

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

STEPHANIE HAMMOND,

Plaintiff,

v.

SYNACOR, INC., KEVIN M. RENDINO,
HIMESH BHISE, LISA DONOHUE,
MARWAN FAWAZ, ANDREW KAU, and
MICHAEL MONTGOMERY,

Defendants.

Civil Action No.

**COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAWS**

JURY TRIAL DEMANDED

Plaintiff Stephanie Hammond (“Plaintiff”) by and through her undersigned attorneys, brings this action on behalf of herself and alleges the following based upon personal knowledge as to those allegations concerning Plaintiff and, as to all other matters, upon the investigation of counsel, which includes, without limitation: (a) review and analysis of public filings made by Synacor, Inc. (“Synacor” or the “Company”) and other related parties and non-parties with the United States Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and other publications disseminated by certain of the Defendants (defined below) and other related non-parties; (c) review of news articles, shareholder communications, and postings on Synacor’s website concerning the Company’s public statements; and (d) review of other publicly available information concerning Synacor and the Defendants.

NATURE OF THE ACTION

1. Plaintiff brings this action against the Company and members of the Company’s Board of Directors (the “Board” or the “Individual Defendants”) for violations of Sections

14(d)(4), 14(e) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78n(d)(4), 78n(e), 78t(a), and SEC Rule 14d-9, 17 C.F.R. §240.14d-9(d) (“Rule 14d-9”), in connection with the proposed acquisition of the Company via tender offer by CLP SY Holding, LLC through its wholly-owned subsidiary SY Merger Sub Corporation (“Merger Sub” and together with CLP Holding, LLC, “Centre Lane”) (the “Proposed Transaction”).

2. On February 11, 2021, Synacor entered into a definitive agreement and plan of merger with Centre Lane (the “Merger Agreement”), pursuant to which Centre Lane commenced an all cash tender offer (the “Tender Offer”) to purchase all outstanding shares it doesn’t own of Synacor’s common stock for \$2.20 per share. The Tender Offer will expire at 12:00 midnight, New York City time, on March 30, 2021, the twentieth (20th) business day following the commencement of the Tender Offer, unless extended.

3. On March 3, 2021, the Company filed an incomplete and materially misleading recommendation statement with the SEC (the “Recommendation Statement”) on Form 14D9 in connection with the Proposed Transaction.

4. Accordingly, the failure to adequately disclose such material information constitutes a violation of Sections 14(d), 14(e) and 20(a) of the Exchange Act as Synacor stockholders need such information in order to make a fully informed decision whether to tender their shares in support of the Proposed Transaction.

5. As set forth more fully herein, Plaintiff seeks to enjoin Defendants from proceeding with the Proposed Transaction.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 as Plaintiff alleges violations of Sections 14(d)(4), 14(e) and 20(a) of the Exchange Act

7. This Court has personal jurisdiction over all of the Defendants because each is either a corporation that conducts business in, solicits shareholders in, and/or maintains operations within, this District, or is an individual who is either present in this District for jurisdictional purposes or has sufficient minimum contacts with this District so as to make the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

8. Venue is proper under 28 U.S.C. § 1391 because a substantial portion of the transactions and wrongs complained of herein occurred in this District. In addition, the Company's common stock trades on the NASDAQ, which is headquartered in this District.

THE PARTIES

9. Plaintiff has been the owner of the common stock of Synacor since prior to the transaction herein complained of and continuously to date.

10. Defendant Synacor is a Delaware corporation with its principal executive offices located at 40 La Riviere Drive, Suite 300, Buffalo, NY 14202. The Company's stock trades on the NASDAQ under the ticker "SYNC."

11. Defendant Kevin M. Rendino ("Rendino") is and has been a director of Synacor at all times during the relevant time period.

12. Defendant Himesh Bhise ("Bhise") is and has been the Chief Executive Officer and a director of Synacor at all times during the relevant time period.

13. Defendant Lisa Donohue (“Donohue”) is and has been a director of Synacor at all times during the relevant time period.

14. Defendant Marwan Fawaz (“Fawaz”) is and has been a director of Synacor at all times during the relevant time period.

15. Defendant Andrew Kau (“Kau”) is and has been a director of Synacor at all times during the relevant time period.

16. Defendant Michael Montgomery (“Montgomery”) is and has been a director of Synacor at all times during the relevant time period.

17. Defendants Rendino, Bhise, Donohue, Fawaz, Kau, and Montgomery are collectively referred to herein as the “Individual Defendants.”

18. Defendant Synacor, along with the Individual Defendants, are collectively referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Background of the Company

19. Synacor is a cloud-based software and services company serving global video, internet and communications providers, device manufacturers, governments and enterprises. The Company strives to enable its customers to better engage with their consumers. Its customers use Synacor’s technology platforms and services to scale their businesses and extend their subscriber relationships.

The Company Announces the Proposed Transaction

20. On February 11, 2021, Synacor and Centre Lane issued a press release announcing that the Company had entered an agreement in connection with the Proposed Transaction. The press release stated, in pertinent part:

BUFFALO, N.Y.--(BUSINESS WIRE)-- Synacor, Inc. (Nasdaq: SYNC), a leading provider of cloud-based Collaboration and Identity Management software and services serving global enterprises, video, internet and communications providers, and governments, today announced that it has entered into a definitive agreement and plan of merger with an affiliate of Centre Lane Partners, LLC, a New York-based private investment firm, to be acquired in an all-cash transaction that values Synacor at approximately \$92 million.

Under the terms of the agreement, Centre Lane will commence a tender offer to acquire all of the outstanding common shares of Synacor for \$2.20 in cash per share. This represents a 29% premium to the 60-day volume weighted average stock price as of February 10, 2021. Synacor's Board of Directors has unanimously approved the agreement.

Himesh Bhise, Chief Executive Officer of Synacor, commented, "Partnering with Centre Lane, a firm with \$2 billion of capital under management and an established track record of helping software companies scale, provides our stockholders with compelling value while benefiting our customers and employees. Our Board of Directors has thoroughly and carefully considered our alternatives and believes the Centre Lane proposal is the best path forward for the company. The Synacor team looks forward to working with Centre Lane to scale the business and deepen our value proposition to customers."

"We are thrilled to support the continued growth and evolution of Synacor," said Kenneth Lau, Managing Director of Centre Lane. "Himesh and his team have transformed Synacor into a world-class Enterprise SaaS company, while absorbing the costs and navigating the requirements of being publicly traded. We look forward to combining our expertise and capital resources with Synacor's talented team to further enhance its Identity, Collaboration and Advertising products, expand its customer pipeline and scale the business."

Under the terms of the agreement, Centre Lane will commence a tender offer to acquire all issued and outstanding shares of Synacor common stock for \$2.20 per share in cash. The transaction is subject to customary closing conditions and regulatory approvals, including the tender of a majority of the issued and outstanding shares of Synacor common stock. Centre Lane has committed capital to complete the transaction and receipt of financing by Centre Lane is not a condition to closing. Centre Lane has also entered into tender and support agreements with certain stockholders represented on the Synacor Board, under which they have committed to tender all of their Synacor shares in the tender offer, which represent approximately 18% of Synacor's issued and outstanding shares.

Following completion of the tender offer, Centre Lane will acquire all remaining shares of Synacor at the same price of \$2.20 per share in cash through a second-step merger. The closing of the transaction is expected to take place during or

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