driving the transaction. Investor materials for the deal noted: "Dave Cote and Tom Knott are familiar with Platinum—they acquired Vertiv . . . from Platinum in 2020."[327] Platinum Managing Director Zarrabi described it this way: "We know Dave [Cote] very well from the Vertiv deal, a portfolio company we exited in 2020 that is one of the top performing SPAC deals of all time . . . . We're aligned with Dave on many levels with respect to operating philosophies, sense of urgency and values."[328]

238. The Resolute Controller Defendants controlled the Company at the time of the Husky Acquisition. They owned approximately 41.3% of the Company's Class A Common Stock.[329] All three Individual Resolute Controllers were Board members, and the Resolute Controller Defendants had the contractual right to

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[325] *Id.*; CompoSecure, Inc., Current Report (Form 8-K) at Item 3.02 (Jan. 13, 2026) (reporting issuance of 54,978,334 shares of Common Stock to the Platinum Parties).

[326] *See* SPA § 2.1 (providing for "Holdings" to acquire the Husky interests, which referred to Forge).

[327] CompoSecure, Inc., Additional Definitive Proxy Materials (Schedule 14A) (Nov. 3, 2025) at Slide 8.

[328] Press Release, Platinum Equity, Inside the Husky-CompoSecure Merger: A Conversation with Platinum Equity's Louis Samson and Delara Zarrabi (Feb. 9, 2026) https://www.platinumequity.com/news/inside-the-husky-composecure-merger-a-conversation-with-platinum-equitys-louis-samson-and-delara-zarrabi/.

[329] CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Sep. 10, 2025). The Resolute Controller Defendants' ownership dropped from a mathematical majority in 2025 due to the issuance of 19,178,670 common shares to other stockholders upon the exercise of warrants. *See* CompoSecure, Inc., Quarterly Report (Form 10-Q) at 20 (Nov. 3, 2025).

appoint three more Board members. David Cote was the Board's Executive Chairman. Knott was the Company's Chief Investment Officer. Resolute Management, of which David Cote was Executive Chairman and Knott was CEO, had the power to exercise managerial authority over the business and affairs of the Company. This included the contractual right to appoint and remove the Company's management.[330] Consistent with the sweeping, illegal delegations in the CompoSecure Management Agreement,[331] Resolute Management ran the acquisition process from start to finish.

239. On November 24, 2025, the Company filed the Husky Acquisition Proxy.[332]

240. On January 12, 2026, the Husky Acquisition closed, and Forge acquired the interests in Husky's operating business.[333] The Company paid $3.953 billion in cash and 54,978,334 shares of CompoSecure common stock, for an enterprise value of approximately $5 billion.[334]

241. Platinum rolled over more than $1 billion of its Husky equity into the Company, for a post-transaction stake of approximately 19%.[335] Platinum obtained

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[330] *See supra* § V.D.2.

[331] *See supra* § V.D.3.

[332] *See generally* GPGI Inc., Definitive Proxy Statement (Schedule 14A) (Nov. 24, 2025).

[333] This Complaint refers to Forge after the close of the Husky Acquisition as "Husky." Disclosures about the transactions sometimes refer to Forge as "Holdings" or "Husky Holdings."

[334] CompoSecure, Inc., Current Report (Form 8-K) at Item 3.02 (Jan. 13, 2026).

[335] CompoSecure, Inc., Additional Definitive Proxy Materials (Schedule 14A) (Nov. 3, 2025) at Slide 8. The Platinum affiliate that owned Company stock after the Husky acquisition

an unusually short lock-up of only 90 days before it could sell shares of the Company's stock that it received in the transaction.[336]

242. Pursuant to an investor rights agreement, Platinum appointed the two Platinum Directors to the Board.[337] To make room for Samson and Zarrabi, the Company increased the size of its Board from 11 to 13. Resolute had a contractual right to limit the size of the Board. However, the Individual Resolute Controllers had by now successfully secured their ability to control the Company through Resolute Management and turned their focus on steering management fees to themselves.[338] Accordingly, they had Resolute waive that right and consent to the appointment of the Platinum Directors.[339] The investor rights agreement also gave Platinum preemptive rights to maintain its ownership percentage in future equity issuances.[340]

243. To finance a portion of the transaction, GPGI sold approximately $2 billion of its common stock at a 12% discount in private placements.[341] After the transaction, these private placement investors (the "Private Placement Investors")

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was PE Titan CS Holdings, L.P. *See* Ex. 10.1 to CompoSecure, Inc., Current Report (Form 8-K) Item 1.01 (Jan. 13, 2026).

[336] Husky Acquisition Proxy at 9.

[337] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.02 (Jan. 13, 2026).

[338] *See also infra* § VII.

[339] CompoSecure, Inc., Current Report (Form 8-K) at Items 1.01, 5.02 (Jan. 13, 2026).

[340] Ex. 10.1 to CompoSecure, Inc., Current Report (Form 8-K) (Jan. 13, 2026) at § 1.13.

[341] CompoSecure, Inc., Additional Definitive Proxy Materials (Schedule 14A) (Nov. 3, 2025) at Slides 8-9; *see also* CompoSecure, Inc., Current Report (Form 8-K) at Item 3.02 (Jan. 13, 2026) (reporting issuance of 106,056,083 shares of Common Stock to the Private Placement Investors).

owned approximately 36.5% of the Company.[342] The Husky Acquisition Proxy did not disclose the identity of the Private Placement investors; it disclosed only that "certain directors of CompoSecure and its affiliates, together with members of their immediate family" purchased approximately 957,000 GPGI common shares in the private placements.[343]

244. The Company also took on approximately $2 billion in debt to finance the Husky Acquisition.[344] This included a new "senior secured first lien term loan facility of $725 million and an incremental term loan facility of $350 million."[345]

245. The Husky Acquisition materially decreased the Resolute Controller Defendants' ownership percentage in the Company—from approximately 39% before the transaction to approximately 18% after the transaction.[346] But the Resolute Controller Defendants' majority stake in Resolute Management was undisturbed,[347] and the Spin-Off and CompoSecure Management Agreement had cemented the Individual Resolute Controllers' ability to continue to dominate the Company in

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[342]. CompoSecure, Inc., Additional Definitive Proxy Materials (Schedule 14A) (Nov. 3, 2025) at Slide 8.

[343] Husky Acquisition Proxy at 41, 59.

[344] "CompoSecure (CMPO) Soars 9.2%: Is Further Upside Left in the Stock?," ZACKS EQUITY RESEARCH (Jan. 15, 2026), https://www.zacks.com/stock/news/2818349/composecure-cmpo-soars-92-is-further-upside-left-in-the-stock#:~:text=CompoSecure%20retained%20its%20rally%20for,23%2C%202026 ("Funded by $2 billion in private placement, $2 billion in debt, and a $1 billion rollover from Platinum Equity, the new entity will trade as 'GPGI' starting Jan. 23, 2026.").

[345] Husky Acquisition Proxy at 11.

[346] *See supra* § II.C; *see infra* § VII.

[347] The Resolute Controller Defendants' stake in Resolute Management has only grown, including after the Husky Acquisition. The Resolute Controller Defendants currently own more than 52% of Resolute Management. Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 19 (Apr. 24, 2026).

perpetuity. As explained above, the Company's own materials touted the Spin-Off and CompoSecure Management Agreement as "[redacted]

[redacted]

[redacted]"[348] Investor materials for the Husky Acquisition highlighted David Cote's control as important, describing CompoSecure and Husky as "possess[ing] attributes that are reminiscent of Dave Cote's early days at Honeywell, and where Vertiv was when GSAH acquired it" and boasting that "Dave Cote has a long and demonstrated track record of operational excellence[.]"[349] The notice provision in the investor rights agreement in connection with the Husky Acquisition identified Knott as the notice recipient for the Company, and it provided Knott's ***Resolute Management*** email address as the address for notice.[350]

246. The Individual Resolute Controllers were not the only Board members who owned stock in the Company and Resolute Management. Galant, Hughes, James, and Thompson owned stock in both companies, and, like all the pre-transaction stockholders, the Husky Acquisition diluted their ownership in the Company. The chart below shows the effect the Husky Acquisition had on these directors' dual holdings:

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[348] CPMO_SULLIVAN220_00000001, at -0011.

[349] CompoSecure, Inc., Additional Definitive Proxy Materials (Schedule 14A) (Nov. 3, 2025) at Slide 9

[350] Ex. 10.1 to CompoSecure, Inc., Current Report (Form 8-K) (Jan. 13, 2026) at § 6.2.

Director Defendant	Pre-Husky Acquisition		Post-Husky Acquisition	
	GPGI Shares (Ownership Percentage) [351]	Resolute Management Shares (Ownership Percentage) [352]	GPGI Shares (Ownership Percentage) [353]	Resolute Management Shares (Ownership Percentage) [354]
Galant	92,288 (0.09%)	7,690 (0.09%)	92,288 (0.03%)	9,607 (0.11%)
Hughes	94,226 (0.09%)	7,858 (0.09%)	94,226 (0.03%)	9,775 (0.12%)
James	43,015 (0.04%)	3,584 (0.04%)	43,015 (0.01%)	5,501 (0.07%)
Thompson	97,480 (0.10%)	8,123 (0.10%)	97,480 (0.03%)	8,190 (0.10%)

[351] CompoSecure, Inc., Proxy Statement (Schedule 14A) at 22 (Apr. 18, 2025). Percentages are derived based on 102,311,981 shares of Class A common stock outstanding as stated in the Company's Annual Report filed the previous month,

[352] Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 22 (Apr. 18, 2025). Percentages are derived based on 8,525,998 shares of Class A common stock outstanding as stated in the Company's Annual Report filed the previous month.

[353] GPGI has not issued its 2026 annual meeting proxy statement with updated director shareholdings. This Complaint assumes that Galant, Hughes, James, and Thompson held the number of Company shares before and after the Husky Acquisition and were diluted to the same extent as the Individual Resolute Controllers. Accordingly, percentages are derived based on 289,642,587 shares of Class A common stock outstanding as of March 2, 2026 (*see* GPGI, Inc., Annual Report (Form 10-K) at 2 (Mar. 12, 2026).

