

**Morning Risk Arbitrage Summary**
**Morning News**

- **HRG/SPB** – The transaction is now complete. As confirmed by IR, the final exchange ratio was 0.161255.
  - *“The 20-day VWAP was \$82.77, net debt assumed was about \$328 million, the exchange ratio was .161255 and total HRG shares outstanding was 203,343,076.”*
- **LIN GY/PX** – Linde has agreed to sell \$3.3B worth of industrial gas-businesses in North and South America to Messer Group and CVC Capital. The sale is expected to help the companies gain antitrust approvals. The divestiture/sale is contingent on the closing of the merger.
  - *German gas maker Messer Group GmbH and buyout firm CVC Capital Partners will buy the majority of Linde’s gases business in North America and certain activities in South America, Munich-based Linde said Monday in a statement.*
  - *The assets being sold had sales last year of about \$1.7 billion and earnings of more than \$360 million. They include most of Linde’s U.S. bulk business, and its operations in Brazil, Canada and Colombia. The sale is contingent on Linde and Danbury, Connecticut-based Praxair completing their merger.*
  - *The sale is a further step toward overcoming regulatory hurdles blocking the gas supplying giants’ \$47 billion planned merger after an agreement this month to sell industrial-gas plants in Europe to Taiyo Nippon Sanso Corp. for 5 billion euros (\$5.8 billion).*
  - *Further divestitures may be needed to win regulatory approvals in other countries, Linde said. The merger partners are in discussions with authorities with the goal of completing the deal in the second half of 2018.*
- **ZTE/China** – ZTE rallied as much as 15% in Monday trading after it was announced Friday that the ban had formally been lifted by the US.
- **VVC** – The [definitive proxy](#) has been filed after the [shareholder vote](#) was set for 8/28 on Friday. Approvals are required from FERC, IN and OH. Closing is expected in Q1.
  - *The filing of notification and report forms with the Antitrust Division of the Department of Justice (“DOJ”) and the Federal Trade Commission (“FTC”) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the “HSR Act”), and expiration or early termination of any applicable waiting periods under the HSR Act;*
  - *Authorization by the Federal Energy Regulatory Commission (“FERC”) under Section 203 of the Federal Power Act (“FPA”);*
  - *Authorization of the Federal Communications Commission (“FCC”) to transfer or update control of our pertinent FCC Registration Numbers and a Notification of Consummation indicating the merger has closed; and*
  - *The filing of an application relating to money pool agreements, corporate services agreements and related cost allocations, other affiliate agreements, affiliate guidelines and related matters, the maintenance of books and records outside of the state of Indiana and other ancillary matters related to the merger with, and receipt of an order approving, denying or dismissing such application from, the Indiana Utility Regulatory Commission (the “IURC”) and the Public Utilities Commission of Ohio (the “PUCO”).*
  - *Q&A: On the regulatory approval front, the U.S. Federal Trade Commission recently granted early termination of the Hart-Scott-Rodino Antitrust waiting period, allowing us to check off one key step in the overall merger approval process. On August 28, Vectren will hold a special shareholders meeting at One Vectren Square, the sole purpose of which is to vote on matters relating to the proposed merger of CenterPoint Energy and Vectren. Next week, the final version of the proxy statement for this meeting will be filed with the Securities Exchange Commission and mailed to our shareholders. As a reminder, this meeting will be limited to Vectren shareholders and will not be open to the general public. Results of the vote will be shared at this meeting, after which Vectren and CenterPoint Energy will issue a news release. Finally, the Indiana Utility Regulatory Commission has set a schedule for the review of our merger that includes a mid-October hearing - so we are indeed moving forward on all fronts in our quest to combine our two companies.*
- **FOXA/DIS/CMCSA** – Both ISS and Glass Lewis have recommended that shareholders vote in favor of the Disney transaction.
- **KS/WRK** – An [amended proxy](#) has been filed. Mexican approval has been granted, but the deal still remains subject to HSR.
- **ESRX/CI** – The [definitive proxy](#) has been filed, setting the shareholder votes for 8/24 with a 7/12 (ESRX) and 7/10 (CI) record date.
- **XPLR/ZBRA** – German FCO has been filed, setting the initial deadline for 8/10
- **CTWS/SJW** – On Friday afternoon, Eversource increased its unsolicited proposal for Connecticut Water to \$64 per share, and as high as \$66 if the CTWS/SJW deal is terminated with no fees payable.
- **EGC** – The [preliminary proxy](#) was filed late Friday. The record date was set for 8/3, setting a potential vote in September. HSR is not required.
- **KLXI** – HSR is scheduled to expire today.
- **FNGN** – The Financial Engines shareholder vote is scheduled for today at noon, subject to a simple majority.
- **XCRA/COHU** – German FCO is expected to expire today.

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- **RCII** – HSR and the preliminary proxy must be filed by today, setting the expiration for 8/15.
- **XRM** - HSR and the preliminary proxy must be filed by today setting the expiration for 8/15.
- **RSYS** – HSR must be filed today, setting the expiration for 8/15.
- **MBFI/FITB** – The Fed comment period is expected to expire today.
- **AVHI/TMHC** – The preliminary proxy was filed late Friday, setting up a potential shareholder vote sometime in October. No regulatory approvals are required, and closing is expected in Q3/Q4.

### Special Sits/Event Driven

- **ARNC** – The [WSJ](#) is reporting that Arconic has drawn interest from PE firms, including Apollo. Separately the company announced its largest multiyear supply contract with Boeing.
  - *A takeover of Arconic would be a relatively big deal, especially for private equity. The New York company, which was known as Alcoa before the aluminum maker broke itself up, currently has a market value of \$8.3 billion, so with a typical premium it could go for north of \$10 billion in a sale. Arconic also has \$6.4 billion in debt.*
  - *Arconic, which makes aluminum parts for the aerospace, automotive, building and energy industries, has had a tumultuous recent history. After being separated in 2016 from the aluminum business that is now known as Alcoa, the company faced a campaign from activist investor Elliott Management Corp. The dispute resulted in the resignation of Arconic Chief Executive Klaus Kleinfeld and an overhaul of the company's board.*
  - *The company also came under scrutiny after investigators found that its aluminum composite panels contributed to the spread of a fire last year at London's Grenfell Tower that killed 80 people. Arconic said at the time that it had no control over the way its products were used in the construction of the building.*

### SPACS

- **MPAC** – Matlin & Partners has agreed to buy US Well Services LLC for a total EV of ~\$588mm or 2.6x estimate 2019 EBITDA.
  - *Creates one of the first publicly traded oilfield service companies with all-electric hydraulic fracturing capabilities using its proprietary technology, Clean Fleet®*
  - *Enables U.S. Well Services to expand its fleet size to 17 spreads with approximately 800,000 hydraulic horsepower*
  - *Secures a \$135 million PIPE commitment at \$10.00 per share from leading institutional investors led by Crestview Partners*
  - *PR: <https://www.prnewswire.com/news-releases/matlin--partners-acquisition-corporation-and-us-well-services-llc-enter-business-combination-300681044.html>*

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