

Krupa Global Investments, formerly known as Arca Capital, together with the US investor Carl Icahn, are going to oppose the AmTrust privatisation plan

Krupa Global Investments, the company known formerly as Arca Capital Group, is planning to form a coalition with Carl Icahn and other minority shareholders to prevent the proposed privatisation of the company.

Prague - Arca Capital, one of the biggest shareholders in AmTrust Financial Services, Inc. (NASDAQ: AFSI), owning the share of 2.4%, intends to defy the proposed privatising transaction in cooperation with Carl Icahn and other minority shareholders. Carl Icahn has recently informed that he owns over eighteen million shares in the company, which means a share of about 9.4%.

Arca Capital has long been of the opinion that AmTrust Financial Services is basically a strong company, questioning the justification of its more than 50% decline from January 2017. In the course of those 15 months, the stock price dropped from over 27\$ per share to less than 13\$ per share, even though no significant changes occurred in the company. While holders of common stock lost their pension funds and savings accounts, the CEO Barry Zyskind and his family members are now trying to privatize the company for a price deemed absurdly low by Arca.

Arca Capital, which holds about 2.4% of shares issued by AmTrust Financial, has been campaigning against this transaction on behalf of minority investors from March 2018 when this privatisation scheme was announced. This information campaign included establishing the ProtectAmTrustInvestors.org organization, negotiations with influential players, promotional activities, and even demonstrations of discontented shareholders and their allies in front of AmTrust headquarters. The purpose of this campaign has always been to form a strong coalition opposing that privatisation. The shareholders, with the Arca Group in the lead, have many times requested the management to present documentation allowing them to assess whether the stock price drop could have been caused by deliberate manipulation pushed through by the CEO Barry Zyskind, asking for transparency and reform of AmTrust.

“AmTrust Financial is basically a strong company; however, steps taken by Mr Zyskind and his allies devalued it. No matter whether those steps were intentional or not, they resulted in a significant drop in stock price, which harmed ordinary investors, opening the way for its future cheap sale to the same Mr Barry Zyskind. To say the least, the AmTrust management took advantage of the uncertain situation of the company and adverse market conditions in their effort to privatize AmTrust for cheap,” Pavol Krúpa, joint owner and founder of Arca Capital Group, stated.

Pavol Krúpa has also welcomed the involvement of Carl Icahn: *“Carl Icahn is a great activist investor who can reveal mismanagement and questionable transactions. Arca Capital Group is prepared to cooperate with Mr Icahn in order to stop the privatisation scheme and implement his proven and correct methods of increasing the value of shares.”*

Pavol Krúpa perceives Arca Capital Group as the champion of the rights of small investors both in AmTrust Financial, as well as in other projects throughout the world. *“We act on behalf of minority investors and we are going to fight to defend their interests if we assume that steps taken by the management do not serve such interests. In short, we shield them.”*

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About Krupa Global Investments:

Krupa Global Investments is a private investment company focusing primarily on the field of opportunity business. We execute projects applying the so-called activist approach with the aim to remedy and eliminate steps taken by management having a negative impact on the company. We do this, aiming to achieve a positive change in strategy, financial structure, or management. Our vision is to advocate the rights of ordinary shareholders, increasing the value of publicly traded companies. We select investment opportunities having the potential of increasing their value by tens of per cent annually with regard to their quality and the dynamic growth of the company.

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