

Renegade Issues Open Letter Urging Shareholders to Reject Attempted Board Takeover by FrontFour

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Calls on shareholders to vote their WHITE proxy on January 28, 2014 meeting

[Renegade Petroleum Ltd.](#) (Renegade or the Company) (TSX VENTURE:RPL) today issued an open letter advising shareholders to reject an attempted takeover of the board of Renegade by FrontFour Capital Group LLC, a dissident group headed by Zachary George, a U.S.-based hedge fund manager. The full text of the letter is attached to this news release.

The letter will be mailed to shareholders of record as of December 9, 2013 and a copy of the letter will be available under Renegade's profile on SEDAR at www.sedar.com and on Renegade's website at www.renegadepetroleum.com.

Further information about the matters to be considered at the January 28, 2014 meeting can be found in Renegade's management information circular dated December 12, 2013.

Shareholders are urged to vote their WHITE proxy in favour of Renegade's current board of directors prior to the proxy cut-off at 11:00 a.m. (Calgary time) on January 24, 2014:

If you have any questions or need assistance in voting your WHITE form of proxy, please contact Kingsdale Shareholder Services Inc., at 1-866-581-1514 (toll-free in North America), or 416-867-2272 (collect calls accepted) outside North America or by email at contactus@kingsdaleshareholder.com.

CORPORATE INFORMATION

Renegade is a light oil focused development and production company with assets located in Saskatchewan, Alberta, Manitoba and North Dakota. Renegade's common shares trade on the TSX Venture Exchange under the symbol RPL.

FORWARD-LOOKING STATEMENTS

Statements in this document may contain forward-looking statements or information within the meaning of applicable securities laws. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. In addition, forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

(Full text of Thomas Budd's letter follows)

January 15, 2014

Dear Renegade Shareholder:

We are writing to seek your support for **YOUR** company, [Renegade Petroleum Ltd.](#), at a time when a dissident group, led by Zachary George (*formerly of the aptly named "Pirate Capital"*), a U.S.-based hedge fund manager who manages 6.6% of the company's stock, is attempting to seize 100% control of **YOUR** board. FrontFour has repeatedly relied on unfounded speculation, gross misrepresentations and errors in even basic financial analysis in an attempt to discredit the good work of **YOUR** board and downplay the progress that has been made to rebuild the company.

We want to provide you with important facts to dispel the misinformation disseminated by Zachary George and his opportunistic hedge fund.

The truth about FrontFour's motivations - FrontFour's previous behaviour shows that they are interested in their own fund investors' profits, with little regard for the interests of other shareholders, particularly long-term shareholders who have purchased stock at higher prices than FrontFour. FrontFour claims that "*over the last five years, FrontFour has delivered compound annual returns greater than 23.5%, net of fees, to its investors*". This statement is irrelevant and potentially dangerous to Renegade shareholders. Hedge funds frequently profit by betting against companies they target, to the detriment of all shareholders. We challenge FrontFour to fully disclose the nature of all positions it has ever taken in Renegade, including the rumoured short positions that were taken to drive down Renegade stock prices.

FrontFour Nominees do not have favourable track records - For example:

Tim Granger failed in all three of his attempts to turn-around distressed companies:

1. While Tim Granger was CEO of Lone Pine Resources, share price declined 96%. The company is currently under CCAA protection. The CCAA or *Companies' Creditors Arrangement Act* is a federal statute permitting insolvent companies in debt to creditors the ability to restructure their business.
2. Prior to joining Lone Pine, he was CEO of Molopo Energy and was fired after one year, having destroyed 56% of per share value.
3. Prior to joining Molopo, he was the CEO of Compton Petroleum, during which time the company lost 97% of value. The FrontFour circular selectively disclosed the increase to the market capitalization of Compton, which is misleading and intended to deflect attention from the true performance of the company during Mr. Granger's tenure.

Ryan Dunfield sat on the boards of several public companies where shareholders lost significant value during his tenure. For example, at Alston Energy, Ryan Dunfield was on the audit committee and resigned after the stock lost 70% of its value. That company is now in CCAA. He also sat on the boards of Solimar Energy and Cardero Resources that similarly lost 70-80% of their value during his tenure.

Randall Best has no experience on public company boards.

Murray Sinclair sits on six different company boards and will find it extremely difficult to devote any time and attention to Renegade if elected. He also sat on the board of two companies that were cease-traded.