[354] Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 19 (Apr. 24, 2026). Percentages are derived based on 8,474,010 shares of Class A common stock outstanding as stated in the Company's Annual Report filed the previous month.

247. The Company's pre-transaction unaffiliated stockholders owned approximately 27% of the Company after the Husky Acquisition[355]—down from 58.7% pre-transaction.[356]

248. Notably, Goldman advised ***Husky*** in the Husky Acquisition.[357] Goldman was previously adverse to the Company when it advised the Resolute Controller Defendants in the Resolute Transaction, but Goldman then advised the Company in connection with the Spin-Off. Knott and others have deep ties to Goldman, as explained above. Yet, in the Husky Acquisition Proxy, the Company did not disclose the fact that Goldman had advised Husky during negotiations and disclosed ***nothing*** about Goldman's long history with the Resolute Controller Defendants.

C. Resolute Management Causes Husky to Enter into the Husky Management Agreement.

249. On January 12, 2026, in connection with the close of the Husky Acquisition, the Resolute Controller Defendants caused Resolute Management to enter into a management agreement with the post-closing entity that would hold the

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[355] CompoSecure, Inc., Additional Definitive Proxy Materials (Schedule 14A) (Nov. 3, 2025) at Slide 35.

[356] *See* CompoSecure, Inc., Beneficial Ownership Report (Schedule 13D) (Sep. 10, 2025) (Resolute Controller Defendants' last ownership disclosure filed before the Husky Acquisition, showing 41.3% beneficial ownership).

[357] Husky Acquisition Proxy at A-44 (SPA disclosing fees payable to Goldman by Acquired Parties).

Husky operating business (the "Husky Management Agreement" and, together with the CompoSecure Management Agreement, the "Management Agreements").[358]

250. The Husky Management Agreement was entered into "pursuant to the terms of the [CompoSecure] Management Agreement[.]"[359] Specifically, as explained above, Section 15(d) of the CompoSecure Management Agreement authorized Resolute Management to enter into new management agreements with the Company's acquired companies on at least as favorable terms as those provided in the CompoSecure Management Agreement.[360]

251. Pursuant to the Husky Management Agreement:

> Resolute [Management] is responsible for managing the day-to-day business and operations, and overseeing the strategy, of Husky [] and its subsidiaries. Husky [] agreed to pay Resolute Holdings a quarterly management fee (the "Management Fee"), payable in arrears, in a cash amount equal to 2.5% of Husky Holdings' last 12 months' Adjusted EBITDA, measured for the period ending on the fiscal quarter then ended, as defined in the Management Agreement. Pursuant to the [Husky] Management Agreement, Husky [] is also required to reimburse Resolute [Management] and its affiliates for Resolute [Management's] documented costs and expenses incurred on behalf of Husky [], subject to certain exceptions, in the

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[358] CompoSecure, Inc., Current Report (Form 8-K) at Item 1.01 (Jan. 13, 2026). The Husky Management Agreement is attached as Exhibit 10.3 to the foregoing Current Report, and also as Exhibit 10.1 to Resolute Management's Current Report (Form 8-K) filed on January 13, 2026.

[359] CompoSecure, Inc., Current Report (Form 8-K) at Item 1.01 (Jan. 13, 2026); *see also* CPMO_SULLIVAN220_00001359, at -1362 (Nov. 1, 2025 Board resolutions: "[REDACTED]").

[360] *See id., see also, e.g., supra* § V.B.1.

> sole discretion of Resolute [Management]. Following its initial ten-year term, the [Husky] Management Agreement will automatically renew for successive and additional ten-year terms, unless terminated in accordance with its terms. Resolute [Management] and Husky [] may each terminate the [Husky] Management Agreement upon the occurrence of certain other limited events, and in connection with certain of these limited events, Resolute [Management] has the right to require Husky [] to pay a termination fee[.][361]

252. Just like the CompoSecure Management Agreement, Section 3(a) of the Husky Management Agreement authorizes and obligates Resolute Management to perform the following services for Husky:

i. "establishing and monitoring the Company's objectives, financing activities and operating performance;"

ii. "selecting and overseeing the Company's management team and their performance;"

iii. "reviewing and approving the Company's compensation and benefit plans, programs, policies, arrangements and agreements, including with respect to any grants of equity awards to Persons providing services to the Company;"

[361] CompoSecure, Inc., Current Report (Form 8-K) at Item 1.01 (Jan. 13, 2026); *see also* Husky Management Agreement § 2 ("To the fullest extent permitted by Delaware law, the Exchange Act, the Securities Act, the NYSE Rules and any other applicable rule or regulation (including the rules and regulations promulgated under the Exchange Act and the Securities Act), the Company hereby appoints the Manager (and grants to it all powers necessary, convenient or appropriate) to, and the Manager hereby agrees and covenants that it shall manage the day-to-day business and operations and oversee the strategy of the Company and its controlled Affiliates in accordance with the terms of this Agreement.").

iv. “devising capital allocation strategies, plans and policies of the Company;”

v. “setting the budget parameters and expense guidelines of the Company and monitoring compliance therewith;”

vi. “identifying, analyzing and overseeing the consummation of business opportunities and potential acquisitions, dispositions and other business combinations;”

vii. “originating and recommending opportunities to form or acquire, and structuring and managing, any joint ventures;”

viii. “leading or overseeing negotiations with potential participants in any business opportunity under the Company’s consideration and determining (or delegating to any officer of the Company the decision to determine) if and when to proceed;”

ix. “engaging and supervising, on the Company’s behalf, independent contractors and third-party service providers;”

x. “communicating on behalf of the Company with the holders of any securities of the Company (A) as required to satisfy any reporting and other requirements of any Governmental Authority having jurisdiction over the Company and (B) to maintain effective relations with such holders;”

xi. "overseeing all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which the Company may be involved or to which the Company may be subject arising out of the Company's day-to-day activities (other than with the Manager or its Affiliates);"

xii. "counselling the Company in connection with decisions required by Delaware law to be made by the Board;" and

xiii. "performing such other services from time to time in connection with the management of the business and affairs of the Company and its activities as the Company shall reasonably request and/or the Manager shall deem appropriate under the particular circumstances."[362]

253. Just like the CompoSecure Management Agreement, Section 3(b) of the Husky Management Agreement makes Resolute Management Husky's attorney-in-fact to negotiate and execute any contracts Resolute Management, "as the Manager, in its sole discretion, deems necessary or appropriate to perform the Services[.]"[363]

254. Section 11(a) of the Husky Management Agreement sets a ten-year term with automatic renewals.[364] The Husky Management Agreement makes terminating

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[362] Husky Management Agreement § 3(a).

[363] Husky Management Agreement § 3(b).

[364] Husky Management Agreement § 11(a).

the agreement very difficult. Just like the CompoSecure Management Agreement, unless Husky meets stringent requirements, it cannot terminate the Husky Management Agreement without paying a termination fee "equal to the greatest of (i) the Fair Market Value of Fees Payable, (ii) the Net Present Value of Fees Payable and (iii) the Multiple on Fees Value."[365] "Fair Market Value of Fees Payable means "the fair market value of the aggregate Quarterly Management Fees then payable or that would become payable hereunder if this Agreement were automatically renewed and remained in effect in perpetuity."[366] "Net Present Value of Fees Payable" means:

> (i) the net present value of the aggregate Quarterly Management Fees then payable or that would become payable hereunder during the five (5)-year period following the Effective Termination Date, discounted annually at a per annum rate equal to six percent (6.0%), plus (ii) the net present value of the terminal value of the Quarterly Management Fees that would become payable hereunder after such five (5)-year period if this Agreement were automatically renewed and remained in effect in perpetuity, discounted from the terminal year to the applicable present date at a per annum rate equal to six percent (6.0%).[367]

"Multiple on Fees Value" means "(i) the aggregate Quarterly Management Fees that became payable hereunder during the twenty-four (24)-month period ended as of the last day of the most recent fiscal quarter completed prior to the Effective Termination Date multiplied by (ii) four (4)."[368]

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[365] Husky Management Agreement § 1 (definition of "Termination Fee").

[366] *Id.* (definition of "Fair Market Value of Fees Payable").

[367] *Id.* (definition of "Net Present Value of Fees Payable").

[368] *Id.* (definition of "Multiple on Fees Value").

255. The Husky Management Agreement traps Husky to the same extent the CompoSecure Management agreement traps CompoSecure. The only way for Husky to terminate the Husky Management Agreement without paying a termination fee is if there is a "Company Kick-Out Event," defined as:

> (i) a final judgment by any Governmental Authority of competent jurisdiction not stayed or vacated within thirty (30) days that the Manager has committed a felony or a material violation of applicable securities laws that has a material adverse effect on the business of the Company or the ability of the Manager to perform its duties under the terms of this Agreement, (ii) an order for relief in an involuntary bankruptcy case relating to the Manager or the Manager authorizing or filing a voluntary bankruptcy petition, (iii) the dissolution of the Manager or (iv) a final, non-appealable judgment by any Governmental Authority of competent jurisdiction that the Manager has (a) committed actual fraud against the Company, (b) misappropriated or embezzled funds of the Company or (c) acted, or failed to act, in a manner constituting bad faith, willful misconduct, gross negligence or reckless disregard in the performance of its duties under this Agreement; *provided, however*, that if any of the actions or omissions described in this clause (iv) are caused by an employee and/or officer of the Manager or one of its Affiliates and the Manager cures the damage caused by such actions or omissions within thirty (30) days of such determination, then such event shall not constitute a Company Kick-Out Event.[369]

256. The only way to potentially lower the management fee would be if, immediately before the renewal period every decade, two-thirds of Husky's independent directors determined that the fee was unfair and Resolute Management

[369] Husky Management Agreement § 1 (definition of "Company Kick-Out Event"), § 11(c) (authorizing Husky to terminate the Management Agreement upon a Company Kick-Out Event).

agreed to lower the fee either through direct negotiations or through professional mediation.[370] If Resolute Management does not agree to lower the fee, it can terminate the agreement and receive the staggering termination fee.[371]

257. The terms of the Husky Management Agreement were similar to the terms of the CompoSecure Management Agreement, but the benefits to Resolute Management were much larger. CompoSecure was projected to achieve $165 million of Adjusted EBITDA in 2025, while Husky was projected to achieve $400 million of Adjusted EBITDA for Husky in 2025.[372] When Resolute Management and Platinum entered into the term sheet preceding the Husky Acquisition on September 9, 2025, Husky was projected to achieve approximately $[REDACTED] of Adjusted EBITDA in 2026, and CompoSecure was projected to achieve approximately $[REDACTED] of Adjusted EBITDA in 2026.[373] As further evidence of Resolute Management's laser focus on increasing its management fees, Resolute Management and Platinum agreed to "[REDACTED]

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[370] *See* Husky Management Agreement § 11(b).

