

Ashford Inc  
Form DEFM14A  
March 15, 2016

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Ashford Inc.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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      - (1) Amount Previously Paid:
      - (2) Form, Schedule or Registration Statement No.:
      - (3) Filing Party:
      - (4) Date Filed:
-

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**14185 Dallas Parkway, Suite 1100  
Dallas, Texas 75254**

To the stockholders of ASHFORD INC.,

We cordially invite you to attend a special meeting of the stockholders of Ashford Inc., a Delaware corporation (the "*Company*"), to be held at 11:00 a.m. Central time, on April 12, 2016, at the Marriott Legacy Town Center, 7121 Bishop Road, Plano, Texas 75024.

At the special meeting, you will be asked to consider and approve transactions contemplated by the Acquisition Agreement (the "*Acquisition Agreement*"), dated September 17, 2015, among the Company, Remington Holdings, LP, a Delaware limited partnership ("*Remington*"), Ashford Advisors, Inc., a wholly owned subsidiary of the Company ("*Newco*"), Remington Hospitality Management, Inc., a wholly owned subsidiary of Newco ("*Newco Sub*"), Archie Bennett, Jr., Monty J. Bennett, MJB Investments, LP (together with Archie Bennett, Jr. and Monty J. Bennett, the "*Bennetts*"), Mark A. Sharkey (together with the Bennetts, the "*Remington Sellers*"), Remington Holdings GP, LLC ("*Remington Holdings GP*"), Ashford GP Holdings I, LLC and Remington GP Holdings, LLC.

Generally, the transactions consist of (i) the Company's acquisition, through Newco and direct and indirect subsidiaries of Newco, of an 80% limited partnership interest in Remington from the Remington Sellers and 100% of the general partnership interests in Remington from Remington Holdings GP in exchange for non-voting preferred stock and non-voting common stock of Newco and a promissory note issued by Newco Sub, and (ii) the contribution of substantially all of our assets and all of our business operations to Newco in exchange for voting common stock of Newco. If the transactions are consummated, substantially all of our assets will be held directly or indirectly by, and our business operations will be conducted through, Newco, and Newco will be owned by the Company and the Remington Sellers. The Company will own 100% of the voting common stock of Newco, but the combined voting and non-voting common stock in Newco will initially be owned 70.6% by the Company and 29.4% by the Bennetts. If the preferred stock of Newco owned by the Remington Sellers is fully converted into non-voting common stock of Newco in the future pursuant to its terms, the Company will own 43.8% of Newco common stock and the Remington Sellers will own 56.2% of Newco common stock. The Bennetts will continue to retain the 20% limited partnership interest in Remington that is not being sold to Newco.

The Company's board of directors formed a special committee consisting of three independent and disinterested directors to evaluate and negotiate the transactions and the transaction documents, to consider and evaluate alternatives for the Company, and to alleviate any potential conflicts of interest. **The special committee unanimously determined that the transaction documents and the transactions are advisable, fair to, and in the best interest of the Company and its stockholders, approved and adopted the transaction documents and the transactions and recommended that (i) our board of directors approve and adopt the transaction documents and the transactions, and (ii) our stockholders, to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT LLC, approve and adopt the transaction documents and the transactions.**

**Following the recommendation of the special committee, the Company's board of directors unanimously (with Monty Bennett and J. Robison Hays, III recusing themselves due to Monty Bennett's interest in the transactions and Mr. Hays' status as an executive officer of the Company who**

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reports to Monty Bennett), (i) approved and adopted the favorable recommendation of the special committee in respect of the transactions and the transaction documents; (ii) approved the form, terms and provisions of the transaction documents; and (iii) determined to recommend that the stockholders of the Company vote to approve the transactions to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT LLC.

Accordingly, our board (with Monty Bennett and J. Robison Hays, III recusing themselves) unanimously recommends that stockholders vote "FOR" the approval of each of the proposals set forth in this proxy statement.

In considering the recommendation of our board of directors, you should be aware that some of the Company's directors and executive officers have interests in the transactions that are different from, or in addition to, the interests of the stockholders generally. Monty Bennett, who is our chairman and chief executive officer, and his father, Archie Bennett Jr., own directly or indirectly 100% of Remington, subject to a certain profits interest.

We encourage you to read the accompanying proxy statement carefully as it sets forth the specifics of the transactions and transaction documents and other important information. In addition, you may obtain information about us from documents we file with the Securities and Exchange Commission.

**Regardless of the number of shares of the Company's common stock that you own, your vote is important. If you fail to vote or abstain from voting on the contribution of assets proposal, the effect will be the same as a vote against that proposal. The failure to approve either of the first two proposals will result in the transactions not being consummated.** The Remington Sellers currently own or control 15.5% of the outstanding voting common stock of the Company and have informed the Company that they intend to vote in favor of the transactions. Ashford Hospitality Trust, Inc. ("*Ashford Trust*") and Ashford Hospitality Prime, Inc. ("*Ashford Prime*") own 29.8% and 9.7% of our common stock, respectively, and have informed us that each of their respective boards of directors have delegated the decision as to how to vote on the transactions to special committees composed of independent directors, pursuant to previously-adopted policies that delegate exclusive power to vote the Company shares solely to the independent directors of such boards. These committees have each engaged independent financial advisors and legal counsel to assist them, and as of the date hereof, neither has informed the Company as to how Ashford Trust or Ashford Prime intend to vote.

Thank you for your attention to this matter.

Sincerely,

/s/ MONTY J. BENNETT

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Monty J. Bennett

*Chief Executive Officer and Chairman of the Board*

**Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the transactions, passed upon the merits or fairness of the transactions or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.**

The accompanying proxy statement is dated March 15, 2016, and, together with the enclosed form of proxy, is first being mailed to stockholders on or about March 15, 2016.

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
To Be Held April 12, 2016**

To the stockholders of ASHFORD INC.:

Notice is hereby given that a special meeting of the stockholders of Ashford Inc., a Delaware corporation (the "*Company*"), will be held at 11:00 a.m. Central time, on April 12, 2016, at the Marriott Legacy Town Center, 7121 Bishop Road, Plano, Texas 75024.

At the special meeting, you will be asked to consider and approve transactions contemplated by the Acquisition Agreement, dated September 17, 2015, among the Company, Remington Holdings, LP, a Delaware limited partnership ("*Remington*"), Ashford Advisors, Inc., a wholly owned subsidiary of the Company ("*Newco*"), Remington Hospitality Management, Inc., a wholly owned subsidiary of Newco ("*Newco Sub*"), Archie Bennett, Jr., Monty J. Bennett, MJB Investments, LP (together with Archie Bennett, Jr. and Monty J. Bennett, the "*Bennetts*"), Mark A. Sharkey (together with the Bennetts, the "*Remington Sellers*"), Remington Holdings GP, LLC ("*Remington Holdings GP*"), Ashford GP Holdings I, LLC and Remington GP Holdings, LLC (the "*Acquisition Agreement*" and together with the other agreements, certificates, notes and documents contemplated thereby, the "*Transaction Documents*").

Generally, the transactions consist of (i) the Company's acquisition, through Newco and direct and indirect subsidiaries of Newco, of an 80% limited partnership interest in Remington from the Remington Sellers and 100% of the general partnership interests in Remington from Remington Holdings GP in exchange for non-voting preferred stock and non-voting common stock of Newco and a promissory note issued by Newco Sub, and (ii) the contribution of substantially all of our assets and all of our business operations to Newco in exchange for voting common stock of Newco. If the transactions are consummated, substantially all of our assets will be held directly or indirectly by, and our business operations will be conducted through, Newco, and Newco will be owned by the Company and the Remington Sellers. The Company will own 100% of the voting common stock of Newco, but the combined voting and non-voting common stock in Newco will initially be owned 70.6% by the Company and 29.4% by the Bennetts. If the preferred stock of Newco owned by the Remington Sellers is fully converted into non-voting common stock of Newco in the future pursuant to its terms, the Company will own 43.8% of Newco common stock and the Remington Sellers will own 56.2% of Newco common stock. The Bennetts will continue to retain the 20% limited partnership interest in Remington that is not being sold to Newco.

The proposals to be considered by our stockholders at the special meeting are set forth below. In order for the transactions to be consummated, both Proposal 1 and Proposal 2 must be approved. The failure of either proposal to be approved will result in the transactions not being consummated.

**Proposal 1:** To approve the contribution of substantially all of the Company's assets and all of the Company's business operations to Newco pursuant to the Transaction Documents (the "*Contribution*").

**Proposal 2:** To approve the potential issuance of shares of the Company's common stock that may occur pursuant to the Transaction Documents, in one or more of the following events: (a) as consideration for the potential future purchase of the 20% limited partnership interest in Remington retained by the Bennetts; (b) as consideration for the potential future acquisition of the Newco common stock issued to the Bennetts; (c) as consideration for the potential future

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acquisition of the Newco preferred stock issued to the Remington Sellers; or (d) upon the conversion of preferred stock of the Company that potentially may be issued in exchange for the Newco preferred stock issued to the Remington Sellers (collectively, the "Share Issuances").

**Proposal 3:** To approve an adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

These matters are described more fully in the accompanying proxy statement, which you are urged to read thoroughly. The Company's board of directors formed a special committee consisting of three independent and disinterested directors to evaluate and negotiate the transactions and the Transaction Documents, to consider and evaluate alternatives for the Company, and to alleviate any potential conflicts of interest. The special committee unanimously recommended that the Company's board of directors approve and recommend that stockholders approve and adopt the Transaction Documents and the transactions. **Our board of directors (with Monty Bennett and J. Robison Hays, III recusing themselves) unanimously recommends that stockholders vote "FOR" the approval of each of the above proposals.**

Stockholders of record at the close of business on March 7, 2016 will be entitled to notice of and to vote at the special meeting. The accompanying proxy statement, proxy card, a copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and the Company's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015 are first being mailed to stockholders on or about March 15, 2016.

**It is important that your shares be represented at the special meeting regardless of the size of your holdings. If you fail to vote or abstain from voting on Proposal 1 regarding the Contribution, the effect will be the same as a vote "AGAINST" such proposal. The failure by the stockholders to approve either Proposal 1 or Proposal 2 will result in the transactions not being consummated.**

Whether or not you plan to attend the special meeting in person, please vote your shares by signing, dating and returning the enclosed proxy card as promptly as possible. A postage-paid envelope is enclosed if you wish to vote your shares by mail. If you hold shares in your own name as a holder of record and vote your shares by mail prior to the special meeting, you may revoke your proxy by any one of the methods described herein if you choose to vote in person at the special meeting. Voting promptly saves us the expense of a second mailing. You may also submit your proxy over the internet or by telephone. For specific instructions, please see the section of this proxy statement titled "Questions and Answers about the Special Meeting Voting and Voting Procedures" beginning on page 22.

We encourage you to read the proxy statement accompanying this notice as it sets forth the specifics of the transactions and Transaction Documents, including the Contribution and the Share Issuances, and other important information related to the transactions.

By order of the Board of Directors,

/s/ David A. Brooks

14185 Dallas Parkway, Suite 1100  
Dallas, Texas 75254  
March 15, 2016

David A. Brooks  
*Secretary*

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY  
MATERIALS FOR THE SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON APRIL 12, 2016.**

**This notice and the accompanying proxy statement, proxy card, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and the Company's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015 are available at [www.ashfordinc.com](http://www.ashfordinc.com) under the "Investor" link, at the "Special Meeting Material" tab.**

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**ASHFORD INC.**

**14185 Dallas Parkway, Suite 1100  
Dallas, Texas 75254**

**PROXY STATEMENT**

**SPECIAL MEETING OF STOCKHOLDERS  
To Be Held April 12, 2016**

This proxy statement, together with the enclosed proxy, is solicited by and on behalf of the board of directors of Ashford Inc., a Delaware corporation ("*Ashford*" or the "*Company*"), for use at the special meeting of stockholders to be held at the Marriott Legacy Town Center, 7121 Bishop Road, Plano, Texas 75024 beginning at 11:00 a.m. Central time, on April 12, 2016. The board of directors of the Company is requesting that you allow your shares to be represented and voted at the special meeting of stockholders by the proxies named on the enclosed proxy card. This proxy statement and accompanying proxy will first be mailed to stockholders on or about March 15, 2016.

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**SUMMARY TERM SHEET**

This summary discusses selected information contained elsewhere in this proxy statement, but may not contain all of the information that is important to you. We urge you to read this entire proxy statement carefully, including the attached schedules and appendices. For additional information on the Company included in documents incorporated by reference into this proxy statement, see the section of this proxy statement titled "Other Matters Information Incorporated by Reference" beginning on page 109. The items in this summary include page references directing you to a more complete description of that topic in this proxy statement.

**The Principal Parties**

**Ashford**

Ashford Inc.  
14185 Dallas Parkway, Suite 1100  
Dallas, Texas 75254  
Telephone: (214) 490-9600  
<http://www.ashfordinc.com>

The Company was formed in April 2014 and became a public company in November 2014 when Ashford Hospitality Trust, Inc., a NYSE-listed real estate investment trust ("*Ashford Trust*"), completed the spin-off of approximately 70% of the common stock of the Company through the distribution of shares of the Company's stock to its stockholders.

The Company provides asset management and advisory services to other entities within the hospitality industry. We serve as the advisor to both Ashford Trust and Ashford Hospitality Prime, Inc., a NYSE-listed real estate investment trust ("*Ashford Prime*") that became a public company in November 2013 upon the completion of its spin-off from Ashford Trust. As an advisor, we are responsible for implementing the investment strategies and managing day-to-day operations of Ashford Trust and Ashford Prime. We provide the personnel and services necessary to allow Ashford Trust and Ashford Prime to conduct their respective businesses. We may also perform similar functions for new or additional real estate investment vehicles. We are not responsible for managing the day-to-day operations of any individual hotel properties.

Our business is currently conducted through Ashford Hospitality Advisors LLC, a Delaware limited liability company formed in April 2013 ("*Ashford LLC*"). We currently own 99.8% of Ashford LLC,

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and Ashford LLC owns substantially all of our assets. We recently formed Ashford Advisors, Inc., a wholly owned subsidiary of the Company ("Newco"), and Remington Hospitality Management, Inc., a wholly owned subsidiary of Newco ("Newco Sub"), in connection with entering into the transactions described in this proxy statement.

As of March 3, 2016, Ashford Trust and Ashford Prime held 29.8% and 9.7% of our outstanding common stock, respectively. For additional information, see "Information about Ashford Inc." beginning on page 104.

**Remington**

Remington Holdings, LP  
14185 Dallas Parkway, Suite 1150  
Dallas, Texas 75254  
Telephone: (972) 980-2700  
<http://www.remingtonhotels.com>

Remington Holdings, LP, a Delaware limited partnership ("*Remington*"), was formed in December 2008, and is a hotel property and project management company. The services that Remington provides include (i) property management services, which consist of the day-to-day operations of hotels; (ii) project management services, which consist of planning, management and implementation of capital improvements and plans related to capital projects; and (iii) development services, which consist of building hotel properties or constructing hotel improvements.

We have entered into a mutual exclusivity agreement with Remington pursuant to which we agreed to utilize Remington to provide property management, project management and development services for all hotels, if any, that we may acquire, as well as all hotels that future companies that we advise may acquire, to the extent that we have the right, or control the right, to direct such matters. We are not required to utilize Remington to provide such services, however, if our independent directors either (i) unanimously vote not to utilize Remington for such services or (ii), based on special circumstances or past performance, by a majority vote elect not to engage Remington because our independent directors have determined that it would be in our best interest not to engage Remington or that another Company could perform the duties materially better. In exchange for our agreement to engage Remington for such services, Remington has agreed to grant to any such companies advised by us a right of first refusal to purchase any investments identified by Remington and any of its affiliates that meet the initial investment criteria of such entities, as identified in the advisory agreement between us and such entities, subject to any prior rights granted by Remington to other entities, including Ashford Trust, Ashford Prime and us. For additional information, see "Information about Ashford Inc. Certain Relationships and Related Person Transactions."

**Monty Bennett and Archie Bennett, Jr.**

Monty Bennett has served as our chief executive officer since our formation and has served as chairman of our board of directors since November 2014. As of March 3, 2016, he was the beneficial owner of 11.0% of our outstanding common stock. He has also served as the chief executive officer of Ashford LLC since its formation. Monty Bennett is the chief executive officer and chairman of each of Ashford Trust and Ashford Prime, and as of March 3, 2016, he was the beneficial owner of 6.4% of the outstanding common stock of Ashford Trust (assuming all common units, including the long-term incentive partnership ("*LTIP*") units, of the operating partnership of Ashford Trust held by Monty Bennett are redeemed for common stock) and 5.5% of the outstanding common stock of Ashford Prime (assuming all common units, including the *LTIP* units, of the operating partnership of Ashford Prime held by Monty Bennett are redeemed for common stock). He is also a 50% (direct and indirect) owner and the chief executive officer of Remington.

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As a result, Monty Bennett's duties to us as a director and officer may conflict with his duties to, and pecuniary interest in, Remington, Ashford Trust and Ashford Prime.

Archie Bennett, Jr. served as chairman of Ashford Trust since its formation in 2003 until January 2013, when he assumed the role of chairman emeritus to Ashford Trust. As of March 3, 2016, he was the beneficial owner of 4.2% of our outstanding common stock, 4.5% of the outstanding common stock of Ashford Trust and 3.8% of the outstanding common stock of Ashford Prime. Archie Bennett, Jr. is a 50% beneficial owner of Remington and the father of Monty Bennett. Monty Bennett, Archie Bennett, Jr. and MJB Investments, LP are collectively referred to as the "*Bennetts*."

Because of the conflicts of interest created by the relationships among the Remington Sellers, the Company, Remington and each of their respective affiliates, many of the responsibilities of our board of directors have been delegated to independent directors, as discussed below and under "Information about Ashford Inc. Certain Relationships and Related Person Transactions Conflicts of Interest."

**Ownership of Ashford, Ashford Trust and Ashford Prime**

The Remington Sellers' beneficial ownership of Ashford, Ashford Trust and Ashford Prime and the ownership of Ashford, Ashford Trust and Ashford Prime by and among such entities as of March 3, 2016 is set forth below. For additional information, see "Information about Ashford Inc. Certain Relationships and Related Person Transactions."

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(1) Includes common stock, common units and LTIPs.

(2)

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Excludes potential shares issued from deferred compensation plan.

(3)

Excludes stock options.

(4)

Excludes performance stock units.

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**The Transactions**

**Overview**

On September 17, 2015, the Company, Remington, Newco, Newco Sub, Archie Bennett, Jr., Monty J. Bennett, Remington Holdings GP, LLC ("*Remington Holdings GP*"), MJB Investments, LP ("*MJB Investments*"), Mark A. Sharkey, Ashford GP Holdings I, LLC ("*GP Holdings I*"), and Remington GP Holdings, LLC ("*GP Holdings*") entered into the Acquisition Agreement (the "*Acquisition Agreement*" and, together with the other agreements, certificates, notes and documents contemplated thereby, the "*Transaction Documents*"), pursuant to which the parties agreed upon the terms and conditions of the transactions being considered by our stockholders at the special meeting.

Generally, the transactions contemplated by the Acquisition Agreement consist of (i) the Company's acquisition of an 80% limited partnership interest in Remington from the Remington Sellers and 100% of the general partnership interests in Remington from Remington Holdings GP through Newco and direct and indirect subsidiaries of Newco in exchange for securities of Newco and a promissory note issued by Newco Sub, and (ii) the contribution of substantially all of our assets and business operations to Newco (including the contribution of Ashford LLC to Newco) in exchange for voting common stock of Newco.

The aggregate consideration that we will pay or exchange for the 80% limited partnership interest in Remington and 100% of the general partnership interests in Remington is \$331,650,000 (based on the values agreed by the parties to the Acquisition Agreement as set forth below) and consists of:

- (i) solely in exchange for the general partnership interests in Remington, a \$10,000,000 promissory note issued by Newco Sub;
- (ii) 916,500 shares of non-voting common stock of Newco with a value agreed by the parties to the Acquisition Agreement of \$100 per share; and
- (iii) 9,200,000 shares of 6.625% convertible preferred stock of Newco with a value agreed by the parties to the Acquisition Agreement of \$25 per share, and convertible to non-voting common stock of Newco at a conversion ratio equal to the liquidation value of \$25 per share divided by \$120.

If the closing of the transactions occurs, in addition to the Company paying its and its subsidiaries' transaction expenses, Newco will also pay up to an aggregate of \$2,750,000 for (i) transaction expenses incurred by Remington, Archie Bennett, Jr., Monty Bennett and Remington Holdings GP, and (ii) bonus and other payments made to employees and agents of Remington and its subsidiaries in connection with the transactions.

As a result of the transactions, substantially all our assets will be held directly or indirectly by, and our business operations will be conducted directly or indirectly through, Newco. After the closing of the transactions, the Company will own 100% of the voting stock of Newco, but the Company will own 70.6% of the combined voting and non-voting common stock in Newco and the Bennetts will own 29.4%. Assuming the full conversion of the Newco preferred stock to be issued to the Remington Sellers into non-voting common stock of Newco pursuant to its terms, the Remington Sellers will own 56.2% of the combined voting and non-voting common stock in Newco and the Company will own 43.8%. In addition, immediately following the transactions, Newco will contribute the 80% limited partnership interest in Remington acquired from the Remington Sellers to Newco Sub, a newly formed, wholly owned subsidiary of Newco. The Bennetts will continue to retain the 20% limited partnership interest in Remington that is not being sold to Newco. For additional information, see "The Transaction Documents" beginning on page 76.

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**Proposals at the Special Meeting**

We are submitting Proposal 1 and Proposal 2 to our stockholders at the special meeting because Delaware law and the rules and regulations of the NYSE MKT LLC ("*NYSE MKT*"), the exchange on which our common stock is listed, require that our stockholders approve certain aspects of the transactions contemplated by the Acquisition Agreement.

*Proposal 1: To approve the contribution of substantially all of the Company's assets and all of the Company's business operations to Newco pursuant to the Transaction Documents (the "Contribution").*

Pursuant to Section 271 of the Delaware General Corporation Law (the "*DGCL*"), the contribution of our assets and business operations (including Ashford LLC and our other subsidiaries) to Newco constitutes a sale of substantially all of our assets to a subsidiary that is not wholly owned by us. The *DGCL* requires that the Contribution be approved by the holders of a majority of our outstanding common stock entitled to vote on such matter. As a result, failures to vote, abstentions and broker non-votes will have the same effect as a vote "AGAINST" Proposal 1.

*Proposal 2: To approve the potential issuance of shares of the Company's common stock that may occur pursuant to the Transaction Documents, in one or more of the following events: (a) as consideration for the potential future purchase of the 20% limited partnership interest in Remington retained by the Bennetts; (b) as consideration for the potential future acquisition of the Newco common stock issued to the Bennetts; (c) as consideration for the potential future acquisition of the Newco preferred stock issued to the Remington Sellers; or (d) upon the conversion of preferred stock of the Company that potentially may be issued in exchange for the Newco preferred stock issued to the Remington Sellers (collectively, the "Share Issuances").*

The Share Issuances could occur in the future because the preferred stock and common stock issued to the Remington Sellers by Newco may, under specified circumstances described below, be exchanged for (i) shares of the Company's common stock or (ii) shares of the Company's preferred stock, which would be convertible into shares of the Company's common stock. In addition, the 20% Remington limited partnership interest retained by the Bennetts may in the future, under specified circumstances described below, be acquired by us in exchange for shares of the Company's common stock. The formulas used to calculate the number of shares of the Company's common stock that could be issued to the Remington Sellers in the future pursuant to the Transaction Documents are subject to several factors that may be adjusted or cannot be calculated until the time of issuance. For a description of these events and calculations, see "The Transaction Documents Investor Rights Agreement Put and Call Options." A maximum number of approximately 4,156,000 shares of the Company's common stock could be issued to the Remington Sellers if certain events occurred at some point in the future, subject to specific assumptions described in the section entitled "The Transaction Documents Investor Rights Agreement Put and Call Options."

In any of the foregoing events, the potential Share Issuances could exceed 20% of our outstanding common stock, and, under these circumstances, the rules and regulations of the NYSE MKT require that the potential issuances be approved by a majority of the total votes cast on such matter. An abstention is a vote cast under NYSE MKT rules and will have the same effect as a vote "AGAINST" Proposal 2. Failures to vote or a broker non-votes, however, are not votes cast under NYSE MKT rules and will have no effect on the outcome of Proposal 2. For additional information, see "The Transaction Documents" beginning on page 76.

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**Tax Treatment**

The parties intend that the contributions to Newco in exchange for Newco stock will be treated as an overall plan of exchange under Section 351 of the Internal Revenue Code of 1986, as amended (the "*Code*"). Assuming that the transactions so qualify, it is expected that no gain or loss should be recognized by the Bennetts or the Company as a result of the receipt of Newco stock in exchange for the contributions to Newco pursuant to the transactions.

The obligations of each party to the Acquisition Agreement to consummate the transactions are subject to, among other conditions:

- (i) the issuance by the Internal Revenue Service (the "*IRS*") of a private letter ruling that Remington will not fail to qualify as an "eligible independent contractor" within the meaning of Section 856(d)(9)(A) of the Code, with respect to our real estate investment trust ("*REIT*") clients specified in the letter ruling request (*e.g.*, Ashford Trust or Ashford Prime (collectively, the "*REIT Clients*")) following Newco's acquisition of interests in Remington pursuant to the Acquisition Agreement solely as a result of (a) the Company's ownership interest in Remington and (b) the REIT Clients' ownership of stock of the Company (including the receipt of income therefrom) or the REIT Clients or their respective taxable REIT subsidiaries' receiving "key money incentives" from the Company (the "*Private Letter Ruling*"); and
- (ii) the completion by Ashford Trust of the disposition of Company common stock so that Ashford Trust owns not more than 10% of our outstanding common stock in a manner that complies with the Private Letter Ruling.

Remington is or will be obligated in its management agreements with the REIT Clients at all times to qualify as an eligible independent contractor. If Remington would cease to be treated as an eligible independent contractor with respect to the REIT Clients, but continue to manage hotels owned by the REIT Clients, rent received by the REIT Clients with respect to such hotels would not be qualifying rent for purposes of the U.S. federal income tax rules and regulations governing the tax treatment of REITs, and, as a result, the REIT Clients would no longer qualify for treatment as REITs for federal income tax purposes. The federal income tax rules governing REITs also require that, subject to certain exceptions, a REIT may not hold securities possessing more than 10% of the voting rights or 10% of the total value of outstanding securities in any one issuer. Ashford Trust currently owns more than 10% of the outstanding common stock of the Company, which has been permitted under an available exception to this rule. However, in connection with the transactions, Ashford Trust's ownership of stock in the Company will no longer satisfy such exception. As a result, Ashford Trust must reduce its ownership of our outstanding common stock to 10% or less as a condition of the consummation of the transactions.

The obligations of Archie Bennett, Jr., Monty Bennett, Remington Holdings GP and Remington to consummate the transactions are also subject to the receipt by Archie Bennett, Jr. and Monty Bennett of a satisfactory opinion of their tax counsel, at a confidence level of "more likely than not" or higher, that:

- (i) the exchange by the Bennetts and, if applicable, Remington Holdings GP of Remington ownership interests for Newco common stock and Newco preferred stock under the Acquisition Agreement, in connection with certain other transactions contemplated under the Transaction Documents, will qualify as a tax-free exchange under Section 351 of the Code;
- (ii) the Newco preferred stock will not be treated as nonqualified preferred stock (within the meaning of Section 351(g) of the Code); and

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- (iii) the Bennetts will not recognize any taxable gain or income as a result of the exchange by the Bennetts and, if applicable, Remington Holdings GP of Remington ownership interests for Newco common stock and Newco preferred stock in the transactions.

In general, under Section 351(a) of the Code, no gain or loss will be recognized if property (such as ownership interests in Remington and Ashford LLC) is transferred to a corporation by one or more persons solely in exchange for stock in such corporation and immediately after the exchange such persons are in "control" of the corporation within the meaning of Section 368(c) of the Code. For this purpose, control means ownership of at least 80% of (i) the total combined voting power of all classes of stock entitled to vote and (ii) the total number of shares of all other classes of stock of the corporation. The control requirement is expected to be satisfied in the transactions because the Company and the Remington Sellers collectively will hold all of the voting and non-voting stock of Newco after the transactions.

As an exception to the general rule described above, gain (but not necessarily loss) would be recognized by a transferor of property on an exchange otherwise subject to Section 351(a) of the Code if stock received by the transferor in the exchange is "nonqualified preferred stock" ("NQPS"). For this purpose, in general, stock is treated as "preferred" if it "is limited and preferred as to dividends and does not participate in corporate growth to any significant extent." Preferred stock may be "nonqualified" if, among other circumstances, the issuer or a related person has a right to redeem or purchase the stock, and, as of the issue date, this right is "more likely than not" to be exercised. If the Newco preferred stock received by the Bennetts in the transaction were to be treated as NQPS, in general, the Bennetts would recognize gain on their exchange of interests in Remington for Newco stock in an amount up to the fair market value of the Newco preferred stock received.

**Interests To Be Acquired**

Specifically, in the transactions:

- (i) Archie Bennett, Jr. and Monty Bennett will collectively transfer to Newco, in equal amounts, 80% of the outstanding limited partnership interests in Remington (the "*80% LP Interest*"), subject to the Profits Interest and the Economic Interests (as defined below);
- (ii) the general partner of Remington (a limited liability company owned in equal parts by Monty Bennett and Archie Bennett, Jr.) will transfer all of the general partnership interests in Remington to GP Holdings and GP Holdings I (the "*GP Interests*");
- (iii) MJB Investments will transfer to Newco 80% of the economic interest in the Remington limited partnership interests owned by Monty Bennett (the "*Economic Interests*"); and
- (iii) Mark A. Sharkey, the president of Remington, will transfer to Newco his right that, subject to specified terms and specified circumstances, entitles him to up to \$3,000,000 of the total economics in Remington (the "*Profits Interest*").

The 80% LP Interest, the GP Interests, the Economic Interests and the Profits Interest are collectively referred to as the "*Transferred Securities*."

In addition, Remington will acquire all of the outstanding limited partnership interests in Marietta Leasehold LP, a Texas limited partnership, from Monty Bennett, Archie Bennett, Jr. and the other three limited partners, resulting in Marietta Leasehold LP being wholly owned by Remington as of the closing of the transactions.

Following the consummation of the transactions, Newco will contribute the 80% LP Interest to Newco Sub in exchange for Newco Sub common stock, resulting in the limited partners of Remington being Newco Sub, holding the 80% LP Interest, and the Bennetts, who will together retain a 20% limited partnership interest in Remington. For additional information, see "The Transaction Documents" beginning on page 76.



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**Corporate Structure**

The current simplified corporate structures of Ashford and Remington as of March 3, 2016 are set forth below.

- 
- (1) Includes common stock, common units and LTIPs.
  - (2) Excludes potential shares issued from deferred compensation plan.
  - (3) Excludes stock options.



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The simplified corporate structure of Ashford after consummation of the transactions will be as set forth below.

**Consideration from the Company**

In consideration for the Transferred Securities, the respective holders thereof will receive aggregate consideration of \$331,650,000 (based on the values agreed by the parties to the Acquisition Agreement as set forth below) as follows:

- (i) 916,500 shares of nonvoting common stock of Newco with a value agreed by the parties to the Acquisition Agreement of \$100 per share;
- (ii) 9,200,000 shares of Newco 6.625% Convertible Preferred Stock with a value agreed by the parties to the Acquisition Agreement of \$25 per share (the "*Newco Preferred Stock*"); and
- (iii) solely in exchange for the general partnership interests in Remington, a \$10,000,000 non-negotiable, interest-free promissory note issued by Newco Sub, which will be payable in 16 consecutive and equal quarterly installments (the "*Newco Sub*");

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*Promissory Note*").

In the event the closing of the transactions occurs, Newco will also pay up to an aggregate of \$2,750,000 for (a) transaction expenses incurred by Remington, Archie Bennett, Jr., Monty Bennett and Remington Holdings GP, and (b) bonus and other payments made to employees and agents of

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Remington and its subsidiaries in connection with the closing. For additional information, see "The Transaction Documents" beginning on page 76.

**Newco Ownership and Voting Limitations**

The Newco common stock to be issued to the Bennetts initially will be non-voting, and the Newco common stock issued to the Company will be voting. Upon the consummation of an initial public offering by Newco, the Newco non-voting common stock automatically will convert into voting common stock. The Newco Preferred Stock is non-voting, and if converted after an initial public offering by Newco, the common stock issued by Newco upon conversion would be voting common stock. The Transaction Documents permanently limit the voting power of the Remington Sellers and their controlled affiliates at Newco, with respect to shares of Newco common stock acquired in the transactions (which amount may be increased by post-closing acquisitions of Newco voting common stock acquired from non-Newco affiliates), to no more than 25%.

