



IN THE SUPREME COURT OF THE STATE OF DELAWARE

HUFF FUND INVESTMENT :
PARTNERSHIP d/b/a MUSASHI II :
LTD. and BRYAN E. BLOOM, : No. 348, 2014
: :
Petitioners Below/Appellants, : (Appeal from Court of Chancery
: C.A. No. 6844-VCG)
v. : :
: Original Filing Date: August 11, 2014
CKx, INC., : Public Filing Date: August 26, 2014
: :
Respondent Below/Appellees. :

APPELLANTS' OPENING BRIEF

PROCTOR HEYMAN LLP
Samuel T. Hirzel, II (# 4415)
Dawn Kurtz Crompton (# 5579)
300 Delaware Avenue, Suite 200
Wilmington, DE 19801
302-472-7300

Attorneys for Petitioners Below/Appellants

OF COUNSEL:

LOWENSTEIN SANDLER LLP
Lawrence M. Rohnick
Thomas E. Redburn, Jr.
65 Livingston Avenue
Roseland, NJ 07068

TABLE OF CONTENTS

	<u>PAGES</u>
TABLE OF AUTHORITIES	iii
NATURE OF PROCEEDINGS.....	1
SUMMARY OF ARGUMENT	2
STATEMENT OF FACTS	4
A. The Business of CKx and the Failed Take-Private Transaction	4
B. The Far-From-Pristine Auction	10
C. The Sharp Acquisition.....	15
D. Petitioners' Market-Approach Valuation Methodologies.....	18
E. The Court of Chancery's Decision.....	21
ARGUMENT	23
I. THE COURT OF CHANCERY ERRED BY FAILING TO INDEPENDENTLY DETERMINE THE FAIR VALUE OF CKX AND DEFERRING CONCLUSIVELY TO THE MERGER PRICE BY DEFAULT.....	23
A. Question Presented	23
B. Standard of Review	23
C. Merits of the Argument	23
II. THE COURT OF CHANCERY ERRED BY REJECTING PETITIONERS' MARKET-BASED METHODS FOR VALUING CKX.....	32
A. Question Presented	32
B. Standard of Review	32
C. Merits of the Argument	32