[371] *Id.* § 11(b)(iv).

[372] Husky Acquisition Proxy at 50. Husky was significantly bigger than CompoSecure. Immediately prior to the Husky Acquisition, CompoSecure had 971 full-time employees; Husky brought 4,556 full-time employees, resulting in a combined company with approximately 5,500 full-time employees. *See* GPGI, Inc., Annual Report (Form 10-K) at 8 (Mar. 12, 2026). Immediately prior to the Husky Acquisition, CompoSecure's market capitalization was approximately $2.3 billion; immediately following it, the combined entity's market capitalization was at least $7.0 billion. GPGI, Inc. (GPGI) Stock Price (Historical Data), https://finance.yahoo.com/quote/GPGI/ (last accessed on May 4, 2026).

[373] CPMO_SULLIVAN220_00001342, at -1342.

."[374] Because Resolute Management was paid based on the non-standard metric of Adjusted EBITDA, Resolute Management's fees after the Husky Acquisition were expected to be than they were before the acquisition.

258. Yet, the amount and nature of work Resolute Management performed before the Husky Acquisition does not appear to have changed materially compared to the amount and nature of work Resolute Management performs after the Husky Acquisition. The Company's and Husky's management remained largely intact compared to the pre-acquisition period. Resolute Management had the same number of employees after the Husky Acquisition as it had before. The suggestion that seven employees are "managing the day-to-day business and operations and overseeing the strategy of" a business with 5,500 employees, as the Company continues to state publicly,[375] defies credibility.

259. On January 22, 2026, the Company changed its name to GPGI, which stands for "Great Positions in Good Industries."[376]

260. On February 25, 2026, Jehoshaphat Research published a report highlighting a litany of concerns with the Husky Acquisition (the "Report").[377] The Report colorfully summarized the transaction as follows:

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[374] *Id.*

[375] GPGI, Inc. Annual Report (Form 10-K) at 5 (Mar. 12, 2026).

[376] CompoSecure, Inc., Current Report (Form 8-K) at Item 5.03 (Jan. 13, 2026). The Board approved the name change on January 11, 2026. *Id.*

[377] "Jehoshaphat Research is Short GPGI, Inc.," JEHOSHAPHAT RESEARCH, https://jehoshaphatresearch.com/research/ (last accessed Mar. 30, 2026). The Report is attached hereto as Exhibit F.

> Husky is a pig, a pig that a pair of pig farmers (its CEO and CFO) put lipstick on and sold to a pig broker. The pig broker then gave the pig lip injections. The pig broker sold part of the pig to a group of pig flippers in a PIPE (Private Investment with Pig Excrement). The pig flippers quickly notched a phenomenal IRR with little risk; they can now flip their pig parts to the public at a premium. After batting around some names for the new arrangement, the pig broker came up with GPIG, but decided that was too promotional; they wanted something more sober, more understated. They landed on "Great Positions in Good Industries, Inc." The pig now pays management fees to the pig broker, based not on the weight of the pig but on the pro forma dimensions of its lips. The pig farmers left town.[378]

Among the problems identified in the report were: (i) the misaligned incentives created by the Management Agreements; (ii) Resolute Management's ability to manipulate Husky's Adjusted EBITDA to inflate its fees; (iii) manipulated free cash flow projections; and (iv) a rushed acquisition process.

261. Misaligned Incentives: The Report recognized that the Management Agreements create an unusually bad "case of misaligned incentives" because, given the EBITDA-based-nature of Resolute Management's fees, "[e]ven a terrible acquisition drives more payments to the [Individual Resolute Controllers'] investment vehicle."[379] The Report estimated that, at the time of the Husky Acquisition, every $1 million of Adjusted EBITDA acquired by GPGI was worth approximately $0.02 per GPGI share to the Resolute Controller Defendants.[380]

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[378] Report at 2.

[379] Report at 3, 30.

[380] *Id.* at 27.

> The enormous management fee charged to GPGI by RHLD **means it isn't simply about how much GPGI stock the Cote Family owns, *it's about how its GPGI ownership compares to its RHLD ownership.***
>
> We pondered this issue a lot before landing on a formula that we think represents where the Chairman's true incentives lie. Using rounded values that we will get more specific with shortly, we call this opinion the "Cote Family Breakeven Rule." It's our calculation of what the Cote Family should be able to lose in GPGI stock value caused by GPGI doing value-destructive acquisitions and still break even from the gain in RHLD caused by those acquisitions:
>
> ***Every $1m of Adjusted EBITDA acquired by GPGI offsets ~2c of decline in GPGI stock price***

262. In other words, acquiring $3 million of Adjusted EBITDA would benefit the Resolute Controller Defendants even if the acquisition would drop GPGI's stock price by $0.02. Because cash flow drives the intrinsic value of Husky—rather than Adjusted EBITDA—there are scenarios in which greater Adjusted EBITDA at Husky would actually lower Husky's intrinsic value due to the increased management fees.[381]

263. According to the Report, "The fees Husky will drive to the [Resolute Controller Defendants] are simply enormous."[382] In the four years pre-acquisition (2021–2024), Husky paid $33 million in management fees to Platinum. All else equal, if the Husky Management Agreement had been in place during that same period, Husky would have owed more than quadruple that amount—***$143 million***—to

[381] *Id.* at 30.

[382] Report at 34.

Resolute Management.[383] The Report estimated the 2026 management fee under the Husky Management Agreement would be at least $49 million.[384]

264. This misalignment will only grow over time, as acquisitions continue to dilute the Resolute Controller Defendants' ownership of GPGI. And Resolute Management has every incentive to keep doing deals, "the bigger the better."[385]

How Even Value-Destructive Acquisitions at GPGI Can Benefit Cote Family	Example $1M	Small	Medium	Large
GPGI Incremental Acquisition Adj. EBITDA ($M)	$1.0	$100.0	$250.0	$500.0
Management Fee % (Per Above)	*10.0%*	*10.0%*	*10.0%*	*10.0%*
RHLD Management Fee Generated by Acquisition ($M)	$0.1	$10	$25	$50
Fee Multiple (Per Above)	24x	24x	24x	24x
Incremental RHLD Market Value Created by New Mgmt. Fee ($M)	$2.4	$241.7	$604.2	$1,208.4
% of RHLD Owned by Cote Family	*50.5%*	*50.5%*	*50.5%*	*50.5%*
Estimated Benefit to Cote Family ($M)	**$1.2**	**$122.1**	**$305.1**	**$610.3**
# of GPGI Shares Owned by Cote Family	51.7	51.7	51.7	51.7
Est. GPGI Per-Share Value Destruction From Deal That Still Allows for Breakeven	**($0.02)**	**($2.36)**	**($5.91)**	**($11.81)**
% Decline if Hypothetical $25.00 Stock Price	*-0.1%*	*-9.4%*	*-23.6%*	*-47.2%*

265. Adjusted EBITDA Manipulation: The Report warned that Resolute Management could manipulate Husky's Adjusted EBITDA to be "whatever [the Resolute Controller Defendants] need[] it to be."[386] According to the Report, up to $298 million of the $328 million in adjustments Resolute Management made to project Adjusted EBITDA were recurring items that should not have been removed.[387] These EBITDA "adjustments" gave Husky an Adjusted-EBITDA-to-gross-profit ratio that was significantly higher than any of its peers.[388]

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[383] *Id.* See also page 29 for the chart showing "How Even Value-Destructive Acquisitions at GPGI Can Benefit Cote Family[.]"

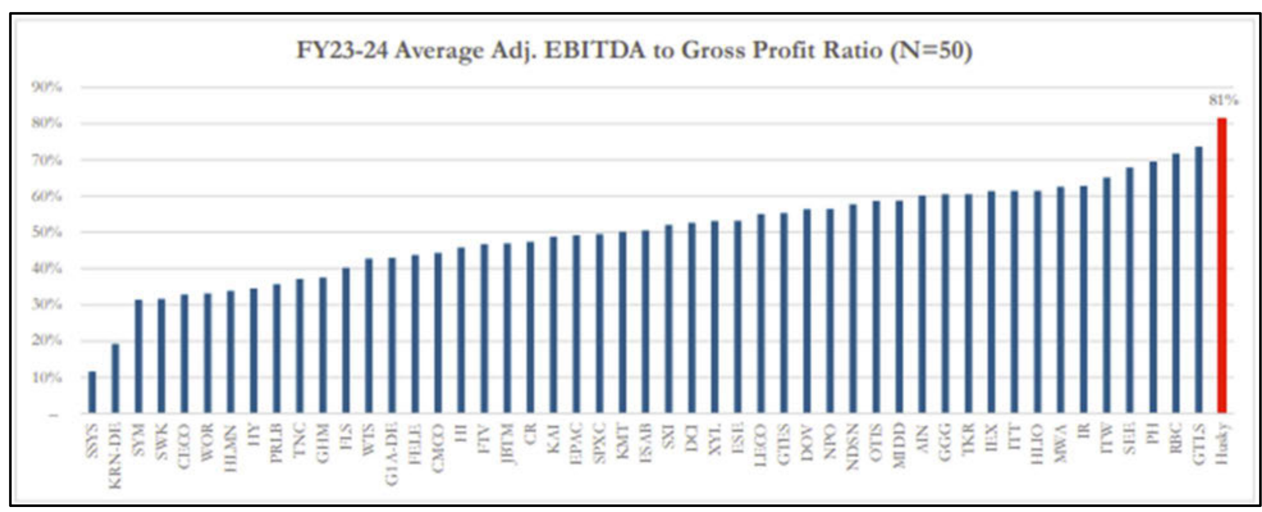
[384] Report at 29 & n. xxix.

[385] Report at 29.

[386] Report at 3, 14.

[387] *Id.* at 14–17.