In addition, the Transaction Documents provide that for four years after the consummation of the transactions, the voting power of the Remington Sellers' and their controlled affiliates at the Company with respect to the Company's common stock acquired as a result of the transactions (which amount may be increased by certain acquisitions of Company voting common stock from non-Company affiliates and as a result of distributions by Ashford Trust and Ashford Prime), taking into account any subsequent conversion of the Newco common stock or Newco Preferred Stock into shares of the Company's common stock, will be limited to no more than 25%.

After the closing of the transactions, including the issuance of the Newco common stock and Newco Preferred Stock and the completion of the Contribution, the Company will own 70.6% of the common stock (combined voting and non-voting) in Newco, and the Bennetts will own collectively 29.4% of the common stock (combined voting and non-voting) in Newco. Assuming the conversion of the Newco Preferred Stock into shares of Newco non-voting common stock pursuant to its terms, the Remington Sellers will own 56.2% of the Newco common stock (combined voting and non-voting), and the Company will own 43.8% of the Newco common stock (combined voting and non-voting). For additional information, see "The Transaction Documents" beginning on page 76.

**Regulatory Approvals**

*Hart-Scott-Rodino Antitrust Improvements Act of 1976.* As a condition to the consummation of the transactions contemplated by the Acquisition Agreement, the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "*HSR Act*") requires parties to observe the HSR Act's notification and waiting period. The HSR Act provides for an initial 30-day waiting period, subject to possible extensions, following the necessary filings by the parties to the transactions. The Company filed a notification and report form for the transactions with the Federal Trade Commission and the Antitrust Division and received notification of early termination of the waiting period as of December 8, 2015.

*Internal Revenue Service.* As a condition to the consummation of the transactions contemplated by the Acquisition Agreement, the IRS must issue a Private Letter Ruling that Remington will not fail to qualify as an "eligible independent contractor" within the meaning of Section 856(d)(9)(A) of the Code, with respect to specified clients as a result of certain circumstances specified in the Acquisition Agreement. On July 31, 2015, a request for the Private Letter Ruling was filed with the IRS.

**Stockholder Litigation**

On December 11, 2015, a purported stockholder class action and derivative complaint challenging the transactions was filed in the Court of Chancery of the State of Delaware and styled Campbell v. Bennett et al., Case No. 11796. For additional information, see "Special Factors Stockholder Litigation Related to the Transactions" beginning on page 75.

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**Special Committee and Company Board**

On December 15, 2014, our board of directors (the "*Company Board*") formed a special committee consisting of three disinterested and independent directors Brian Wheeler, Dinesh P. Chandiramani and Gerald J. Reihisen, III (the "*Special Committee*") for the purpose of evaluating and negotiating the terms of the potential acquisition of all or a controlling portion of the assets or interests of Remington.

On March 3, 2015, the Company Board revised and expanded its prior resolutions to empower the Special Committee to exercise all lawfully delegable powers of the Company Board in accordance with a statement of purpose and authority that included, among other things, the power and authority to:

- (i) represent the interests of the Company and its stockholders in all respects in connection with the potential transaction or any other transaction related thereto;
- (ii) assume and exercise all lawfully delegable powers of the Company Board to take any and all actions and make any and all decisions relating to the potential transaction, including the consideration, evaluation, negotiation, rejection or acceptance thereof, all on behalf of and as the Special Committee deems to be in the best interests of the Company's stockholders;
- (iii) assume and exercise all lawfully delegable powers of the Company Board to solicit, receive, consider, negotiate and evaluate any alternative to the potential transaction; provided, that the Special Committee does not have the power to approve or adopt any such alternative but will have the power to refer (or decline to refer) such alternative to the full Company Board for its consideration, with such recommendation as the Special Committee deems appropriate;
- (iv) exercise independent business judgment in the fulfillment of its duties; and
- (v) select, retain and determine the compensation and other terms of the retention of independent professionals (including law firms, investment banking firms, valuation firms, accounting firms and other similar advisors) as the Special Committee may deem necessary or appropriate in connection with the fulfillment of its purpose, subject to the Special Committee taking appropriate steps to ensure that such advisor does not have any relationship with the Company or other interested party that would call its independence into question.

On September 14, 2015, the Special Committee unanimously determined that the Transaction Documents and the transactions are advisable, fair to, and in the best interest of the Company and its stockholders, approved and adopted the Transaction Documents and the transactions and recommended that (i) the Company Board approve and adopt the Transaction Documents and the transactions, and (ii) our stockholders, to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT, approve and adopt the Transaction Documents and the transactions.

On September 17, 2015, the Company Board unanimously (with Monty Bennett and J. Robison Hays, III recusing themselves due to Monty Bennett's interest in the transactions and Mr. Hays' status as an executive officer of the Company who reports to Monty Bennett), (i) approved and adopted the favorable recommendation of the Special Committee in respect of the transactions and the Transaction Documents; (ii) approved the form, terms and provisions of the Transaction Documents; and (iii) determined to recommend that the stockholders of the Company vote to approve the transactions to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT.

The Special Committee and the Company Board considered numerous factors, potential benefits, risks, negative factors, and procedural safeguards before reaching their determinations, and these are more fully described under "Special Factors Reasons for the Transaction; Recommendation of the Special Committee; Recommendation of the Board of Directors."

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The Special Committee's recommendation and the Company Board's approval and recommendation were based in part on a fairness opinion issued to the Special Committee and the Company Board by BMO Capital Markets.

For additional information, see "Special Factors Background of the Transactions" beginning on page 38.

**Description of Fairness Opinion of BMO Capital Markets**

On September 14, 2015, at the request of the Special Committee, BMO Capital Markets rendered an oral opinion to the Special Committee, which was subsequently confirmed in a written opinion as of the same date (the "*Opinion*"), to the effect that as of such date, and based upon and subject to the assumptions made, matters considered and limitations and qualifications upon the review undertaken by BMO Capital Markets, the aggregate consideration to be paid by the Company in the transactions was fair, from a financial point of view, to the Company. See "Special Factors Description of Fairness Opinion of BMO Capital Markets" beginning on page 59.

**The full text of the Opinion is attached hereto as *Annex G* and is incorporated into this document by reference in its entirety. The summary of the Opinion set forth herein is qualified in its entirety by reference to the full text of the Opinion. Stockholders are urged to read the Opinion carefully and in its entirety for a discussion of, among other things, the scope of review undertaken and the assumptions made, matters considered and limitations and qualifications upon the review undertaken by BMO Capital Markets in connection with such Opinion.**

**Acquisition Agreement**

**Conditions to Transactions**

The Company's and each of Archie Bennett, Jr., Monty J. Bennett and Remington Holdings GP, LLC's (collectively, the "*Remington Holders*") obligation to consummate the transactions is subject to conditions, including:

- (i) the absence of any legal restraint with respect to the transactions;
- (ii) the expiration or earlier termination of the waiting period applicable to the transactions under the HSR Act;
- (iii) the issuance of the Private Letter Ruling;
- (iv) the completion by Ashford Trust of the disposition of its common stock of the Company so that it beneficially owns no more than 10% of the common stock of the Company in a manner that complies with the Private Letter Ruling;
- (v) the accuracy of the other party's representations and warranties contained in the Transaction Documents (subject to certain qualifications as set forth in the Acquisition Agreement, as applicable); and
- (vi) the other party's compliance in all material respects with its covenants and agreements contained in the Transaction Documents.

Our obligation to consummate the transactions is also conditioned on there not having occurred a material adverse effect with respect to Remington.

The Remington Holders' obligation to consummate the transactions is also conditioned on:

- (i) there not having occurred a material adverse effect with respect to the Company;





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- (ii) their receipt of an appraisal satisfactory to them to the effect that the value of a share of Newco Preferred Stock does not exceed \$25; and
- (iii) the receipt by Archie Bennett, Jr. and Monty Bennett of a satisfactory opinion of their tax counsel that (a) the exchange by the Bennetts and, if applicable, Remington Holdings GP of Remington ownership interests for Newco common stock and Newco preferred stock under the Acquisition Agreement, in connection with certain other transactions contemplated under the Transaction Documents, will qualify as a tax-free exchange under Section 351 of the Code, (b) the Newco Preferred Stock will not be treated as NQPS (within the meaning of Section 351(g) of the Code), and (c) Monty Bennett, Archie Bennett, Jr. and MJB Investments will not recognize any taxable gain or income as a result of the exchange by the Bennetts and, if applicable, Remington Holdings GP of Remington ownership interests for Newco common stock and Newco Preferred Stock in the transactions (the "*Tax Opinion*").

**Representations, Warranties and Covenants**

The Remington Holders, Remington and the Company have each made customary representations and warranties and covenants in the Acquisition Agreement. Generally, the representations and warranties survive for 18 months after the consummation of the transactions; however, specified fundamental representations of the parties survive indefinitely, the Remington Holders' representations and warranties with respect to environmental and employee benefit matters survive for the respective statute of limitations plus three months, and the parties' representations and warranties with respect to tax related matters survive for the statute of limitations plus six months.

Except for breaches of fundamental representations and warranties, neither the Company nor the Remington Holders will be liable for breaches of representations and warranties until the aggregate amount of all damages suffered by the indemnified parties exceeds \$5,000,000, in which event the breaching party is liable from the first dollar. Except for breaches of fundamental representations and warranties and tax related matters, the aggregate liability for damages for breach of the representations and warranties for each of the Company and the Remington Holders is \$50,160,000. The aggregate liability for damages for each of the Company and the Remington Holders is \$331,650,000 for all breaches of representations and warranties by such party. No right or remedy in the Acquisition Agreement is intended to be exclusive or to preclude a party from pursuing other rights and remedies to the extent available under the Acquisition Agreement, at law or in equity.

The Remington Holders will satisfy obligations to pay damages in shares of Newco common stock with a value agreed by the Company and the Remington Holders at \$100 per share, and, to the extent that shares of Newco common stock are insufficient, in Newco Preferred Stock valued at \$25 per share which was agreed by the parties to the Acquisition Agreement.

**"No-Shop" Restrictions and "Fiduciary Out"**

Remington is subject to customary "no-shop" restrictions on its ability to solicit alternative acquisition proposals from third parties and to provide information to, and participate in discussions and engage in negotiations with, third parties regarding alternative acquisition proposals.

The Company is also subject to customary "no-shop" restrictions on its ability to solicit acquisition proposals from third parties and to provide information to, and participate in discussions and engage in negotiations with, third parties regarding alternative acquisition proposals. Prior to our stockholders approving the proposals at the special meeting, however, the "no-shop" provision is subject to a customary "fiduciary-out" provision that allows us, under certain circumstances and in compliance with specified procedures, to provide information to and participate in discussions and engage in negotiations with third parties with respect to an acquisition proposal that the Company Board determines (acting through the Special Committee) is reasonably likely to result in a superior proposal.

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The Special Committee may exercise a termination right in order to accept a superior proposal, subject to matching rights for the Remington Holders and other conditions.

In addition, prior to our stockholders considering the proposals at the special meeting, the Company Board may change its recommendation with respect to the proposals in response to an intervening event if the Special Committee determines in good faith, after consultation with counsel, that the failure to do so would be inconsistent with the Company Board's fiduciary duties under applicable law, but only if we have first negotiated in good faith to adjust the terms of the Acquisition Agreement so that there is no longer a basis for such change.

If we terminate the Acquisition Agreement for a superior proposal, we will be required to pay the Remington Holders a termination fee of \$6,688,000 plus the costs and expenses incurred by them in connection with the transactions.

**Termination**

In addition to our right to terminate the Acquisition Agreement for a superior proposal, the Acquisition Agreement contains termination rights for both the Company and the Remington Holders. Also, either the Company or the Remington Holders may terminate the Acquisition Agreement if the transactions are not consummated by June 30, 2016.

For additional information on the Acquisition Agreement, see "The Transaction Documents Acquisition Agreement" beginning on page 76 and Annex C to this proxy statement.

**Newco Preferred Stock**

The rights, terms and preferences of the Newco Preferred Stock will be established by Newco filing a Certificate of Designation with the Delaware Secretary of State effective as of the closing of the transactions (the "*Certificate of Designation*").

**Terms of Newco Preferred Stock**

The Certificate of Designation will provide that each share of Newco Preferred Stock will:

- (i) have a liquidation value of \$25 per share;
- (ii) have cumulative dividends at the rate of 6.625% per annum (payable in cash quarterly in arrears);
- (iii) participate in any dividend or distribution on the common stock of Newco, in addition to the dividends on the Newco Preferred Stock; and
- (iv) be convertible into non-voting common stock of Newco (but voting after an initial public offering by Newco) at a conversion ratio equal to the liquidation value of a share of Newco Preferred Stock, divided by \$120.

The Certificate of Designation also will provide for customary anti-dilution protections.

**Board Designation Rights**

In the event Newco fails to pay a dividend at the rate of 6.625% per annum for two consecutive quarterly periods, then, until such arrearage is paid in cash in full, (i) the dividend rate on the Newco Preferred Stock will increase to 10% per annum; (ii) no dividends may be declared and paid, and no other distributions or redemptions may be made, on the Newco common stock; and (iii) the Newco board of directors and the Company Board will be increased by two seats and the holders of Newco Preferred Stock will be entitled to designate two individuals to fill such newly created seats.

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**Restrictive Covenants**

The Certificate of Designation will provide that, so long as any shares of Newco Preferred Stock are outstanding, Newco is prohibited from taking specified actions without the consent of 66.67% of the holders of Newco Preferred Stock, including:

- (i) modifying the terms, rights, preferences, privileges or voting powers of the Newco Preferred Stock;
- (ii) altering the rights, preferences or privileges of any capital stock of Newco so as to affect adversely the Newco Preferred Stock;
- (iii) issuing any shares of Newco Preferred Stock, or any security senior to the Newco Preferred Stock, other than pursuant to the Acquisition Agreement;
- (iv) entering into any agreement that expressly prohibits or restricts the payment of dividends on the Newco Preferred Stock or the common stock of Newco; and
- (v) other than the payment of dividends on the Newco Preferred Stock or payments pursuant to a management agreement to be entered into between Newco and the Company, transferring Newco's or its subsidiaries' cash balances or other assets to the Company or any other subsidiary of the Company, other than by means of a dividend payable by Newco pro rata to the holders of Newco common stock.

For additional information on Newco Preferred Stock, see "The Transaction Documents Certificate of Designation of Newco Preferred Stock" beginning on page 84 and Annex D to this proxy statement.

**Investor Rights Agreement and Remington Limited Partnership Agreement**

At the closing of the transactions, the parties will enter into an investor rights agreement (the "*Investor Rights Agreement*") that will provide for, among other items, governance rights, operating agreements, noncompetition agreements, transfer restrictions, put and call rights and obligations of the parties with respect to the Company and its subsidiaries, including Remington. In addition, the Remington limited partnership agreement will be amended and restated (the "*Limited Partnership Agreement*"), and will include, among other items, governance rights, tax agreements and operating provisions with respect to Remington.

**Board Designation Rights**

The Investor Rights Agreement will provide that the board of directors of Newco will, at all times until the occurrence of Newco's initial public offering, be made up of the same individuals serving on the Company Board, including the Holder Group Investors' nominee. In the event that Newco fails to pay a dividend at the rate of 6.625% per annum for two consecutive quarterly periods on the Newco Preferred Stock, both the Company Board and the Newco board of directors will be increased by two seats and the individuals filling such newly created seats will be the same.

The Investor Rights Agreement will also provide that for so long as the Bennetts and MJB Investments (together with their controlled affiliates that become transferees, the "*Holder Group Investors*") beneficially own at least 20% of the common stock of Newco (taking into account the Newco Preferred Stock on an as-converted basis), a majority in interest of the Holder Group Investors will be entitled to nominate one individual for election as a member of Company Board and, until a majority in interest of the Holder Group Investors otherwise determine, Monty Bennett will serve as the nominee. In the event that Newco fails to pay a dividend at the rate of 6.625% per annum for two consecutive quarterly periods on the Newco Preferred Stock, the Company Board will be increased by

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two seats and a majority in interest of the Holder Group Investors will be entitled to designate two individuals to fill such newly created seats.

In addition, for so long as the Holder Group Investors hold any of the 20% limited partnership interest in Remington initially retained by the Bennetts (the "*Retained Interest*"): (i) a majority in interest of the Holder Group Investors will be entitled to nominate one individual for election as a member of the board of directors of Newco Sub; and (ii) the independent directors of Newco will be entitled to nominate two individuals for election as members of the board of directors of Newco Sub. Until a majority in interest of the Holder Group Investors otherwise determine, Monty Bennett will serve as the Holder Group Investors' nominee.

**Operating Provisions**

The Investor Rights Agreement will also provide that for so long as the Holder Group Investors beneficially own no less than 20% of the issued and outstanding shares of the common stock of Newco (taking into account Newco Preferred Stock on an as-converted basis), the Company, Newco and Newco Sub are prohibited, without the prior written consent of a majority in interest of the Holder Group Investors, from, among other actions :

- (i) conducting the property and project management business conducted by Remington through entities other than Newco Sub, GP Holdings and Remington;
- (ii) permitting Newco Sub, GP Holdings and Remington to acquire or operate any material assets, business or operations, other than those used in or related to the conduct of the property and project management business conducted by Remington; and
- (iii) taking any action to cause any of the material business operations of the Company to be conducted through entities other than Newco or wholly owned subsidiaries of Newco.

**Governance Provisions**

Newco will not take, and the Company will not cause or permit Newco to take, any corporate action that, if taken by the Company, would require the approval of our stockholders under the DGCL or the rules and regulations of any stock exchange on which our voting securities are then listed, unless such corporate action has been approved by our stockholders by the same vote as would be required if the Company were taking such corporate action.

Except for issuances contemplated by the Transaction Documents, none of the Company, Newco or Newco Sub will issue any equity securities, rights to acquire equity securities of the Company, Newco or Newco Sub or debt convertible into equity securities of the Company, Newco or Newco Sub, unless the Company, Newco or Newco Sub, as the case may be, gives each Holder Group Investor notice of its respective intention to issue new securities and the right to acquire such Holder Group Investor's pro rata share of the new securities. Further, if the Company issues shares for cash, it must contribute the net proceeds of such offering to Newco in exchange for additional shares of Newco voting common stock.

**Limited Partnership Agreement**

The Limited Partnership Agreement will provide for additional approval rights with respect to the operation of Remington in favor of the Holder Group Investors, including limiting Remington's ability to incur indebtedness, issue additional interests, and amend the Limited Partnership Agreement.

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**Back-Office Services**

In addition, pursuant to the Limited Partnership Agreement, Remington will continue to provide back-office services previously provided to Archie Bennett, Jr. and Monty Bennett for administrative, legal, tax, accounting and financial services, at no charge for ten years from the date of the closing of the transactions.

**Incentive Fees**

Pursuant to the terms and conditions of hotel management agreements to which Remington is a party, Remington receives annual incentive management fees based on the preceding year's hotel operations subject to such hotel management agreements. The incentive fees are calculated as of the end of each fiscal year and paid in the first fiscal quarter of the following year.

The Investor Rights Agreement will provide that for the calendar year in which the closing occurs, the net amount of the aggregate incentive fees less the aggregate amount of officer and executive employee bonuses paid by Remington will be prorated as of the date of the closing based upon the actual number of days elapsed from January 1 through the date of the closing. The net prorated amounts will be paid by Remington to the Bennetts and MJB Investments in cash with respect to the period of time prior to the date of the closing.

**Newco Initial Public Offering**

The Investor Rights Agreement will provide that, as soon as practicable after the second anniversary of the closing of the transactions, Newco, at its expense, will use its best efforts to prepare and file with the U.S. Securities and Exchange Commission (the "SEC") a registration statement providing for either, or both, an initial public offering of the voting common stock of Newco or the registration and resale of all of the registrable securities of Newco, and to cause the corresponding registration statement to become effective no later than the third anniversary of the closing of the transactions.

In addition, Newco's certificate of incorporation provides that any shares of the non-voting common stock of Newco will automatically convert into an equivalent number of shares of voting common stock of Newco upon the consummation of an initial public offering of the voting common stock of Newco.

**Transfer Restrictions**

The Investor Rights Agreement will provide that for three years after the closing of the transactions, each of Monty Bennett, Archie Bennett, Jr., MJB Investments, Mark Sharkey and their permitted transferees (collectively, the "*Covered Investors*") are prohibited from transferring common stock of Newco or Newco Preferred Stock, except to family members and in connection with estate planning, unless the transfer has been approved by an independent committee of the Company Board.

Covered Investors will also be prohibited from transferring the Retained Interest except to family members or to a charitable foundation, unless approved by an independent committee of the Company Board, and provided that the Company failed to exercise its right of first refusal to purchase the Retained Interest on the same terms as the proposed transfer. In each case, assignment of any economic interest (separate from any voting interest) will be permitted.

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**Put and Call Options**

*Preferred Call Option*

Pursuant to the Investor Rights Agreement, after the fifth anniversary of the closing of the transactions, Newco will have the option to purchase all or any portion of the Newco Preferred Stock in \$25,000,000 increments on a pro rata basis among all Covered Investors (the "Preferred Call Option") at a price per share equal to the sum of (i) not more than \$25.125, plus (ii) all accrued but unpaid dividends. The purchase price is payable only in cash. The notice of exercise of the Preferred Call Option does not limit or restrict any Covered Investor's right to convert the Newco Preferred Stock into shares of Newco common stock prior to the closing of the Preferred Call Option.

*Remington Call Option*

The Investor Rights Agreement will provide that after the tenth anniversary of the closing of the transactions, Newco Sub will have an option to require the Covered Investors to sell to Newco Sub the Retained Interest (the "Remington Call Option"). In the event that the Remington Call Option is exercised, the price to be paid will be an amount equal to 110% of the Retained Interests Purchase Price (defined below), and the price will be payable at each Covered Investor's individual election in any combination of:

- (i) cash;
- (ii) a number of shares of Company common stock determined by the greater of (a) the volume-weighted average price of the Company common stock on the business day immediately preceding the notice of exercise of the call option or (b) \$100; or
- (iii) a number of shares of Newco common stock determined by the greater of (a) the volume-weighted average price of the Company common stock on the business day immediately preceding the notice of exercise of the call option or (b) \$100.

The "Retained Interests Purchase Price" is an amount equal to the product of (a) the Multiple (defined below), multiplied by (b) Remington's adjusted earnings before interest and taxes for the prior 12-month rolling period, multiplied by (c) the percentage ownership interest of Remington on a fully diluted basis represented by the Retained Interests. "Multiple" means a factor not less than 10.25 and not greater than 16.25 that will be determined by agreement between the Company and the Covered Investors or, if no agreement is reached, by appraisal and arbitration procedures.

*Change of Control Put Option*

The Investor Rights Agreement will provide each Covered Investor with the option, exercisable on one occasion, to sell to the Company all of the Retained Interests, Newco common stock (unless an initial public offering of Newco has occurred) and/or the Newco Preferred Stock then owned by such Covered Investor (the "Change of Control Put Option"), during the ten consecutive business day period following the consummation of a Change of Control (as defined below). In the event that a Covered Investor exercises the Change of Control Put Option, the price to be paid to such exercising Covered Investor will be:

- (i) With respect to the Retained Interests, 90% of the Retained Interests Purchase Price, payable at the Covered Investor's election in any combination of:
  - (a) cash;
  - (b) shares of Company common stock determined by the greater of (1) the volume-weighted average price of the Company common stock on the business day immediately preceding the Change of Control or (2) \$100; or

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- (c) a number of shares of Newco common stock determined by the greater of (1) the volume-weighted average price of the common stock of the Company on the business day immediately preceding the date of the Change of Control or (2) \$100.
- (ii) With respect to Newco common stock, payable at the Covered Investor's election in any combination of:
  - (a) cash in an amount per share determined by the volume-weighted average price of the Company common stock on the business day preceding the Change of Control; or
  - (b) a number of shares of Company common stock equal to the number of shares of common stock of Newco to be acquired by the Company.
- (iii) With respect to the Newco Preferred Stock, an amount equal to (1) not more than \$25.125, plus (2) all accrued and unpaid dividends, plus (3) if prior to the fifth anniversary of the closing of the transactions, an additional amount equal to 3% of \$25 per annum for each year, inclusive of the year in which the Change of Control Put Option is exercised, until the fifth anniversary of the closing of the transactions, payable in any combination of:
  - (a) cash;
  - (b) a number of shares of Company common stock determined by dividing such amount by \$120;
  - (c) a number of shares of Newco common stock determined by dividing such amount by \$120; or
  - (d) shares of preferred stock of the Company on a one-for-one basis with terms that are equivalent in all material respects to the Newco Preferred Stock being exchanged.

The \$120 conversion price is subject to adjustment in the event of stock dividends on Newco common stock or any subdivision or combination of Newco common stock.

A "*Change of Control*" means any of the following, in each case that was not consented to, voted for or otherwise supported by Monty Bennett: (a) any person (other than Archie Bennett, Jr., Monty Bennett, MJB Investments, their controlled affiliates, trusts or estates in which any of them has a substantial interest or as to which any of them serves as trustee or a similar capacity, any immediate family member of Archie Bennett, Jr. or Monty Bennett or any group of which they are a member) acquires beneficial ownership of securities of the Company or Newco that, together with the securities of the Company or Newco previously beneficially owned by the first such person, constitutes more than 50% of the total voting power of the Company's or Newco's outstanding securities; or (b) the sale, lease, transfer or other disposition (other than as collateral) of all or a majority of the Company's or Newco's (taken as a whole) assets or income or revenue generating capacity, other than to any direct or indirect majority-owned and controlled affiliate of the Company.

### **The Bennetts' Noncompetition Agreement**

The Investor Rights Agreement will provide that for a period of the later of (i) three years following the closing of the transactions, or (ii) three years following the date Monty Bennett is not the principal executive officer of the Company, each of Archie Bennett, Jr., Monty Bennett, and MJB Investments will not, directly or indirectly:

- (i) engage in, or have an interest in an entity that engages in, the business conducted by Remington on the closing of the transactions anywhere in the United States (excluding certain passive investments and existing relationships);
- (ii) hire or solicit employees of Remington, except pursuant to a general solicitation; or





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- (iii) solicit or entice any clients of Remington.

**Voting Limitations at the Company and Newco**

*The Company*

The Investor Rights Agreement will provide that, on matters submitted to a vote of our stockholders, the Covered Investors have the right to vote as they determine, except if, prior to the fourth anniversary of the closing of the transactions, the combined voting power of the Reference Shares (as defined below) of the Company exceeds 25% (plus the combined voting power of any Company common stock purchased after the closing of the transactions in an arm's length transaction from a person other than the Company or a Company subsidiary, including through open market purchases, privately negotiated transactions or any distributions by either Ashford Trust or Ashford Prime to its respective stockholders pro rata) of the combined voting power of all of the outstanding voting securities of the Company entitled to vote, then Reference Shares of the Company representing voting power equal to such excess will be deemed to be "*Company Cleansed Shares*." The Covered Investors will vote Company shares with voting power equal to the voting power of the Company Cleansed Shares in the same proportion as our stockholders vote their shares with respect to such matters, inclusive of the Reference Shares of the Company voted by the Covered Investors.

*Newco*

On matters submitted to a vote of Newco stockholders, the Covered Investors will have the right to vote as they determine, except if at any time the combined voting power of the Reference Shares of Newco exceeds 25% (plus the combined voting power of any Newco common stock purchased after the closing of the transactions in an arm's length transaction from a person other than Newco or a Newco subsidiary, including through open market purchases or privately negotiated transactions) of the combined voting power of all of the outstanding voting securities of Newco entitled to vote, then Reference Shares of Newco representing voting power equal to such excess will be deemed to be "*Newco Cleansed Shares*." The Covered Investors will vote Newco shares with voting power equal to the voting power of the Newco Cleansed Shares in the same proportion as Newco stockholders vote their shares with respect to such matters, inclusive of the Reference Shares of Newco voted by the Covered Investors.

These voting restriction may be waived by two-thirds majority vote or consent of the independent directors of the Company or Newco, as applicable, that have no personal interest in the matter to be voted upon.

"*Reference Shares*" means all voting securities of the Company or Newco, as applicable, that are (a) beneficially owned by any Covered Investor; (b) beneficially owned by any member of a group of which any Covered Investor is a member; or (c) subject to or referenced in any derivative or synthetic interest that (i) conveys any voting right in the common stock of the Company or Newco, as applicable, or (ii) is required to be, or is capable of being, settled through delivery of common stock of the Company or Newco, as applicable, in either case, that is held or beneficially owned by any Covered Investor or any controlled affiliate or any Covered Investor.

**Termination**

The Investor Rights Agreement will provide that it terminates on the earliest of (i) the written agreement of the Company and a majority in interest of the Covered Investors, (ii) the fifth anniversary of the closing of the transactions, and (iii) the date on which the Covered Investors no longer own any Retained Interests, Newco common stock or Newco Preferred Stock; provided that operational covenants, the noncompetition agreement, board designation rights, voting limitations and restrictions

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on Newco dividends will last for the time periods provided by their terms and that the call options, put options and the Private Letter Ruling compliance covenant will last indefinitely.

A Covered Investor will automatically cease to be bound by the Investor Rights Agreement at such time as such Covered Investor no longer owns any Retained Interests, any Newco common stock or Newco Preferred Stock.

For additional information on the Investor Rights Agreement and the Limited Partnership Agreement of Remington, see "The Transaction Documents Investor Rights Agreement" beginning on page 86, "The Transaction Documents Limited Partnership Agreement" beginning on page 93, Annex E and Annex F to this proxy statement.

**Voting at the Special Meeting**

The following parties have voting power with respect to the specified number of shares of the Company's common stock, which represents the specified percent of our outstanding voting power as of March 3, 2016:

| <b>Holder</b>   | <b>Number of Shares</b> | <b>Voting Power</b> |
|---|-------------------------|---------------------|
| Monty Bennett   | 221,172 common shares   | 11.0%               |
| Archie Bennett, Jr.   | 85,160 common shares    | 4.2%                |
| Ashford Trust   | 598,163 common shares   | 29.8%               |
| Ashford Prime   | 194,880 common shares   | 9.7%                |
| Directors and Officers of the Company (excluding Archie Bennett, Jr.) | 326,996 common shares   | 16.3%               |

Each of the Remington Sellers and the directors and officers of the Company has informed us that, as of the date of this proxy statement, they intend to vote their shares in favor of each proposal presented to the stockholders at the special meeting.

Ashford Trust and Ashford Prime have informed us that each of their respective boards of directors have delegated the decision as to how to vote on the proposals to special committees composed of independent directors, pursuant to previously-adopted policies that delegate exclusive power to vote the Company shares solely to the independent directors of such boards. These committees have each engaged independent financial advisors and legal counsel to assist them, and as of the date hereof, neither has informed the Company as to how Ashford Trust or Ashford Prime intend to vote.

For additional information, see "Special Factors Intent to Vote" beginning on page 73.

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**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING**

**General Information**

**Q.** *When and where is the special meeting?*

**A.** The special meeting will be held at 11:00 a.m. Central time, on April 12, 2016, at the Marriott Legacy Town Center, 7121 Bishop Road, Plano, Texas 75024.

**Q.** *What is the purpose of the special meeting?*

The proposals to be considered by our stockholders at the special meeting are set forth below. In order for the transactions to be consummated, both Proposal 1 and Proposal 2 must be approved. The failure of either proposal to be approved will result in the transactions not being consummated.

*Proposal 1:* To approve the contribution (the "*Contribution*") of substantially all of the Company's assets and all of the Company's business operations to Newco pursuant to the Transaction Documents.

*Proposal 2:* To approve the potential issuance of shares of the Company's common stock that may occur pursuant to the Transaction Documents, in one or more of the following events: (a) as consideration for the potential future purchase of the 20% limited partnership interest in Remington retained by the Bennetts; (b) as consideration for the potential future acquisition of the Newco common stock issued to the Bennetts; (c) as consideration for the potential future acquisition of the Newco preferred stock issued to the Remington Sellers; or (d) upon the conversion of preferred stock of the Company that potentially may be issued in exchange for the Newco preferred stock issued to the Remington Sellers (collectively, the "*Share Issuances*").

*Proposal 3:* To approve an adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposals.

**Voting and Voting Procedures**

**Q.** *What shares can be voted at the special meeting?*

**A.** Holders of our common stock as of the close of business on March 7, 2016, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any postponements or adjournments of the special meeting. Our only outstanding voting equity securities are shares of our common stock. Each share of common stock entitles the holder to one vote. As of the record date, there were 153 shares of common stock outstanding and entitled to vote.

**Q.** *What is the quorum required for the special meeting?*

**A.** The representation in person or by proxy of holders of a majority of the issued and outstanding shares of our common stock entitled to vote at the special meeting is necessary to constitute a quorum for the transaction of business at the special meeting. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. If a quorum is not present, the special meeting of stockholders may be adjourned by the chairman of the meeting or by a vote of a majority of the shares represented at the special meeting until a quorum has been obtained.

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**Q.** *What is the difference between holding shares as a stockholder of record and as a beneficial owner?*

**A.** Many of our stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own names. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

*Stockholder of Record:* If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the stockholder of record with respect to those shares. As a stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the special meeting.