FrontFour's nominees' REAL track record is a recipe for failure - FrontFour's director nominees have a checkered track record with respect to shareholder returns. The chart below reflects these nominees' history in providing shareholder value by measuring the Total Shareholder Return (TSR) of those companies during each of their tenures:

Company	Role	Start Date	End Date	TSR
FrontFour Nominee: David Pope Avg.: -6.5%				
Veresen Inc	Chief Commercial Officer	Sep-4-2013	Dec-17-2013	15.1%
Niska Gas	CEO	May-11-2010	Jun-10-2011	-6.1%
Zorin Exploration	Director	Nov-27-2001	Mar-19-2004	-28.6%
FrontFour Nominee: Ryan Dunfield Avg.: -47.2%				
Cardero Resource	Director	Sep-14-2012	Dec-17-2013	-77.0%
Solimar Energy	Director	Aug-2-2012	Jul-22-2013	-62.5%
Alston Energy	Director	Jul-17-2012	Mar-12-2013	-68.4%

CanRock Energy	Director	Sep-20-2011	Jul-17-2012	19.2%
FrontFour Nominee: Tim Granger Avg.: -64.3%				
Lone Pine Resources	CEO	Apr-19-2013	Sep-24-2013	-96.3%
Molopo Energy	President	Nov-29-2011	Jan-16-2013	-56.5%
Compton Petroleum	CEO	Jan-6-2009	Nov-28-2011	-97.2%
Paramount Energy Trust	COO	Oct-17-2008	Jan-9-2009	-7.2%

FrontFour's proposed nominees show how hypocritical they are - FrontFour complains about the corporate relationships of the Renegade board members, the majority of whom were recently elected at the September 2013 annual general and special meeting, and yet they want to replace the entire board with Zachary George's hand-picked friends and business associates. **If elected, these FrontFour nominees will be loyal to FrontFour, NOT to YOU.** For example,

- I. Zachary George is the managing director of FrontFour;
- II. Zachary George and Stephen Slack both sat on the board of Cornell Companies Inc.;
- III. Ryan Dunfield currently works for and reports to Zachary George at FrontFour. In addition, prior to joining FrontFour, Mr. Dunfield worked for and reported to David Pope at Second City Capital;
- IV. David Pope was a Managing Director at Second City Capital prior to joining Veresen Inc. in September of 2013. Such employment history, which would have highlighted a relationship with Mr. Dunfield and highlighted the unsuccessful Second City Capital Partners III, Limited Partnership, was disclosed in the press release by Veresen, but not disclosed in the circular filed by FrontFour; and
- V. Tim Granger, we understand, when he was CEO of Molopo Energy Limited had many dealings with David Pope and Ryan Dunfield as investors while those two were with at Second City Capital Partners.

Contrary to FrontFour's claims, FrontFour nominees are not fully independent of FrontFour and if elected to the board will work to advance FrontFour's agenda and interests, **NOT YOURS**.

FrontFour has no plan - FrontFour's proposed "business plan" merely copies Renegade's own publicly disclosed business strategy and certain plans discussed openly with Zachary George by Steven Sharpe and Thomas Budd prior to FrontFour launching this wasteful proxy contest and adds no new thinking. The only "ideas" that differ from the board's strategy in FrontFour's so-called "business plan" are: (a) the migration of Renegade's listing from the TSX Venture Exchange to the TSX which, in your board's view, would do nothing more than increase Renegade's public company costs and expenses, with little or no corresponding benefit; and (b) a proposed share consolidation, which offers no tangible value to shareholders and will likely cause sale of the stock by the resulting odd-lot holders and further downward pressure on our share price.

The principals of FrontFour are misrepresenting their shareholdings - Contrary to the misrepresentation in FrontFour's cover letter in its circular, none of the FrontFour nominees "own" the shares held by FrontFour (other than Murray Sinclair). At best, Zachary George and his partners at FrontFour "manage" a 6.6% block of shares held by their hedge fund and their personal economic exposure is likely immaterial. The FrontFour nominees are likely no more "aligned" with our shareholders than our current directors, who are not able to buy Renegade stock due to the blackout period imposed on insiders of the company as a result of the strategic review process that is currently underway.

FrontFour's requisition was flawed and is now blaming Renegade for it - By the way that FrontFour structured the requisition of the meeting, Renegade is *required* to use slate-based voting rather than individual voting. The FrontFour requisition for the meeting called for the removal of **ALL** incumbent Renegade directors to be replaced *entirely* with FrontFour's slate. An exact copy of the resolutions that the dissidents required us to put to shareholders is appended to this letter as Exhibit A. FrontFour now falsely claims that we have proposed slate-based voting when its own requisition specifically asked for such a vote.

FrontFour is lying to you. Slate-based voting was FrontFour's idea and we have simply complied with their requisition, which we are required to do by law. We remind shareholders that Renegade employed individual (not slate) voting at our 2013 AGM and we intend to employ individual (not slate) voting at our upcoming 2014 AGM.

Despite the fact that FrontFour has circulated a proxy card that is confusing and inconsistent with what they asked for, voting at the meeting will be conducted in accordance with their original requisition.