[388] *Id.* at 18.



266. These apparent shenanigans are even more troubling because there is reason to believe Husky was engaged in "[a]ccounting [g]ames" even before the transaction.[389] Former Husky employees reported "aggressive methods their company would use even *before* the GPGI deal, such as shipping Husky's products to its own parking lot to justify revenue recognition, or other means to 'pull forward' revenue" and inflate Husky's Adjusted EBITDA.[390] One former Husky executive told Jehoshaphat Research:

> Everybody was like, okay, just get it on the flatbed truck. We'll just park them, but the revenue was recognized…Everybody knew, like, everybody in the organization knew what was going on. We'd just put [finished products on a truck] in the parking lot, which is not a warehouse, because if it's still sitting in your warehouse, you could argue, well then you haven't really sold it. But in this case it went out, it sits in the parking lot…the pressure was on the revenue to make sure we did that."[391]

[389] Report at 5, 19.

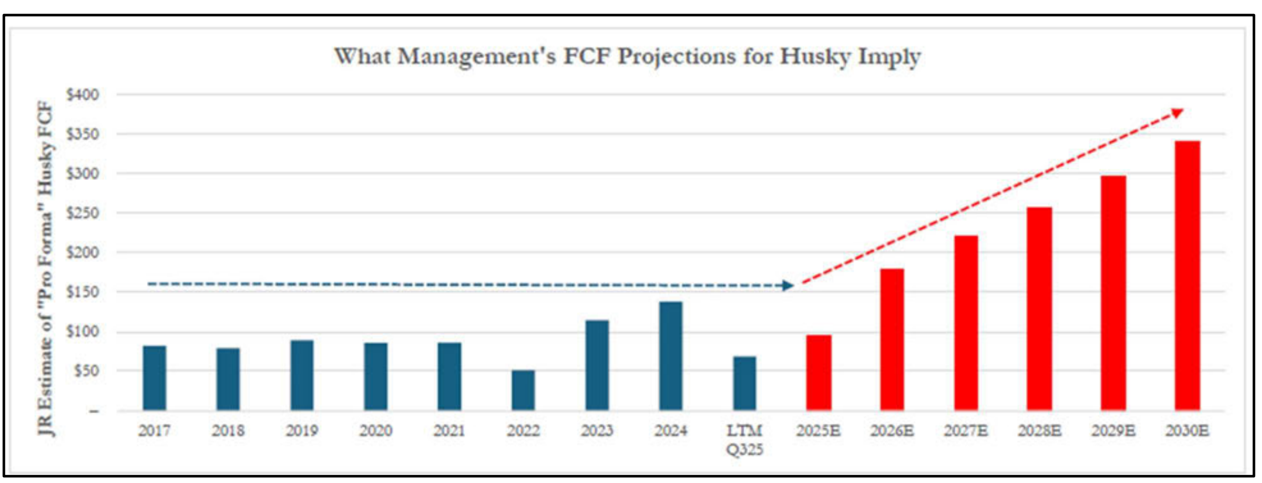
[390] *Id.* at 2 (emphasis in original), 19–23.

[391] Report at 5.

According to the former executive, this occurred "every year" and "sometimes in the quarter[.]"[392]

267. Another former executive explained that Husky would ask customers to accept shipments in the quarter before the one in which the customer ordered the shipments. To incentivize this, Husky often offered to delay billing to incentivize the customer to accept early delivery.[393]

268. Overstated Free Cash Flow: Resolute Management touted the free cash flow Husky would purportedly generate after the Husky Acquisition.[394] According to the Report, the transaction would actually generate free cash flow that was approximately 90% lower than the projections.[395] The free cash flow projections were "hockey-stick" projections that assumed significantly greater free cash flow growth than Husky had ever achieved.[396]



[392] *Id.* at 21.

[393] Report at 22–23.

[394] CompoSecure Holdings, Inc., Additional Definitive Proxy Statement (Schedule 14A) at 49–50 (Nov. 3, 2025).

[395] Report at 8.

[396] *Id.* at 5–6.

269. To mask this implausibility, Resolute Management used a non-standard definition of free cash flow when reporting Husky's historical financial performance. Specifically, when reporting Husky's historical performance, Resolute Management defined free cash flow as EBITDA minus capex.[397] But, when projecting Husky's financial performance, Resolute Management defined free cash flow as "net operating profit after tax, plus depreciation and amortization and less change in net working capital and capital expenditures."[398] When describing CompoSecure, Resolute Management defined free cash flow as "cash flow from operations less capital expenditures[.]"[399] These "apples to watermelons" comparisons helped mask the unreasonableness of the cash flow projections.[400]

270. An apples-to-apples comparison would have shown that Resolute Management was projecting Husky's free cash flow in the four years after the transaction to be approximately 255% higher than its free cash flow in the four years before the transaction.[401] The Report questioned the reasonableness of assuming:

> that GPGI leadership is going to be amazing at running a plastics company that has apparently never produced anywhere near this kind of free cash flow (pro forma or otherwise), [and] also [ ] that Husky's previous private equity owners were simpletons who, after many years of

[397] *Id.* at 9.

[398] *Id.* at 8–9.

[399] *Id.* at 10.

[400] *Id.*

[401] Report at 10.

> ownership, never managed to figure out how to make Husky come anywhere near its potential.[402]

271. The Report identified another way Resolute Management manipulated the free cash flow projections. Before the Husky Acquisition closed, Resolute Management implied Husky would achieve the first year of free cash flow projections in 2026. After the transaction closed, Resolute Management stated Husky would not achieve the first year of free cash flow projections until 2027.[403]

272. Manipulating Husky's free cash flow projections made the deal look more attractive. When Husky proves unable to hit the free cash flow numbers in the future, GPGI and its minority stockholders will pay the price, while Resolute Management's fees will be insulated by the malleable Adjusted EBITDA.

273. Rushed Acquisition Process: Resolute Management engaged in due diligence for slightly over a month before it caused the Company to make a multi-billion-dollar offer for Husky.[404] In contrast, David Cote's prior SPAC took three months to make a very preliminary proposal for Vertiv.[405] Resolute Management caused the Company to twice increase its offer, which resulted in the Company paying approximately five million additional shares.[406] Resolute Management and its fiduciaries received much more from securing the transaction and the additional fees than they suffered in dilution from the incremental payment.

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[402] *Id.* at 12.
[403] Report at 7–8.
[404] Report at 23-24.
[405] *See id.* at 24.
[406] *Id.*

The Report made the incisive observation, "Maybe if this had been a real husky – like, an actual dog – instead of just a mere $5bn company by that name, Team Resolute would have been a little more resolute about doing their homework on it."[407]

*   *   *

274. Given the significant questions around the Husky Acquisition, writers of the Report were not surprised that Platinum negotiated for an unusually short, 90-day lock-up to sell its shares or that Husky's CEO and CFO jumped ship soon after the acquisition closed.[408] The Report scoured precedent transactions in which Platinum received publicly traded stock in a company as consideration for selling an asset, either to a publicly traded acquiror or to the public market in an IPO. The 90-day lock-up period Platinum secured with GPGI was half the length of every other example.[409]

Asset Sold by Platinum	Acquirer/IPO	Type of Deal	Date	Lockup
Husky	GPGI	Sale to Public Co	1/12/2026	**90 days**
McGraw Hill	MH	IPO	7/23/2025	**180 days**
Ingram Micro	INGM	IPO	10/23/2024	**180 days**
Vertiv	VRT	Sale to Public Co	2/10/2020	**180 days**
PAE	PAE	Sale to Public Co	2/10/2020	**180 days**
Verra Mobility	VRRM	Sale to Public Co	10/17/2018	**180 days**

[407] *Id.*

[408] *See* Report at 31, 42.

[409] Report at 31.

D. THE HUSKY ACQUISITION HIGHLIGHTS THE CONFLICT BETWEEN RESOLUTE MANAGEMENT AND GPGI.

275. Due to the Management Agreements, GPGI and Resolute Management have misaligned incentives. Adjusted EBITDA drives Resolute Management's fees, so Resolute Management's only incentive is to inflate the Adjusted EBITDA of the Company's operating businesses as high as possible for as long as possible. Resolute Management does not suffer if it causes the Company to overpay for new businesses. Overpayments funded by equity have a limited effect on Resolute Management and the Resolute Controller Defendants. Resolute Management is not a Company stockholder, and the Resolute Controller Defendants' ownership stake in the Company is dwarfed by their stake in Resolute Management. Overpayments funded by debt have no immediate effect on Resolute Management and the Resolute Controller Defendants because EBITDA measures earnings ***before*** debt service.[410]

276. These misaligned incentives were manifest in the Husky Acquisition. The Company took on significantly more debt, and its pre-transaction stockholders were significantly diluted. Resolute Management was not affected by these detriments and more than tripled its management fee.

277. These misaligned incentives remain. So long as the Company's operating subsidiaries remain solvent, Resolute Management benefits if it closes any deal that increases Adjusted EBITDA regardless of the effect it has on GPGI and its

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[410] *See, e.g.,* Dun Gifford, Jr., "Why Debt Can Hurt Corporate Growth," MIT SLOAN MANAGEMENT REVIEW (Apr. 15, 2001), https://sloanreview.mit.edu/article/finance-why-debt-can-hurt-corporate-growth/ (last accessed May 4, 2026).

minority stockholders. As explained in the next section, this dynamic is clear to the market.