*Beneficial Owner:* If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares held in "street name," and this proxy statement and related materials are being forwarded to you by your broker or nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to instruct your broker how to vote and are invited to attend the special meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the meeting. Your broker or nominee has enclosed a voting instruction card for your use.

**Q.** *How can I vote my shares without attending the special meeting?*

**A.** Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct your vote without attending the special meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. In most instances, you will be able to do this by mail, over the Internet or by telephone. Please refer to the summary instructions below or, for shares held in street name, the voting instruction card included by your broker or nominee.

*By Mail:* If you hold your common stock in your own name as a holder of record, you may instruct the proxies to vote your common stock by signing, dating and mailing the enclosed proxy card in the postage-paid envelope provided. If you provide specific voting instructions, your shares will be voted as you instruct. If you sign the proxy card but do not provide instructions, your shares will be voted "**FOR**" Proposal 1, Proposal 2 and Proposal 3.

*By Internet:* If you have Internet access, you may vote by accessing the Internet website specified on the enclosed proxy card and following the instructions provided to you.

*By Telephone:* If you live in the United States or Canada, you may vote by calling the toll-free number specified on the enclosed proxy card and following the instructions when prompted.

**Q.** *How do I vote my shares in person at the special meeting?*

**A.** Shares held directly in your name as the stockholder of record may be voted in person at the special meeting. If you choose to do so, please bring proof of identification and request a ballot at the meeting. Even if you currently plan to attend the special meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later cannot attend or decide not to attend the special meeting.

**Q.** *What does it mean if I receive more than one proxy or voting instruction card?*

**A.** It means you have shares that are registered in different ways or are held in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

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**Q.** *Can I revoke my proxy?*

**A.** You may change your proxy instructions at any time prior to the vote at the special meeting. For shares held directly in your name, you may accomplish this by granting a new proxy by Internet, telephone or mail. If shares of common stock are held on your behalf by a broker, bank or other nominee, you must contact them to receive instructions as to how you may revoke your proxy instructions. Proxies may also be revoked by written notice to the Secretary of the Company or by attending and voting in person at the meeting. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. You must meet the same deadline when revoking your proxy as when voting your proxy.

**Q.** *What vote is required to approve the proposals to be voted upon at the special meeting?*

**A.** *Proposal 1 (The Contribution):* The proposal to approve the Contribution requires the affirmative "**FOR**" vote of a majority of the shares of our outstanding common stock and entitled to vote at the special meeting.

*Proposal 2 (The Share Issuances):* The proposal to approve the Share Issuances requires the affirmative "**FOR**" vote of a majority of the votes cast at the special meeting under the NYSE MKT rules.

*Proposal 3 (Adjournment or Postponement of Special Meeting):* The proposal to approve an adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies requires the affirmative "**FOR**" vote of a majority of the votes cast at the special meeting under the Company's bylaws.

**Q.** *What are the effects of not voting or abstaining? What are the effects of broker non-votes?*

**A.** *Abstentions:* Abstentions, if any, will have the same effect as a vote "**AGAINST**" Proposal 1 and Proposal 2. However, abstentions, if any, will not be considered as votes cast under the Company's bylaws, and accordingly will have no effect on the outcome of Proposal 3.

*Broker Non-Votes:* Broker non-votes will have the same effect as a vote "**AGAINST**" Proposal 1. Broker non-votes will not be considered present and entitled to vote on, and will not be considered as votes cast, and accordingly will have no effect on the outcome of, Proposal 2 and Proposal 3.

**Q.** *What is a broker non-vote?*

**A.** A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner. Your broker does not have discretionary authority to vote your shares with respect to Proposal 1 (The Contribution) or Proposal 2 (The Share Issuances), but does have discretionary authority to vote your shares with respect to Proposal 3 (Adjournment or Postponement of the Special Meeting).

**Other Matters**

**Q.** *I share an address with another stockholder, and we received only one paper copy of the proxy materials. How can I obtain an additional copy of the proxy materials?*

You may request additional copies of the proxy materials by following the instructions set forth in the section of this proxy statement titled "Other Matters Multiple Stockholders Sharing One Address."



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**Q.**

***What if other matters are presented for consideration at the special meeting?***

**A.**

As of the date of this proxy statement, the Company does not know of any matters that will be presented for consideration at the special meeting other than those matters described in this proxy statement. If any other matters properly come before the special meeting, the proxies solicited hereby will be voted on such matters in accordance with the discretion of the proxy holders named therein.

**Q.**

***Who is soliciting my proxy? Who is paying expenses relating to the solicitation?***

**A.**

The enclosed proxy is solicited by and on behalf of the Company Board. In addition to the solicitation of proxies by use of the mail, officers and other employees of the Company may solicit the return of proxies by personal interview, telephone, e-mail or facsimile. We will not pay additional compensation to our officers and employees for their solicitation efforts, but we will reimburse them for any out-of-pocket expenses they incur in their solicitation efforts. We also intend to request persons holding shares of our common stock in their name or custody, or in the name of a nominee, to send proxy materials to their principals and request authority for the execution of the proxies, and we will reimburse such persons for their expense in doing so. We will bear the expense of soliciting proxies for the special meeting of stockholders, including the cost of mailing.

We have retained MacKenzie Partners Inc. ("*MacKenzie*") to aid in the solicitation of proxies and to verify records relating to the solicitation. MacKenzie will receive a base fee of \$20,000, plus out-of-pocket expenses.

**Q.**

***How can I obtain additional information?***

**A.**

If you would like additional copies of this proxy statement, without charge, or if you have questions about the procedures for voting your shares, please follow the instructions provided in the section of this proxy statement titled "Other Matters Where You Can Find Additional Information."

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**FORWARD-LOOKING STATEMENTS**

Certain statements and assumptions in this proxy statement contain or are based upon "forward-looking" information and are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties. When we use the words "will likely result," "may," "anticipate," "estimate," "should," "expect," "believe," "intend," or similar expressions, we intend to identify forward-looking statements. Such statements are subject to numerous assumptions and uncertainties, many of which are outside of our control. Such forward-looking statements include, but are not limited to:

- (i) our business and investment strategy;
- (ii) our understanding of our competition;
- (iii) current market trends and opportunities;
- (iv) projected capital expenditures;
- (v) the parties' expectations regarding the timing, completion and tax treatments of the transactions; and
- (vi) the anticipated benefits from the transactions.

These forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated, including, without limitation:

- (i) general volatility of the capital markets and the market price of our common stock;
- (ii) changes in our business or investment strategy;
- (iii) availability, terms and deployment of capital;
- (iv) availability of qualified personnel;
- (v) changes in our industry and the market in which we operate, applicable law, interest rates or the general economy;
- (vi) the degree and nature of our competition;
- (vii) the parties' ability to consummate the transactions;
- (viii) the conditions to the completion of the transactions, including the receipt of approval of our stockholders;
- (ix) the regulatory approvals required for the transactions not being obtained on the terms expected or on the anticipated schedule;
- (x)



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the parties' ability to meet expectations regarding the timing, completion and tax treatments of the transactions;

- (xi) the possibility that the parties may not realize any or all of the anticipated benefits from the transactions;
- (xii) disruptions from the transaction may harm relationships with customers, employees and regulators;
- (xiii) unexpected costs may be incurred; and
- (xiv) changes in our stock price prior to the closing of the transactions and following the transactions.

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These and other risk factors are more fully discussed in the section titled "Risk Factors" in this proxy statement and in our Annual Report on Form 10-K, and from time to time, in the Company's other filings with the SEC. The forward-looking statements included in this proxy statement are only made as of the date of this proxy statement. Investors should not place undue reliance on these forward-looking statements. We are not obligated to publicly update or revise any forward-looking statements, whether as a result of new information, future events or circumstances, changes in expectations or otherwise.

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**RISK FACTORS**

*In addition to the other information contained and incorporated by reference into this proxy statement, including the matters addressed in the section entitled "Forward-Looking Statements" beginning on page 26, you should carefully consider the following risks before deciding whether to vote for the proposals. In addition, you should read and consider the risks associated with each of the businesses of the Company and Remington because these risks will also affect the Company on a post-closing basis. Descriptions of some of these risks can be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as updated by any subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this proxy statement. You should also read and consider the other information in this proxy statement and the other documents incorporated by reference into this proxy statement. See the section entitled "Other Matters Where You Can Find Additional Information" beginning on page 108 and "Other Matters Information Incorporated by Reference" beginning on page 109.*

**RISKS RELATED TO THE STRUCTURE OF THE TRANSACTIONS**

*Following the transactions, the Company will be dependent upon the profitability of Newco, and the failure to receive regular distributions from Newco will adversely affect the availability of cash at the Company.*

Following the consummation of the transactions, the Company will be a holding company owning shares of Newco. The Company will conduct no material activities other than activities incidental to holding the shares of Newco. As a result, the Company will be substantially dependent on the ability of Newco and its subsidiaries to fund the cash needs of the Company. If Newco is not able to make cash distributions, we may not be able to fund our cash obligations, and if Newco is less profitable than we anticipate, we may not be able to fund our operating expenses.

*Our holding company structure following the transactions will result in structural subordination that may affect our ability to make distributions and payments on our obligations.*

Following the transactions, as a result of our holding company structure, we will receive substantially all of our cash from distributions made to us by Newco. Newco's payment of distributions to us may be subject to claims by Newco's creditors and to limitations applicable to Newco under federal and state laws, including securities and bankruptcy laws. Furthermore, our equity interests in Newco and its subsidiaries following the transactions will rank junior to all of the respective indebtedness, whenever incurred, the Newco Preferred Stock, and all equity interests of Newco's subsidiaries in the event of their respective liquidation or dissolution. The right of our stockholders, therefore, to participate in such liquidation or dissolution would be subordinated to the claims of Newco's creditors and to all equity interests of Newco.

*The holders of Newco Preferred Stock will have rights that are senior to our rights as a holder of Newco's common stock, which may decrease the likelihood, frequency and amount of dividends to us as holders of Newco common stock, which in turn will affect dividends, if any, declared by the Company and paid to our stockholders.*

As part of the consideration for the transactions, Newco will issue all of the Newco Preferred Stock to the Remington Sellers. In addition, the Bennetts will receive Newco non-voting common stock, and the Company will hold all of the Newco voting common stock. We will receive substantially all of our cash from distributions made to us by Newco on the Newco common stock. The Newco Preferred Stock requires that dividends be paid on the Newco Preferred Stock before any distributions can be paid to holders of Newco's common stock and that, in the event of our bankruptcy, dissolution or liquidation, the holders of Newco Preferred Stock must be satisfied before any distributions can be made to the holders of Newco's common stock. In addition, if Newco declares or pays a dividend on its

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common stock, the holders of the Newco Preferred Stock will participate, on an as-converted basis, in such dividend with the holders of Newco's common stock, unless otherwise approved by the holders of at least 66.67% of the shares of Newco Preferred Stock. As a result of the Newco Preferred Stock's superior rights relative the common stock of Newco, including its right to participate in any dividends to the holders of Newco's common stock, our right to receive distributions from Newco is limited and diluted. Moreover, because our rights to dividends from Newco are limited and diluted, we may not be incentivized to cause Newco to declare and pay dividends to us, as holders of Newco common stock.

The extent to which we receive cash from distributions from Newco will in turn determine the likelihood, frequency and amount of dividends, if any, that the Company will declare and pay to our stockholders.

***If dividends from Newco to the Company are reduced by federal income taxes, proceeds available for distribution to our stockholders as dividends, if any, would be reduced and our stock price may be adversely affected.***

As a result of the transactions, we will receive substantially all of our cash from distributions made to us by Newco. Unless otherwise approved by holders of at least 66.67% of the shares of Newco Preferred Stock, Newco may only make any distributions to us by means of a dividend pro rata to the holders of Newco's common stock. Following the transactions, we will not own sufficient stock in Newco to file federal income tax returns with Newco on a consolidated basis. As a result, we will not be entitled to a 100% dividend received deduction for federal income tax purposes on dividends paid to us by Newco. Rather, in general, we will be required to pay federal income tax on an amount equal to 20% of any dividends paid to us by Newco. Such dividends may also be subject to state income taxes. Accordingly, income taxes payable by us on dividends received from Newco would ultimately result in less proceeds available for distribution as dividends to our stockholders. As a result, the market price of our common stock may be adversely affected.

***Part of the consideration for the transactions to the Remington Sellers creates significant cash flows for the Remington Sellers that may create conflicts of interest in the management of the Company and Remington following the transactions.***

As part of the consideration for the transactions, the Remington Sellers will receive Newco Preferred Stock and Remington Holdings GP will receive the Newco Sub Promissory Note. Each share of Newco Preferred Stock has a cumulative dividend rate of 6.625% per annum, which dividends are payable in cash quarterly in arrears, and the Newco Sub Promissory Note is payable in 16 consecutive and equal quarterly installments. As a result of this consideration, as well as the Bennetts retaining 20% of the limited partnership interests in Remington, the Remington Sellers and Remington Holdings GP have the right to receive significant cash flow. The Remington Sellers may be incentivized by this consideration to maximize the cash flow of the Company and its subsidiaries, and thus Monty Bennett may have conflicts of interest in making management decisions that might be to the detriment of the Company's long-term strategy and success.

***If the Company is considered an "investment company" under the Investment Company Act of 1940 following the transactions, we may incur significant costs and be subject to restrictions on our ability to pursue our fundamental business strategy.***

We may incur significant costs and be subject to restrictions on our ability to pursue our fundamental business strategy if the Company is subject to regulation under the Investment Company Act of 1940, as amended (the "*Investment Company Act*"). The Investment Company Act requires registration as an investment company for companies that are engaged primarily in the business of investing, reinvesting, owning, holding or trading securities. Registration as an investment company would subject us to restrictions that would significantly impair our ability to pursue our fundamental

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business strategy of providing asset and property management services. As an investment company, we would be forced to comply with substantive requirements of the Investment Company Act, including:

limitations on our ability to borrow;

limitations on our capital structure;

restrictions on acquisitions of interests in associated companies;

prohibitions on transactions with affiliates;

restrictions on specific investments; and

compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations.

We do not believe that our ownership of 100% of the voting shares of Newco, a non-wholly owned subsidiary, will subject us to regulation under the Investment Company Act. Our determination of whether we will be an investment company is based on our holding at least a majority of the voting securities of Newco. As a result, we could inadvertently become an investment company if the Bennetts distribute their non-voting shares of Newco, causing those shares to become voting stock of Newco. It is not feasible for us to be regulated as an investment company because application of Investment Company Act regulations are inconsistent with our strategy of providing asset and property management services.

**RISKS RELATED TO THE TRANSACTIONS**

***If the transactions do not occur, we may incur payment obligations to the Remington Sellers.***

If the Acquisition Agreement is terminated by the Company as a result of a Company Intervening Event or a Company Superior Proposal, we will be obligated to pay the Remington Holders a termination fee of up to \$6,688,000 plus the actual, documented out-of-pocket costs and expenses actually incurred by the Remington Holders in connection with the Acquisition Agreement and the transactions.

***The transactions may not be completed on the terms or timeline currently contemplated or at all. Failure to complete the transactions in a timely manner could negatively affect our ability to achieve the benefits associated with the transactions and could negatively affect our share price and future business and financial results.***

The transactions are currently expected to close during the first quarter of 2016, assuming that all of the conditions in the Acquisition Agreement are satisfied or waived. The Acquisition Agreement provides that either the Company or the Remington Sellers may terminate the Acquisition Agreement if the closing of the transactions has not occurred by June 30, 2016. To complete the transactions, our stockholders must approve the Contribution and the Share Issuances. In addition, the Acquisition Agreement contains additional closing conditions, which may not be satisfied or waived. Certain events outside our control may delay or prevent the consummation of the transactions. Delays in consummating the transactions or the failure to consummate the transactions at all may cause us to incur significant additional costs and to fail to achieve the anticipated benefits associated with the transactions. In addition, pursuant to the Acquisition Agreement, both the Company and Remington are subject to certain restrictions on the conduct of their respective businesses prior to completing the transactions. These restrictions may prevent us from pursuing certain strategic transactions, undertaking certain significant capital projects, undertaking certain significant financing transactions and otherwise pursuing other actions that are not in our ordinary course of business, even if such actions would prove beneficial. We cannot assure you that the conditions to the completion of the transactions will be

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satisfied or waived or that any adverse event, development, or change will not occur, and we cannot provide any assurances as to whether or when the transactions will be completed.

Delays in consummating the transactions or the failure to consummate the transactions at all could also negatively affect our future business and financial results, and, in that event, the market price of our common stock may decline significantly, particularly to the extent that the current market price reflects a market assumption that the transactions will be consummated. If the transactions are not consummated for any reason, our ongoing business could be adversely affected, and we will be subject to several risks, including:

the payment by us of certain costs, including termination fees of \$6,688,000 if the Acquisition Agreement is terminated by the Company as a result of a Company Intervening Event or a Company Superior Proposal; and

the diversion of management focus and resources from operational matters and other strategic opportunities while working to consummate the transactions.

In addition, if the transactions are not completed, the Company may experience negative reactions from the financial markets and from its employees and other stakeholders. The Company could also be subject to litigation related to any failure to complete the transactions or to enforcement proceedings commenced against us to compel to perform our obligations under the Acquisition Agreement. If the transactions are not completed, the Company cannot assure its stockholders that these risks will not materialize and will not materially affect our business, financial results and the stock price.

***We will incur significant non-recurring costs in connection with the transactions.***

We expect to incur a number of non-recurring closing costs associated with the transactions. Under the terms of the Acquisition Agreement, regardless of whether the closing of the transactions occurs, Newco is obligated to pay all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants and one-half of all filing and other similar fees payable in connection with any filings or submissions under the HSR Act and one-half of any transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest thereon) incurred in connection with the transfer of the Transferred Securities pursuant to the Acquisition Agreement and the other Transaction Documents, and the exchange contemplated pursuant to the contribution agreement between the Company and Newco, setting forth the terms and conditions upon which the Company will contribute substantially all of its assets to Newco, and Newco will assume all of the liabilities of the Company, (including any real property transfer tax and any other similar tax) (collectively, "Transaction Costs") incurred by the Company, Newco, Newco Sub, GP Holding and GP Holding I. If the closing of the transactions occurs, Newco also will assume and pay all Transaction Costs incurred by Archie Bennett, Jr., Monty Bennett, Remington Holdings GP and Remington in connection with the Acquisition Agreement and the transactions, plus all bonuses and other payments made to employees and agents of Remington in connection with the closing of the transactions, up to \$2,750,000 in the aggregate. We expect that approximately \$9.4 million will be incurred to complete the transactions (including an amount of \$2,750,000 which we may need to reimburse Remington at the closing of the transactions), although additional unanticipated costs may be incurred in the integration of Remington into our business. As of March 8, 2016, we have incurred \$5.7 million in nonrecurring costs in connection with the transactions.

***The pro forma financial statements are presented for illustrative purposes only and may not be an indication of the Company's financial condition or results of operations following the transactions.***

The pro forma financial statements contained in this proxy statement are presented for illustrative purposes only and may not be an indication of the Company's financial condition or results of operations following the transactions for several reasons. The pro forma financial statements have been

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derived from the historical financial statements of the Company and Remington, and adjustments and assumptions have been made after giving effect to the transactions. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by the Company and Remington in connection with the transactions. As a result, the actual financial condition and results of operations of the Company following the transactions may not be consistent with, or evident from, these pro forma financial statements.

The assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations following the transactions. Any decline or potential decline in the Company's financial condition or results of operations may cause significant variations in its stock price. Please read "Financial Information Unaudited Pro Forma Financial Statements of Ashford Inc. and Subsidiaries."

***The transactions may not be accretive to our stockholders, which could have a material adverse effect on our business, financial condition, and results of operations.***

The transactions may not be accretive to our stockholders. While it is intended that the transactions be accretive to our performance metrics (including after taking into account the possible future exchange of the Newco preferred stock into the Company common stock), there can be no assurance that this will be the case, as, among other things, the expenses we assume as a result of the transactions may be higher than we anticipate and we may not achieve our anticipated cost savings from the transactions, or revenue from Remington's business may decrease. The failure of the transactions to be accretive to our stockholders could have a material adverse effect on our business, financial condition and results of operations.

***The transactions were negotiated between the Special Committee, which comprises independent and disinterested members of our Board, and Monty Bennett, our chief executive officer and chairman of our Board, and Archie Bennett, Jr., the chairman emeritus of Ashford Trust, and the Bennetts may have different interests than the Company.***

The transactions were negotiated with Monty Bennett, our chief executive officer and chairman of our Board, and Archie Bennett, Jr., the chairman emeritus of Ashford Trust. J. Robison Hays, III, one of our directors and our chief strategy officer, reports to Monty Bennett, as do all of our other executive officers, and thus may be considered to be affiliated with the Bennetts. As a result, those officers may have different interests than the Company as a whole. These potential conflicts would not exist in the case of a transaction negotiated with unaffiliated third parties. Moreover, if the Remington Sellers breach any of the representations, warranties or covenants made by them in the Acquisition Agreement or the other Transaction Documents, we may choose not to enforce, or to enforce less vigorously, our rights because of our desire to maintain our ongoing relationship with the Bennetts.

***Monty Bennett has interests in the transactions that are different from, and may potentially conflict with, the interests of us and our stockholders.***

Monty Bennett, our chief executive officer and chairman of our Board, has interests in the transactions that may be different from, or in addition to, the interests of our stockholders generally and that may create potential conflicts of interest, including:

the payment of consideration in connection with the transactions directly or indirectly to Monty Bennett, and his entry into arrangements relating to the payment of that consideration;

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the Bennetts' board nomination rights to our Board, subject to retaining 20% ownership of the common stock of Newco, and the covenant for the board of directors of Newco to mirror the composition of our Board;

the Bennetts' board nomination rights to the board of directors of Newco Sub, subject to retaining 20% of the limited partnership interests in Remington;

the option of Newco to purchase all or any portion of the Newco Preferred Stock after the fifth anniversary of the closing of the transactions;

the option of Newco Sub to purchase the Retained Interests after the tenth anniversary of the closing of the transactions;

the option of the Remington Sellers to sell to the Company all of their Retained Interests, Newco common stock, and Newco Preferred Stock following the consummation of a change of control of the Company or Newco with a party not affiliated with the Remington Sellers;

the priority of the Newco Preferred Stock to Newco common stock;

the participation of the Newco Preferred Stock in any dividends on Newco common stock; and

the entry or anticipated entry into restrictive covenant agreement with Monty Bennett, that will become effective following the transactions.

In addition, following the transactions, without the approval of the Remington Sellers, the Company, Newco, and Newco Sub may not conduct the Company's business operations outside of Newco or Newco Sub, operate any business other than the property and project management business of Remington, transfer the membership interests of GP Holdings to any entity that is not wholly owned by Newco Sub, dissolve Newco Sub, or permit Newco Sub to incur indebtedness; and without approval of the Remington Sellers, Remington may not alter its property management operations, commence bankruptcy, borrow money, alter its accounting policies, or issue any additional general partnership or limited partnership interests.

Furthermore, following the transactions, the Bennetts will continue to own 20% of the limited partnership interests in Remington and Monty Bennett will remain an executive officer of Remington. The respective roles of the Bennetts in Remington may create additional conflicts of interest in respect of the transactions.

***The fairness opinion is subject to qualifications and its valuation of the business acquired may not represent the business's true worth or realizable value.***

The fairness opinion is subject to qualifications and its valuation of the business acquired may not represent the business's true worth or realizable value. The opinion delivered to the Special Committee by BMO Capital Markets ("*BMO*") on September 14, 2015, is based on and subject to certain assumptions, qualifications and limitations described in such opinion, and is based on economic and market conditions and other circumstances as they existed and could be evaluated by BMO on the date of such opinion. Changes in our or Remington's operations or prospects or changes in general market or economic conditions since the date of such opinion could, among other things, alter the relevance of this opinion upon which our Board relied in recommending our stockholders approve the transactions.

***We may be unable to obtain the regulatory approvals required to complete the transactions.***

The consummation of the transactions is subject to various closing conditions, including the issuance of a private letter ruling by the IRS and the expiration or termination of the applicable waiting period under the HSR Act. If these conditions to closing of the Acquisition Agreement are not fulfilled, then the transactions cannot be consummated. Although we do not anticipate any concerns





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from any regulatory authority, such regulatory authorities may determine not to permit the transactions at all or may impose restrictions on the transactions that may harm the Company or Newco if the transactions are completed.

***RISKS RELATED TO OUR OPERATIONS AFTER THE TRANSACTIONS***

***Certain actions of Newco, Newco Sub, and Remington are subject to approval rights of the Remington Sellers and certain of their affiliated individuals or entities.***

Following the transactions, until the Newco Sub Promissory Note is paid in full and, thereafter, so long as the Remington Sellers and certain affiliated individuals or entities retain any limited partnership interest in Remington, none of the Company, Newco, or Newco Sub may transfer the membership interests of GP Holdings to any entity that is not wholly owned by Newco Sub without the approval of the Remington Sellers and such affiliated individuals or entities. In addition, following the transactions, so long as the Remington Sellers and certain affiliated individuals or entities retain not less than 20% of the issued and outstanding shares of Newco's common stock, certain actions of the Company, Newco, and Newco Sub are subject to the approval of the Remington Sellers and such affiliated individuals or entities. For example, without such approval:

all material business operations of the Company must be conducted through Newco or Newco Sub;

Newco Sub, GP Holdings and Remington may not acquire or operate any business other than the property and project management business of Remington;

Newco Sub may not be dissolved; and

Newco Sub may not borrow money, except for certain permitted purposes.

In addition, following the transactions, without approval of the Bennetts and certain affiliated individuals or entities, Remington may not:

alter its property management operations;

commence bankruptcy;

borrow money, except for certain permitted purposes;

alter its accounting policies; or

issue any additional general partnership or limited partnership interests, subject to certain exceptions.

These approval rights may impose certain operational restrictions on the management of the Company and its subsidiaries, and, given the conflicts of interest between the Company and the Bennetts in the transactions, the Company and its subsidiaries may not be able to take certain actions deemed appropriate by our management.

***The representation of the Bennetts on our Board may increase if Newco fails to make certain dividend payments on the Newco Preferred Stock.***

For so long as the Bennetts and certain of their affiliates hold at least 20% of the issued and outstanding shares of Newco's common stock (on an as-converted basis), they are entitled to nominate one individual as a member of our Board, who is initially Monty Bennett. If Newco fails to make two consecutive dividend payments to the holders of the Newco Preferred Stock, then the Bennetts and certain of their affiliates will be

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entitled to nominate three individuals as members of our Board and the size of the Board will be increased by two directors to accommodate these nominations. The

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Bennetts and certain of their affiliates, therefore, would have increased control over our operations and management.

***We may not manage the transactions effectively in such a manner that we do not realize the anticipated benefits of the transactions.***

We may not manage the transactions effectively. The transactions could be a time-consuming and costly process. The combined company may encounter potential difficulties, including, among other things:

the inability to successfully combine Remington's business with our Company in a manner that permits the combined businesses to operate effectively or efficiently, which could result in the anticipated benefits of the transactions not being realized in the timeframe currently anticipated or at all;

the risk of not realizing all of the anticipated strategic and financial benefits of the transactions within the expected timeframe or at all;

potential unknown liabilities and unforeseen increased expenses, delays, or regulatory conditions associated with the transactions; and

performance shortfalls as a result of the diversion of management's attention caused by completing the transactions and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the transactions could result in the distraction of management, the disruption of the ongoing businesses or inconsistencies in the each business's operations, services, standards, controls, procedures and policies. Therefore, the failure to plan and manage the transactions effectively could have a material adverse effect on our business, financial condition and results of operations, and we may not realize the anticipated cost-savings benefits.

***The Company may, in limited circumstances, provide certain capital to Ashford Prime and Ashford Trust in connection with their asset management services.***

The Company has entered into agreements with Ashford Prime and Ashford Trust to provide, in limited circumstances, certain amounts of capital in connection with the acquisition or construction of hospitality facilities by Ashford Prime and Ashford Trust. In exchange for this capital, the Company receives asset management agreements with Ashford Prime and Ashford Trust covering such facilities. Following the transactions, the Company will receive substantially all of its cash from distributions, if any, made by Newco on the Newco common stock. Distributions made by Newco on the Newco common stock are payable after dividends on the Newco Preferred Stock are paid. Distributions made by Newco on the Newco common stock will be dependent upon, among other things, the ability to Remington to generate cash flow sufficient to allow such distributions.

While the agreements with Ashford Prime and Ashford Trust are generally accretive to the Company, the agreements may divert capital that would otherwise be available for other necessary capital expenditures or dividends to stockholders, causing our financial condition, results of operation, cash flow and trading price of our common stock to be adversely affected.

***We will become exposed to risks to which we have not historically been exposed, including liabilities of, and business risks inherent to, Remington's business.***

The transactions will expose us to risks to which we have not historically been exposed. As a result of the transactions, we will acquire liabilities of Remington and be subject to ongoing liabilities and business risks inherent to the business of Remington. Also, we could be subject to additional liabilities

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as a result of the approximately 7,900 employees who are currently employed by Remington and could subject us to additional potential liabilities that employers commonly face, such as workers' disability and compensation claims, potential labor disputes and other employee-related liabilities and grievances.

Addressing these liabilities also could distract management, disrupt our ongoing business or result in inconsistencies in our operations, services, standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with our lenders, joint venture partners, vendors and employees or to achieve all or any of the anticipated benefits of the transactions.

The acquisition of Remington, including its liabilities, and the incurrence by us of ongoing liabilities and business risks inherent to Remington's business could have a material adverse effect on our business, financial condition, results of operations and ability to effectively operate our business.

***Because the management agreements of Remington are subject to termination in certain circumstances, any such termination could have a material adverse effect on our business, results of operations, and financial condition.***

The management agreements under which Remington provides services to hotels are subject to customary termination provisions. Any termination of a management agreement could have a material adverse effect on our business, results of operations and financial condition. Poor performance of Remington's business could cause a decline in our revenue, income and cash flow. In the event that Remington's business was to perform poorly, our revenue, income and cash flow could decline. Accordingly, poor performance may deter future investment in the Company.

***The market price of our common stock may decline as a result of the transactions.***

The market price of our common stock may decline as a result of the transactions if we do not achieve the perceived benefits of the transactions as rapidly or to the extent anticipated by financial or industry analysts, or the effect of the transactions on our financial results is not consistent with the expectations of financial or industry analysts. The transactions are expected to be accretive to our performance metrics, including after taking into account the possible future exchange of the Newco preferred stock into the Company common stock. The extent and duration of any accretion will depend on several factors, including the amount of transaction-related expenses that are charged against our earnings. If expenses charged against earnings are higher than we expected, the amount of accretion in 2016 could be less than currently anticipated and the transactions may not turn out to be accretive (or may be less accretive than currently anticipated). In such event, the price of our common stock could decline.

In addition, the risks associated with implementing our long-term business plan and strategy following the transactions may be different from the risks related to our existing business and trading price of our common stock to be adversely affected.

***We depend on our key personnel with long-standing business relationships. The loss of such key personnel could threaten our ability to operate our business successfully.***

Our future success depends, to a significant extent, upon the continued services of our management team. In particular, the hotel industry and/or investment experience of Messrs. Monty J. Bennett, Douglas A. Kessler, David A. Brooks, Deric S. Eubanks, Jeremy J. Welter, Mark L. Nunneley and J. Robison Hays, III, and the extent and nature of the relationships they have developed with hotel franchisors, operators, and owners and hotel lending and other financial institutions are critically important to the success of our business. The loss of services of one or more members of our management or investment teams could harm our business and our prospects.

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***OTHER RISK FACTORS***

Our businesses is and will continue to be subject to the risks described above. In addition, We are, and will continue to be, subject to the risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as updated by any subsequent Quarterly Reports on Form 10-Q, each of which is filed with the SEC and is incorporated by reference into this proxy statement. See the section titled "Other Matters Information Incorporated by Reference" beginning on page 109 for the location of information incorporated by reference in this proxy statement.

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**SPECIAL FACTORS**

**Background of the Transactions**

On December 15, 2014, the Company Board resolved to form an independent special committee of the Company Board to evaluate and negotiate the terms of any potential acquisition by Ashford of all or a controlling portion of the assets or equity interests of Remington. The Company Board action was in response to indications of interest submitted to the Company by the Bennetts regarding a potential combination of the businesses of the Company and Remington. The Company Board selected from among its independent directors Dinesh P. Chandiramani, Brian Wheeler and Gerald J. Reihisen III as members of the Special Committee, with Mr. Wheeler being appointed chairman, and the directors accepted such appointments. The Company Board was aware that Mr. Wheeler's wife owns a commercial printing company that is occasionally utilized by the Company, Ashford Trust and Ashford Prime for printing needs, for which 2014 total fees paid were \$87,284, with a similar amount expected to be paid during 2015, and it determined that such relationship did not impair the independence of Mr. Wheeler.