Zachary George's behaviour is preventing a settlement - The Renegade board has always been open to

a reasonable resolution that provides appropriate *pro rata* representation, as long as the board remains constituted with highly qualified individuals with the requisite oil and gas expertise and experience to best represent our shareholder's interests. On the contrary, not only does Zachary George not have the right experience or credentials, but he refused to enter into good faith discussions with Renegade prior to instigating this costly and wasteful proxy contest. In response to an initial demand by FrontFour to appoint its nominees to the board, we wrote to FrontFour on October 11, 2013 asking for résumés of those nominees with a view to entering into negotiations. FrontFour ignored us and would not return our Chairman's phone call. Zachary George is now lying about this.

FrontFour's attempt to lay the blame for the current proxy battle on the company is a clear indication of how this dissident hedge fund operates. It is highly disingenuous to blame the company for "unnecessary expenditures" as a result of the requisitioned meeting, which FrontFour itself initiated, not to mention the fact that *FrontFour intends to reimburse itself with YOUR money if it wins the proxy contest*. It is regrettable that FrontFour is now resorting to personal attacks in the media and circulating false and misleading claims to further its campaign rather than taking a responsible and professional approach that is in the best interests of Renegade and all of its shareholders.

Our strategic review is generating results - As you are aware, the special committee is investigating a range of value-enhancing alternatives. In response to the challenges facing the company, since the commencement of the strategic review, Renegade has, among other things: (a) significantly reduced debt while retaining its highest quality, low decline assets through \$160.5 million of strategic disposition; and (b) made significant improvements at the board and management levels. These changes re-position Renegade not only as a go-forward entity, but also as a more attractive potential business combination partner.

FrontFour's claims that the strategic review has taken too long and has been of no benefit to shareholders demonstrates FrontFour's short-term focus and Zachary George's lack of experience and understanding of the oil and gas sector and strategic review processes in general. For example, shortly after the FrontFour requisition, the special committee received numerous expressions of interest for the assets that comprised the two most recently announced dispositions. While those bids would have amounted to a reduction in leverage, **YOUR** board believed that if they were patient, a better outcome would be available. As a result of this prudent approach, the company will receive in excess of 25% more proceeds than what was offered by the initial bidders.

Your board has remained patient, staying committed to resisting opportunistic bidders and only pursuing courses of action that are in the long-term, best interests of Renegade and **YOU**, the shareholders. We will continue to represent **YOUR** interests.

Protect Your Investment.

We urge you, our valued shareholder, to protect your investment and reject FrontFour's attempt to take control of your company. All Renegade's shareholders, not just FrontFour, should be the ones to realize the long-term potential value from the successful completion of the board's strategic review process.

JUST SAY NO TO FRONTFOUR.

With **NO** plan and **NO** control premium offered to Renegade shareholders during this critical stage in Renegade's existence, FrontFour's proposed changes to the board are **NOT** in the best interests of Renegade and its shareholders.

Vote your WHITE proxy card AGAINST FrontFour's resolutions.

Regardless of how many shares you own, or whether you plan to attend the upcoming meeting on January 28, 2014 or not, it is imperative that you vote your **WHITE** proxy **AGAINST** FrontFour's resolutions in order to stop FrontFour now.

You may vote your **WHITE** proxy by telephone or internet, or by signing, dating, and returning the enclosed **WHITE** proxy in the postage-paid envelope provided. Only your last-dated proxy will count - any proxy may be revoked at any time prior to its exercise at the meeting as described in the accompanying management information circular.

Shareholders are urged to vote their **WHITE** proxy in favour of Renegade's current board of directors prior to the proxy cut-off at 11:00 a.m. (Calgary time) on January 24, 2014.

If you have any questions, please contact Kingsdale Shareholder Services Inc., which is assisting us in

connection with the meeting, at 1-866-581-1514 toll-free in North America, or 416-867-2272 outside North America or by email at contactus@kingsdaleshareholder.com.

On behalf of the entire board and management, we would like to thank you for your continued support of Renegade, as we complete our strategic review process and move Renegade forward in the right direction.

Yours truly,

Thomas Budd, Chairman of the Board of Directors

Exhibit A FrontFour's Requisitioned Resolutions

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT the following directors of the Corporation be and are hereby removed from such office pursuant to Section 109(1) of the Alberta Business Corporations Act:

- Thomas Budd;
- Daryl Clark;
- Jay Reid;
- Herbert Pinder;
- Steven Sharpe; and
- Keith Turnbull.

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT the number of directors be seven (7), as may be adjusted between shareholders' meetings by way of resolution of the Board

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT the following persons be and are hereby elected as the directors of the Corporation, to fill the vacancies created by the foregoing removal of the directors and any other vacancies by the election pursuant to Section 109(3) of the Alberta Business Corporations Act, to hold office until the close of the first annual meeting of shareholders following their election:

- Zachary George;
- Murray Sinclair;
- Stephen Slack;
- Tim Granger;
- Randy Best;
- David Pope; and
- Ryan Dunfield.

Any questions and requests for assistance may be directed to the Proxy Solicitation Agent:

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