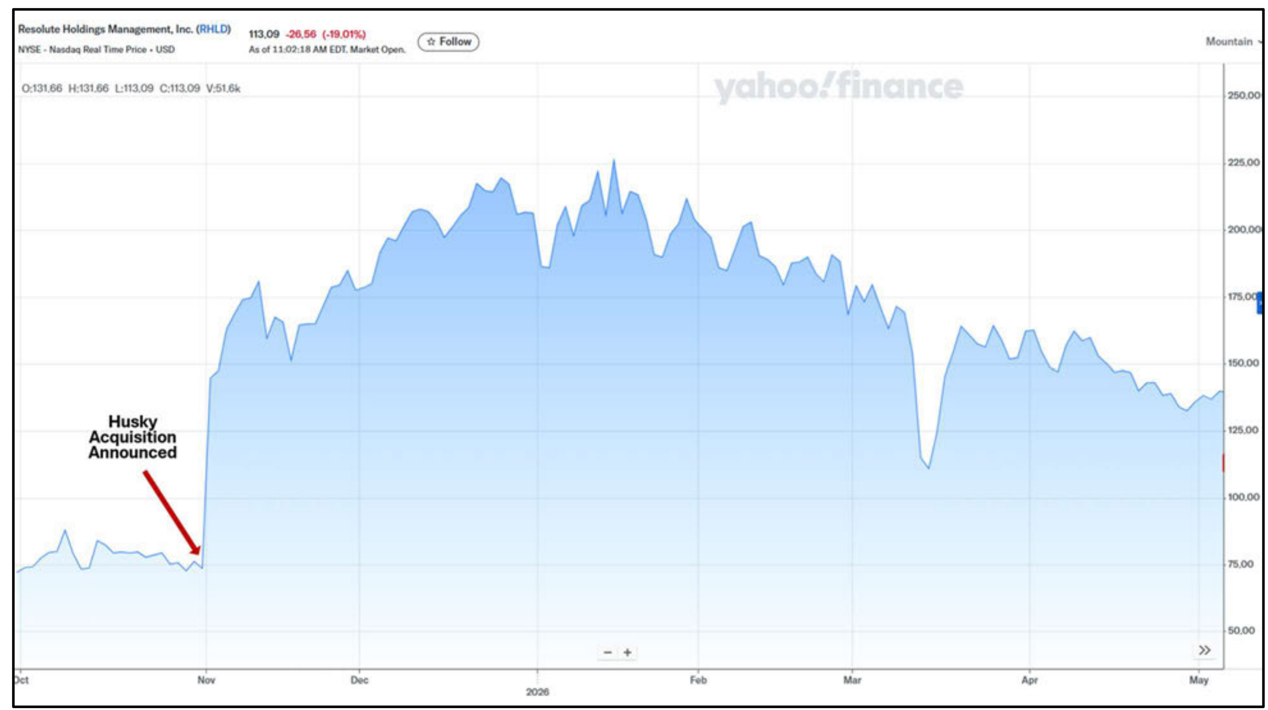
278. If the Company does not implement reforms, the Husky Acquisition is likely to be the first of many problematic transactions

VII. THE MARKET RECOGNIZES THAT RESOLUTE MANAGEMENT IS TUNNELLING VALUE OUT OF GPGI

279. The Resolute Controller Defendants achieved their goal of creating an independent management company that would trade at high multiples in the short term by saddling the operating companies with punishing management fees. The market data surrounding the Husky Acquisition decisively confirms this.

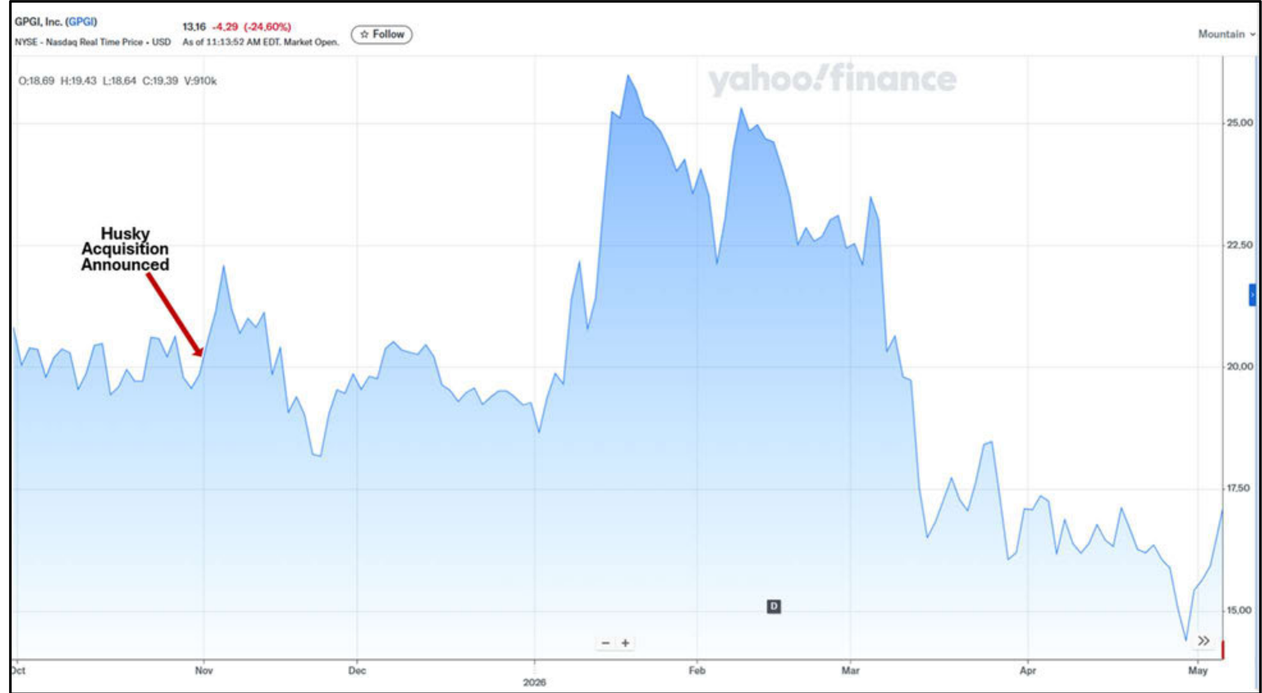
280. Since the parties announced the signing of the SPA, Resolute Management's stock ***more than*** doubled—closing at $73.66 per share on November 2, 2025, reaching a high of over $200 per share in February 2026, and closing at $139.65 per share on May 6, 2026.[411]

[411] Resolute Holdings Management, Inc. (RHLD) Stock Price (Oct. 1, 2025 – May 6, 2026), https://finance.yahoo.com/quote/RHLD/ (last accessed on May 7, 2026).



281. In stark contrast, GPGI's stock declined approximately 12% over the same period—closing at $19.86 per share on November 2, 2025 and at $17.46 per share on May 6, 2026.[412]

[412] GPGI, Inc. (GPGI) Stock Price (Oct. 1, 2025 – May 6, 2026), https://finance.yahoo.com/quote/GPGI/ (last accessed on May 7, 2026).



282. The divergence between GPGI's and Resolute Management's stock prices benefits the Resolute Controller Defendants, as well as the other Individual Defendants who hold a greater percentage of their stock in Resolute Management than in GPGI—namely, Fradin, Galant, Hughes, and Thompson.

283. These misaligned incentives have only intensified because the Resolute Controller Defendants have shifted their exposure away from GPGI and toward Resolute Management. After the Resolute Transaction and before the Husky Acquisition, the Resolute Controller Defendants' Company holdings decreased by more than one-third.[413] The dilutive effect of the Husky Acquisition then cut their

[413] *See supra* § II.C (citing Schedule 13Ds filed by the Resolute Controller Defendants showing decrease in GPGI holdings from ~62% immediately following the Resolute Transaction (September 2024) to ~39% immediately before the Husky Acquisition (January 2026).

remaining GPGI stake by more than half.[414] Altogether, the Resolute Controller Defendants' current stake in GPGI is only 17.9%.[415] Yet their stake in Resolute Management has increased from their initial stake of 50.5% to approximately 52.2%.[416]

284. The Resolute Controller Defendants and the Individual Defendants drove the Husky Acquisition and negotiated the consideration. They structured the deal to dilute GPGI stockholders, while maximizing management fees for Resolute Management. And, by diluting their ownership stakes in GPGI, the Resolute Controller Defendants shielded themselves from the deal's negative impacts on the Company.[417] They remain positioned to replicate this playbook in the future.

VIII. DEFENDANTS SEEK TO REINCORPORATE GPGI IN NEVADA TO ESCAPE LIABILITY.

285. In July 2025, at least two stockholders sent the Company books and records demands seeking to investigate wrongdoing in connection with the Spin-Off and Management Agreement.

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[414] *See supra* § II.C (citing Schedule 13Ds showing the Husky Acquisition drove the Resolute Controllers' holdings from ~41% to ~18%).

[415] *See* GPGI Inc., Beneficial Ownership Report (Schedule 13D/A) (Jan. 14, 2026); *see also supra* § II.C.

[416] *See* Resolute Holdings, Inc., Beneficial Ownership Report (Schedule 13D/A) (Mar. 19, 2025); Resolute Holdings Management, Inc., Definitive Proxy Statement (Schedule 14A) at 19 (Apr. 24, 2026).

[417] The Individual Defendants are also situated differently from GPGI stockholders because they will continue to be double compensated for their service on both the Company Board and Resolute Management Board regardless of whether the Husky Acquisition proves to be a failure.

286. Plaintiff served his initial books and records demand on July 25, 2025.[418] Among Plaintiff's stated investigatory purposes were to (i) "investigate potential wrongdoing, mismanagement, and breaches of fiduciary duties by the members of the [Board] or others[,]" and (ii) "take appropriate action in the event the members of the Board or Company officers did not properly discharge their fiduciary duties, including the preparation and filing of a stockholder derivative lawsuit or the sending of a litigation demand letter, if appropriate[.]"[419] That was over three months before the Husky Acquisition was announced, but Plaintiff warned that the CompoSecure Management Agreement enabled the Individual Resolute Controllers to engage in precisely the type of self-dealing that the Husky Acquisition indeed constituted when it came to pass.[420] On April 7, 2026, Plaintiff served a supplemental books and records demand that, among other things, expanded Plaintiff's investigation to the Husky Acquisition.[421]

287. Against this backdrop of potential liability, the Defendants have now proposed reincorporating GPGI in Nevada (the "Nevada Reincorporation"). On April 10, 2026, GPGI filed a preliminary proxy statement announcing the proposed Nevada Reincorporation.[422] On April 20, 2026, the Company filed its definitive proxy statement regarding the proposed Nevada Reincorporation (the "Reincorporation

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[418] *See* Ex. D.
[419] *Id.* at 1.
[420] *See id.*
[421] *See* Ex. G.
[422] *See* GPGI, Inc., Preliminary Proxy Statement (Schedule 14A) (Apr. 10, 2026).

Proxy").[423] The disclosures in the Reincorporation Proxy confirm that the Defendants caused the Company to seek reincorporation only ***after it became clear*** that they faced substantial liability under Delaware law.