Following the selection of members of the Special Committee, the Special Committee determined to engage independent legal counsel and an independent financial advisor. The Special Committee interviewed representatives of multiple law firms and selected Norton Rose Fulbright US LLP ("*NRF*") to serve as legal counsel to the Special Committee and requested that *NRF* submit its terms of engagement.

On January 20, 2015, the Special Committee met to conduct interviews with representatives of three prospective financial advisors, including BMO, and invited representatives of *NRF* to attend. Prior to the financial advisor interview process, *NRF* discussed with the Special Committee legal principles of related-party transactions under Delaware law, including a review of a memorandum prepared by Richards Layton & Finger P.A., Delaware counsel to the Company, and a review of the qualifications of the members of the Special Committee. Thereafter, each of the three financial advisory firms provided a presentation to the Special Committee regarding their respective proposals to be engaged as the Special Committee's financial advisor.

On January 21, 2015, the Special Committee met, with representatives of *NRF* in attendance, to discuss the presentations provided to the Special Committee by the prospective financial advisors and determined to request that BMO submit their terms of engagement. The Special Committee also appointed Mr. Chandiramani as chairman of the Special Committee in place of Mr. Wheeler and reviewed a draft of the resolutions of the Company Board setting forth the authority and powers of the Special Committee as constituted on December 15, 2014, including delegable powers of the Company Board, a statement of purpose and scope of authority. The Special Committee prepared a list of requested revisions that would broaden the scope of its authority and powers for presentation to the full Company Board.

On January 22, 2015, David A. Brooks, COO and General Counsel of the Company, and representatives of *NRF* discussed aspects of the proposed transaction, including the necessity of Ashford Trust receiving the Private Letter Ruling from the IRS as a condition to any transaction, and the draft of an engagement letter received from BMO regarding BMO's engagement as financial advisor to the Special Committee.

Later that day, Mr. Brooks and representatives of *NRF* spoke with representatives of Ernst & Young LLP, tax advisor to the Company, regarding the requirements and terms needed in a request for the Private Letter Ruling.

On January 27, 2015, the Special Committee met with representatives of *NRF* to review the proposed terms of the engagement letter previously provided to the Special Committee by *NRF* and the draft engagement letter provided by BMO. The Special Committee requested that *NRF* forward a

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draft of the BMO engagement letter reflecting the Special Committee's revisions to Mr. Brooks for his comments. Following the receipt of Mr. Brooks' comments, the Special Committee directed NRF to provide the revised draft of the engagement letter to BMO.

On January 30, 2015, the Special Committee and NRF executed a formal agreement setting forth the terms of NRF's engagement as legal counsel to the Special Committee.

On February 2, 2015, Robert W. Baird & Co. ("*Baird*"), financial advisor to the Bennetts, submitted a formal proposal to the Special Committee regarding a potential acquisition of the partnership interests of Remington by the Company (the "*Initial Remington Proposal*"). The Initial Remington Proposal included the following terms:

The acquisition by the Company of 100% of the partnership interests in Remington;

An acquisition price of \$500 million, paid in the form of:

\$250 million in cash;

\$125 million in subordinated notes with a ten year term and an annual interest rate of 8.0%;

\$125 million in a proposed new series of Class A stock to be issued by the Company, paying at least \$9.0 million in annual dividends; and

50,000 shares of a proposed new series of Class B stock to be issued by the Company with 50-to-one voting rights that would be convertible on an one-for-one basis into Class A stock.

Later that day, the Special Committee met with representatives of NRF. The participants discussed the proposed terms of the engagement of BMO and the Special Committee determined to engage BMO as financial advisor to the Special Committee on such terms. The Special Committee also discussed the Initial Remington Proposal and determined to request that BMO commence its financial analysis of Remington and the Initial Remington Proposal.

On February 3, 2015, the Special Committee formally engaged BMO as financial advisor to the Special Committee pursuant to an engagement letter.

On February 4, 2015, the Special Committee met with representatives of NRF and BMO. The participants continued their discussion of the Initial Remington Proposal. The Special Committee directed BMO to schedule a meeting between BMO and Baird to review and discuss the Initial Remington Proposal.

On February 9, 2015, the Special Committee met with representatives of NRF to review a memorandum prepared by NRF regarding revisions proposed by NRF to the draft resolutions of the Company Board empowering the Special Committee. The members of the Special Committee decided to deliberate further regarding such proposed revisions in advance of the full meeting of the Company Board scheduled for late February.

On February 11 and 12, 2015, BMO and NRF conducted on-site financial and legal due diligence at the offices of Remington, including discussions with Mr. Monty Bennett, Sheryl Ransome, Remington's SVP of Accounting, and Rob Haiman, Remington's Senior Vice President Chief Legal Officer.

On February 18, 2015, the Special Committee met with representatives of NRF and BMO. The participants discussed strategic initiatives at affiliated Ashford entities and how the strategic initiatives could affect the business and financial prospects of the Company and Remington. Representatives of BMO then informed the Special Committee about their discussions with representatives of Baird regarding the terms of the pricing and valuation of Remington set forth in the Initial Remington Proposal, including Baird's statement that it expected the Special Committee to make a counter





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proposal. The Special Committee then discussed precedents regarding special committee compensation at other publicly traded companies. The Special Committee then instructed NRF to send Mr. Brooks the information reviewed regarding such compensation precedents, the comments to the Company Board resolutions setting forth the authority and powers of the Special Committee and the results of the preliminary financial analysis provided to the Special Committee by BMO.

On February 19, 2015, NRF sent Mr. Brooks all of the information and documents as requested by the Special Committee the previous day.

On February 20, 2015, Mr. Wheeler raised with Mr. Monty Bennett the Special Committee's desire that as a condition to consummating any transaction, a majority of the voting power of the Company's stockholders, other than the Bennetts and their affiliates, should approve the transaction (the "*Unaffiliated Stockholder Approval*").

On February 27, 2015, the Special Committee met with representatives of NRF. The participants proposed revisions to the Company Board's resolutions setting forth the authority and powers of the Special Committee, including specifically authorizing the Special Committee to pursue other transactions as alternatives to the proposed Remington transaction. The Special Committee then discussed the Initial Remington Proposal and the terms of any counter proposal. The Special Committee determined to review the preliminary valuation analysis of Remington being prepared by BMO before responding to Remington's proposal. Following this discussion, the Special Committee requested that NRF provide the NRF memorandum provided to the Special Committee on February 9 to Mr. Brooks and discuss the extent of the Special Committee's authority and powers with Mr. Brooks. NRF proposed that the Special Committee retain Delaware counsel to assist on matters of Delaware law.

On March 2, 2015, representatives of NRF met with Mr. Brooks to discuss the authority and powers of the Special Committee. They discussed the Special Committee's view that the Special Committee should have the power to pursue alternative transactions. They also discussed the need to set the Special Committee's compensation promptly, and organizational matters regarding the Special Committee. Finally, they discussed the retention of Morris, Nichols, Arsht & Tunnell LLP ("*Morris Nichols*") as legal counsel to advise the Special Committee on matters of Delaware law.

On March 3, 2015, representatives of NRF again discussed with Mr. Brooks the request for making explicit the Special Committee's powers to solicit and receive alternative proposals in the proposed Board resolutions setting forth the authority and powers of the Special Committee.

Later, on the same day, the Company Board adopted resolutions authorizing and empowering the Special Committee to exercise all lawfully delegable powers of the Company Board in accordance with a statement of purpose and authority that included, among other items, the power and authority to solicit, negotiate and evaluate any alternative to the potential transaction with Remington and to engage independent counsel and financial advisors.

On March 11, 2015, the Special Committee held a meeting with representatives of NRF and BMO. The participants reviewed and discussed presentation materials prepared by BMO regarding Remington and the Initial Remington Proposal with representatives of NRF and BMO, and what the Special Committee's response would be, including any counter proposal to the Initial Remington Proposal.

On March 13, 2015, the Special Committee reconvened the meeting and the participants continued their discussion.

On March 18, 2015, BMO, at the instruction of the Special Committee, delivered to Baird a non-binding preliminary term sheet setting forth the terms of the Special Committee's counter-offer for the acquisition of all of the ownership interests of Remington by the Company, which offer reflected an implied value for Remington of \$310 million.

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On March 30, 2015, representatives of NRF spoke with representatives of Baker Botts LLP ("*Baker Botts*"), legal counsel to the Bennetts, regarding a potential transaction and the status of legal due diligence review of Remington.

On March 31, 2015, Mr. Reihsen spoke with Mr. Monty Bennett regarding the terms of the counter-offer for the proposed transaction.

On April 1, 2015, representatives of NRF and Baker Botts discussed the Company's IRS consultation regarding the Private Letter Ruling request.

On April 2, 2015, the Special Committee, Mr. Monty Bennett, Mr. Brooks and representatives of NRF, Baker Botts, BMO and Baird met to discuss the Initial Remington Proposal and the Special Committee's counter-offer, including the structure of the proposed transaction. Mr. Monty Bennett made a presentation supporting a \$500 million valuation for Remington and a summary of potential Ashford Trust transactions that would positively impact the valuation of Remington. The Special Committee and BMO requested additional financial information of Remington for review to determine whether to revise any of the assumptions and components in BMO's valuation analysis and financial projections for Remington. Mr. Monty Bennett informed the Special Committee that he and his father, Mr. Archie Bennett, Jr., would only consider a transaction that satisfied the following key requirements:

The transaction must permit the Bennetts to maintain a 20% limited partnership interest in Remington;

The transaction consideration received by the Bennetts must be tax free to the Bennetts; and

As the transaction did not include a significant cash payment to the Bennetts as part of the transaction consideration, the transaction consideration must be structured to provide a minimum level of annual cash flow to the Bennetts from the equity consideration to be issued to the Bennetts.

On April 10, 2015, the Special Committee, Mr. Monty Bennett, Mr. Haiman and representatives of NRF and Baker Botts discussed the Unaffiliated Stockholder Approval. Mr. Monty Bennett explained that by a resolution of the board of directors of Ashford Trust, the directors of Ashford Trust that had been deemed "independent" under applicable stock exchange rules would determine how to vote the shares of the Company's common stock held by Ashford Trust. Because the decision on how Ashford Trust would vote its shares of the Company's common stock was to be determined by these directors, Mr. Monty Bennett suggested that Ashford Trust be deemed a stockholder not affiliated with the Bennetts for the purposes of the Unaffiliated Stockholder Approval. The participants also discussed that a transaction would require Ashford Trust to divest a significant portion of its ownership interest in Ashford to an ownership position of no more than 10% of the outstanding shares of the Company's common stock in order for Ashford Trust to satisfy certain REIT qualification tests under the Code. Mr. Monty Bennett stated that to accomplish this, it was likely that Ashford Trust would either sell a material portion of its stock in the Company to Ashford Prime or distribute a material portion of its stock in the Company to Ashford Trust's stockholders. Mr. Monty Bennett further discussed the potential for establishing special committees at both Ashford Trust and Ashford Prime to enable both companies to vote their Company shares as stockholders unaffiliated with the Bennetts for the purposes of the Unaffiliated Stockholder Approval.

On April 14, 2015, the Special Committee (other than Mr. Chandiramani), met with representatives of NRF. The participants discussed the valuation analysis regarding Remington provided to the Special Committee by Baird. Following such discussion, the Special Committee instructed BMO to hold discussions with Remington's management to gather information to enable the Special Committee to further evaluate the projections included in Baird's valuation materials.

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On April 21, 2015, representatives of NRF discussed with Mr. Monty Bennett, Mr. Haiman and Baker Botts the background of, and the Bennetts' relationships with, the directors of Ashford Trust and Ashford Prime that had been deemed "independent" under applicable stock exchange rules. The purpose of the discussion was to explore establishing special committees of the board of directors at Ashford Trust and Ashford Prime that would be given the power to vote the shares of the Company's stock held by each such entity with respect to any transaction between the Company and Remington. Mr. Monty Bennett identified directors he believed were disinterested for the purposes of the proposed transactions and should be considered to be members of the proposed respective special committees.

On April 23, 2015, the Special Committee and BMO held a series of meetings, both among themselves and with Remington's management, regarding BMO's financial analysis of Remington, including the need to collect additional information regarding Remington's business prospects in order to model Remington's financial projections and to further evaluate the value of Remington.

On April 28, 2015, the Special Committee and representatives of NRF and BMO discussed BMO's financial analysis of Remington, including an overview of financial projections prepared by Remington based on assumptions that Ashford management believed were reasonable and that reflected Ashford management's best available estimate of acquisitions by Ashford Trust and Ashford Prime at such time. BMO's further analysis, taking into account the additional information provided by Remington, supported the Special Committee making an increased offer to the Bennetts that reflected an implied value for Remington in the range of approximately \$400 to \$420 million.

On April, 29, 2015, the Special Committee communicated to Mr. Monty Bennett that the Special Committee would entertain negotiations for the acquisition of 80% of the limited partnership interests in Remington and the general partnership interests in Remington by the Company on a tax free basis (other than with respect to a limited amount of cash or notes to be received) for consideration that reflected an implied value for Remington of \$408 million.

On May 1, 2015, the Special Committee met with representatives of NRF. The participants discussed strategies for structuring a transaction to combine Remington's and the Company's businesses in a manner that would be acceptable to the Company and also meet the key requirements of the Bennetts. The participants further discussed the inclusion of Ashford Trust and Ashford Prime as stockholders unaffiliated with the Bennetts for purposes of the Unaffiliated Stockholder Approval.

On May 4, 2015, Mr. Wheeler and representatives of BMO discussed indications from Baird regarding the implied value of Remington that would be set forth in a counter-offer to be submitted by Remington to the Special Committee.

On May 6, 2015, Remington submitted a term sheet to the Special Committee setting forth the structure and terms of a proposed transaction whereby the Company would acquire an 80% limited partnership interest in Remington and 100% of the general partnership interests in Remington in exchange for consideration of approximately \$342 million, which reflected an implied value of \$428 million for Remington. The proposed structure utilized the creation of Newco as a newly formed subsidiary of the Company and Newco Sub as a wholly owned subsidiary of Newco. The consideration proposed was a \$10 million promissory note paid over four years; \$250 million in convertible preferred stock, paying dividends at a rate of 8.0% per annum, to be issued by Newco; and \$80 million in common stock to be issued by Newco. The proposal also contemplated the Company contributing substantially all of its business to Newco and Newco would, in turn, contribute the acquired Remington limited partnership interests to Newco Sub, which would then acquire the general partnership interest in Remington directly. The proposed structure was intended by Remington to largely achieve the objectives of the Company and the Bennetts (including the requirements of the Bennetts described by Mr. Monty Bennett on April 2) and to comply with the terms of the Private Letter Ruling request.

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Later that day, the Special Committee met with representatives of NRF and BMO. The participants discussed the terms and structure of the counter-offer submitted by Remington, including the form and amount of consideration and preliminary financial analysis implied by the counter-offer. The participants then proposed a list of issues to be discussed with Remington and its advisors regarding the proposal.

On May 8, 2015, the Special Committee, Mr. Monty Bennett and representatives of BMO, NRF and Baker Botts discussed the term sheet submitted by Remington on May 6. The parties discussed the Bennetts' key requirements to structure a transaction that would continue the annual cash flow they have been receiving from Remington, allow them to maintain some level of control over the business of Remington and have the transaction consideration be tax free to them. The parties then discussed the legal structure of the proposed transaction, and the form and amount of the proposed consideration to be paid to the Bennetts and Remington Holdings GP.

On May 11, 2015, representatives of BMO and NRF met with representatives of Baird and Baker Botts to solicit additional information regarding the structure and form of consideration set forth in the term sheet submitted by Remington on May 6.

Later that same day, the Special Committee met with representatives of NRF and BMO. The participants discussed the counter-offer term sheet submitted by Remington on May 6, including the proposed structuring of the transaction. Issues raised included the transferring of all of the Company's business to a subsidiary that would not be wholly-owned by the Company, and the implications of tax and securities laws, including the Investment Company Act of 1940, as amended. The participants then discussed revising the term sheet to reflect a transaction proposal by the Special Committee, which proposal would include the elimination of debt-like features to the preferred stock and a valuation consistent with the Special Committee's prior valuation. Finally, the participants discussed issues related to considering Ashford Trust and Ashford Prime as being unaffiliated with the Bennetts for purposes of voting on the proposed transaction.

On May 12, 2015, representatives of NRF and Baker Botts discussed issues regarding the structuring of the transaction and the terms of the preferred stock to be issued by Newco as part of the proposed transaction consideration.

On May 13, 2015, Remington submitted a term sheet to the Special Committee setting forth the structure and terms discussed between NRF and Baker Botts on the previous day, which reflected the revisions discussed between the Special Committee, NRF and BMO on May 11.

On May 14, 2015, Mr. Reihsen and representatives of NRF and Morris Nichols discussed legal standards of review and other legal principles applying Delaware law, and the implications if Ashford Trust and Ashford Prime were treated as stockholders unaffiliated with the Bennetts for the purposes of the Unaffiliated Stockholder Approval.

On May 18, 2015, the Special Committee met with representatives of NRF and BMO. BMO provided a financial presentation to the Special Committee regarding the structure and form of consideration of the proposed transaction with Remington. The participants then discussed structuring issues, including the amount of consideration and tax and Investment Company Act implications.

On May 20, 2015, the Special Committee met with representatives of NRF and BMO. BMO provided a financial presentation to the Special Committee regarding the structure of the proposed transaction with Remington and the form and amount of consideration to be offered. The presentation included the dilutive effect of the preferred and common shares proposed to be issued by Newco on the Company's outstanding common stock held by stockholders other than the Bennetts and their affiliates. NRF then discussed legal standards of review and other legal principles applying Delaware law, as well as the implications if Ashford Trust and Ashford Prime were treated as stockholders not affiliated with the Bennetts with respect to the Unaffiliated Stockholder Approval. The Special

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Committee determined to provide a revised term sheet to Remington setting forth the Special Committee's transaction proposal, which was for an 80% limited partnership interest in Remington and 100% of the general partnership interests in Remington for approximately \$334 million in consideration, reflecting an implied value for Remington of approximately \$418 million. The terms included preferred stock as part of the consideration in the amount of \$160 million with a dividend of 6.5% per annum, but did not include the Unaffiliated Stockholder Approval as a condition to the consummation of the transactions. The Special Committee also instructed NRF to begin drafting the principal transaction documents that set forth the Special Committee's proposal.

On May 26, 2015, NRF sent working drafts of an acquisition agreement and investor rights agreement to the Special Committee for their review and comment.

On May 27, 2015, the Special Committee met with representatives of NRF and BMO. BMO updated the Special Committee on their conversations with Baird regarding the proposed transaction terms, including the desire of the Bennetts and Remington Holdings GP to receive a minimum amount of annual cash flow from the preferred stock and promissory note they would receive in the proposed transaction. BMO then summarized for the Special Committee the results of its financial analysis of Remington and discussions with Remington's management regarding management's financial projections. The participants then discussed the NRF working drafts of the acquisition agreement and investor rights agreement.

On June 6, 2015, the Special Committee met with representatives of NRF and BMO. BMO reviewed financial considerations regarding the proposed transaction with Remington. BMO described the estimated annual cash flow that would be generated by the form and terms of the consideration proposed by the Special Committee. Mr. Reihsen and Mr. Wheeler then informed the participants about separate conversations with the Bennetts regarding the Special Committee's proposed transaction consideration. Following that discussion, the Special Committee resolved to submit to the Bennetts and their advisors the Special Committee's current proposal as set forth in the initial draft transaction documents prepared by NRF; to engage Riveron Consulting LLC ("*Riveron Consulting*") to perform accounting due diligence on Remington; and to amend the terms of NRF's engagement to include drafting and negotiating documentation regarding the proposed transaction.

On June 10, 2015, NRF sent the Special Committee's term sheet setting forth its proposal and initial drafts of the acquisition agreement, investor rights agreement and preferred stock certificate of designation to Baker Botts and the Bennetts for their review. The documents reflected aggregate consideration in the amount of \$334 million for an 80% limited partnership interest in Remington and 100% of the general partnership interests in Remington, which would be paid in the form of a \$10 million promissory note, \$200 million in Newco preferred stock with a 7.25% dividend per annum, and \$124 million in Newco nonvoting common stock. As consideration for the contribution of all of its assets to Newco, the Company would receive Newco voting common stock equal in number to the shares of Company common stock issued and outstanding. The Bennetts would have control rights with respect to certain aspects of Newco, Newco Sub and Remington by virtue of the rights inherent in the preferred stock to be issued to them, the 20% limited partnership interest in Remington to be retained by them, as well as contractual rights set forth in the investor rights agreement. Terms included (i) the requirement that Newco become a public company within three years after closing; (ii) non-compete and non-solicit covenants binding on the Bennetts; (iii) a fiduciary out termination right for the Company; (iv) the voting power of the Bennetts at the Company would be limited to pre-transaction levels; (v) closing conditions including the approval of the transactions by a majority of the voting power of the Company's stockholders; and (vi) certifications by Mr. Monty Bennett, in his capacity as the Chief Executive Officer of the Company, that the representations and warranties made by the Company would be true and correct as of the execution date of the transaction documents and also as of the date the transactions were consummated. Per the instructions of the Special Committee, the draft transaction documents did not require the Unaffiliated Stockholder Approval.

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On June 18, 2015, the Special Committee met with representatives of NRF and BMO. BMO reviewed with the Special Committee its financial analysis with respect to the proposed transaction with Remington. BMO also provided the Special Committee a comparison of the aggregate consideration to be paid to the Bennetts and Remington Holdings GP, and the components thereof, set forth in the previous proposals generated both by the Special Committee and the Bennetts, including the estimated annual amount of cash flow that would be paid to the Bennetts and Remington Holdings GP based upon an analysis of aggregate cash flows estimated to be generated by the Company following the consummation of the transactions provided by Baird on June 15, 2015. The Special Committee also considered additional information on the Ashford Prime platform, for which the Company and Remington provide management services, and the potential impact on the Company's and Remington's businesses. The Special Committee requested that BMO and management further update the financial analysis and preliminary valuation of Remington for its consideration.

On June 19, 2015, Baker Botts provided a revised draft of the acquisition agreement to NRF. The revised draft included, among other revisions, substantially reduced representations and warranties to be made by the Bennetts and expanded representations and warranties to be made by the Company.

On June 22, 2015, representatives of NRF met with Mr. Wheeler to review a list of issues identified by NRF in the draft transaction documents, which Mr. Wheeler intended to discuss with Mr. Monty Bennett. The issues included the following:

whether the Company would have a fiduciary out termination right that included both superior proposals and intervening events;

whether the Bennetts would be able to increase their voting power at the Company;

whether the Company should make substantive representations and warranties to, or indemnify, the Bennetts, including Mr. Monty Bennett, the Chairman and CEO of the Company;

whether a stockholder vote on the transactions would be required under Delaware law and NYSE MKT regulations;

whether the Company would have a long-term noncompetition agreement from the Bennetts;

the amount and form of the consideration to be paid to the Bennetts upon exercise of the put and call rights for the equity interests to be issued to them;

whether the Bennetts would make joint and several representations and warranties to the Company;

the amount of a Company termination fee, if any, that would be payable to the Bennetts if the Company terminated the acquisition agreement and consummated a superior offer with a third party;

whether the Bennetts' put right with respect to the equity interests to be issued to them would be exercisable upon a substantial change in the composition of the Company Board;

whether the Company's call right with respect to the equity interests in Newco to be issued to the Bennetts would also apply to all of their retained 20% limited partnership interests in Remington, whether or not still held by the Bennetts; and

whether the back office services historically provided by Remington to the Bennetts should continue, and on what terms, following the consummation of the transaction.

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Later that day, Baker Botts provided revised drafts of the preferred stock certificate of designation and investor rights agreement to NRF. The revised drafts included, among other revisions, a put right in favor of the Bennetts and their permitted transferees for the Newco equity and retained 20% limited



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partnership interests in Remington that would be triggered upon a change of control of the Company, including a substantial change in the composition of the Company Board.

On June 24, 2015, representatives of NRF spoke with representatives of Baker Botts and Mr. Haiman regarding the terms set forth in the draft transaction documents. The discussions included:

The parties agreed that a fiduciary out termination right for the Company in the event of an intervening event or an unsolicited superior offer was acceptable to the Bennetts; however, they did not agree upon an intervening event termination right in favor of the Company.

The parties agreed that a limitation on the Bennetts' voting rights with respect to the Company would be acceptable, but they did not agree on the percentage limit nor on which persons would be included in the Bennetts' controlled group for such purpose.

The parties agreed that the contribution of all of the Company's assets to Newco would require the approval of the Company's stockholders at a special meeting of stockholders.

The parties discussed the termination fee the Company would be required to pay to the Remington Holders if the acquisition agreement were terminated by the Company based upon the fiduciary out. NRF expressed the Special Committee's view that a termination fee should be no more than 1% of the proposed transaction value. Baker Botts and Mr. Haiman expressed the Bennetts' desire for a termination fee in the range of 3% to 5% of the transaction value.

The parties discussed whether the Bennetts would receive any securities issued by Newco that would have voting rights, and, if so, whether the Bennetts would be subject to a limitation on voting power at Newco.

The parties discussed whether the Company would indemnify the Bennetts for breaches by the Company, and NRF expressed the Special Committee's belief that such indemnification was inappropriate because the public stockholders should not bear the economic burden of indemnifying the Bennetts for breaches of representations made by the Company, because Mr. Monty Bennett, in his capacity as Chairman and Chief Executive Officer of the Company, has substantial management responsibility for, and knowledge of, the operations of the Company.

The parties discussed the scope of the non-compete that would restrict the Bennetts. Baker Botts and Mr. Haiman proposed a five year term with an additional two years from Mr. Monty Bennett's termination of employment with the Company and that, with respect to exclusivity of business, if the Company declined an opportunity to acquire a lodging property, the Bennetts would be permitted to acquire the property, without any requirement to use Remington as the manager.

With respect to the 20% limited partnership interest in Remington to be retained by the Bennetts, for the purposes of the put right exercisable upon a change of control, Baker Botts and Mr. Haiman outlined a proposal using a fixed multiple of annual EBITDA to determine the consideration to be paid.

With respect to the investor rights agreement, Baker Botts and Mr. Haiman proposed that the call right for the Newco equity to be issued to the Bennetts would become exercisable by Newco after five years, but would only be exercisable for cash consideration and not for common stock of the Company.

The equity transfer restrictions binding the Bennetts were substantially agreed to as drafted, subject to the Bennetts being able to freely transfer their equity interests for estate planning purposes.



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The parties did not resolve the amount of net working capital required to be maintained at Remington.

The parties did not resolve the conversion premium to be paid by the Bennetts if Newco exercised its call right for its securities issued in the transaction.

On July 10, 2015, the Special Committee met with representatives of NRF and BMO. The Special Committee received an update from Riveron Consulting, financial due diligence advisor to the Special Committee, on the accounting due diligence on Remington performed by them. Mr. Wheeler then provided a summary of the status of ongoing discussions between himself and Mr. Monty Bennett with respect to the terms and structure of the proposed transaction with Remington.

On July 13, 2015, representatives of NRF met with representatives of Baker Botts and Mr. Haiman regarding outstanding issues arising from the most recent draft transaction documents. The parties discussed put and call mechanics. Mr. Haiman described for the parties agreements, arrangements and understandings raised during the due diligence review of Remington, including leased office space, the Marietta, Georgia managed location being operated through a limited partnership and Ashford Investment Management, LLC, an investment advisor registered with the SEC, which manages investments on a discretionary basis for certain managed accounts and private investment funds, and which is partially owned by Mr. Monty Bennett.

On July 16, 2015, NRF provided a revised draft of the acquisition agreement to Baker Botts, based upon the discussions with Baker Botts and Mr. Haiman and comments provided by the Special Committee. Among other changes to the previous Baker Botts draft, the revised draft included a termination fee payable by the Company of 1% of the proposed transaction value, substantially increased the breadth of the representations and warranties made by the Bennetts and reduced the breadth of the representations and warranties made by the Company. In addition, the revised draft eliminated the indemnity provisions for breaches of the agreement, thereby not requiring contractual indemnity as the sole and exclusive remedy and allowing the parties to pursue all remedies available under applicable law. The revised draft did, however, maintain dollar limitations on the amount of damages recoverable for breaches of representations and warranties with both a deductible and cap.

On July 19, 2015, NRF provided a revised draft of the investor rights agreement to Baker Botts, which had been revised based upon the discussions with Baker Botts and Mr. Haiman and comments provided by the Special Committee.

On July 21, 2015, NRF provided a revised draft of the preferred stock certificate of designation to Baker Botts, which had been revised based upon the discussions with Baker Botts and Mr. Haiman and comments provided by the Special Committee.

On July 22, 2015, representatives of NRF met with representatives of Baker Botts and Mr. Haiman to further discuss open items in the draft transaction documents, as well as notes prepared by Mr. Monty Bennett summarizing his understanding of agreements and open items resulting from discussions between himself and Mr. Wheeler. Discussions included the scope of the non-compete that would be binding on the Bennetts and the duration of transfer restrictions that would be binding on the Newco equity issued to the Bennetts. In addition, Mr. Haiman provided additional information regarding items raised in due diligence on Remington, including existing business agreements and arrangements between Remington and the Company.

On July 25, 2015, Baker Botts provided to NRF revised drafts of the acquisition agreement, investor rights agreement and certificate of designation for the Newco preferred stock based upon discussions with NRF and comments provided by the Bennetts. Among other changes, the revised draft of the investor rights agreement provided the Bennetts with more lenient equity transfer restrictions, but included the concept of a right of first refusal in favor of the Company with respect to the 20% limited partnership interest in Remington retained by the Bennetts.

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On July 28, 2015, representatives of NRF and Baker Botts discussed open items of the terms set forth in the draft transaction documents related to taxes.

On July 29, 2015, representatives of NRF and Baker Botts continued discussions on open items of the terms of the transaction set forth in the draft documents.

On July 30, 2015, the Special Committee met with NRF. NRF provided a summary of the unresolved items based on recent discussions with Baker Botts, including the \$100 per share valuation of the Company's common stock implied by the transaction consideration, put and call provisions applicable to the Newco equity to be issued to the Bennetts, the fiduciary out termination right for the Company, equity transfer restrictions binding on the Bennetts, and voting restrictions regarding the Company's common stock to be imposed upon the Bennetts. The participants then discussed the progress and status of on-going negotiations.

Later that same day, Mr. Wheeler and representatives of NRF discussed with Baker Botts, Mr. Haiman and Mr. Monty Bennett the draft transaction documents. The discussions included:

The terms of the Company's fiduciary out termination right.

The duration and the recipients of the control rights associated with the Newco preferred stock. It was agreed that the control rights would not be embedded rights of the preferred stock, but contractual rights of specified holders that would expire. Therefore, it was agreed that the provisions would be deleted from the preferred stock certificate of designation and included in the investor rights agreement so that they would be subject to contractual expiration and transfer restrictions.

The Bennetts' position that as part of their on-going cash flow requirement in the transaction, they had assumed receiving at least five years of dividends on the Newco preferred stock. Therefore, they requested an additional make-whole dividend in the event the put right in favor of the Bennetts was exercised prior to the fifth anniversary of the closing of the proposed transaction, which would provide the Bennetts with their expected five year cash flow.

The terms and level of a voting limitation on the Bennetts' ability to vote their shares of the Company's common stock, including subsequently acquired shares of the Company's common stock that may be issued to the Bennetts as a result of the exercise of the put right or call right set forth in the transaction documents. The level of voting limitation was initially proposed to be 20.7% of the voting power of the issued and outstanding common stock of the Company based on the Bennetts' and their affiliates' current holdings. Mr. Monty Bennett proposed a four year term for such restriction.

Whether the proposed floating conversion ratio with respect to the Company's common stock that could potentially be issued upon the exercise of the put right or call right would result in a "future priced security" under the NYSE MKT rules.

The payment terms if the Company exercised its right of first refusal with respect to any proposed transfer of the 20% limited partnership interest in Remington retained by the Bennetts.

The duration of the equity transfer restrictions binding on the Bennetts, including expiration by the passage of time and expiration upon the occurrence of specified events.

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Later that same day, NRF provided revised drafts of the acquisition agreement, investor rights agreement and certificate of designation to Baker Botts, which had been revised based upon the discussions among the parties earlier that day.

On August 1, 2015, Baker Botts provided revised drafts of the acquisition agreement and preferred stock certificate of designation to NRF, which had been revised based upon Baker Botts' consultation with the Bennetts.

Later that same day, representatives of NRF and Baker Botts and Mr. Haiman discussed open items and comments to the acquisition agreement provided by Baker Botts.

On August 2, 2015, Baker Botts provided revised drafts of the acquisition agreement and the investor rights agreement to NRF, which had been revised based upon the parties' discussion on August 1 and Baker Botts' subsequent consultation with the Bennetts. Among other revisions, the revised draft of the acquisition agreement included a termination fee payable by the Company of 3% of the proposed transaction value, and introduced a fiduciary out termination right in favor of the Bennetts, designed to mirror the Company's fiduciary out termination right, and an equivalent termination fee that would be payable by the Company to the Bennetts of 3% of the proposed transaction value.