288. According to the Reincorporation Proxy,[424] the Company's "senior management" requested GPGI's outside counsel at Paul Weiss to advise senior management regarding Delaware, Nevada, and Texas corporate law.[425] This request occurred in December 2025, after the Company received stockholder books and records demands to investigate fiduciary wrongdoing related to the Spin-Off and Management Agreement.[426] It is reasonable to infer that the "senior management" members making this request were the Officer Defendants. Moreover, there is no reason to believe that senior management ever tasked their counsel or advisors to explore DExit options prior to facing this litigation.

289. In March 2026, Paul Weiss made its presentation to senior management. Without considering whether a Nevada Reincorporation would benefit GPGI and its minority stockholders, senior management decided to propose a reincorporation to the Board.[427]

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[423] GPGI, Inc., Definitive Proxy Statement (Schedule 14A) (Apr. 20, 2026). The Company later filed additional proxy materials setting the vote for June 11, 2026. *See* GPGI, Inc., Additional Definitive Proxy (Form DEFA14A) at 1 (Apr. 24, 2026).

[424] The purported facts disclosed in the Reincorporation Proxy have not been tested in discovery. Plaintiff relies on those purported facts to the extent they reflect the Defendants' concessions, but Plaintiff does not concede the factual accuracy of the disclosures.

[425] Reincorporation Proxy at 8.

[426] *See id.*

[427] *See* Reincorporation Proxy at 8. The Reincorporation Proxy asserts that Paul Weiss discussed "certain potential risks and benefits of pursuing a potential reincorporation of the

290. On April 3, 2026, the Board convened a special meeting to consider the proposed Nevada Reincorporation.[428] Again, the Company's fiduciaries evaluated the potential reincorporation from the perspective of protecting themselves. Specifically, "[t]he Board discussed the litigation environments in Delaware and Nevada, the costs and time involvement of management in connection with stockholder litigation in Delaware and Nevada, [and] the possibility of diminished litigation in Nevada[.]"[429] At the meeting, the Board unanimously approved the Nevada Reincorporation. The Board did not form, or even consider forming, a special committee of independent directors to evaluate the proposed Nevada Reincorporation.

291. The Reincorporation Proxy confirms the Individual Defendants' focus on protecting themselves from stockholder scrutiny. According to that document, the Board "considered the increasingly active litigation environment in Delaware, which has engendered costly and often meritless litigation and has the potential to cause unnecessary distraction to the Company's directors and management team."[430]

292. The Reincorporation Proxy purports to summarize certain differences between Nevada and Delaware law. The first area of difference was stockholder inspection rights, in which the Company noted that a stockholder of a Nevada corporation must hold at least 5% of the outstanding shares or have been a

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Company," but it reasonable to infer that the referenced benefits related to the Defendants, not the Company and its minority stockholders.

[428] Reincorporation Proxy at 8.

[429] *Id.*

[430] *Id.* at 8–9.

stockholder for at least six months before the stockholder can inspect the articles of incorporation, bylaws, and stock ledger.[431] The Company further noted that a stockholder of a Nevada corporation must hold at least 15% of the outstanding shares to inspect the books of account and financial statements, with this inspection right generally unavailable to stockholders of a public company.[432] In other words, the first difference the ***Company*** flagged was the limited inspection rights available to stockholders under Nevada law. As the Reincorporation Proxy concedes: "Inspection rights under Nevada law are more limited."[433]

293. The second area of difference was to whom company officers and directors owe fiduciary duties. While Delaware law calls fiduciaries to maximize the long-term value of the corporation for the benefit of stockholders, Nevada law "expressly permits directors and officers to consider all relevant facts, circumstances, contingencies or constituencies, including approving or taking an action that factors in the interests of stakeholders other than the corporation's stockholders, such as employees, suppliers and the community."[434]

294. Another area of difference was the level of exculpation available to directors and officers. According to the Company, Nevada law permits exculpation in the absence of "intentional misconduct, fraud or a knowing violation of law."[435] The

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[431] Reincorporation Proxy at 9.

[432] *Id.*

[433] *Id.* at 26.

[434] *Id.* at 9.

[435] Reincorporation Proxy at 10–11.

Reincorporation Proxy explains: "Unlike the DGCL, however, the limitation on director and officer liability under the NRS does not treat as categorically excluded from its protections breaches of the duty of loyalty or transactions from which a director derives an improper personal benefit."[436] The Reincorporation Proxy also explains that, unlike Nevada law, "Delaware law does not permit the elimination of monetary liability of officers for breach of fiduciary duty arising out of claims brought by the corporation itself or for derivative claims brought by stockholders in the name of the corporation."[437]

295. The record date for the stockholder vote on the Nevada Reincorporation is April 16, 2026. The special meeting is scheduled for June 4, 2026 at 10:00 a.m. ET.

296. The proposed Nevada Reincorporation did not occur on a "clear day." Plaintiff does not ask this Court to determine, in a vacuum, whether the Nevada Reincorporation would materially lessen the Defendants' potential liability on the claims in this Action. The Reincorporation Proxy ***concedes*** that stockholder litigation in Delaware is a key reason why the Defendants approved the proposed Nevada Reincorporation.[438] Friendlier laws for self-dealing fiduciaries are the stated reason for why the Resolute Controller Defendants drove Resolute Management to

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[436] *Id.* at 17.

[437] *Id.* at 18.

[438] Reincorporation Proxy at 8 ("The Board discussed the litigation environments in Delaware and Nevada, the costs and time involvement of management in connection with stockholder litigation in Delaware and Nevada, [and] the possibility of diminished litigation in Nevada[.]"); *id.* (noting the Board "considered the increasingly active litigation environment in Delaware, which has engendered costly and often meritless litigation and has the potential to cause unnecessary distraction to the Company's directors and management team").

Nevada. The Officer Defendants asked Paul Weiss to present on a potential reincorporation ***after*** the Company received multiple stockholder books and records demands that referenced potential derivative litigation related to the Spin-Off and Management Agreement. The Director Defendants approved the Nevada Reincorporation after Plaintiff identified numerous deficiencies in the Company's production on March 30, 2026. The Defendants announced the transaction after Plaintiff sent a supplemental books and records demand to investigate, among other things, the Husky Acquisition.

297. The Nevada Reincorporation would extinguish Plaintiff's ability to pursue his books and records inspection under Delaware law. As the Reincorporation Proxy concedes, no comparable books and records inspection is available under Nevada law.

298. The Nevada Reincorporation would also give the Defendants material benefits in a derivative lawsuit. For example, the Reincorporation Proxy asserts that Nevada corporations, unlike Delaware corporations, can indemnify directors for breach of fiduciary duty in derivative actions. The proposed Nevada Bylaws would indemnify the Company's directors and officers to the fullest extent permitted by the specific Nevada statutes that correspond to that difference.[439] The timing of the proposal leaves no doubt as to its purpose. The reincorporation effort was launched immediately after the Company received stockholder books-and-records demands referencing potential derivative claims arising from the Spin-Off, Management

[439] Reincorporation Proxy at G-13.

Agreement, and Husky Acquisition. The Board approved the reincorporation proposal only after Plaintiff identified deficiencies in the Company's Section 220 production, and the Company first announced the reincorporation proposal just days after Plaintiff issued a supplemental demand concerning the Husky Acquisition. The Reincorporation Proxy openly admits that Delaware's "active litigation environment" was a "key reason" for the move.

299. As a direct result of the proposed reincorporation, Plaintiff's (and other stockholders') Delaware-law books-and-records inspection rights would be extinguished, while the Individual Defendants would receive materially enhanced liability shields and indemnification rights in any future derivative suit. On these facts, the Nevada Reincorporation was proposed and approved for the sole purpose of protecting the Controller, Officer, and Director Defendants from the very derivative claims that were already looming against them at the time of the Board's vote.

IX. **DERIVATIVE ALLEGATIONS.**

300. Plaintiff brings this action derivatively in the right, and for the benefit, of the Company to redress the breaches of fiduciary duty and other violations of law that Defendants committed, as alleged herein. Plaintiff has named GPGI solely as a nominal party in this Action.

301. Plaintiff will adequately and fairly represent the interests of the Company and its stockholders in enforcing and prosecuting the Company's rights, and Plaintiff has retained counsel experienced in prosecuting this type of derivative action.

302. Plaintiff has continuously held Company stock throughout the Relevant Period and will continue to hold Company stock through the resolution of this Action.

303. Prior to filing this Action, Plaintiff served two books and records demands. Plaintiff served his initial books and records demand on July 25, 2025.[440] Plaintiff received and analyzed 50 Company books and records, spanning 900 pages, that GPGI produced in response to that demand. On March 30, 2026, Plaintiff emailed the Company about numerous deficiencies with GPGI's production and insisted on additional documents. On April 7, 2026, Plaintiff served a supplemental books and records demand that, among other things, expanded Plaintiff's investigation to the Husky Acquisition.[441] On April 10, 2026, GPGI announced the proposed Nevada Reincorporation for the first time. The Company then filed a definitive proxy statement scheduling a vote on the proposed Nevada Reincorporation for June 11, 2026.[442] On April 22 and April 24, 2026, in response to Plaintiff's supplemental demand and after Plaintiff identified deficiencies in its original production, the Company produced 15 additional Company books and records, spanning 554 pages.

304. On May 5, 2026, the Company made another supplemental production that included the Goldman Engagement Letter. The Company further confirmed that

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[440] *See* Ex. D.

[441] *See* Ex. G.

[442] *See* GPGI, Inc., Additional Definitive Proxy (Schedule 14A) at 1 (Apr. 24, 2026).

no Goldman conflicts disclosures existed and that its productions in response to Plaintiff's books and records were complete.[443]

X. A PRE-SUIT LITIGATION DEMAND WAS FUTILE.

305. The Demand Board has thirteen members. Plaintiff did not make a demand on the Demand Board to investigate or cause the Company to bring and prosecute the derivative claims asserted herein because demand is excused as futile for each of Plaintiff's derivative claims.

A. DEMAND IS FUTILE FOR EACH DERIVATIVE COUNT BECAUSE THE BOARD GAVE AWAY ITS RIGHT TO IMPARTIALLY CONTROL ALL LITIGATION INVOLVING THE COMPANY.

306. The CompoSecure Management Agreement delegates to ***Resolute Management*** the ability to "oversee[] all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which the Company may be involved or to which the Company may be subject arising out of the Company's day-to-day activities (other than with the Manager or its Affiliates)[.]"[444] The Husky Management Agreement contains the exact same language.[445]

307. This extremely broad language extends to the Company's claims against its own fiduciaries that a Company stockholder might try to assert derivatively. The claims set forth herein "involve" the Company and "aris[e] out of [its] day-to-day

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[443] Ex. H.

[444] CompoSecure Management Agreement § 3(a)(xi).

[445] Husky Management Agreement § 3(a)(xi).

activities." The Management Agreements therefore purport to give Resolute Management control over these claims.

308. The proviso excepting litigation "with the Manager [i.e., Resolute Management] or its Affiliates" does not apply. Even though Resolute Management is a party to this action, it is one defendant of many. As a practical matter, the claims against Resolute Management cannot be severed and litigated separately.[446]

309. By approving the Spin-Off, the CompoSecure Management Agreement, and the Husky Management Agreement, the Company's Board gave conflicted Resolute Management veto power over whether the Company should assert the claims Plaintiff now seeks to bring derivatively. It is reasonable to believe Resolute Management—which is controlled at the stockholder and Board level by the Resolute Controller Defendants, and whose twelve-member Board includes ten named Defendants—would exercise that veto right.

B. DEMAND IS FUTILE REGARDING THE SPIN-OFF, THE MANAGEMENT AGREEMENTS, AND THE HUSKY ACQUISITION BECAUSE 9 OF THE 13 DEMAND BOARD MEMBERS ARE DUAL FIDUCIARIES.

310. The primary beneficiary of the Spin-Off, the Management Agreements, and the Husky Acquisition is Resolute Management. Those transactions enabled Resolute Management to exist, tunnel value out of GPGI, and maintain the Resolute Controller Defendants' domination over GPGI even as their ownership in GPGI was

[446] Moreover, as explained in the next section, demand would still be futile in such a scenario because nine of the thirteen Demand Board members are dual fiduciaries who also serve on the Resolute Management Board. They could not impartially consider a demand to sue an entity to which they have fiduciary duties.

diluted. Remedying this wrongdoing, including potentially modifying the Management Agreements to reflect market terms, would put Resolute Management in a worse position than it is today.

311. Nine of the thirteen Demand Board members—David Cote, John Cote, DeAngelo, Galant, Hughes, James, Knott, Mikkilineni, and Thompson—are dual fiduciaries who are also directors on the Resolute Management Board.[447] These dual fiduciaries cannot impartially consider causing GPGI to bring the claims Plaintiff alleges because of the fiduciary duties they owe to Resolute Management. Accordingly, these nine directors have a disabling interest in connection with Plaintiff's claims regarding the Spin-Off, the Management Agreements, and the Husky Acquisition, and demand is futile regarding those claims.

C. Demand Is Futile Regarding the Spin-Off, the Management Agreements, and the Husky Acquisition Because 11 of the 13 Demand Board Members Face a Substantial Likelihood of Liability Based on the Claims Alleged in This Action.

312. Demand is also futile regarding the Spin-Off, the Management Agreements, and the Husky Acquisition because a majority of the Demand Board faces a substantial likelihood of liability for breaching the duty of loyalty in connection with those transactions. As alleged above, the nine dual fiduciaries—David Cote, John Cote, DeAngelo, Galant, Hughes, James, Knott, Mikkilineni, and

[447] For 2026, [REDACTED] *See, e.g.*, CPMO_SULLIVAN220_00001898 (Knott's 2026 questionnaire). This implies that the overlapping directors are not differentiating between their duties to Resolute Management and their duties to the Company.

Thompson—proposed, negotiated, approved, executed, and closed the Spin-Off, the Management Agreements, and the Husky Acquisition on terms they knew were unfair to GPGI and its public stockholders. As also alleged above, two additional Demand Board members—Corbin and Moriarty—approved the Husky Acquisition and the Husky Management Agreement on terms they knew were unfair to GPGI and its public stockholders. Accordingly, 11 of the 13 Demand Board members face a substantial likelihood of liability regarding the Husky Acquisition and the Husky Management Agreement, and 9 of the 13 Demand Board members face a substantial likelihood of liability regarding the Spin-Off and the CompoSecure Management Agreement.

D. Demand Is Futile Regarding the Nevada Reincorporation Because Each Demand Board Defendant Would Receive a Material, Non-Ratable Benefit if the Reincorporation Occurs.

313. Demand is futile regarding Plaintiff's challenge to the Nevada Reincorporation because, as alleged above, each Demand Board Defendant would receive a material, non-ratable benefit if GPGI re-domesticates in Nevada.

314. The Board itself determined that the Company's directors and officers would be less likely to face stockholder scrutiny and litigation in Nevada.[448] The Board itself determined that the Company's directors and officers would be less likely to face stockholder scrutiny and litigation in Nevada. But the unfairness of the Nevada Reincorporation goes well beyond general liability protection with respect to

[448] From the standpoint of the Company's minority stockholders, Plaintiff's challenge to the Nevada reincorporation is a direct claim, rather than a derivative claim.

future wrongdoing. Here, the Nevada Reincorporation cuts off pending and unsatisfied stockholder books and records investigations regarding the Demand Board Defendants' past actions. The Nevada Reincorporation also purports to give the Individual Defendants indemnification rights for derivative claims that Delaware law prohibits. These benefits are concrete and material, and they taint 11 of the 13 directors on the Demand Board.

E. DEMAND IS FUTILE REGARDING PLAINTIFF'S CLAIMS AGAINST THE DEFENDANTS NOT ON THE DEMAND BOARD BECAUSE THOSE CLAIMS ARE BASED ON THE SAME FACTS UNDERLYING PLAINTIFF'S CLAIMS AGAINST THE DEMAND BOARD DEFENDANTS.

315. Not all the Defendants are on the Demand Board. Nevertheless, Plaintiff's claims against those Defendants are based on a common nucleus of operative facts that are also the basis of Plaintiff's claims against the Demand Board Defendants. For example, Resolute and Resolute Management acted through, and benefitted from, the actions of the three Individual Resolute Controllers, each of whom is on the Demand Board. The Officer Defendants initiated and recommended the Nevada Reincorporation, and each Demand Board member approved it. The Officer Defendants evaluated, negotiated, recommended, and implemented the Spin-Off, the Management Agreements, and the Husky Acquisition, and a majority of the Demand Board members approved those acts. Thus, the Demand Board Defendants could not authorize GPGI to file litigation against the Defendants not on the Demand Board without implicating their own wrongdoing.

* * *

316. The following chart summarizes the multiple reasons demand is futile as to each Demand Board Defendant:

Demand Board Defendant (11/13 Directors)	Approved Challenged Transaction				Additional Source of Conflict			
	Spin-Off	Compo Mgmt. Agr.	Husky Acq. / Husky Mgmt. Agr.	Nevada Reincorp.	Dual Fiduciary	Resolute Designee	Personal Stake in Resolute Mgmt.	Honey-well
Corbin			✓	✓				
David Cote	✓	✓	✓	✓	✓	✓	✓	✓
John Cote	✓	✓	✓	✓	✓	✓	✓	
DeAngelo	✓	✓	✓	✓	✓	✓		
Galant	✓	✓	✓	✓	✓		✓	
Hughes	✓	✓	✓	✓	✓		✓	
James	✓	✓	✓	✓	✓	✓	✓	✓
Knott	✓	✓	✓	✓	✓	✓	✓	
Mikkilineni	✓	✓	✓	✓	✓			✓
Moriarty			✓	✓				✓
Thompson	✓	✓	✓	✓	✓		✓	

XI. CLASS ALLEGATIONS

317. Plaintiff brings certain of the claims in this Action both on his behalf and on behalf of a class of Class A common stockholders that held their shares at any point between February 8, 2025 and the present (the "Class"). Excluded from the

Class are (i) Defendants and (ii) the entity Defendants' directors, officers, and managing agents (together, the "Excluded Persons"), as well as the Excluded Persons' immediate family members, personal and legal representatives, heirs, successors, transferees, or assigns, and any entity in which an Excluded Person has a controlling interest.

318. The relevant claims in this Action are properly maintainable on a class basis.

319. The Class members are so numerous that joinder of all members is impracticable. For example, as of November 20, 2025, the Company had more than 126 million shares of common stock outstanding, of which more than 51 million were beneficially owned by David Cote, John Cote, and Knott. It is thus inferable that the Class consists of holders of more than 74 million shares. As of March 2, 2026, the Company had more than 289 million shares of common stock outstanding. While the exact number of Class members is unknown to Plaintiff at this time, the Class likely has thousands of members who are scattered throughout the United States and the world. *See* Ct. Ch. R. 23(a)(1).

320. Plaintiff's claims present questions of law and fact common to the Class, including whether:

a. the Management Agreements violate DGCL § 141(a) and the Charter;

b. the Class is entitled to a declaration that the Management Agreements are unenforceable;

c. the Director Defendants breached their fiduciaries in connection with the proposed Nevada Reincorporation;

d. the Director Defendants' wrongdoing harmed Plaintiff and the other Class members; and

e. Plaintiff and the other Class members are entitled to damages or other relief. *See* Ct. Ch. R. 23(a)(2).

321. Plaintiff's claims are typical of the claims of the Class. Plaintiff does not face any unique defenses that would prevent Plaintiff from representing the Class. *See* Ct. Ch. R. 23(a)(3).

322. Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff's interests are aligned with the interests of the Class. Plaintiff is committed to prosecuting his claims in this Action and has retained competent counsel experienced in litigation of this nature. *See* Ct. Ch. R. 23(a)(4).

323. The prosecution of separate actions by individual Class members would create a risk of inconsistent or varying adjudications with respect to individual Class members that would establish incompatible standards of conduct for the Defendants. Likewise, the prosecution of separate actions by individual Class members would create a risk of adjudications with respect to individual Class members that, as a practical matter, would be dispositive of the interests of the other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests. *See* Ct. Ch. R. 23(b)(1).