On August 3, 2015, NRF provided a revised draft of the investor rights agreement to Baker Botts based upon NRF's consultation with the Special Committee.

On August 4, 2015, NRF provided revised drafts of the acquisition agreement, investor rights agreement and preferred stock certificate of designation to Baker Botts. Among other revisions, the drafts eliminated the fiduciary out termination right and related termination fee in favor of the Bennetts that was introduced in the draft received from Baker Botts on August 2.

That same day, Mr. Brooks informed the Special Committee that Ashford Prime had entered into an agreement to acquire, on August 5, 2015, 174,983 shares of the Company's common stock in a block trade from an unaffiliated third party, equivalent to approximately 8.8% of the Company's common stock then outstanding, at a purchase price equal to \$95.00 per share.

On August 5, 2015, Baker Botts provided a revised draft of the acquisition agreement to NRF. Among other changes, the revised draft qualified the representations and warranties made by the Bennetts to eliminate liabilities incurred by Remington in its capacity as an agent conducting management services.

Later that same day, Mr. Wheeler, representatives of NRF, Mr. Monty Bennett, Mr. Haiman and representatives of Baker Botts discussed the open items, progress and status of the draft transaction documents circulated over the past few days.

On August 6, 2015, Baker Botts provided NRF with an initial draft of Remington's disclosure schedules to the representations and warranties set forth in the acquisition agreement.

Later that same day, representatives of NRF and Baker Botts discussed tax matters arising from the provisions in the draft transaction documents, with a focus on the tax free treatment of the transaction consideration for the Bennetts.

Later that same day, Mr. Wheeler, representatives of NRF, Mr. Haiman and representatives of Baker Botts discussed the revised drafts of the transaction documents circulated over the past few days.

That evening Mr. Haiman provided revisions to the draft representations and warranties proposed to be made by the Bennetts in the acquisition agreement. The draft revisions narrowed the limitations of the Bennetts' representations and warranties regarding Remington's liability as an agent in the performance of management services.

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On August 7, 2015, NRF provided Baker Botts with drafts of the acquisition agreement and investor rights agreement per the parties' discussion on August 6, and an initial draft of the proposed Remington limited partnership agreement.

On August 9, 2015, Baker Botts provided a revised draft of the acquisition agreement and Remington limited partnership agreement to NRF, based upon consultation with the Bennetts. Among other revisions, the drafts included, as a condition to the Bennetts' obligations to consummate the transactions, their receipt of a satisfactory opinion of their tax counsel that (i) the exchange of certain specified securities of Remington for Newco common stock and Newco preferred stock in the transaction will qualify as a tax-free exchange under the Code, (ii) the Newco preferred stock will not be treated as nonqualified preferred stock (within the meaning of the Code), and (iii) the Bennetts will not recognize any taxable gain or income as a result of such exchange.

On August 13, 2015, Baker Botts provided to NRF drafts of the acquisition agreement, investor rights agreement, preferred stock certificate of designation, Remington limited partnership agreement and Remington's disclosure schedules to the acquisition agreement. Baker Botts informed NRF the drafts constituted the best and final offer of the Bennetts and were not subject to negotiation. Among other revisions, the drafts retained the conditions to the Bennetts' obligations to consummate the transactions set forth in the August 9 drafts, including a fiduciary out termination fee in favor of the Remington Holders of 2% of the proposed transaction value, plus out-of-pocket costs and expenses actually incurred by the Remington Holders in connection with the negotiation of the proposed transaction.

On August 19, 2015, the Special Committee met with representatives of NRF and BMO. The participants discussed the terms of the drafts provided by Baker Botts that constituted the best and final offer of the Bennetts. The Special Committee then provided NRF with a list of terms to which the Special Committee did not intend to agree, and directed NRF to prepare a summary of such terms for the Special Committee's use in approaching Mr. Monty Bennett to engage in further discussions.

On August 21, 2015, NRF provided the Special Committee with the requested summary, which Mr. Wheeler then provided to Mr. Monty Bennett.

On August 25, 2015, the Special Committee met with NRF. The participants discussed the summary of terms previously prepared by NRF.

Prior to a planned evening meeting of the Special Committee and Mr. Monty Bennett, Baker Botts provided NRF with revised drafts of the acquisition agreement, investor rights agreement, preferred stock certificate of designation and Remington limited partnership agreement, which reflected the Bennetts' proposed responses to the NRF summary provided by Mr. Wheeler to Mr. Monty Bennett on August 21. Baker Botts informed NRF that Mr. Monty Bennett intended to provide the revised drafts to the members of the Special Committee during the meeting scheduled for that evening.

That evening all members of the Special Committee met with Mr. Monty Bennett and Mr. Haiman to discuss the summary of terms prepared by NRF and the Bennetts response. Discussions included:

The Bennetts wanted to nominate at least one member of the three member board of directors of Newco Sub. The Special Committee agreed, provided that the directors of Newco Sub were selected from the independent members of the Company's board of directors.

The Newco nonvoting common stock to be received by the Bennetts would not automatically convert into voting common stock after three years, as had been requested by the Bennetts.

The Company would pay in cash for up to \$2,750,000 of the Bennetts' transaction costs incurred in connection with the transaction in exchange for an equivalent reduction in the transaction consideration, to be deducted from the Newco nonvoting common stock to be issued to the Bennetts at a valuation of \$100 per share.

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There would be no purchase price collar on the Company's right of first refusal regarding the 20% retained Remington limited partnership interests.

The parties agreed upon the method for allocating transaction consideration to the Bennetts' covenant not to compete.

The tax-related conditions to the Bennetts' obligations to consummate the transactions introduced in the August 9 draft would remain in the acquisition agreement.

The termination date set forth in the acquisition agreement was extended from March 30, 2016 to June 30, 2016.

On August 26, 2015, Mr. Reihsen and representatives of NRF compared the drafts of the transaction documents distributed by Baker Botts on August 25 and the agreements between the Special Committee and Mr. Monty Bennett the previous night.

On August 28, 2015, NRF provided the Special Committee with a summary comparison of the Special Committee's position with respect to the terms discussed with Mr. Monty Bennett and Mr. Haiman at the meeting on August 25 and the applicable provisions of such terms set forth in the revised transaction documents provided by Baker Botts on August 25.

Later that same day, Mr. Reihsen informed Mr. Monty Bennett that NRF would distribute revised drafts of the transaction documents to reflect the Special Committee's position with respect to such terms. NRF subsequently distributed revised drafts of the acquisition agreement, Remington limited partnership agreement, certificate of designation, investor rights agreement, and Newco's certificate of incorporation. Mr. Monty Bennett subsequently responded that the drafts provided by Baker Botts on August 25 were the Bennetts' best and final offer and the drafts revised by NRF would not be reviewed.

On August 31, 2015, representatives of NRF asked if they could explain the August 28 revisions to the proposed drafts to representatives of Baker Botts and Mr. Haiman. Mr. Haiman and Baker Botts informed NRF that they did not have authority to engage in negotiations or to comment on the changes, but they did agree to participate in NRF's review of the drafts.

On September 1, 2015, representatives of NRF, Baker Botts and Mr. Haiman discussed the changes proposed by NRF in the August 28 draft transaction documents. Mr. Haiman informed the participants that he and Baker Botts had been granted authority by the Bennetts to engage in discussions of the open terms. Mr. Haiman provided detail of the Bennetts' view that the Newco nonvoting common stock should convert to Newco voting common stock upon the occurrence of an initial public offering by Newco, which was required to occur within three years pursuant to the investor rights agreement.

Later that day, Baker Botts provided NRF with revised drafts of the transaction documents. Following receipt of the revised drafts, representatives of NRF, Baker Botts and Mr. Haiman discussed the revised drafts.

On September 2, 2015, Baker Botts provided NRF with revised drafts of the transaction documents. Later that day, representatives of NRF, Baker Botts and Mr. Haiman discussed the revised drafts.

On September 3, 2015, Baker Botts provided NRF with revised drafts of the investor rights agreement and Remington limited partnership agreement based upon the discussion held the previous day.

On September 4, 2015, the Special Committee discussed with representatives of NRF the revisions proposed by Baker Botts over the previous three days and the open terms reflected therein. Later that day, NRF prepared and distributed a summary of the open terms to the Special Committee.

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On September 8, 2015, Baker Botts provided NRF with revised drafts of the transaction documents.

Later that day, NRF and Mr. Wheeler discussed the open terms reflected in the drafts of the transaction documents and the Special Committee's position with respect thereto. The focus of the discussion was the conversion of Newco nonvoting common stock to Newco voting common stock and the extent and duration of voting restrictions imposed upon the Bennetts at Newco.

Later that day, representatives of NRF and Baker Botts discussed the extent and duration of the voting restrictions imposed upon the Bennetts at Newco. Baker Botts proposed a voting limitation of 25% at such time as a shareholder rights plan was adopted that would ensure that no other stockholder of Newco could hold voting power of Newco in excess of 25%.

Subsequently, representatives of NRF, Mr. Haiman and Mr. Monty Bennett and Mr. Wheeler discussed the extent and duration of the voting restrictions imposed upon the Bennetts with respect to the voting common stock of Newco, including the proposal described by Baker Botts.

On September 9, 2015, Baker Botts provided NRF with revisions to the transaction documents previously distributed by NRF reflecting the Bennetts' proposed responses to all open terms.

Later that day, representatives of NRF, BMO and Baker Botts, the Special Committee, Mr. Haiman, and Mr. Monty Bennett discussed the proposed revisions previously distributed by Baker Botts. Following discussion and debate, all of the proposed revisions were accepted by the Special Committee, subject to minor revisions to be made by NRF. Following the minor revisions made by NRF, the parties agreed that the draft transaction documents were in acceptable form to present to the Special Committee for their deliberation of whether to submit the transactions and the transaction documents to the Company Board for its consideration.

On September 11, 2015, the following documents were distributed to the Special Committee for their review and consideration: a complete set of drafts of the transaction documents, the Riveron Consulting financial due diligence report, a memorandum prepared by the Company regarding the anticipated accounting treatment of the transactions, BMO's fairness presentation, a draft press release prepared by the Company announcing the transactions, a draft conference call script prepared by the Company for Company management announcing the transactions, a draft investor presentation prepared by the Company's management regarding the transactions, and draft talking points prepared by the Company for Company management regarding the transactions. Later that day, Mr. Brooks distributed the complete set of drafts of the transaction documents to the Company Board, including the Special Committee.

On September 14, 2015, the Special Committee held a meeting with representatives of NRF and BMO in attendance. At the request of the Special Committee, BMO rendered an oral opinion to the Special Committee, which was subsequently confirmed in a written opinion dated as of the same date, to the effect that as of September 14, 2015, and based upon and subject to the assumptions made, matters considered and limitations and qualifications upon the review undertaken by BMO, the consideration to be paid by the Company in the proposed transaction was fair, from a financial point of view, to the Company. After discussion, the Special Committee then unanimously determined that the transaction and the proposed transaction documents were advisable, fair to, and in the best interests of the Company and its stockholders, approved and adopted the transaction documents and the transactions and recommended that: (i) the Company Board approve and adopt the transaction documents and the transactions; and (ii) the Company's stockholders, to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT, approve and adopt the transaction documents and the transactions.

Later that day, Mr. Brooks distributed the following documents to the Company Board, including the Special Committee: a draft press release prepared by the Company announcing the transactions, a



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draft conference call script prepared by the Company announcing the transactions, a draft investor presentation prepared by the Company's management regarding the transactions, and a draft Form 8-K regarding the transactions.

On September 17, 2015, a meeting of the Company Board was convened. Mr. Monty Bennett and Mr. J. Robison Hays, III excused themselves after the meeting had been called to order and did not participate in the subsequent discussions. The members of the Company Board had previously been provided with a summary of the terms of the transaction documents and drafts of proposed resolutions for adoption by the Company Board. The Company Board reviewed the documents provided for their review. Representatives of BMO were also in attendance at the meeting and described BMO's financial analysis of the transaction. After discussion, the Company Board, unanimously, with Mr. Monty Bennett and Mr. Hays recusing themselves: (i) approved and adopted the favorable recommendation of the Special Committee in respect of the transactions and the transaction documents; (ii) approved the form, terms and provisions of the transaction documents; and (iii) determined to recommend that the stockholders of the Company vote to approve the transactions to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT.

Later that same day, the parties executed the acquisition agreement.

On September 18, 2015, the Company issued a press release and filed a Form 8-K announcing the execution of the acquisition agreement and the transactions.

**Reasons for the Transactions; Recommendation of the Special Committee; Recommendation of the Board of Directors**

*Recommendation of the Special Committee*

The Special Committee, acting with the advice and assistance of its independent legal and financial advisors, evaluated and negotiated the transactions and the Transaction Documents and unanimously determined that the Transaction Documents and the transactions are advisable, fair to, and in the best interests of the Company and its stockholders, approved and adopted the Transaction Documents and the transactions and recommended that (i) the Company Board approve and adopt the Transaction Documents and the transactions, and (ii) the Company's stockholders, to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT, approve and adopt the Transaction Documents and the transactions.

*Reasons for the Transactions*

The Special Committee found that the special circumstances related to the Company, Remington and Monty Bennett's involvement with each entity gave rise to significant complexity that required detailed analysis of the proposed transactions over a nine month period. The Special Committee held more than 20 meetings to discuss the proposed transactions with Remington and the Bennetts, as the proposals were negotiated and revised from time to time. On more than ten occasions the Special Committee discussed the price that was proposed and other substantive issues raised by the proposed transactions.

In the course of reaching its determination and recommendation, the members of the Special Committee considered the following factors and potential benefits of the transactions, each of which the Special Committee believed supported its decision (not necessarily in order of relative importance):

the Special Committee's own views and opinions on the current hospitality industry environment;

the Special Committee's understanding of the Company's business, assets, financial condition and results of operations, its competitive position and historical and projected financial

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performance and prospects, and the nature of the industry and regulatory environment in which the Company competes;

that, subsequent to the filing of Amendment No. 1 to the Statement on Schedule 13D by Monty Bennett on June 25, 2015 disclosing the proposal for the Company to acquire a significant and controlling portion of the outstanding equity interests of Remington, no third party approached the Company, any member of the Special Committee or the Special Committee's advisors regarding a potential transaction;

that the transactions, if consummated, would better align the interests of the Bennetts with the Company by ensuring that Remington, which derives substantially all of its revenue from the REIT Clients, would no longer be 100% privately controlled by the Bennetts and Remington Holdings GP separately from the Company;

the negotiations that took place between the parties that resulted in an approximately 17% decrease in the aggregate consideration for the Transferred Securities, from approximately \$400,000,000 (for an 80% limited partnership interest) based upon the \$500,000,000 valuation proposal submitted by Baird on February 2, 2015, to the aggregate consideration of \$331,650,000 set forth in the Transaction Documents, and a reduction in the rate of cumulative dividends payable on the Newco Preferred Stock, from 8.0% per annum in the counter-offer submitted by Remington on May 6, 2015 to 6.625% per annum set forth in the Transaction Documents;

that the aggregate consideration for the Transferred Securities includes only \$10,000,000 in cash, and such cash consideration is payable by Newco Sub over the course of four years pursuant to the Newco Sub Promissory Note;

that, with respect to income taxes, the transactions are expected to be tax-free to the Company and largely tax-free to the Bennetts;

the quality of earnings report prepared by Riveron Consulting;

the various analyses undertaken by BMO, independent financial advisor to the Special Committee, each of which is described under "Special Factors Opinion of Financial Advisor to the Special Committee;"

the opinion of BMO, dated September 14, 2015, that as of such date and based on, and subject to, the assumptions made, matters considered and limitations and qualifications upon the review undertaken by BMO Capital Markets, the aggregate consideration to be paid by the Company in the transactions was fair, from a financial point of view, to the Company;

that the Investor Rights Agreement will limit, following the consummation of the transactions, (i) the voting power of the Bennetts and their controlled affiliates at Newco, with respect to shares of Newco common stock acquired in the transactions (which amount may be increased by post-closing acquisitions of Newco voting common stock acquired from non-Newco affiliates), to no more than 25% and, (ii) for four years following the consummation of the transactions, the Bennetts and their controlled affiliates would be required to vote their shares of Company common stock in excess of 25% of the combined voting power of all of the outstanding voting securities of the Company (plus the combined voting power of any Company common stock purchased after the closing of the transactions in an arm's length transaction from a person other than the Company or a Company subsidiary, including through open market purchases, privately negotiated transactions or any distributions by either Ashford Trust or Ashford Prime to its respective stockholders pro rata) in the same proportion as the unaffiliated stockholders of the Company vote their shares;

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that the Investor Rights Agreement will restrict, following the consummation of the transactions, each of Archie Bennett, Jr.'s, Monty Bennett's, and MJB Investments' respective abilities to directly or indirectly compete with the Company and Remington;

the transactions are expected to be accretive to the Company's stockholders, including after taking into account the possible future exchange of the Newco preferred stock into the Company common stock;

the transactions are expected to benefit the Company's stockholders in both the short term and long term by allowing them to participate in a stronger company with greater prospects for growth;

the transactions are expected to build operating scale and increased earnings power that should enhance investor and analyst interest in the Company and support the Company's access to the capital markets;

the Special Committee's belief that it was unlikely that any alternative transaction could be consummated at this time, or in the immediate future, in light of (i) the position of the Bennetts as significant stockholders in the Company, (ii) Section 203 of the DGCL, which provides restrictions on business combinations with a person other than the Bennetts who has acquired ownership of 15% or more of the Company's common stock, and (iii) the Company's charter documents and shareholder rights plan, which impacts unsolicited offers to acquire significant portions of the outstanding shares of the Company's common stock, that, together or separately, make it unlikely that a third party could acquire control of the Company without the support of the Bennetts;

the likelihood that the transactions will be consummated, including the number and nature of the conditions to the Bennetts' obligations to consummate the transaction and the likelihood that those conditions would be satisfied; and

the Special Committee's belief, after extensive deliberations, that the transactions were likely to be more favorable to the Company's stockholders unaffiliated with the Bennetts than the value likely to be realized from other alternatives available to the Company, including pursuing the Company's current strategic plan or engaging in an alternative significant transaction, in light of the potential rewards, risks and uncertainties associated with those alternatives.

The Special Committee also considered a variety of risks and potentially negative factors concerning the Transaction Documents and the transactions, including, but not limited to, the following (not necessarily in order of relative importance):

Remington's business plan and related financial projections, the economic environment facing Remington and the risks and uncertainties in executing its business plan and achieving previously-stated financial projections;

that there is no reverse termination fee payable by the Remington Sellers to the Company if the Remington Sellers are unable to consummate the merger or act to terminate the Acquisition Agreement;

the risk that the transactions might not be completed and, in that event, the Company's directors, executive officers and other employees will have expended extensive time and effort and will have experienced significant distractions from their work during the pendency of the transaction and the Company will have incurred significant transaction costs;

the significant costs involved in connection with negotiating the Transaction Documents and completing the transactions, the substantial management time and effort required to effectuate



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the transactions and the related disruption to the Company's day-to-day operations during the pendency of the transactions;

the risk of incurring substantial expenses related to the transactions, including in connection with any litigation related to the transactions that may arise in the future;

the termination fee of \$6,688,000 plus the costs and expenses incurred by the Remington Holders, which would be payable by the Company to the Remington Holders if the Acquisition Agreement is terminated in order to accept a superior proposal;

the fact that the Acquisition Agreement contains certain limitations regarding the operation of the Company during the period between the signing of the Acquisition Agreement and the consummation of the transactions, and the possible disruptions to the Company's business that might result from the announcement of the transaction and the resulting distraction of the attention of our management and employees;

the risk that the consummation of the transactions will be delayed or will not be completed, including the risk that the required regulatory approvals, including the Private Letter Ruling, may not be obtained, as well as the potential loss of value to the Company's stockholders and the potential negative impact on the operations and prospects of the Company if the transactions are delayed or not completed for any reason;

the risk that the interests of the Company and the Bennetts will not be aligned, following the consummation of the transactions, with respect to the distribution of cash generated by Remington or Newco, which the Company may desire to invest rather than distribute;

the inability of investors to accurately assess the value of the Company's common stock, which may adversely impact the market price of the Company's common stock, because the Company will be, following the consummation of the transactions, structured as a non-operating holding company and, with respect to the Company's financial condition and results of operations, will depend entirely upon the performance of Newco and Remington;

that, following the consummation of the transactions, the Company will receive substantially all of its cash from distributions made to the Company by Newco, which will require the approval of the holders of at least 66.67% of the shares of Newco Preferred Stock to make any distributions to the Company other than by means of a dividend pro rata to the holders of Newco's common stock, which may also be subject to claims by Newco's creditors and to limitations applicable to Newco under federal and state laws, including securities and bankruptcy laws;

that, following the consummation of the transactions, the Company's equity interests in Newco and its subsidiaries will rank junior to all of the respective indebtedness, whenever incurred, the Newco Preferred Stock and all equity interests of Newco's subsidiaries in the event of their respective liquidation or dissolution, which would result in the Company's stockholders' right to participate in such liquidation or dissolution being subordinated to the claims of Newco's creditors and all of the other equity interests of Newco;

the risk that, because the Company will be, following the consummation of the transactions, structured as a non-operating holding company, a decrease in the Company's relative ownership of Newco may require the Company to register as an investment company under the Investment Company Act;

the fact that the Bennetts were not willing to agree to an Unaffiliated Stockholder Approval condition, which would require that the transactions be approved by the holders of a majority of the outstanding shares of the Company's common stock, excluding shares held by the Bennetts, Ashford Trust or Ashford Prime, over which the Bennetts exert some level of control;

and

the risks of the type and nature described under "Risk Factors" beginning on page 28 and the matters described under "Forward-Looking Statements" beginning on page 26.

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The Special Committee also considered a number of factors relating to the procedural safeguards involved in the negotiation of the Transaction Documents and the transactions, including those discussed below (not necessarily in order of relative importance), each of which it believed supported its determination and recommendation and provided assurance of the fairness of the transactions to the stockholders of the Company unaffiliated with the Bennetts:

that the Special Committee consists solely of disinterested and independent directors who are not officers or controlling stockholders of the Company, or affiliated with the Bennetts, and who do not otherwise have a conflict of interest or lack independence with respect to the transactions;

that the members of the Special Committee were adequately compensated for their services and that their compensation was in no way contingent on their approving the Transaction Documents or the transactions and taking the other actions described in this proxy statement;

that the members of the Special Committee will not personally benefit from the consummation of the transactions in a manner different from the Company's unaffiliated public stockholders;

that the Special Committee was delegated the exclusive power and authority to review and evaluate the advisability of the Bennetts' proposal and any other alternatives available to the Company;

each of the Special Committee and the Company Board was aware that it had no obligation to recommend any transaction and that the Special Committee had the authority to "say no" to any proposals made by the Bennetts;

that the Special Committee made its evaluation of the Transaction Documents and the transactions based upon the factors discussed in this proxy statement, independent of members of management, including Monty Bennett, and with knowledge of the interests of management in the transactions;

that the Special Committee received the advice and assistance of BMO, as its financial advisor, Riveron Consulting, as its financial due diligence advisor, and Norton Rose Fulbright US LLP, as its legal advisor;

that the Special Committee was involved in extensive deliberations since the time of the submission of the Bennetts' initial proposal on February 2, 2015, until the execution of the Acquisition Agreement and was provided with access to Remington's management (including Monty Bennett) in connection with the due diligence conducted by it and its advisors;

that the financial and other terms and conditions of the Transaction Documents were the product of negotiations that took place over the course of approximately nine months between the Special Committee and its independent legal and financial advisors, on the one hand, and the Bennetts and Remington Holdings GP and their representatives, on the other hand;

the Acquisition Agreement allows the Special Committee or the Company Board to change or withdraw its recommendation of the Transaction Documents and transactions in response to a Company Intervening Event (defined below under "The Transaction Documents Acquisition Agreement Covenants "No-Shop" Restrictions and "Fiduciary Out", on page 78) if the Company Board or the Special Committee, after consultation with its legal advisors, determines in good faith that the failure to do so would be inconsistent with their respective fiduciary duties;

the Acquisition Agreement permits the Company, prior to the time that the Company's stockholders approving the proposals at the special meeting, to discuss and negotiate, under specified circumstances, an unsolicited proposal if the Company Board (acting through the





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Special Committee), after consultation with its legal and financial advisors, determines in good faith that such proposal constitutes, or would reasonably be expected to result in, a superior proposal and to terminate the Acquisition Agreement in order to enter into a definitive agreement for that superior proposal, subject to matching rights for the Bennetts and the requirement that the Company pay the Remington Holders a termination fee of \$6,688,000 plus the costs and expenses incurred by them in connection with the transactions;

the structure of the transactions would allow sufficient time for a third party to make a superior proposal if it desired to do so;

the Special Committee's belief that the \$6,688,000 termination fee if the Acquisition Agreement is terminated by the Company in response to a Company Superior Proposal or a Company Intervening Event (each defined below under "The Transaction Documents Acquisition Agreement Covenants "No-Shop" Restrictions and "Fiduciary Out", " on page 78) is reasonable in light of the circumstances and the overall terms of the Acquisition Agreement, consistent with fees in comparable transactions, and not preclusive of other offers;

all of the other terms and conditions of the Acquisition Agreement and other Transaction Documents, including, among other things, the representations, warranties, covenants and agreements of the parties, including the "fiduciary out" provision, the conditions to the closing of the merger, and the parties' termination rights set forth in the Acquisition Agreement; and

the fact that it is a non-waivable condition to the closing of the transactions that the transactions be approved by stockholders holding a majority of the outstanding shares of the Company's common stock.

The above discussion of the information and factors considered by the Special Committee is not intended to be exhaustive, but indicates the material matters considered. In reaching its determination and recommendation, the Special Committee did not quantify, rank or assign any relative or specific weight to any of the foregoing factors, and individual members of the Special Committee may have considered various factors differently. The Special Committee did not undertake to make any specific determination as to whether any specific factor, or any particular aspect of any factor, supported or did not support its ultimate recommendation. Moreover, in considering the information and factors described above, individual members of the Special Committee may have given differing weights to differing factors. The Special Committee based its unanimous recommendation on the totality of the information presented.

*Recommendation of the Board of Directors*

The board of directors consists of seven directors. On September 17, 2015, based in part on the unanimous recommendation of the Special Committee, as well as on the basis of the other factors described above, the Company Board unanimously (with Monty Bennett and J. Robison Hays, III recusing themselves due to Monty Bennett's interest in the transactions and Mr. Hays' status as an executive officer of the Company who reports to Monty Bennett), (i) approved and adopted the favorable recommendation of the Special Committee in respect of the transactions and the Transaction Documents; (ii) approved the form, terms and provisions of the Transaction Documents; and (iii) determined to recommend that the stockholders of the Company vote to approve the transactions to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT.

In reaching these determinations, the Company Board (with Monty Bennett and J. Robison Hays, III recusing themselves) considered a number of factors, including, but not limited to, the following material factors (not necessarily in order of relative importance):

the Special Committee's analysis (as to both substantive and procedural aspects of the transactions), its conclusions and its unanimous determination, which the Company Board

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adopts, that the Transaction Documents and transactions are advisable, fair to and in the best interests of the Company and its stockholders;

the Special Committee's unanimous recommendation that the Company Board determine the advisability of the Transaction Documents and transactions, approve the Transaction Documents and transactions and recommend that the Company's stockholders approve the transactions;

that Special Committee consisted solely of three disinterested and independent directors;

that the Special Committee was advised by its own independent legal and financial advisors;

the process undertaken by the Special Committee and its advisors in connection with evaluating and negotiating the transactions over a period of several months, as described above in the section entitled " Background of the Transactions;"

the various analyses undertaken by BMO, independent financial advisor to the Special Committee, each of which is described under " Opinion of Financial Advisor to the Special Committee" and the opinion of BMO, dated September 14, 2015, that as of such date and based on, and subject to, various assumptions and limitations described in its opinion, the consideration to be paid for the Transferred Securities was fair, from a financial point of view, to the Company.

The foregoing discussion of factors considered by the Company Board is not intended to be exhaustive, but it does include the material factors considered in recommending that the Company's stockholders vote their shares of common stock in favor of approval of the proposals set forth in this proxy statement. The Company Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. Moreover, each member of the Company Board applied his own personal business judgment to the process and may have given different weight to different factors. The Company Board did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Company Board based its recommendation on the totality of the information presented.

**Accordingly, the Company Board (with Monty Bennett and J. Robison Hays, III recusing themselves) unanimously recommends that stockholders vote "FOR" the approval of the Contribution and "FOR" the approval of the Share Issuances.**

**Description of Fairness Opinion of BMO Capital Markets**

The Special Committee retained BMO Capital Markets to act as its financial advisor in connection with the transactions, and if requested by the Special Committee, to render an opinion, as investment bankers, as to the fairness as of the date of such opinion, from a financial point of view, to the Company of the aggregate consideration to be paid by the Company in the transactions.

On September 14, 2015, at the request of the Special Committee, BMO Capital Markets rendered an oral opinion to the Special Committee, which was subsequently confirmed in a written opinion as of the same date (the "*Opinion*"), to the effect that as of such date, and based upon and subject to the assumptions made, matters considered and limitations and qualifications upon the review undertaken by BMO Capital Markets, the aggregate consideration to be paid by the Company in the transactions was fair, from a financial point of view, to the Company.

In selecting BMO Capital Markets, Special Committee considered, among other things, the fact that BMO Capital Markets is a reputable investment banking firm with substantial experience advising companies in the real estate sector and in providing strategic advisory services in general. BMO Capital Markets, as part of its investment banking business, is continuously engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings,

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secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes.

**The full text of the Opinion is attached hereto as *Annex G* and is incorporated into this document by reference in its entirety. The summary of the Opinion set forth herein is qualified in its entirety by reference to the full text of the Opinion. Stockholders are urged to read the Opinion carefully and in its entirety for a discussion of, among other things, the scope of review undertaken and the assumptions made, matters considered and limitations and qualifications upon the review undertaken by BMO Capital Markets in connection with such Opinion.**

In arriving at its opinion, BMO Capital Markets reviewed, among other things:

1. The Company's public filings;
2. Ernst & Young Global Limited Private Letter Ruling Request Submission to the Internal Revenue Service dated July 31, 2015;
3. Draft Amended and Restated Advisory Agreement between the Company and Ashford Trust received on May 29, 2015;
4. Key Money Memorandum regarding potential changes to the Advisory Agreement between the Company and Ashford Trust dated June 4, 2015;
5. Revised Draft Amended and Restated Advisory Agreement between the Company and Ashford Trust received on June 10, 2015;
6. Certain historical and projected financial and operating information relating to the business, earnings, assets, liabilities and prospects of both the Company and Remington, including, without limitation, the projection model of Remington, as prepared by Remington management, but utilizing growth assumptions for Ashford Trust and Ashford Prime that the Company management provided and believed were reasonable (the "*Projection Model*") (The projections and estimates supplied to and utilized by BMO Capital Markets are summarized below under "Projected Financial Information");
7. Quality of Earnings report on Remington prepared by Riveron Consulting dated July 14, 2015;
8. Draft of Acquisition Accounting Memo prepared by the Company dated September 9, 2015;
9. Draft of Certificate of Designation of 6.625% Convertible Preferred Stock of Newco dated September 9, 2015;
10. Draft of Investor Rights Agreement dated September 9, 2015;
11. Draft of Acquisition Agreement and disclosure schedules dated September 9, 2015 and supplemented on September 11, 2015 (the "*Draft Acquisition Agreement*");
12. Draft of Agreement of Limited Partnership of Remington Holdings LP dated September 9, 2015;
13. Drafts of GP Holdings and GP Holdings I Certificates of Formation dated September 9, 2015; and
14. Drafts of Newco and Newco Sub Charters dated September 9, 2015.

In addition, BMO Capital Markets:

1. Conducted discussions with members of the Company senior management concerning their view of the Company's and Remington's operations, financial condition, and prospects on a stand-alone and on a combined basis;

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2. Reviewed certain financial and stock market information for selected publicly traded companies that BMO Capital Markets deemed to be relevant;
3. Reviewed the financial terms, to the extent publicly available, of selected acquisitions of companies in the Company's and Remington's industry that BMO Capital Markets deemed to be relevant;
4. Performed discounted cash flow analyses for the Company and Remington based on projections provided by management (the projections and estimates supplied to and utilized by BMO Capital Markets are summarized below under " Projected Financial Information.");
5. Performed relative contribution analysis on the basis of Revenue, EBITDA, and Net Income;
6. Analyzed selected macroeconomic and other commercial factors that BMO Capital Markets deemed to be relevant to the Company's and Remington's industry and prospects; and
7. Performed such other studies and analyses, conducted such discussions, and reviewed such other presentations, reports, and materials as BMO Capital Markets deemed appropriate in the circumstances.

In rendering its opinion, BMO Capital Markets assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to it by the Company or their representatives or advisors, Remington or their representatives or advisors, or obtained by it from other sources. BMO Capital Markets did not independently verify (and has not assumed any obligation to verify) any such information, undertake an independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of the Company or Remington, nor was BMO Capital Markets furnished with any such valuation or appraisal. BMO Capital Markets did not evaluate the solvency or fair value of the Company or Remington under any state or federal laws relating to bankruptcy, insolvency or similar matters. BMO Capital Markets also assumed that all material governmental, regulatory, or other approvals and consents required in connection with the consummation of the transactions will be obtained and that in connection with obtaining any necessary governmental, regulatory, or other approvals and consents, no restrictions, terms, or conditions will be imposed that would be material to its analysis. BMO Capital Markets also assumed that the transactions will be consummated in accordance with the terms of the Acquisition Agreement, without any waiver, modification or amendment of any terms, condition, or agreement that would be material to its analysis; that the representations and warranties of each party contained in the Acquisition Agreement would be true and correct; that each party would perform all of the covenants and agreements required to be performed by it under the Acquisition Agreement, and that all conditions to the consummation of the transactions would be satisfied without waiver or modification. With respect to financial projections for the Company and Remington (including, without limitation, the Projection Model), BMO Capital Markets was advised by the Company, and BMO Capital Markets assumed, without independent investigation, that they have been reasonably prepared and reflect the best currently available estimates and good faith judgment of the Company of the expected future competitive, operating and regulatory environments and related financial performance of the Company and Remington. BMO Capital Markets expresses no opinion with respect to such projections, including the assumptions on which they are based. Furthermore, BMO Capital Markets has not assumed any obligation to conduct, and has not conducted, any physical inspection of the properties or facilities of the Company or Remington. The projections and estimates supplied to and utilized by BMO Capital Markets are summarized below under " Projected Financial Information."

The Opinion is necessarily based upon financial, economic, market and other conditions and circumstances as they existed and could be evaluated, and the information made available to BMO Capital Markets, as of the date of the Opinion. BMO Capital Markets disclaims any undertakings or

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obligations to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to BMO Capital Markets' attention after the date of the Opinion.

The Opinion does not constitute a recommendation as to any action the Special Committee or the Company Board of Directors of Ashford should take in connection with the transactions contemplated by the Draft Acquisition Agreement or any aspect thereof and is not a recommendation to any director of Ashford or stockholder on how such person should vote with respect to the transactions or related transactions and proposals. The Opinion relates solely to the fairness, from a financial point of view, to the Company as of the date of the Opinion, of the aggregate consideration to be paid in the transactions. BMO Capital Markets expresses no opinion as to the relative merits of the transactions and any other transactions or business strategies discussed by the Special Committee as alternatives to the transactions or the decision of the Special Committee to recommend the transactions, nor does BMO Capital Markets express any opinion on the structure, terms or effect of any other aspect of the transactions contemplated by the Draft Acquisition Agreement. The Opinion does not in any manner address the prices at which the Company's common stock or other securities will trade following the announcement or consummation of the transactions. BMO Capital Markets are not experts in, and the Opinion does not address, any of the legal, tax or accounting aspects of the transactions, including, without limitation, whether or not the transactions contemplated by the Draft Acquisition Agreement constitute a change of control under any contract or agreement to which the Company or any of its subsidiaries is a party.

The summary set forth below does not purport to be a complete description of the analyses performed by BMO Capital Markets, but describes, in summary form, the material elements of the presentation that BMO Capital Markets made to the Special Committee on September 14, 2015, in connection with BMO Capital Markets' Opinion. In accordance with customary investment banking practice, BMO Capital Markets employed generally accepted valuation methods and financial analyses in reaching its Opinion. The following is a summary of the material financial analyses performed by BMO Capital Markets in arriving at its Opinion. These summaries of financial analyses alone do not constitute a complete description of the financial analyses BMO Capital Markets employed in reaching its conclusions.

None of the analyses performed by BMO Capital Markets were assigned a greater significance by BMO Capital Markets than any other, nor does the order of analyses described represent relative importance or weight given to those analyses by BMO Capital Markets. The summary text describing each financial analysis does not constitute a complete description of BMO Capital Markets' financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by BMO Capital Markets. The summary text set forth below does not represent and should not be viewed by anyone as constituting conclusions reached by BMO Capital Markets with respect to any of the analyses performed by it in connection with its Opinion. Rather, BMO Capital Markets made its determination as to the fairness to the Company of the aggregate consideration to be paid by the Company in the transactions, from a financial point of view, on the basis of its experience and professional judgment after considering the results of all of the analyses performed.

Except as otherwise noted, the information utilized by BMO Capital Markets in its analyses, to the extent that it is based on market data, is based on market data as it existed on or before September 14, 2015 and is not necessarily indicative of current market conditions. The analyses described below do not purport to be indicative of actual future results, or to reflect the prices at which any securities may trade in the public markets, which may vary depending upon various factors, including changes in interest rates, dividend rates, market conditions, economic conditions, and other factors that influence the price of securities.

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In conducting its analysis, BMO Capital Markets used three primary methodologies to review the valuation of each of Remington and the Company on a stand-alone basis, to assess the fairness, from a financial point of view, of the aggregate consideration to be paid by the Company in the transactions. Specifically, BMO Capital Markets conducted selected comparable public companies analyses, selected precedent transactions analyses and discounted cash flow analyses. No individual methodology was given a specific weight, nor can any methodology be viewed individually. Additionally, no company or transaction used in any analysis as a comparison is identical to Remington, the Company, or the transactions, and they all differ in material ways. Accordingly, an analysis of the results described below is not mathematical; rather it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading value of the selected companies or transactions to which they are being compared. BMO Capital Markets used these analyses to determine the impact of various operating metrics on the implied enterprise value of Remington and the implied value per share of the Company. Each of these analyses yielded a range of implied values, and therefore, such implied value ranges developed from these analyses were viewed by BMO Capital Markets collectively and not individually.

**Valuation of Remington**

*Selected Public Companies Analysis.* BMO Capital Markets reviewed, analyzed, and compared certain financial information relating to Remington to corresponding publicly available financial information and market multiples for the following 12 publicly traded hotel management companies:

Belmond Ltd.

Choice Hotels International Inc.

Extended Stay America, Inc.

Hilton Worldwide Holdings Inc.

Hyatt Hotels Corporation

Intercontinental Hotels Group plc

La Quinta Holdings Inc.

Marriott International, Inc.

Morgans Hotel Group Co.

Red Lion Hotels Corporation

Starwood Hotels & Resorts Worldwide Inc.

Wyndham Worldwide Corporation

BMO Capital Markets reviewed, among other things, the range of enterprise values of the selected publicly traded hotel management companies (calculated as equity value, using the closing stock prices on September 4, 2015, plus debt and the book value of preferred stock and minority interests, minus cash and equivalents and the book value of investments in unconsolidated affiliates), as a multiple of December 31

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("calendar year" or "CY"), 2015 estimated EBITDA and December 31, 2016 estimated EBITDA, as provided by Thomson Reuters Institutional Brokers' Estimate System ("*Thomson I/B/E/S estimates*").



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The following table sets forth, for the periods indicated, the 3<sup>rd</sup> quartile, mean, median, and 1<sup>st</sup> quartile enterprise values as a multiple of EBITDA for the selected publicly traded hotel management companies identified above:

|              | <b>Enterprise Value as a<br/>Multiple of Calendar Year</b> |                     |
|--------------|--|---------------------|
|              | <b>2015E EBITDA</b>  | <b>2016E EBITDA</b> |
| 3rd Quartile | 14.9x  | 13.4x               |
| Mean         | 13.1x  | 11.7x               |
| Median       | 12.9x  | 11.2x               |
| 1st Quartile | 11.6x  | 10.1x               |

The following table sets forth, for the periods indicated, the range of enterprise value as a multiple of EBITDA utilized by BMO Capital Markets in performing its analysis, which were derived from the 1<sup>st</sup> and 3<sup>rd</sup> quartile values of the selected publicly traded hotel management companies identified above, and the range of the enterprise values for Remington implied by this analysis:

| <b>Enterprise Value to:</b> | <b>Relevant<br/>Range of<br/>EBITDA<br/>Multiples</b> | <b>Implied Range<br/>of Remington<br/>Enterprise<br/>Values<br/>(US\$ mm)</b> |        |
|-----------------------------|---|---|--------|
| CY2015E Remington EBITDA(1) | 11.6x - 14.9x   | \$ 373  | \$ 477 |
| CY2016E Remington EBITDA(1) | 10.1x - 13.4x   | \$ 422  | \$ 562 |

(1) As provided in the Projection Model. See " Projected Financial Information."

BMO Capital Markets compared the results of this analysis to the \$414.6 million enterprise value of Remington implied by the aggregate consideration set forth in the Transaction Documents for an 80% limited partnership interest in Remington from the Remington Sellers and 100% of the general partnership interests in Remington from Remington Holdings GP.

BMO Capital Markets selected the companies used in this analysis on the basis of its experience and knowledge of companies in the industry and various factors, including the size of the company and the similarity of the lines of business to Remington's lines of business, as well as the business models, service offerings, operating margin profiles and end-market exposure of such companies. As noted above, no company used as a comparison is identical to Remington.

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*Selected Precedent Transactions Analysis.* BMO Capital Markets reviewed and analyzed certain publicly available information for the following 10 acquisitions of hotel management companies which disclosed valuation metrics:

| Date       | Target                                | Acquiror   |
|------------|---------------------------------------|--|
| 12/16/2014 | Kimpton Hotel & Restaurant Group, LLC | Intercontinental Hotels Group plc  |
| 03/13/2012 | Great Wolf Resorts, Inc.              | Apollo Global Management, LLC  |
| 01/22/2010 | Lodgian, Inc.                         | Lone Star Funds  |
| 12/18/2009 | Interstate Hotel & Resorts Inc.       | Shanghai Jin Jiang International Hotels (Group) Company Limited / Thayer Lodging Group |
| 07/05/2007 | Hilton Worldwide, Inc.                | Blackstone Real Estate Advisors / The Blackstone Group                                 |
| 04/23/2007 | Red Roof Inns Inc.                    | Citi Global Special Situations Group / Westbridge Hospitality Fund LP                  |
| 01/29/2006 | Fairmont Hotels & Resorts, Inc.       | Colony Capital LLC / Kingdom Hotel Investments   |
| 11/09/2005 | La Quinta Corporation                 | Blackstone Real Estate Advisors  |
| 10/21/2004 | Boca Resorts, Inc.                    | Blackstone Real Estate Advisors  |
| 08/18/2004 | Prime Hospitality Corp.               | Blackstone Real Estate Advisors  |

BMO Capital Markets selected the precedent transactions based upon its experience and knowledge of companies in the hotel management space. Although none of the precedent transactions are directly comparable to the transactions, nor are any of the target companies directly comparable to Remington, BMO Capital Markets selected transactions involving target companies with similar characteristics to the characteristics identified above in the comparable company analysis.

The following table sets forth the 3<sup>rd</sup> quartile, mean, median, and 1<sup>st</sup> quartile enterprise values as a multiple of EBITDA for the selected acquisitions identified above:

|                          | Enterprise Value as a Multiple of Last Twelve Months ("LTM") EBITDA |
|--------------------------|---|
| 3 <sup>rd</sup> Quartile | 15.5x   |
| Mean                     | 13.5x   |
| Median                   | 12.3x   |
| 1 <sup>st</sup> Quartile | 11.0x   |

The following table sets forth, for the period indicated, the range of EBITDA multiples utilized by BMO Capital Markets in performing its analysis, which were derived from the 1<sup>st</sup> and 3<sup>rd</sup> quartile values of the selected acquisitions identified above, and the range of the enterprise values for Remington implied by this analysis:

| Enterprise Value to:        | Relevant Range of EBITDA Multiples | Implied Range of Remington Enterprise Values<br>(US\$ mm) |
|-----------------------------|------------------------------------|---|
| CY2015E Remington EBITDA(1) | 11.0x - 15.5x                      | \$ 353 \$ 498   |

(1) As provided in the Projection Model. See " Projected Financial Information."

BMO Capital Markets compared the results of this analysis to the \$414.6 million enterprise value of Remington implied by the aggregate consideration set forth in the Transaction Documents for an

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80% limited partnership interest in Remington from the Remington Sellers and 100% of the general partnership interests in Remington from Remington Holdings GP.

*Discounted Cash Flow Analysis.* BMO Capital Markets utilized the financial projections and estimates regarding Remington in the Projection Model as prepared by Remington management, but utilizing growth assumptions for Ashford Trust and Ashford Prime that the Company management provided and believed were reasonable, to perform a discounted cash flow analysis of Remington. The projections and estimates supplied to and utilized by BMO Capital Markets are summarized below under "Projected Financial Information." In conducting this analysis, BMO Capital Markets assumed that Remington would perform in accordance with these projections and estimates. BMO Capital Markets performed an analysis of the present value of the unlevered free cash flows that Remington would generate as projected by Remington management based on assumptions that the Company management believed were reasonable for the fiscal years 2016 through fiscal year 2019. BMO Capital Markets utilized illustrative terminal values in the year 2019 based on a perpetuity growth rate range of 2.8% to 3.8% (which was selected by BMO Capital Markets based upon historical average annual U.S. hotel sector revenue per available room, or RevPAR, growth of 3.3%) on projected fiscal year 2019 unlevered free cash flow. BMO Capital Markets discounted the cash flows projected for the specified period using discount rates ranging from 9.7% to 12.3%, reflecting estimates of Remington's weighted average cost of capital. Using a discount rate of 9.7% to 12.3% and a perpetuity growth rate of 2.8% to 3.8%, this analysis resulted in implied enterprise values for Remington ranging from \$447 million to \$705 million. BMO Capital Markets compared the results of this analysis to the \$414.6 million enterprise value of Remington implied by the aggregate consideration set forth in the Transaction Documents for an 80% limited partnership interest in Remington from the Remington Sellers and 100% of the general partnership interests in Remington from Remington Holdings GP.

**Valuation of the Company**

*Selected Public Companies Analysis.* BMO Capital Markets reviewed, analyzed, and compared certain financial information relating to the Company to corresponding publicly available financial information and market multiples for the following 11 publicly traded asset management companies:

Artisan Partners Asset Management Inc.

Brookfield Asset Management Inc.

Cohen & Steers Inc.

Eaton Vance Corp.

Federated Investors, Inc.

Fifth Street Asset Management Inc.

GAMCO Investors, Inc.

Janus Capital Group, Inc.

Manning & Napier, Inc.

Northstar Asset Management Group Inc.

Pzena Investment Management, Inc.

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BMO Capital Markets reviewed, among other things, the range of enterprise values of the selected publicly traded asset management companies (calculated as equity value, using the closing stock prices on September 4, 2015, plus debt and the book value of preferred stock and minority interests, minus cash and equivalents and the book value of investments in unconsolidated affiliates), as a multiple of

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December 31, 2015 LTM estimated EBITDA and December 31, 2016 LTM estimated EBITDA, as provided by Thomson I/B/E/S estimates.

The following table sets forth, for the periods indicated, the 3<sup>rd</sup> quartile, mean, median, and 1<sup>st</sup> quartile enterprise values as a multiple of EBITDA for the selected publicly traded asset management companies identified above:

|              | <b>Enterprise Value as a<br/>Multiple of Calendar Year</b> |                     |
|--------------|--|---------------------|
|              | <b>2015E EBITDA</b>  | <b>2016E EBITDA</b> |
| 3rd Quartile | 8.9x   | 8.4x                |
| Mean         | 8.0x   | 7.0x                |
| Median       | 8.3x   | 7.3x                |
| 1st Quartile | 6.7x   | 5.6x                |

The following table sets forth, for the periods indicated, the range of enterprise value as a multiple of EBITDA utilized by BMO Capital Markets in performing its analysis, which were based on the 1<sup>st</sup> and 3<sup>rd</sup> quartile values of the selected publicly traded asset management companies identified above, and the range of equity values per share for the Company implied by this analysis:

| <b>Enterprise Value to:</b> | <b>Relevant<br/>Range of<br/>EBITDA<br/>Multiples</b> | <b>Implied Range of<br/>Ashford<br/>Equity Values<br/>per Share<br/>(US\$)</b> |           |
|-----------------------------|---|--|-----------|
| CY2015E Company EBITDA(1)   | 6.7x - 8.9x   | \$ 65.69   | \$ 83.58  |
| CY2016E Company EBITDA(1)   | 5.6x - 8.4x   | \$ 77.10   | \$ 109.80 |

(1)

As provided in the Projection Model. See " Projected Financial Information."

BMO Capital Markets selected the companies used in this analysis on the basis of its experience and knowledge of companies in the industry and various factors, including the size of the company and the similarity of the lines of business to the Company's lines of business, as well as the business models, service offerings, operating margin profiles and end-market exposure of such companies. As noted above, no company used as a comparison is identical to the Company.

*Selected Precedent Transactions Analysis.* BMO Capital Markets reviewed and analyzed certain publicly available information for the following 13 recent acquisitions of asset management companies which disclosed valuation metrics:

| <b>Date</b> | <b>Target</b>                                | <b>Acquiror</b>   |
|-------------|--|---|
| 06/15/2015  | Bentall Kennedy (Canada) Limited Partnership | Sun Life Investment Management Inc.                             |
| 06/19/2014  | Numeric Investors LLC                        | Man Group plc   |
| 04/14/2014  | Nuveen Investments, Inc.                     | TIAA-CREF Asset Management Inc.                                 |
| 01/07/2014  | Chartwell Investment Partners, Inc.          | TriState Capital Holdings, Inc.                                 |
| 08/15/2013  | W.P. Stewart & Co., Ltd.                     | AllianceBernstein L.P.  |
| 03/27/2013  | Altegris Holdings II, Inc.                   | Aquiline Capital Partners LLC / Genstar Capital Management, LLC |
| 02/14/2013  | Artio Global Investors Inc.                  | Aberdeen Asset Management PLC                                   |
| 12/06/2012  | Epoch Investment Partners, Inc.              | The Toronto-Dominion Bank                                       |
| 02/15/2011  | Clarion Partners, LLC                        | Lightyear Capital LLC   |
| 12/06/2010  | Claren Road Asset Management, LLC            | The Carlyle Group   |
| 12/02/2010  | Landmark Partners, Inc.                      | Religare Global Asset Management Inc.                           |
| 11/22/2010  | DundeeWealth Inc.                            | The Bank of Nova Scotia   |
| 02/24/2010  | Crystal River Capital Inc.                   | Brookfield Asset Management Inc.                                |

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BMO Capital Markets selected the precedent transactions based upon its experience and knowledge of companies in the asset management space. Although none of the precedent transactions are directly comparable to the transactions, nor are any of the target companies directly comparable to the Company, BMO Capital Markets selected transactions involving target companies with similar characteristics to the characteristics identified above in the comparable company analysis.

The following table sets forth the 3<sup>rd</sup> quartile, mean, median, and 1<sup>st</sup> quartile enterprise values as a multiple of EBITDA for the selected acquisitions identified above:

|                          | <b>Enterprise Value<br/>as a Multiple<br/>of LTM EBITDA</b> |
|--------------------------|---|
| 3 <sup>rd</sup> Quartile | 12.7x   |
| Mean                     | 12.4x   |
| Median                   | 10.6x   |
| 1 <sup>st</sup> Quartile | 10.0x   |

The following table sets forth, for the period indicated, the range of estimated calendar year 2015 EBITDA multiples utilized by BMO Capital Markets in performing its analysis, which were derived from the 1<sup>st</sup> and 3<sup>rd</sup> quartile values of the selected acquisitions identified above, and the range of equity values per share for the Company implied by this analysis:

| <b>Enterprise Value to:</b> | <b>Relevant Range<br/>of EBITDA<br/>Multiples</b> |       | <b>Implied Range of<br/>Ashford Equity<br/>Values per Share<br/>(US\$)</b> |           |
|-----------------------------|---|-------|--|-----------|
| CY2015E Company EBITDA(1)   | 10.0x   | 12.7x | \$ 92.95   | \$ 115.46 |

(1) As provided in the Projection Model. See " Projected Financial Information."

*Discounted Cash Flow Analysis.* BMO Capital Markets utilized the financial projections and estimates regarding the Company in the Projection Model as prepared by the Company management, to perform a discounted cash flow analysis of the Company. The projections and estimates supplied to and utilized by BMO Capital Markets are summarized below under " Projected Financial Information." In conducting this analysis, BMO Capital Markets assumed that the Company would perform in accordance with these projections and estimates. BMO Capital Markets performed an analysis of the present value of the unlevered free cash flows that the Company's management projected it would generate for the fiscal years 2016 through fiscal year 2019. BMO Capital Markets utilized illustrative terminal values in the year 2019 based on a perpetuity growth rate range of 8.9% to 9.9% (which was selected based upon historical indexed annualized U.S. hotel REIT sector total capitalization growth of 9.3%) on projected fiscal year 2019 unlevered free cash flow. BMO Capital Markets discounted the cash flows projected for the specified period using discount rates ranging from 15.6% to 18.4%, reflecting estimates of the Company's weighted average cost of capital. Using a discount rate of 15.6% to 18.4% and a perpetuity growth rate of 8.9% to 9.9%, this analysis resulted in implied values per share for the Company ranging from \$80.09 to \$127.34.

*Relative Contribution Analysis.*

In addition, BMO Capital Markets analyzed the relative standalone contribution of the Company and Remington to various pro forma income statement items. To perform this analysis, BMO Capital Markets used estimated 2015 and 2016 revenue, EBITDA, and net income (before preferred dividend) for the Company and Remington as provided in the Projection Model. The results of BMO Capital Markets' analysis are set forth in the following table, which also compares the results of BMO Capital

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Markets' analysis with the implied pro forma fully diluted ownership percentages of the Company and Remington respective stockholders in Newco:

|   | The Company<br>as a % of<br>Total(2) | Remington<br>as a % of<br>Total(3) |
|---|--------------------------------------|------------------------------------|
| <b>Newco Pro Forma Fully Diluted Ownership(1)</b> | 43.8%                                | 56.2%                              |
| <b>Revenue</b>                                    |                                      |                                    |
| 2015E   | 52.6%                                | 47.4%                              |
| 2016E   | 51.6%                                | 48.4%                              |
| <b>EBITDA</b>                                     |                                      |                                    |
| 2015E   | 41.7%                                | 58.3%                              |
| 2016E   | 44.1%                                | 55.9%                              |
| <b>Net Income (before Preferred Dividend)</b>     |                                      |                                    |
| 2015E   | 37.8%                                | 62.2%                              |
| 2016E   | 36.1%                                | 63.9%                              |

- (1) Reflects 2.206 million Company diluted shares outstanding as of 30-Jun-15, 0.917 million Newco common shares issued as consideration at closing, and 1.917 million Newco common shares issued upon conversion of \$230 million of Newco preferred stock.
- (2) Company Revenue, EBITDA, and Net Income (before Preferred Dividend) shown excluding contribution from Ashford Investment Management and Ashford Hospitality Select, Inc. not attributable to the Company.
- (3) Remington Revenue, EBITDA, and Net Income (before Preferred Dividend) shown at 80% share of standalone total.

*Conclusion*

Based upon the foregoing analyses and the assumptions and limitations set forth in full in the text of BMO Capital Markets' Opinion, BMO Capital Markets was of the opinion that, as of the date of the Opinion, and subject to and based on the assumptions made, matters considered, and limitations and qualifications upon the review undertaken by BMO Capital Markets, the aggregate consideration to be paid by the Company in the transactions was fair, from a financial point of view, to the Company.

*Miscellaneous*

Pursuant to the terms of the engagement letter between BMO Capital Markets and the Special Committee of the Board of Directors of Ashford Inc., the Company agreed to pay to BMO Capital Markets, upon the closing of the Transaction, a fee equal to \$2.25 million in consideration of financial advisory services rendered in connection with the transactions, \$1.0 million of which was payable upon BMO Capital Markets' delivery of its Opinion. In addition, the Company agreed to reimburse BMO Capital Markets up to a limit of \$100,000 for its reasonable out-of-pocket expenses, including attorneys' fees and disbursements, and to indemnify BMO Capital Markets and related persons against various liabilities, including certain liabilities under the federal securities laws.

BMO Capital Markets, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. BMO Capital Markets or its affiliates may provide investment and corporate banking services to the Company and Remington and their respective affiliates in the future, for which BMO Capital Markets or its affiliates may receive

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customary fees. BMO Capital Markets provides a full range of financial advisory and securities services and, in the course of its normal trading activities, may from time to time effect transactions and hold securities, including, without limitation, derivative securities, of the Company or its affiliates for its own account and for the accounts of customers.

In the two years prior to the date of the Opinion, BMO Capital Markets has not provided or received compensation from the Company, Remington or its affiliates (other than as a financial advisor to the Special Committee) in connection with the provision of any financial advisory or financing services.

**Projected Financial Information**

We are including in this proxy statement unaudited projected financial information, which includes unaudited projected financial information that was made available to the Special Committee and BMO Capital Markets, the Special Committee's financial advisor, in connection with the Special Committee's evaluation of the transactions. The unaudited projected financial information of Remington was provided by Remington management based on assumptions that the Company management believed were reasonable and that reflected the Company management's best available estimate of acquisitions by Ashford Trust and Ashford Prime at such time. The unaudited financial information of the Company was prepared by the Company's management. The inclusion of this unaudited projected financial information should not be regarded as an indication that any of the Company, the Special Committee, Remington, the Remington Sellers, their respective financial advisors, or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results, and this unaudited projected financial information should not be relied upon as such.

The unaudited projected financial information is not being included in this proxy statement to influence your decision whether to vote for or against the Contribution or the Share Issuance, but is being included because this unaudited projected financial information was provided to the Special Committee in connection with its evaluation of the transactions and BMO Capital Markets in connection with its fairness opinion.

In addition, the unaudited projected financial information was, in general, prepared solely for internal use and is subjective in many respects. As a result, the projected results may not be realized and the actual results may be significantly higher or lower than estimated. Since the unaudited projected financial information covers multiple years, that information by its nature becomes less predictive with each successive year. The unaudited projected financial information also was based on numerous variables and assumptions. Such assumptions are inherently uncertain and may be beyond the control of the Company. Important factors that may affect actual results and cause these financial forecasts to not be achieved include, but are not limited to, risks and uncertainties relating to the Company's and Remington's businesses (including their ability to achieve strategic goals, objectives, and targets over the applicable periods), industry performance and competition, general business and economic conditions, and other factors described under the captions "Risk Factors Risk Factors Relating to the Transactions" and "Forward-Looking Statements". You are encouraged to review the risks and uncertainties described under these captions in this proxy statement and the risks described in the periodic reports filed by the Company with the SEC, which reports can be found as described under the caption "Where You Can Find Additional Information." The unaudited projected financial information was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of projected financial information. In addition, the unaudited projected financial information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled GAAP measures in the Company's historical GAAP financial statements. The Company's independent registered public accounting firm has not compiled, examined, or performed any procedures with respect to the



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unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on the information or its achievability.

The table below presents a projected income statement summary, Total EBITDA and Unlevered Free Cash Flow of Remington on a stand-alone basis for the fiscal years ending December 31, 2015 through December 31, 2019:

| (US\$ millions)                 | FY Ending December 31, |         |         |          |          | CAGR      |
|---------------------------------|------------------------|---------|---------|----------|----------|-----------|
|                                 | 2015E                  | 2016E   | 2017E   | 2018E    | 2019E    | '15 - '19 |
| <b>INCOME STATEMENT SUMMARY</b> |                        |         |         |          |          |           |
| <b>Total Revenue</b>            | \$ 56.0                | \$ 72.8 | \$ 90.1 | \$ 105.7 | \$ 124.5 | 22.1%     |
| <b>Total EBITDA</b>             | \$ 32.1                | \$ 41.9 | \$ 51.8 | \$ 60.7  | \$ 71.6  | 22.2%     |
| <i>EBITDA Margin</i>            | 57.4%                  | 57.5%   | 57.5%   | 57.5%    | 57.5%    |           |
| <b>Unlevered Free Cash Flow</b> | \$ 20.4                | \$ 26.6 | \$ 33.0 | \$ 38.9  | \$ 45.9  | n.m.      |

The table below presents a projected income statement summary, Total EBITDA and Unlevered Free Cash Flow of the Company on a stand-alone basis for the fiscal years ending December 31, 2015 through December 31, 2019:

| (US\$ millions)                    | FY Ending December 31, |          |         |         |          | CAGR      |
|------------------------------------|------------------------|----------|---------|---------|----------|-----------|
|                                    | 2015E                  | 2016E    | 2017E   | 2018E   | 2019E    | '15 - '19 |
| <b>INCOME STATEMENT SUMMARY(1)</b> |                        |          |         |         |          |           |
| <b>Total Revenue</b>               | \$ 49.8                | \$ 62.0  | \$ 76.3 | \$ 94.3 | \$ 113.6 | 22.9%     |
| <b>Total EBITDA</b>                | \$ 18.4                | \$ 26.5  | \$ 35.8 | \$ 47.8 | \$ 60.3  | 34.5%     |
| <i>EBITDA Margin</i>               | 37.0%                  | 42.7%    | 46.9%   | 50.6%   | 53.0%    |           |
| <b>Unlevered Free Cash Flow</b>    | \$ (12.6)(2)           | \$ (3.3) | \$ 1.8  | \$ 11.3 | \$ 21.2  | n.m.      |

- (1) The Company's Income Statement excludes Ashford Investment Management, Inc. and Ashford Hospitality Select, Inc. contributions not attributable to the Company.
- (2) The Company's 2015E unlevered free cash flow excludes net non-recurring cash flows of \$2.3 million related to a one-time capital investment and working capital distribution.

The assumptions management made in preparing the above unaudited projected financial information may not reflect actual future conditions. The estimates and assumptions underlying the unaudited projected financial information involve judgments with respect to, among other things, future economic, competitive, regulatory, and financial market conditions and future business decisions which may not be realized and that are inherently subject to significant business, economic, competitive, and regulatory uncertainties and contingencies, including, among others, risks and uncertainties described under "Risk Factors Risk Factors Relating to the Transactions" and "Forward-Looking Statements" and the risks described in the periodic reports filed by the Company with the SEC, which reports can be found as described under the caption "Other Matters Where You Can Find Additional Information," all of which are difficult to predict and many of which are beyond the control of the Company. The underlying assumptions and projected results may not be realized, and actual results differ whether or not transaction is completed.

Additionally, although presented with numerical specificity, the above unaudited projected financial information with respect to the Company and Remington reflects numerous assumptions and estimates as to future events made by the Company's management that the Company's management believes were reasonably prepared.

You are cautioned not to place undue reliance on the unaudited projected financial information set forth above. No representation is made by the Company or any other person to any of the Company's stockholders regarding the ultimate performance of the Company or Remington compared

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to the information included in the above unaudited projected financial information. The inclusion of unaudited projected financial information in this proxy statement should not be regarded as an indication that this information will be necessarily predictive of actual future events, and this information should not be relied on as such.

The unaudited projected financial information does not take into account any circumstances or events occurring after the date they were prepared, and, except as may be required in order to comply with applicable securities laws, none of the Company, the Special Committee, or any of their respective representatives intend to update, or otherwise revise, the unaudited projected financial information, or the specific portions presented, to reflect circumstances existing after the date when they were made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error. In addition, the unaudited projected financial information does not reflect the impact of the transactions, nor does it take into account the effect of any failure of the transactions to occur.

**Interests of the Company's Directors and Executive Officers in the Transactions;  
Potential Conflicts of Interest**

In considering the recommendations of the Company Board, you should be aware that certain of the Company's executive officers and directors have interests in the transactions that are different from, or are in addition to, the interests of the Company's stockholders generally, including those described below. These interests may create potential conflicts of interest. The members of the Special Committee and the Company Board were aware of these interest, and considered them, when they approved the Transaction Documents and recommended that stockholders vote to approve the transactions. For additional information on relationships among the parties, see the section entitled "Information about Ashford Inc. Certain Relationships and Related Person Transactions."

***Ownership Interests of Monty Bennett in the Company and Remington***

As of March 3, 2016, Monty Bennett, our chief executive officer and chairman of the Company Board, owned, in the aggregate, 221,172 shares of our common stock (excluding (i) 95,000 shares of common stock issuable upon the exercise of options; (ii) 1,054.82 units of Ashford Hospitality Advisors LLC, our operating subsidiary, which units are redeemable for cash or, at the option of the Company, convertible into shares of our common stock on and after November 12, 2015; and (iii) 195,579 shares of common stock reserved for issuance pursuant to the Company's deferred compensation plan), which represented approximately 11.0% of the equity interest in the Company. Monty Bennett is also a 50% beneficial owner and the chief executive officer of Remington.