324. The Defendants have acted, or refused to act, on grounds that apply generally to the Class, so that final injunctive relief or corresponding declaratory relief is appropriate with respect to the Class as a whole. *See* Ct. Ch. R. 23(b)(2).

XII. THE SECTION 144 SAFE HARBOR DOES NOT APPLY.

A. THE SECTION 144 SAFE HARBOR DOES NOT APPLY TO THE SPIN-OFF, MANAGEMENT AGREEMENT, OR HUSKY ACQUISITION.

325. The Spin-Off, Management Agreements, and Husky Acquisition were all controlling stockholder transactions that were not going-private transactions. None of the safe harbor provisions of 8 *Del. C.* § 144(b) apply.

326. The Board did not create a special committee to negotiate and approve the Spin-Off, Management Agreements, or Husky Acquisition, so the safe harbor in Section 144(b)(1) does not apply.

327. The Defendants did not condition the Spin-Off, Management Agreements, or Husky Acquisition on a favorable majority-of-the-minority vote, so the safe harbor in Section 144(b)(2) does not apply.

328. As alleged herein, neither the Spin-Off, nor the Management Agreements, nor the Husky Acquisition was fair to the Company or its stockholders, so the safe harbor in Section 144(b)(3) does not apply.

B. THE SECTION 144 SAFE HARBOR DOES NOT APPLY TO THE NEVADA REINCORPORATION.

329. The proposed Nevada Reincorporation does not fall within Section 144. Even if it did, it would not qualify for a Section 144 safe harbor because: (i) each director who approved the Nevada Reincorporation received a non-ratable material benefit and the Board did not appoint a special committee of disinterested directors;

(ii) there will be no majority-of-the minority vote; and (iii) the transaction is unfair to GPGI and its stockholders.

COUNT I

Derivative and Direct Class Claims for Breach of Fiduciary Duty (Against the Resolute Controller Defendants)

330. Plaintiff incorporates by reference and realleges each and every allegation set forth above as if fully set forth herein.

331. As GPGI's controlling stockholders at the time of the Spin-Off, the Management Agreements, and the Husky Acquisition, the Resolute Controller Defendants owed a fiduciary duty of loyalty to GPGI and its stockholders. This duty required the Resolute Controller Defendants to act in good faith and place the interests of GPGI and its stockholders above their own interests.

332. The Resolute Controller Defendants had a disabling conflict in the Spin-Off, the Management Agreement, and the Husky Acquisition because the compensation and profits they stood to receive through Resolute Management outweighed their GPGI interests. Accordingly, any value transferred from GPGI to Resolute Management would benefit the Resolute Controller Defendants at the expense of GPGI and its public stockholders.

333. The Resolute Controller Defendants breached their duty of loyalty by, as alleged above, proposing, negotiating, executing, and closing the Spin-Off, the Management Agreement, and the Husky Acquisition on terms they knew were unfair to GPGI and its public stockholders.

334. As a result of the Resolute Controller Defendants' actions and/or inactions, GPGI suffered substantial damages, pecuniary and otherwise, in an amount and nature to be proven at trial.

COUNT II

Derivative and Direct Class Claims for Breach of Fiduciary Duty (Against the Director Defendants in Their Capacities as Directors)

335. Plaintiff incorporates by reference and realleges each and every allegation set forth above as if fully set forth herein.

336. By virtue of their positions as GPGI directors, the Director Defendants owed fiduciary duties of loyalty and care to GPGI and its stockholders. Their duty of loyalty required the Director Defendants to act in good faith and place the interests of GPGI and its stockholders above their own interests.

337. The Director Defendants breached their duty of loyalty by, as alleged above, proposing, negotiating, approving, executing, and/or closing the Spin-Off, the Management Agreement, the Husky Acquisition, and the Nevada Reincorporation on terms they knew were unfair to GPGI and its public stockholders.

338. As a result of the Director Defendants' actions and/or inactions, GPGI suffered substantial damages, pecuniary and otherwise, in an amount and nature to be proven at trial.

COUNT III

Derivative and Direct Class Claims for Breach of Fiduciary Duty
(Against the Officer Defendants in Their Capacities as Officers)

339. Plaintiff incorporates by reference and realleges each and every allegation set forth above as if fully set forth herein.

340. By virtue of their positions as GPGI officers, the Officer Defendants owed fiduciary duties of loyalty and care to GPGI and its stockholders. Their duty of loyalty required the Officer Defendants to act in good faith and place the interests of GPGI and its stockholders above their own interests. Their duty of care required the Officer Defendants to act in an informed manner and without gross negligence in performing their duties.

341. The Officer Defendants breached their duties of loyalty and care by, as alleged above, proposing, negotiating, approving, executing, and/or closing the Spin-Off, the Management Agreement, the Husky Acquisition, and the Nevada Reincorporation on terms they knew were unfair to GPGI and its public stockholders.

342. As a result of the Officer Defendants' actions and/or inactions, GPGI suffered substantial damages, pecuniary and otherwise, in an amount and nature to be proven at trial.

COUNT IV

Direct Class Claim for Violation of Section 141(a)
(Against the Director Defendants)

343. Plaintiff incorporates by reference and realleges each and every allegation set forth above as if fully set forth herein.

344. Section 3 of the Management Agreements improperly delegate to Resolute Management core Board decision-making powers and functions and render the Board incapable of managing the Company's business and affairs in violation of 8 *Del. C.* § 141(a). Sections 11 and 15(d) of the Management Agreements ensure that these extreme terms apply to all the Company's acquisitions in perpetuity. Resolute Management is the Company's subsidiary, not a current or prospective stockholder, and therefore cannot qualify for the exception under 8 *Del. C.* § 122(18).

345. Plaintiff is entitled to a declaration that Sections 3, 11, and 15(d) of the Management Agreements violate Section 141(a) and are therefore invalid and unenforceable as a matter of Delaware law.

COUNT V

Direct Class Claim for Violation of Certificate of Incorporation (Against the Director Defendants)

346. Plaintiff incorporates by reference and realleges each and every allegation set forth above as if fully set forth herein.

347. Section 5.1 of the Charter requires "[t]he business and affairs of the Corporation [to] be managed by, or under the direction of, the Board."

348. Section 3 of the Management Agreements improperly delegates to Resolute Management core Board decision-making powers and functions and render the Board incapable of managing the Company's business and affairs in violation of the Charter. Sections 11 and 15(d) of the Management Agreements ensure that these extreme terms apply to all the Company's acquisitions in perpetuity.

349. Plaintiff is entitled to a declaration that Sections 3, 11, and 15(d) of the Management Agreements violate the Charter and are therefore invalid and unenforceable as a matter of Delaware law.

COUNT VI

Derivative and Direct Claims for Aiding and Abetting Breach of Fiduciary Duty (Against Resolute Management)

350. Plaintiff incorporates by reference and realleges each and every allegation set forth above as if fully set forth herein.

351. As explained above, the Resolute Controller Defendants and the Individual Defendants owed fiduciary duties to the Company and its minority stockholders and breached those duties.

352. Resolute Management knowingly participated in those breaches of fiduciary duty. At all relevant times, a majority of the Company's directors were also on the Resolute Management Board. Two of those individuals—David Cote and Knott—were Resolute Management executives. The knowledge and actions of these individuals are imputed to Resolute Management. *See, e.g.*, *Sorrento Therapeutics, Inc. v. Mack*, 2023 WL 5670689, at *28-29 (Del. Ch. Sep. 1, 2023); *In re PLX Tech. Inc. S'holders Litig.*, 2018 WL 5018535, at *48–50 (Del. Ch. Oct. 16, 2018), *aff'd*, 211 A.3d 137 (Del. 2019).

353. Resolute Management knowingly obtained inflated management fees from the Company due to the other Defendants' breaches of fiduciary duty.

354. As a result of Resolute Management's actions and/or inactions, GPGI suffered substantial damages, pecuniary and otherwise, in an amount and nature to be proven at trial.

COUNT VII

Direct and Derivative Unjust Enrichment Claim (Against All Defendants)

355. Plaintiff incorporates by reference and realleges each and every allegation set forth above as if fully set forth herein.

356. By their self-interested and wrongful acts, the Defendants unjustly enriched themselves at GPGI's expense.

357. As a result of Resolute Management's actions and/or inactions, GPGI suffered substantial damages, pecuniary and otherwise, in an amount and nature to be proven at trial.

358. This Court should order the Defendants to disgorge to GPGI all amounts they wrongfully received in connection with the Spin-Off, the Management Agreement, the Husky Acquisition, and the Nevada Reincorporation.

REQUEST FOR RELIEF

WHEREFORE, Plaintiff respectfully requests judgment in the form of an order or orders:

A. Declaring that Plaintiff is entitled to prosecute the derivative claims in this Action on the Company's behalf;

B. Declaring that Plaintiff and Plaintiff's counsel fairly and adequately represented the Company's interests in litigating the derivative claims in this Action;

C. Declaring that the Resolute Controller Defendants and the Individual Defendants breached their fiduciary duties to the Company;

D. Declaring that Resolute Management was unjustly enriched by the foregoing breaches of fiduciary duty;

E. Declaring that Sections 3 and 15(d) of the Management Agreements violate Section 141(a) and are invalid and unenforceable as a matter of Delaware law;

F. Rescinding the challenged transactions or, in the alternative, awarding rescissory damages;

G. Awarding the Company (or, to the extent this Court finds appropriate, the Company's minority public stockholders) damages in an amount to be determined at trial;

H. Awarding the Company restitution from Defendants and requiring Defendants to disgorge all profits, compensation, and other benefits they unjustly received in connection with the challenged transactions, including all wrongfully received incentive compensation (whether in the form of cash bonuses, stock awards, stock option grants, or otherwise);

I. Awarding Plaintiff his reasonable fees and expenses in this Action, including attorneys' fees and expert fees, and pre- and post-judgment interest on all out-of-pocket fees and expenses;

J. Awarding pre- and post-judgment interest on all damages awards;

K. Declaring that each Defendant is jointly and severally liable for all damages, fees, expenses, and interest;

L. Granting such equitable relief to remediate the Company's flawed governance as this Court deems just and proper; and

M. Granting such other and further relief as this Court deems just and proper.

/s/ Derrick B. Farrell
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* *pro hac vice* application forthcoming

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