***Monty Bennett's Interests in the Transactions***

Monty Bennett has interests in the transactions that may be different from, or in addition to, the interests of our stockholders generally and that may create potential conflicts of interest, including:

the payment of consideration in connection with the transactions directly or indirectly to Monty Bennett, and his entry into arrangements relating to the payment of that consideration;

the Bennetts' board nomination rights to the Company Board, subject to retaining 20% ownership of the common stock of Newco, and the covenant for the board of directors of Newco to mirror the composition of the Company Board;

the Bennetts' board nomination rights to the board of directors of Newco Sub, subject to retaining 20% of the limited partnership interests in Remington;

the option of Newco to purchase all or any portion of the Newco Preferred Stock after the fifth anniversary of the closing of the transactions;

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the option of Newco Sub to purchase the Retained Interests after the tenth anniversary of the closing of the transactions;

the option of the Bennetts to sell to the Company all of their Retained Interests, Newco common stock, and Newco Preferred Stock following the consummation of a change of control of the Company or Newco with a party not affiliated with the Bennetts;

the priority of the Newco Preferred Stock to Newco common stock;

the participation of the Newco Preferred Stock in any dividends on Newco common stock; and

the entry or anticipated entry into a restrictive covenant agreement with Monty Bennett, that will become effective following the transactions.

In addition, following the transactions, without the approval of the Remington Sellers, the Company, Newco, and Newco Sub may not conduct the Company's business operations outside of Newco or Newco Sub, operate any business other than the property and project management business of Remington, transfer the membership interests of GP Holdings to any entity that is not wholly owned by Newco Sub, dissolve Newco Sub, or permit Newco Sub to incur indebtedness; and without approval of the Remington Sellers, Remington may not alter its property management operations, commence bankruptcy, borrow money, alter its accounting policies, or issue any additional general partnership or limited partnership interests.

Furthermore, following the transactions, the Bennetts will continue to own 20% of the limited partnership interests in Remington and Monty Bennett will remain an executive officer of Remington.

***Our Executive Officers' Duties to Monty Bennett***

All of our executive officers report to Monty Bennett and may be considered to be affiliated with the Bennetts. As a result, those officers may have different interests than the Company as a whole. These potential conflicts would not exist in the case of a transaction negotiated with unaffiliated third parties. Moreover, if the Remington Sellers breach any of the representations, warranties or covenants made by them in the Acquisition Agreement or the other Transaction Documents, we may choose not to enforce, or to enforce less vigorously, our rights because of our desire to maintain our ongoing relationship with the Bennetts.

***Compensation of the Special Committee***

The Special Committee consists of three independent and disinterested members of the Company Board: Brian Wheeler, Dinesh P. Chandiramani and Gerald J. Reihsen, III. The Company Board, acting pursuant to a written consent dated March 3, 2015, determined to compensate the members of the Special Committee for their service in the form of an annual retainer of \$50,000.

In recommending and approving the above compensation structure, the Special Committee and the Board considered, among other things, the Company's existing committee compensation structure, as well as precedent compensation structures for special committees formed for purposes comparable to those for which the Special Committee was formed. The Company Board considered, among other things, the nature and scope of the proposed transactions, the complexities added to the transactions by the involvement of the Bennetts, the time commitment expected to be required of the Special Committee members and the publicly reported compensation of the special committees of the boards of other companies.

**Intent to Vote**

To the Company's knowledge, each of the Company's executive officers and directors intends to vote all shares of the Company's common stock he or she beneficially owns in favor of the



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Contribution proposal and the Share Issuance Proposal. The Company's directors and executive officers (including Monty Bennett) have the power to vote 326,996 shares of the Company's common stock as of March 3, 2016, representing 16.3% of the Company's outstanding common stock. The Remington Sellers have also informed the Company that they intend to vote in favor of the proposals, and together with the shares held by the Company's officers and directors (including Monty Bennett), this represents the power to vote 416,515 shares, representing 20.7% of the outstanding common stock.

Ashford Trust and Ashford Prime own 29.8% and 9.7% of our common stock, respectively, and have informed us that each of their respective boards of directors have delegated the decision as to how to vote on the transactions to special committees composed of independent directors, pursuant to previously-adopted policies that delegate exclusive power to vote the Company shares solely to the independent directors of such boards. These committees have each engaged independent financial advisors and legal counsel to assist them, and as of the date hereof, neither has informed the Company as to how Ashford Trust or Ashford Prime intend to vote.

The Company's unaffiliated stockholders (excluding the Company's directors and executive officers, Archie Bennett, Jr., Ashford Trust and Ashford Prime) collectively have the power to vote 805,370 shares of the Company's common stock as of March 3, 2016, representing 40.1% of the Company's outstanding common stock.

### **Estimated Fees and Expenses of the Transactions**

Regardless of whether the closing of the transactions occurs, Newco is obligated to pay all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants and one-half of all filing and other similar fees payable in connection with any filings or submissions under the HSR Act and one-half of any transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest thereon) incurred in connection with the transfer of the Transferred Securities.

In the event the closing of the transactions occurs, Newco will also pay up to an aggregate of \$2,750,000 for (a) transaction expenses incurred by Remington and the Remington Holders, and (b) bonus and other payments made to employees and agents of Remington and its subsidiaries in connection with the closing.

The estimated fees and expenses incurred or expected to be incurred in connection with the transactions are as follows:

| <b>Description</b>                             | <b>Amount</b>       |
|--|---------------------|
| Company financial advisory fees and expenses   | \$ 2,800,000        |
| Company legal fees and expenses                | \$ 2,900,000        |
| Company accountants and expenses               | \$ 460,000          |
| Remington financial advisory fees and expenses | \$ 1,712,600        |
| Remington legal fees and expenses              | \$ 967,400          |
| Remington accountants and expenses             | \$ 7,500            |
| Special Committee fees                         | \$ 150,000          |
| Special Committee consultant expenses          | \$ 118,785          |
| Proxy solicitation expenses                    | \$ 20,000           |
| Proxy printing and mailing costs               | \$ 80,000           |
| HSR filing fees                                | \$ 125,000          |
| IRS fees                                       | \$ 36,400           |
| <b>Total</b>                                   | <b>\$ 9,377,685</b> |

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**No Appraisal Rights**

Under Delaware law, our stockholders are not entitled to appraisal rights in connection with the transactions.

**Anticipated Accounting Treatment of the Transactions**

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which is referred to as GAAP. If the transactions are consummated, the contribution of substantially all of our assets and business operations to Newco (including the contribution of Ashford LLC to Newco) in exchange for voting common stock of Newco is expected to be accounted for as a common control transaction, and the Company's acquisition of an 80% limited partnership interest in Remington from the Remington Sellers and 100% of the general partnership interests in Remington from Remington Holdings GP through Newco and direct and indirect subsidiaries of Newco in exchange for securities of Newco and a promissory note issued by Newco Sub is expected to be accounted for as a business combination, in conformity with GAAP. Newco will be treated as the acquirer in the business combination for accounting purposes.

**Regulatory Approvals**

*Hart-Scott-Rodino Antitrust Improvements Act of 1976.* As a condition to the consummation of the transactions contemplated by the Acquisition Agreement, the HSR Act requires parties to observe the HSR Act's notification and waiting period. The HSR Act provides for an initial 30-day waiting period, subject to possible extensions, following the necessary filings by the parties to the transactions. The Company filed a notification and report form for the transactions with the Federal Trade Commission and the Antitrust Division and received notification of early termination of the waiting period as of December 8, 2015.

*Internal Revenue Service.* As a condition to the consummation of the transactions contemplated by the Acquisition Agreement, the IRS must issue a Private Letter Ruling that Remington will not fail to qualify as an "eligible independent contractor" within the meaning of Section 856(d)(9)(A) of the Code, with respect to specified clients as a result of certain circumstances specified in the Acquisition Agreement. On July 31, 2015, a request for the Private Letter Ruling was filed with the IRS.

**Stockholder Litigation Related to the Transactions**

On December 11, 2015, a purported stockholder class action and derivative complaint challenging the transactions was filed in the Court of Chancery of the State of Delaware and styled Campbell v. Bennett et al., Case No. 11796. The complaint names as defendants each of the members of the Company's board of directors, Archie Bennett, Jr., Mark A. Sharkey, MJB Investments GP, LLC and Remington Holdings GP, as well as the Company as a nominal defendant. The complaint alleges that the members of the Company Board breached their fiduciary duties to the Company stockholders in connection with the transactions and that Monty Bennett, Archie Bennett, Jr., Mark A. Sharkey, MJB Investments GP, LLC and Remington Holdings GP aided and abetted the purported breaches of fiduciary duty. In support of these claims, the complaint alleges, among other things, that the Company Board engaged in an unfair process with Remington and the Bennetts and as a result the Company overpaid for the 80% limited partnership and 100% general partnership interests in Remington. The complaint also alleges that this proxy statement contains certain materially false and/or misleading statements. The action seeks injunctive relief, including enjoining the special meeting of stockholders and any vote on the Contribution or the Stock Issuances or rescinding the transactions if they are consummated, or in the alternative an award of damages, as well as unspecified attorneys' and other fees and costs, in addition to any other relief the court may deem proper.

The outcome of this matter cannot be predicted with any certainty. A preliminary injunction could delay or jeopardize the consummation of the transactions, and an adverse judgment granting permanent injunctive relief could indefinitely prohibit consummation of the transactions. The defendants have not yet responded to the complaint but intend to defend the claims raised in this lawsuit.

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**THE TRANSACTION DOCUMENTS**

**Acquisition Agreement**

*The following is a summary of the material terms of the Acquisition Agreement. This summary does not purport to describe all the terms of the Acquisition Agreement and is qualified in its entirety by reference to the full text of the Acquisition Agreement, which is attached as Annex C. We encourage you to read the Acquisition Agreement carefully and in its entirety because it, and not the summary set forth in this proxy statement, is one of the legal documents that governs the transactions.*

**General**

Under the terms of the Acquisition Agreement, the Company, through Newco, will acquire, directly and indirectly, the Transferred Securities. As part of the transactions, Newco will contribute all of its interests in the 80% LP Interest to Newco Sub in exchange for shares of common stock of Newco Sub, resulting in Newco Sub holding the 80% LP Interest and the Bennetts retaining a 20% limited partnership interest. Newco Sub will remain wholly owned by Newco.

**Consideration**

In consideration for the Transferred Securities, the respective holders thereof will receive aggregate consideration of \$331,650,000 (based on the values agreed by the parties to the Acquisition Agreement as set forth below) as follows: (i) 916,500 shares of nonvoting common stock of Newco with a value agreed by the parties to the Acquisition Agreement of \$100 per share, (ii) 9,200,000 shares of Newco Preferred Stock with a value agreed by the parties to the Acquisition Agreement of \$25 per share, and (iii) solely in exchange for the general partnership interests in Remington, a \$10,000,000 non-negotiable, interest-free promissory note issued by Newco Sub, which will be payable in 16 consecutive and equal quarterly installments.

**Closing**

Subject to the terms and condition of the Acquisition Agreement, the closing of the transactions will take place at the offices of Norton Rose Fulbright US LLP in Dallas, Texas, at 10:00 a.m. local time on a date no later than two weeks after the satisfaction or waiver of the conditions set forth in the Acquisition Agreement (other than conditions which, by their nature, are to be satisfied on such date), or at such other time or on such other date or at such other place as the parties to the Acquisition Agreement may mutually agree upon in writing.

**Representations and Warranties**

In the Acquisition Agreement, each of the Remington Holders has made customary representations and warranties to the Company relating to, among other things:

- (i) organization and authority to enter into the Transaction Documents and to consummate the transactions;
- (ii) organization, authority, and qualification of Remington and its subsidiaries;
- (iii) capitalization of Remington and its subsidiaries;
- (iv) subsidiaries of Remington;
- (v) absence of conflicts, violations or breaches under organizational documents and any applicable law;
- (vi) consolidated financial statements of Remington and its subsidiaries;





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- (vii) absence of certain undisclosed liabilities;
- (viii) absence of certain undisclosed changes in the business of Remington;
- (ix) certain management contracts of Remington and its subsidiaries;
- (x) material contracts;
- (xi) owned and leased real property of Remington and its subsidiaries;
- (xii) condition and sufficiency of assets;
- (xiii) intellectual property;
- (xiv) accounts receivable;
- (xv) insurance matters;
- (xvi) legal proceedings;
- (xvii) compliance with applicable laws;
- (xviii) environmental matters;
- (xix) employment and employee benefit matters;
- (xx) tax matters;
- (xxi) finders' fees;
- (xxii) related-party transactions; and
- (xxiii) accredited investor status.

Additionally, the Company made representations and warranties to the Remington Holders relating to the following matters:

- (i) organization and authority to enter into the Transaction Documents and to consummate the transactions;
- (ii) organization, authority, and qualification of the Company;

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- (iii) subsidiaries of the Company;
- (iv) capitalization of the Company;
- (v) the Company's SEC filings and the accuracy of the information supplied to the SEC in connection with this proxy statement;
- (vi) conduct of the Company's business in the ordinary course of business;
- (vii) absence of conflicts, violations or breaches under organizational documents and any applicable law;
- (viii) tax matters;
- (ix) legal proceedings;
- (x) compliance with applicable laws;
- (xi) finders' fees; and
- (xii) fairness opinion.

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Also, Newco made representations and warranties to the Company and the Remington Holders relating to the following matters:

- (i) organization and authority of Newco, Newco Sub, and GP Holdings;
- (ii) capitalization of Newco and its subsidiaries; and
- (iii) tax treatment of GP Holdings and GP Holdings I.

Generally, the representations and warranties survive for 18 months after the consummation of the transactions; however, specified fundamental representations of the parties to the Acquisition Agreement (addressing organization and authority of the parties, capitalization, brokers and financial advisors, and certain related-party transactions) survive indefinitely, the Remington Holders' representations and warranties with respect to environmental and employee benefit matters survive for the respective statute of limitations plus three months, and the parties' representations and warranties with respect to tax related matters survive for the statute of limitations plus six months.

**Covenants**

*General*

Prior to the closing of the transactions, Remington and its subsidiaries will continue to operate in the ordinary course of business consistent with past practice and will use reasonable best efforts to maintain and preserve their organization, businesses, goodwill, and business relationships. As such, Remington and its subsidiaries will, among other things, preserve and maintain all of their permits; continue all of their insurance policies, perform all of their obligations under all contracts relating to or affecting their revenues, properties, assets, business, or prospects; and comply in all material respects with all applicable laws, unless, in each case, the Company agrees otherwise.

Furthermore, prior to the closing of the transactions, the Company and Remington and their respective subsidiaries will use reasonable best efforts to promptly take all actions, and to do and to assist and cooperate with each other in doing all things reasonably necessary or advisable to consummate the transactions, including obtaining from any governmental authorities and any third parties any actions, clearances, waivers, consents, approvals, permits, or orders required in connection with the performance of the Acquisition Agreement and the consummation of the transactions and making all necessary or advisable registrations, filings, notifications, or submissions with respect to the Acquisition Agreement and the transactions required under any applicable law.

*"No-Shop" Restrictions and "Fiduciary Out"*

Prior to the closing of the transactions, none of Remington and its subsidiaries or the Remington Holders will, and they will not authorize or permit any of their affiliates or any their representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate, or continue inquiries regarding a "Remington Holder Acquisition Proposal" (as defined below); (ii) enter into discussions or negotiations with, or provide any information to, any person or entity concerning a possible Remington Holder Acquisition Proposal; (iii) enter into any agreements, arrangements, or understandings (whether or not binding) regarding a Remington Holder Acquisition Proposal; or (iv) otherwise knowingly facilitate any effort or attempt to make a Remington Holder Acquisition Proposal. In the event that Remington and its subsidiaries or the Remington Holders receive any inquiry or request for information regarding a Remington Holder Acquisition Proposal, they will promptly (and in any event within two business days after the receipt of such inquiry or request) inform the Company and provide the Company with reasonably detailed information regarding the Remington Holder Acquisition Proposal.

A "Remington Holder Acquisition Proposal" is any inquiry, proposal, or offer from any person or entity (other than the Company or any of its controlled affiliates) concerning (a) a merger,

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consolidation, liquidation, recapitalization, share exchange, or other business combination involving Remington or its subsidiaries representing 10% or more of the assets of Remington and its subsidiaries; (b) a sale, lease, exchange, mortgage, transfer, or other disposition, whether in a single transaction or series of related transactions, of 10% or more of the assets of Remington and its subsidiaries; (c) a purchase or sale of shares of capital stock or other securities, whether in a single transaction or series of related transactions, representing any of the voting power of the capital stock of Remington and its subsidiaries or the general partner of Remington; or (d) any other transaction having a similar effect to those described in the above clauses.

Similarly, the Company will not, and the Company will not permit Newco, Newco Sub, or any of our other affiliates or representatives, including the Special Committee, to, directly or indirectly, (i) encourage, solicit, initiate, facilitate, or continue inquiries regarding a "Company Acquisition Proposal" (as defined below); (ii) enter into discussions or negotiations with, or provide any information to, any person or entity concerning a possible Company Acquisition Proposal; (iii) enter into any agreements, arrangements, or understandings (whether or not binding) regarding a Company Acquisition Proposal; or (iv) otherwise knowingly facilitate any effort or attempt to make a Company Acquisition Proposal. Prior to the Company's stockholders voting on the transactions, however, if we receive an unsolicited bona fide written Company Acquisition Proposal, (A) the Company Board and the Special Committee may participate in discussions regarding such Company Acquisition Proposal to clarify the terms of such Company Acquisition Proposal and (B) if the Company Board determines (1) that such Company Acquisition Proposal constitutes or could reasonably be expected to lead to a "Company Superior Proposal" (as defined below) and (2) after consultation with outside legal counsel, that the failure to take the actions set forth in clauses (x) and (y) below with respect to such Company Acquisition Proposal would be inconsistent with their fiduciary duties, then we may, in response to such Company Acquisition Proposal, (x) provide non-public information of the Company to the person or entity that has made such Company Acquisition Proposal and (y) participate in discussions and negotiations regarding such Company Acquisition Proposal. In the event that we receive any inquiry or request for information that could reasonably be expected to result in a Company Acquisition Proposal, we will promptly (and in any event, within 48 hours after the receipt of such inquiry or request) notify the Remington Holders and provide them with reasonably detailed information regarding the Company Acquisition Proposal.

A "*Company Acquisition Proposal*" is any proposal or offer relating to (a) a merger, consolidation, share exchange, or business combination involving the Company or any of our subsidiaries representing 10% or more of the assets of the Company and our subsidiaries; (b) a sale, lease, exchange, mortgage, transfer, or other disposition, whether in a single transaction or series of related transactions, of 10% or more of the assets of the Company and our subsidiaries; (c) a purchase or sale of shares of capital stock or other securities, in a single transaction or series of related transactions, representing 10% or more of the voting power of the capital stock of the Company, including by way of a tender offer or exchange offer; or (d) any other transaction having a similar effect to those described above in this paragraph.

A "*Company Superior Proposal*" is an unsolicited bona fide Company Acquisition Proposal (except that references to "10%" in the definition of such term will be deemed to be references to "50%") made in writing that the Special Committee determines, after receipt of advice from the Special Committee's financial advisor and legal counsel, (a) is reasonably likely to be consummated in accordance with its terms, taking into account all legal, financial, and regulatory aspects of the proposal and the person or entity making the proposal, and (b) if consummated, would result in a transaction more favorable to the stockholders of the Company (excluding the Remington Holders and their affiliates, and including Ashford Trust and Ashford Prime) from a financial point of view than the transactions.

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In addition to the notices described above, prior to the closing of the transactions, Remington or the Remington Holders will notify the Company of the following: (a) any fact, circumstance, event, or action which (i) has had, or could reasonably be expected to have, a "Target Material Adverse Effect" (as defined below); (ii) has resulted in, or could reasonably be expected to result in, any representation or warranty made by any Remington or the Remington Holders under the Acquisition Agreement not being true and correct; or (iii) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions to closing of the transactions to be satisfied; (b) any communication from any person or entity alleging that the consent of such person or entity is or may be required in connection with the transactions; (c) any communication from any governmental authority in connection with the transactions; and (d) any legal actions commenced or threatened would have been required to be disclosed under the Acquisition Agreement or relate to the to the consummation of the transactions.

A "*Target Material Adverse Effect*" is any event, occurrence, fact, condition, or change that is, or could reasonably be expected to become, materially adverse to (a) the business, results of operations, condition (financial or otherwise), or assets of any of Remington and its subsidiaries, taken as a whole; or (b) the ability of the Remington Holders to consummate the transactions on a timely basis; provided, however, that Target Material Adverse Effect does not include any event, occurrence, fact, condition, or change arising out of or attributable to: (i) general economic or political conditions, (ii) conditions generally affecting the industries in which Remington operates; (iii) any changes in financial or securities markets in general; (iv) acts of war, armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by the Acquisition Agreement, except for required consents or governmental approvals; (vi) any changes in applicable laws or accounting rules; (vii) any action taken or omission by any person or entity controlled by the Company; (viii) the public announcement, pendency, or completion of the transactions; or (ix) resulting from acts of god, such as hurricanes, tornadoes, floods, earthquakes, or other natural disasters; provided further, however, that any event, occurrence, fact, condition, or change referred to in clauses (i) through (iv), (vi), and (ix) immediately above will be taken into account in determining whether a Target Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on the Target compared to other participants in the industries in which the Target conducts its businesses.

The Company has agreed to take all action necessary in accordance with the DGCL and the rules of the NYSE MKT and our organizational documents to establish a record date for, give notice of, and convene and hold a meeting of our stockholders for the purpose of voting upon the approval of the transactions. Subject to our ability to change our recommendation in certain situations, we have agreed to recommend that you vote in favor of the transactions. The Company Board or the Special Committee may, at any time prior to our stockholders considering the transactions at the special meeting, after consultation with outside legal counsel, determine in good faith that it cannot recommend that you vote in favor of the transactions, if such recommendation would be inconsistent with its fiduciary duties, in response to a Company Superior Proposal, so long as (i) the Company has provided the Remington Holders prior notice that we intend to change our recommendation to our stockholders to vote in favor of the transactions and are prepared to enter into a contract with respect to a Company Superior Proposal, including reasonably detailed information regarding the terms of such Company Superior Proposal; and (ii) the Company provides the Remington Holders the opportunity, and negotiates in good faith, to adjust the terms and conditions of the Acquisition Agreement and related documents so that there is no longer a basis for such proposal to constitute a Company Superior Proposal. In addition, the Company Board or the Special Committee may, at any time prior to our stockholders considering the transactions at the special meeting, after consultation with outside legal counsel, determine in good faith that it cannot recommend that you vote in favor of the transactions, if such recommendation would be inconsistent with its fiduciary duties, in response to a "Company Intervening Event," so long as (i) the Company has provided the Remington Holders prior notice that we intend to change our recommendation to our stockholders to vote in favor of the

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transactions, and (ii) the Company provides the Remington Holders the opportunity, and negotiates in good faith, to adjust the terms and conditions of the Acquisition Agreement and related documents so that there is no longer a basis for such withdrawal, modification, or amendment.

A "*Company Intervening Event*" is an event, change, development, effect, occurrence, or state of facts, in each case (a) that is material to the transactions, (b) that arises or occurs after the date of the Acquisition Agreement and that becomes known to the Special Committee before the vote of the stockholders considering the transactions at the special meeting, and (c) that, prior to the date of the Acquisition Agreement, was not known to or reasonably foreseeable by the Special Committee; provided, that in no event will the receipt, existence of, or terms of a Company Acquisition Proposal or any inquiry relating to a Company Acquisition Proposal or any consequence thereof constitute a Company Intervening Event.

**Closing Conditions**

The obligations of each of the parties to the Acquisition Agreement to consummate the transactions is subject to the fulfillment of certain closing conditions, including:

- (i) the approval of the transactions by required stockholder vote in accordance with applicable law, the rules of the NYSE MKT and the Company's organizational documents;
- (ii) the expiration or earlier termination of the waiting period applicable to the transactions under the HSR Act;
- (iii) the absence of any legal restraint with respect to the transactions;
- (iv) the issuance of the Private Letter Ruling;
- (v) the completion by Ashford Trust of the disposition of its common stock of the Company in a manner that complies with the Private Letter Ruling;
- (vi) the acquisition by the Company of 100% of the ownership of Ashford Hospitality Advisors LLC;
- (vii) the accuracy of the other party's representations and warranties contained in the Transaction Documents (subject to qualifiers, as applicable); and
- (viii) the other party's compliance in all material respects with its covenants and agreements contained in the Transaction Documents.

The Bennett's obligation to consummate the transactions is also conditioned on:

- (i) there not having occurred a material adverse effect with respect to the Company;
- (ii) their receipt of an appraisal satisfactory to them to the effect that the value of a share of Newco Preferred Stock does not exceed \$25; and
- (iii) the receipt by Archie Bennett, Jr. and Monty Bennett of the Tax Opinion.

A material adverse effect with respect to the Company, or a "*Company Material Adverse Effect*," means any event, occurrence, fact, condition, or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business,

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results of operations, condition (financial or otherwise), or assets of the Company and its subsidiaries; or (b) the ability of the Company to consummate the transactions on a timely basis; provided, however, that "Company Material Adverse Effect" will not include any event, occurrence, fact, condition, or change arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or

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worsening thereof; (v) any action required or permitted by the Acquisition Agreement, subject to certain exceptions; (vi) any changes in applicable laws or accounting rules; (vii) any action taken or omission by Ashford Trust or Ashford Prime, or by any person or entity controlled by the Remington Holders; (viii) the public announcement, pendency, or completion of the transactions or the Transaction Documents; or (ix) resulting from acts of god, such as natural disasters; provided further, however, that any event, occurrence, fact, condition, or change referred to in clauses (i) through (iv), (vi) and (ix) immediately above will be taken into account in determining whether a Company Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on the Company compared to other participants in the industries in which the Company conducts its businesses.

The Company's obligation to consummate the transactions is also conditioned on:

- (i) there not having occurred a material adverse effect with respect to Remington; and
- (ii) the certification of Monty Bennett, as chief executive officer of the Company, as to the accuracy of the Company's representations and warranties contained in the Transaction Documents.

A material adverse effect with respect to Remington, or a "*Target Material Adverse Effect*," means any event, occurrence, fact, condition, or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise), or assets of any of Remington and its subsidiaries, taken as a whole, or (b) the ability of the Remington Holders to consummate the transactions on a timely basis; provided, however, that "Target Material Adverse Effect" will not include any event, occurrence, fact, condition, or change arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which Remington operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by the Acquisition Agreement, subject to certain exceptions; (vi) any changes in applicable laws or accounting rules; (vii) any action taken or omission by any person or entity controlled by the Company; (viii) the public announcement, pendency, or completion of the transactions or the Transaction Documents; or (ix) resulting from acts of god, such as natural disasters; provided further, however, that any event, occurrence, fact, condition, or change referred to in clauses (i) through (iv), (vi), and (ix) immediately above will be taken into account in determining whether a Target Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on Remington compared to other participants in the industries in which Remington conducts its businesses.

**Liability**

Except for breaches of fundamental representations and warranties and certain related matters, neither the Company nor the Remington Holders will be liable for breaches of representations and warranties until the aggregate amount of all damages suffered by the indemnified parties exceeds \$5,000,000, in which event the breaching party is liable from the first dollar. Except for breaches of fundamental representations and warranties and certain tax-related matters, the aggregate liability for damages for each of the Company and the Remington Holders is \$50,160,000. The aggregate liability for damages for each of the Company and the Remington Holders is \$331,650,000 for all breaches of representations and warranties by such party. Notwithstanding the foregoing, the parties have the right to seek damages and equitable relief for fraud without any limitation, and an action for breach of the representations and warranties is not the exclusive remedy for any party.



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The Remington Holders will satisfy indemnification obligations in shares of Newco common stock valued at \$100 per share, and, to the extent that shares of Newco common stock are insufficient, in Newco Preferred Stock valued at its liquidation value of \$25 per share.

**Termination**

The Acquisition Agreement may be terminated and the transactions abandoned at any time prior to the closing of the transactions:

- (i) by mutual consent of the Company and the Remington Holders;
- (ii) by either the Company or the Remington Holders if:
  - (a) the other party has breached a representation, warranty, or covenant in the Acquisition Agreement that results in the failure to satisfy a closing condition, and such breach is not cured within ten days of notice to the breaching party;
  - (b) the Company's stockholders do not approve the transactions at the special meeting;
  - (c) there is a specified adverse tax change applicable to such party;
  - (d) based on written advice of counsel, Newco would be considered an "investment company" for tax purposes (within the meaning of Section 351 of the Code) at any time; or
  - (e) the transactions are not consummated by June 30, 2016;
- (iii) by the Company for a Company Superior Proposal or a Company Intervening Event; or
- (iv) by the Remington Holders if the Company Board or the Special Committee changes its recommendation to the Company's stockholders to approve Proposal 1 or Proposal 2.

If we terminate the Acquisition Agreement for a Company Superior Proposal or a Company Intervening Event, the Company will be required to pay the Remington Holders a termination fee of \$6,688,000 plus the costs and expenses incurred by the Remington Holders in connection with the transactions.

Neither the Company nor the Remington Holders, however, will have a right to terminate the Acquisition Agreement, assert a claim that any condition to closing the transactions has not been fulfilled, or claim any damage or seek any other available remedy for any breach of any representation, warranty, or covenant if the non-breaching party or certain of its affiliates or representatives had knowledge of any facts or circumstances that constitute or give rise to such breach or would proximately or directly cause any such condition not to be fulfilled or substantially caused or intentionally permitted such breach (excluding actions of Monty Bennett with respect to any such breach by the Company).

**Expenses**

Regardless of whether the closing of the transactions occurs, Newco is obligated to pay all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants and one-half of all filing and other similar fees payable in connection with any filings or submissions under the HSR Act and one-half of any transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest thereon) incurred in connection with the transfer of the Transferred Securities pursuant to the Acquisition Agreement and the other Transaction Documents, and the exchange contemplated pursuant to the contribution agreement between the Company and Newco, setting forth the terms and conditions upon which the Company will contribute substantially all of its assets to Newco, and Newco will assume all of the liabilities of the



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Company, (including any real property transfer tax and any other similar tax) incurred by the Company, Newco, Newco Sub, GP Holding and GP Holding I.

In the event the closing of the transactions occurs, Newco will also pay up to an aggregate of \$2,750,000 for (a) transaction expenses incurred by Remington and the Remington Holders, and (b) bonus and other payments made to employees and agents of Remington and its subsidiaries in connection with the closing.

**Amendment; Waiver**

Subject to applicable law, the Acquisition Agreement may be amended or modified or any term thereof waived by action taken by the Company and the Remington Holders, provided that the prior written approval of the Special Committee is required to approve any amendment, modification, supplement, or waiver of any provisions of the Acquisition Agreement by or on behalf of the Company.

**Governing Law; Waiver of Jury Trial**

The Acquisition Agreement will be governed by Delaware law. Each party to the Acquisition Agreement has irrevocably and unconditionally waived its right to trial by jury.

**Specific Performance**

The Acquisition Agreement provides that the parties thereto will be entitled to seek specific performance to enforce the Acquisition Agreement against a non-performing party, in addition to any other remedy to which they are entitled at law or in equity.

**Certificate of Designation of Newco Preferred Stock**

*The following is a summary of the material terms of the Certificate of Designation. This summary does not purport to describe all the terms of the Certificate of Designation and is qualified in its entirety by reference to the full text of the Certificate of Designation, which is attached as Annex D. We encourage you to read the Certificate of Designation carefully and in its entirety because it, and not the summary set forth in this proxy statement, is one of the legal documents that governs the transactions.*

The designation, rights, preferences, powers, restrictions, and limitations of the Newco Preferred Stock will be established by Newco filing the Certificate of Designation as of the closing of the transactions.

**Terms of Newco Preferred Stock**

The Certificate of Designation will provide that each share of Newco Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets upon liquidation of Newco, (a) prior to Newco's common stock and any class or series of Newco capital stock subsequently created, unless otherwise agreed by 66.67% of the holders of Newco Preferred Stock; (b) on parity with any class or series of Newco capital stock subsequently created and agreed by 66.67% of the holders of Newco Preferred Stock; and (c) junior to any series of Newco Preferred Stock subsequently created and agreed by 66.67% of the holders of Newco Preferred Stock.

The Certificate of Designation also will provide that each share of Newco Preferred Stock will:

- (i) have a liquidation value of \$25 per share;
- (ii) have cumulative dividends at the rate of 6.625% per annum (payable in cash quarterly in arrears);

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- (iii) participate in any dividend or distribution on the common stock of Newco (whether such dividend or distribution is payable in cash, securities, or other property) on a pro rata basis with the Newco common stock, determined on an as-converted basis, in addition to the cumulative dividends on the Newco Preferred Stock; and
- (iv) be convertible at any time and from time to time, in full or partially, into non-voting common stock of Newco (but voting after an initial public offering by Newco) at a conversion ratio equal to the liquidation value of a share of Newco Preferred Stock, divided by \$120.

The Certificate of Designation also will provide for customary anti-dilution protections upon, among other things, a dividend, subdivision, or combination of common stock of Newco or a reorganization, reclassification, or merger of Newco; provided, however, that all preemptive rights of the holders of Newco Preferred Stock are set forth in the Investor Rights Agreement.

Newco also, at all times, will reserve and keep available out of its authorized but unissued shares of capital stock such number of non-voting common stock issuable upon conversion of all outstanding Newco Preferred Stock, taking into account any applicable anti-dilution adjustments.

In connection with any liquidation, dissolution, or winding up of Newco (in each case, whether voluntary or involuntary), Newco will provide each holder of Newco Preferred Stock written notice of such proposed action and its material terms within ten days of the Newco board of directors approving such an action, or not later than 20 days prior to any Newco stockholders' meeting to approve such an action, or within 20 days of the commencement of any involuntary proceeding, whichever is earlier. Newco will not consummate any voluntary liquidation, dissolution, or winding up before the expiration of 30 days after the mailing of such initial notice or ten days after the mailing of any subsequent written notice, whichever is later; provided that all holders of Newco Preferred Stock may consent to shorten such period.

**Board Designation Rights**

In the event Newco fails to pay a dividend at the rate of 6.625% per annum for two consecutive quarterly periods, then, until such arrearage is paid in cash in full, (i) the dividend rate on the Newco Preferred Stock will increase to 10% per annum; (ii) no dividends may be declared and paid, and no other distributions or redemptions may be made, on the Newco common stock; and (iii) the Newco board of directors and the Company Board will be increased by two seats and the holders of Newco Preferred Stock will be entitled to designate two individuals to fill such newly created seats.

**Restrictive Covenants**

The Certificate of Designation will provide that, so long as any shares of Newco Preferred Stock are outstanding, Newco is prohibited from taking certain actions without the consent of a 66.67% of the holders of Newco Preferred Stock, including:

- (i) modifying the terms, rights, preferences, privileges, or voting powers of the Newco Preferred Stock;
- (ii) altering or changing the rights, preferences, or privileges of any capital stock of Newco so as to affect adversely the Newco Preferred Stock;
- (iii) creating or issuing any security senior to the Newco Preferred Stock;
- (iv) creating or issuing any shares of Newco Preferred Stock, other than pursuant to the Acquisition Agreement;
- (v) entering into any agreement that expressly prohibits or restricts the payment of dividends on the Newco Preferred Stock or the common stock of Newco; and

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(vi)

other than the payment of dividends on the Newco Preferred Stock or payments pursuant to a management agreement to be entered into between Newco and the Company, transferring Newco's or its subsidiaries' cash balances or other assets to the Company or any other subsidiary of the Company, other than by means of a dividend payable by Newco pro rata to the holders of Newco common stock.

The Certificate of Designation also will provide that any right of the holders of Newco Preferred Stock may be waived as to all shares of the Newco Preferred Stock upon the consent of 66.67% of the holders of Newco Preferred Stock, unless a higher percentage is required by applicable law.

**Investor Rights Agreement**

*The following is a summary of the material provisions of the Investor Rights Agreement, a copy of which is attached to this proxy statement as Annex E, and which we incorporate by reference into this proxy statement. This summary may not contain all of the information about the Investor Rights Agreement that is important to you and is qualified in its entirety by reference to the full text of such agreement. We encourage you to read carefully the Investor Rights Agreement in its entirety, as the rights and obligations of the parties thereto are governed by the express terms of the Investor Rights Agreement and not by this summary or any other information contained in this proxy statement.*

At the closing of the transactions, the parties will enter into an investor rights agreement (the "*Investor Rights Agreement*") that will provide for, among other items, governing rights, operating agreements, noncompetes, transfer restrictions, put and call rights and obligations of the parties with respect to the Company and its subsidiaries, including Remington.

**Board Designation Rights**

The Investor Rights Agreement will provide that for so long as Archie Bennett, Jr., Monty Bennett and MJB Investments (together with each person that succeeds to the interests as an immediate family member or controlled entity transferee, "*Holder Group Investors*") beneficially own no less than 20% of the issued and outstanding shares of common stock of Newco (taking into account the Newco Preferred Stock on an as-converted basis), those Holder Group Investors holding in the aggregate a majority of the total number of shares of common stock of Newco (taking into account the Newco Preferred Stock on an as-converted basis) held by all Holder Group Investors (a "*Majority in Interest*") will be entitled to nominate one individual for election as a member of the Company Board (the "*Seller Nominee*") and, until a Majority in Interest of the Holder Group Investors otherwise determine, Monty Bennett will serve as the Seller Nominee. The Investor Rights Agreement requires the Company, with respect to the Seller Nominee, (i) to assure that the size of the Company Board will accommodate the Seller Nominee, (ii) at each annual meeting of stockholders of the Company, to cause the slate of nominees standing for election, and recommended by the Company Board, at each such meeting to include the Seller Nominee, (iii) to nominate and reflect in the proxy statement on Schedule 14A for each annual meeting the nomination of the Seller Nominee for election as a director of the Company at each such meeting and (iv) to the extent permitted under applicable law and stock exchange rules, cause all proxies for which a vote is not specified to be voted for the Seller Nominee. In the event Newco fails to pay a dividend at the rate of 6.625% per annum on the Newco Preferred Stock for two consecutive quarterly periods (a "*Preferred Stock Breach*"), the Company Board will be increased by two seats and a Majority in Interest of the Holder Group Investors will be entitled to designate two individuals to fill such newly created seats.

The Investor Rights Agreement further will provide that the board of directors of Newco will, at all times, be made up of the same individuals serving on the Company Board, including the Seller Nominee. In the event of a Preferred Stock Breach, both the Company Board and the Newco board of directors will be increased by two seats and the individuals filling such newly created seats will be the same. In addition, for so long as the Holder Group Investors hold any of the 20% limited partnership

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interest in Remington retained by the Bennetts (the "*Retained Interest*"): (i) a Majority in Interest of the Holder Group Investors will be entitled to nominate one individual for election as a member of the board of directors of Newco Sub; and (ii) the independent directors of Newco will be entitled to nominate two individuals for election as members of the board of directors of Newco Sub. Until a Majority in Interest of the Holder Group Investors otherwise determine, Monty Bennett will serve as the Holder Group Investors' nominee.

If Monty Bennett ceases to be a director of the Company, for any reason other than the Holder Group Investors ceasing to own more than 20% of the issued and outstanding shares of common stock of Newco (taking into account the Newco Preferred Stock on an as-converted basis), a Majority in Interest of the Holder Group Investors may propose to the Company a replacement nominee for election as a director of the Company, in which event such individual will be appointed to fill the vacancy created as a result of Monty Bennett ceasing to be a director of the Company. Similarly, if Monty Bennett ceases to be a director of Newco, for any reason other than the Holder Group Investors ceasing to own more than 20% of the issued and outstanding shares of common stock of Newco (taking into account the Newco Preferred Stock on an as-converted basis), a Majority in Interest of the Holder Group Investors may propose to Newco a replacement nominee for election as a director of Newco, in which event such individual will be appointed to fill the vacancy created as a result of Monty Bennett ceasing to be a director of Newco. The right in the foregoing sentence with respect to the board of Newco will terminate, however, upon the consummation of the filing a registration statement providing for either or both of an initial public offering of the voting common stock of Newco or the registration and resale of all of the registrable securities of Newco, as discussed in greater detail below under "Registration Rights."

If Monty Bennett ceases to be a director of Newco Sub, for any reason other than the Holder Group Investors ceasing to own any of the Retained Interest, a Majority in Interest of the Holder Group Investors may propose to Newco Sub a replacement nominee for election as a director of Newco, in which event such individual will be appointed to fill the vacancy created as a result of Monty Bennett ceasing to be a director of Newco Sub.

**Operating Provisions**

The Investor Rights Agreement will provide that (i) until the Newco Sub Promissory Note is paid in full, without the prior written consent of a Majority in Interest of the Holder Group Investors, and (ii) from the time the Newco Sub Promissory Note is paid in full, for so long as the Holder Group Investors beneficially own any of the Retained Interest (as defined below), without the prior written consent of a Majority in Interest of the Holder Group Investors, the Company, Newco and Newco Sub will not transfer the membership interests of GP Holdings or permit GP Holdings to transfer its general partnership interest in Remington to any entity that is not wholly owned, directly or indirectly, by Newco Sub, or in any way cause or permit GP Holdings (or any wholly owned transferee) to be treated as other than an entity disregarded from Newco Sub for federal income tax purposes.

Additionally, for so long as the Holder Group Investors beneficially own no less than 20% of the issued and outstanding shares of the common stock of Newco (taking into account Newco Preferred Stock on an as-converted basis), the Company, Newco and Newco Sub are prohibited, without the prior written consent of a Majority in Interest of the Holder Group Investors, from, among other actions:

- (i) conducting the property and project management business conducted by Remington in entities other than Newco Sub, GP Holdings and Remington;
- (ii) permitting Newco Sub, GP Holdings and Remington to acquire or operate any material assets, business or operations, other than those used in or related to the conduct of the property and project management business conducted by Remington; and

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- (iii) taking any action to cause any of the material business operations of the Company to be conducted through entities other than Newco or wholly owned subsidiaries of Newco.

The Limited Partnership Agreement of Remington, which will be entered into at the closing of the transactions (the "*Limited Partnership Agreement*"), will provide for additional approval rights in favor of the LP Transferors, including, without limitation, limiting Remington's ability to incur indebtedness, issue additional interests, and amend the Limited Partnership Agreement.

The Company and Newco will also agree in the Investor Rights Agreement that Newco will not take, and the Company will not cause or permit Newco to take, any corporate action that, if taken by the Company, would require the approval of the stockholders of the Company under the DGCL or the rules and regulations of any stock exchange on which the voting securities of the Company are then listed, unless such corporate action has been approved by the stockholders of the Company by the same vote as would be required if the Company were taking such corporate action.

The Investor Rights Agreement also will provide that, except for issuances contemplated by the Transaction Documents entered into under the Acquisition Agreement, neither the Company, Newco nor Newco Sub will issue any equity securities, rights to acquire equity securities of the Company, Newco or Newco Sub or debt convertible into equity securities of the Company, Newco or Newco Sub ("*New Securities*") unless the Company, Newco or Newco Sub, as the case may be, gives each Holder Group Investor notice of its respective intention to issue New Securities and the right to acquire such Holder Group Investor's pro rata share of the New Securities.

The Investor Rights Agreement will provide that Archie Bennett, Jr. will have the following rights and privileges for the duration of the Investor Rights Agreement:

- (i) the title of Chairman of Remington;
- (ii) the right to continue his current level of involvement with Remington, including travel to the managed hotels, visits with hotel staff, reporting to Remington's President with his observations and advice for changes or improvements;
- (iii) reimbursement of the actual out-of-pocket costs (including first class air travel) incurred by him in connection with the foregoing activities; and
- (iv) availability to the directors of the Company and Newco for the purpose of attending meetings of the Company Board and Newco Board.

**Incentive Fees**

Pursuant to the terms and conditions of hotel management agreements to which Remington is a party, Remington receives annual incentive management fees based on the preceding year's hotel operations subject to such hotel management agreements. The incentive fees are calculated and paid in the first quarter of each calendar year.

The Investor Rights Agreement will provide that for the calendar year in which the closing occurs, the net amount of the aggregate incentive fees less the aggregate amount of officer and executive employee bonuses paid by Remington will be prorated as of the date of the closing based upon the actual number of days elapsed from January 1 through the date of the closing. Under the terms of the Investor Rights Agreement and the Limited Partnership Agreement, the net prorated amounts will be paid by Remington to the Bennetts in cash with respect to the period of time prior to the date of the closing.

**Registration Rights**

The Investor Rights Agreement will provide that, as soon as practicable after the second anniversary of the closing of the transactions, Newco, at its expense, will use its best efforts to prepare

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and file with the SEC a registration statement providing for either, or both, of an initial public offering of the voting common stock of Newco or the registration and resale of all of the registrable securities of Newco, and to cause the corresponding registration statement to become effective no later than the third anniversary of the closing of the transactions. In connection with any underwritten public offering, in the event the underwriters determine that less than all of the registrable securities of Newco can be included in such offering, then the registrable securities of Newco that are included in such offering will be apportioned pro rata among the selling holders of Newco's registrable securities based on the aggregate number of registrable securities of Newco requested to be registered by all such selling holders or in other proportions as mutually agreed by all of the selling holders, provided that at least 50% of the registrable securities of Newco will be included in such offering. In addition, Newco is subject to customary indemnification requirements whereby Newco will indemnify and hold harmless each holder of Newco's registrable securities, as well as the partners, members, officers, directors, managers, equity holders, legal counsel and accountants thereof against losses, claims, damages, or liabilities or actions that arise out of violations of federal and state securities laws by Newco. The right to cause Newco to file a registration statement is not assignable or transferable other than in connection with a transfer permitted under the terms of the Investor Rights Agreement, provided that Newco is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee with respect to which such registration rights are being assigned and such transferee by joinder becomes a party to the Investor Rights Agreement.

In addition, Newco's certificate of incorporation provides that any shares of the non-voting common stock of Newco will automatically convert into an equivalent number of shares of voting common stock of Newco upon the consummation of an initial public offering of the voting common stock of Newco.

**Transfer Restrictions**

The Investor Rights Agreement will provide that for three years after the closing of the transactions, each of Monty Bennett, Archie Bennett, Jr., MJB Investments, Mark Sharkey and their permitted transferees (collectively, the "*Covered Investors*") are prohibited from transferring common stock of Newco or Newco Preferred Stock, except to family members and in connection with estate planning, unless the transfer has been approved by an independent committee of the Company Board.

Covered Investors are also prohibited from transferring the Retained Interest except to family members or to a charitable foundation, unless approved by an independent committee of the Company Board. In the event the Covered Investors desire to transfer the Retained Interest in any other respect, the Investor Rights Agreement will provide that the Company has a right of first refusal to purchase the Retained Interest on the same terms as the proposed transfer to any such third party. The Company also has the option to pay the purchase price, upon exercising its right of first refusal, over a three year period pursuant to a promissory note issued by the Company bearing interest at the then-prevailing LIBOR interest rate plus 350 basis points. In the event that the Company fails to exercise its right of first refusal to purchase the Retained Interest, the transfer to a third party will be permitted. In each case, assignment of any economic interest (separate from any voting interest) is permitted.

Any transferee from a Covered Investor must, as a condition to such transfer, become a party to the Investor Rights Agreement by joinder and agree to be bound by all of the terms and conditions set forth therein as a Covered Investor.

**Put and Call Options**

*Preferred Call Option*

Pursuant to the Investor Rights Agreement, after the fifth anniversary of the closing of the transactions, Newco will have the option to purchase all or any portion of the Newco Preferred Stock



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in \$25,000,000 increments on a pro rata basis among all Covered Investors (the "*Preferred Call Option*") at a price per share equal to the sum of (i) not more than \$25.125, plus (ii) all accrued but unpaid dividends. The purchase price is payable only in cash. The notice of exercise of the Preferred Call Option does not limit or restrict any Covered Investor's right to convert the Newco Preferred Stock into shares of Newco common stock prior to the closing of the Preferred Call Option.

*Remington Call Option*

In addition, after the tenth anniversary of the closing of the transactions, Newco Sub will have an option to require the Covered Investors to sell to Newco Sub the Retained Interest (the "*Remington Call Option*"). In the event that the Remington Call Option is exercised, the price to be paid will be an amount equal to 110% of the Retained Interests Purchase Price (defined below), and the price will be payable at each Covered Investor's individual election in any combination of:

- (i) cash;
- (ii) the issuance of a number of shares of Company common stock determined by dividing 110% of the Retained Interests Purchase Price by the greater of (a) the volume-weighted average price of the Company common stock on the business day immediately preceding the notice of exercise of the call option or (b) \$100; or
- (iii) the issuance of a number of shares of Newco common stock determined by dividing 110% of the Retained Interests Purchase Price by the greater of (a) the volume-weighted average price of the Company common stock on the business day immediately preceding the notice of exercise of the call option or (b) \$100.

The "*Retained Interests Purchase Price*" is an amount equal to the product of (a) the Multiple (defined below), multiplied by (b) Remington's adjusted earnings before interest, taxes, depreciation and amortization for the prior 12-month rolling period, multiplied by (c) the percentage ownership interest of Remington on a fully diluted basis represented by the Retained Interests. "*Multiple*" means a factor not less than 10.25 and not greater than 16.25 that will be determined by agreement between the Company and the Covered Investors or, if no agreement is reached, by successive appraisal and arbitration procedures.

*Change of Control Put Option*

The Investor Rights Agreements also will provide each Covered Investor with the option, exercisable on one occasion, to sell to the Company all of the Retained Interests, Newco common stock (unless an initial public offering of Newco has occurred) and the Newco Preferred Stock then owned by such Covered Investor (the "*Change of Control Put Option*"), during a ten business day period following the consummation of a Change of Control (as defined below). In the event that a Covered Investor exercises the Change of Control Put Option, the price to be paid to such exercising Covered Investor will be:

- (i) With respect to the Retained Interests, 90% of the Retained Interests Purchase Price, payable at the Covered Investor's election in any combination of:
  - (a) cash;
  - (b) the issuance of a number of shares of Company common stock determined by dividing 90% of the Retained Interests Purchase Price by the greater of (1) the volume-weighted average price of the Company common stock on the business day immediately preceding the Change of Control or (2) \$100; or
  - (c) the issuance of a number of shares of Newco common stock determined by dividing 90% of the Retained Interests Purchase Price by the greater of (1) the volume-weighted

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average price of the common stock of the Company on the business day immediately preceding the date of the Change of Control or (2) \$100.

- (ii) With respect to Newco common stock, payable at the Covered Investor's election in any combination of:
  - (a) cash in an amount per share determined by the volume-weighted average price of the Company common stock on the business day preceding the Change of Control; or
  - (b) the issuance of a number of shares of Company common stock equal to the number of shares of common stock of Newco to be acquired by the Company.
  
- (iii) With respect to the Newco Preferred Stock, an amount equal to (1) not more than \$25.125, plus (2) all accrued and unpaid dividends, plus (3) if prior to the fifth anniversary of the closing of the transactions, an additional amount per share equal to 3% per annum for each year, inclusive of the year in which the Change of Control Put Option is exercised, until the fifth anniversary of the closing of the transactions, payable in any combination of:
  - (a) cash;
  - (b) a number of shares of Company common stock determined by dividing such amount by \$120;
  - (c) a number of shares of Newco common stock determined by dividing such amount by \$120; or
  - (d) shares of preferred stock of the Company on a one-for-one basis with terms that are equivalent in all material respects to the Newco Preferred Stock being exchanged.

The \$120 conversion price used with respect to the Newco Preferred Stock is subject to adjustment in the event of stock dividends on Newco common stock or any subdivision or combination of Newco common stock.

A "*Change of Control*" means any of the following, in each case that was not consented to, voted for or otherwise supported by Monty Bennett: (a) any person (other than Archie Bennett, Jr., Monty Bennett, MJB Investments, their controlled affiliates, trusts or estates in which any of them has a substantial interest or as to which any of them serves as trustee or a similar capacity, any immediate family member of Archie Bennett, Jr. or Monty Bennett or any group of which they are a member) acquires beneficial ownership of securities of the Company or Newco that, together with the securities of the Company or Newco previously beneficially owned by the first such person, constitutes more than 50% of the total voting power of the Company's or Newco's outstanding securities, or (b) the sale, lease, transfer or other disposition (other than as collateral) of all or a majority of the Company's or Newco's (taken as a whole) assets or income or revenue generating capacity, other than to any direct or indirect majority-owned and controlled affiliate of the Company.

As discussed above, the formulas used to calculate the number of shares of the Company's common stock that could be issued to the Remington Sellers in the future are subject to a number of factors that may be adjusted or cannot be calculated until the time of issuance. The Company has made the following assumptions regarding certain of the factors involved in the calculations in order to estimate a maximum number of approximately 4,156,000 shares of the Company's common stock that could be issued to the Remington Sellers if all of the events occurred at some point in the future. These assumptions include (i) the "Multiple" being the maximum 16.25 (the highest in the 10.25 to 16.25 range), (ii) the volume-weighted average price of the Company common stock being less than \$100 (\$40.34 was such price on March 3, 2016), (iii) Remington's adjusted earnings before interest, taxes, depreciation and amortization for the prior 12-month rolling period being \$28.7 million (which was the approximate amount for the prior 12-months ended September 30, 2015), (iv) no adjustment to

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the conversion price of \$120, (v) no adjustment to the \$25.125 price factor and (vi) the Change of Control Put Option being exercised prior to the first anniversary of the closing of the transactions.

**Noncompetition and Non-Solicitation Agreements**

Subject to the exclusions described below, the Investor Rights Agreement will provide that for a period of the later of (i) three years following the closing of the transactions, or (ii) three years following the date Monty Bennett is not the principal executive officer of the Company (the "*Restricted Period*"), each of Archie Bennett, Jr., Monty Bennett, and MJB Investments will not, directly or indirectly:

- (a) engage in, or have an interest in a person that engages in, the business conducted by Remington on the closing of the transactions anywhere in the United States (excluding certain passive investments and existing relationships) (the "*Restricted Business*");
- (b) hire or solicit employees of Remington, except pursuant to a general solicitation; or
- (c) solicit or entice, any clients of Remington.

In addition to, among other exclusions, exclusions related to service with entities related to the Company and passive investments in publicly traded securities on unaffiliated entities, each of Archie Bennett, Jr., Monty Bennett, and MJB Investments may freely pursue any opportunity to acquire ownership, directly or indirectly, in any interest in real property in the lodging industry if such person has presented such opportunity to the Company Board and the Company (based on a determination by a majority of its independent directors) declines to pursue or participate in such opportunity, provided such person and its controlled affiliates (other than the Company, Remington, and their subsidiaries) do not engage in the Restricted Business for such real property.

The Investor Rights Agreement also will provide that, during the Restricted Period, none of Archie Bennett, Jr., Monty Bennett, or MJB Investments will, or permit any of their controlled affiliates to, hire or solicit the executive officers of Remington and its subsidiaries and any independent contractors or consultants spending a majority of their respective time on the Restricted Business (collectively, the "*Service Providers*"), except pursuant to a general solicitation that is not directed specifically to such Service Providers. Archie Bennett, Jr., Monty Bennett, and MJB Investments, either directly or through any of their controlled affiliates, may hire any Service Providers (i) whose employment has been terminated by Remington, Newco, Newco Sub or the Company, (ii) after 180 days, whose employment has been terminated by the Service Provider or (iii) who will work on a shared basis with Remington and its subsidiaries.

**Voting Limitations at the Company and Newco**

*The Company*

On matters submitted to a vote of the Company's stockholders, the Covered Investors have the right to vote as they determine, except if, prior to the fourth anniversary of the closing of the transactions, the combined voting power of the Reference Shares (as defined below) of the Company exceeds 25% (plus the combined voting power of any Company common stock purchased after the closing of the transactions in an arm's length transaction from a person other than the Company or a Company subsidiary, including through open market purchases, privately negotiated transactions or any distributions by either Ashford Trust or Ashford Prime to its respective stockholders pro rata) of the combined voting power of all of the outstanding voting securities of the Company entitled to vote, then Reference Shares of the Company representing voting power equal to such excess will be deemed to be "*Company Cleansed Shares*." The Covered Investors will vote Company shares with voting power equal to the voting power of the Company Cleansed Shares in the same proportion as the Company's stockholders vote their shares with respect to such matters, inclusive of the Reference Shares of the Company voted by the Covered Investors.

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*Newco*

On matters submitted to a vote of Newco stockholders, the Covered Investors have the right to vote as they determine, except if at any time the combined voting power of the Reference Shares of Newco exceeds 25% (plus the combined voting power of any Newco common stock purchased after the closing of the transactions in an arm's length transaction from a person other than Newco or a Newco subsidiary, including through open market purchases or privately negotiated transactions) of the combined voting power of all of the outstanding voting securities of Newco entitled to vote, then Reference Shares of Newco representing voting power equal to such excess will be deemed to be "*Newco Cleansed Shares*." The Covered Investors will vote Newco shares with voting power equal to the voting power of the Newco Cleansed Shares in the same proportion as Newco stockholders vote their shares with respect to such matters, inclusive of the Reference Shares of Newco voted by the Covered Investors.

These voting restrictions may be waived by two-thirds majority vote or consent of the independent directors of the Company or Newco, as applicable, that have no personal interest in the matter to be voted upon.

"*Reference Shares*" means all voting securities of the Company or Newco, as applicable, that are (a) beneficially owned by any Covered Investor; (b) beneficially owned by any member of a group of which any Covered Investor is a member; or (c) subject to or referenced in any derivative or synthetic interest that (i) conveys any voting right in the common stock of the Company or Newco, as applicable, or (ii) is required to be, or is capable of being, settled through delivery of common stock of the Company or Newco, as applicable, in either case, that is held or beneficially owned by any Covered Investor or any controlled affiliate or any Covered Investor.

**Termination**

The Investor Rights Agreement terminates by its terms on the earliest of (i) the written agreement of the Company and a majority in interest of the Covered Investors, (ii) the fifth anniversary of the closing of the transactions, and (iii) the date on which the Covered Investors no longer own any Retained Interests, Newco common stock or Newco Preferred Stock; provided operational covenants, the noncompetition agreement, board designation rights, voting limitations and restrictions on Newco dividends will last for the time periods provided by their terms and the call options, put options and the Private Letter Ruling compliance covenant will last indefinitely.

A Covered Investor will automatically cease to be bound by the Investor Rights Agreement at such time as such Covered Investor no longer owns any Retained Interests, any Newco common stock or Newco Preferred Stock.

**Limited Partnership Agreement**

*The following is a summary of the material provisions of the Amended and Restated Limited Partnership Agreement of Remington, a copy of which is attached to this proxy statement as Annex F, and which we incorporate by reference into this proxy statement. This summary may not contain all of the information about the Amended and Restated Limited Partnership Agreement that is important to you and is qualified in its entirety by reference to the full text of such agreement. We encourage you to read carefully the Amended and Restated Limited Partnership Agreement in its entirety, as the rights and obligations of the parties thereto are governed by the express terms of the Amended and Restated Limited Partnership Agreement and not by this summary or any other information contained in this proxy statement.*

At the closing of the transactions, the parties will enter into an Amended and Restated Limited Partnership of Remington (the "*Limited Partnership Agreement*") that will provide for, among other items, the governance of Remington following the closing of the transactions and additional approval rights in favor of Archie Bennett, Jr. and Monty Bennett (the "*LP Transferors*"), including, without

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limitation, limiting Remington's ability to incur indebtedness, issue additional interests, and amend the Limited Partnership Agreement.

**Distributions and Working Capital Reserve**

Under the terms of the Limited Partnership Agreement, within twenty days end of each calendar month, GP Holdings, the general partner of Remington, is required to distribute to the partners pro rata in proportion to their respective percentage interests, an amount equal to the total amount of current assets of the Partnership less the total amount of current liabilities of the Partnership and less an amount of reserved net working capital equal to \$4,000,000. Newco Sub will hold an 80% limited partnership interest in Remington and Archie Bennett, Jr. and Monty Bennett (directly or indirectly through MJB Investments) will each hold a 10% limited partnership interest in Remington as of the closing of the transactions.

**Operation and Management**

Under the terms of the Limited Partnership Agreement, GP Holdings, as the general partner of Remington, has full control over the business and affairs of Remington, subject to certain limitations and consent rights held by the limited partners set forth in the Limited Partnership Agreement and described below. Among other general powers and duties, GP Holdings is authorized to:

- (i) make all decisions concerning the operation of Remington's business;
- (ii) acquire, hold, sell, transfer, exchange, pledge and dispose of and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to any real or personal property held by Remington;
- (iii) open, maintain and close bank accounts and draw checks or other orders for the payment of money and open, maintain and close brokerage, money market fund and similar accounts;
- (iv) incur debt obligations solely to the extent relating to the ordinary course acquisition of furniture, fixtures and equipment ("*Permitted Indebtedness*") and pledge, mortgage or encumber assets in connection with such incurrence;
- (v) sue and be sued, prosecute, settle or compromise all claims against third parties, compromise, settle or accept judgment with respect to claims against Remington;
- (vi) except as restricted by the Investor Rights Agreement, acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge or otherwise dispose of shares or other equity or debt interests in other entities;
- (vii) lend money for any proper purpose, to invest and reinvest its funds and to take and hold real and personal property for the payment of funds so loaned or invested;
- (viii) appoint and terminate employees and officers of Remington and define their duties and fix their compensation;
- (ix) incur all expenditures relating to Remington and pay all expenses, debts and obligations of Remington;
- (x) enter into one or more joint ventures;
- (xi) enter into indemnification agreements;
- (xii) hire and pay fees and expenses of custodians, advisors, consultants, brokers, attorneys, accountants, appraisers and any and all other third-party agents and assistants;

(xiii)

enter into, execute, maintain and/or terminate contracts, undertakings, leases, agreements and any and all other documents and instruments in Remington's name; and

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- (xiv) make, execute, acknowledge and file any and all documents or instruments necessary, convenient or incidental to the accomplishment of the purpose of Remington's business.

The Limited Partnership Agreement will provide that, as applicable, without the prior consent of a majority in interest of Monty Bennett, Archie Bennett, Jr., their controlled affiliates and their family members or charitable foundations to whom they may transfer limited partnership interests in Remington (collectively, the "*Bennett Limited Partners*"), in the event a transfer that results in the Bennett Limited Partners beneficially owning in the aggregate less than 5% of the limited partnership interests of Remington (a "*Disposition Transaction*") has not occurred, and without the prior consent of a majority in interest of the Bennett Limited Partners and each person that is not a Bennett Limited Partner that succeeds to the limited partnership interest of a Bennett Limited Partner (the "*Bennett Transferee Limited Partners*"), GP Holdings cannot:

- (i) modify, alter or amend in any material respect the property management operations, taken as a whole, as conducted by Remington as of the date of the closing of the transactions, including the ordinary course business practices regarding allocations of costs and expenses set forth in the Limited Partnership Agreement;
- (ii) commence a voluntary Chapter 11 bankruptcy case, take any action to appoint, or take any action to make an assignment of all or substantially all of its assets to, a bankruptcy custodian, trustee or receiver for, or creditors of, it or all or substantially all of Remington's assets;
- (iii) incur indebtedness for borrowed money other than Permitted Indebtedness;
- (iv) modify, alter or amend Remington's significant accounting policies if such modification, alteration or amendment would result in a material adverse effect upon the interests of the limited partners, except as required to comply with GAAP, the accounting practices of applicable self-regulatory or governmental regulatory authorities, including the SEC, or the independent accountants of Remington; or
- (v) issue any additional general partnership or limited partnership interests except in accordance with the terms of the Limited Partnership Agreement.

The Limited Partnership Agreement also requires that, prior to the occurrence of a Disposition Transaction, GP Holdings annually prepare a capital budget for Remington relating to the prospective operations of the Partnership, such budget to include sources of income, expenses and expenditures, including capital expenditures and similar items, and as soon as practicable but in no event later than 30 days prior to the implementation of such budget, provide the Bennett Limited Partners a draft of such budget for their review and comment. GP Holdings is required to reasonably consider any comments provided by the Bennett Limited Partners with respect to such budget.

In addition, under the terms of the Limited Partnership Agreement, Remington will continue to provide certain back office services to Archie Bennett, Jr. and Monty Bennett, in their personal capacity, for administrative, legal, tax, accounting and financial services at no charge for a period of 10 years from the date of the closing.

**Transfer Restrictions**

The Limited Partnership Agreement prohibits the sale, assignment or transfer of GP Holding's interest as the general partner of Remington without the consent, as applicable, a majority in interest of the Bennett Limited Partners in the event a Disposition Transaction has not occurred, and a majority in Interest of the Bennett Transferee Limited Partners.

The Limited Partnership Agreement also prohibits the transfer of any limited partner's interest in Remington except to the extent permitted under the Investor Rights Agreement. See the section titled "The Transaction Documents Investor Rights Agreement Transfer Restrictions."

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**Indemnification**

The Limited Partnership Agreement requires that Remington, to the fullest extent permitted by law, indemnify and hold harmless GP Holdings, each limited partner and each of the current and former employees and officers of Remington, GP Holdings and each limited partner (the "*Covered Persons*") from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Covered Person and arise out of or in connection with the affairs of Remington or the performance of GP Holdings' responsibilities as general partner, unless it is determined by any court, governmental body of competent jurisdiction or arbitrator or arbitration panel in a final, non-appealable judgment or award, or admitted by such Covered Person in a settlement of any lawsuit, that such Covered Person's conduct constituted fraud, gross negligence or willful malfeasance by such Covered Person. The Limited Partnership Agreement also requires Remington to advance the expenses of a Covered Person indemnified by Remington.

**Amendments**

Subject to the exceptions set forth in the Limited Partnership Agreement and described below, the provisions of the Limited Partnership Agreement may be waived, terminated, amended, restated, supplemented or otherwise modified only by the written consent of a majority in interest of the Bennett Limited Partners, in the event a Disposition Transaction has not occurred, and a majority in interest of the Bennett Transferee Limited Partners.

The provisions of the Limited Partnership Agreement may be waived, terminated, amended, restated, supplemented or otherwise modified by GP Holdings without the consent of any limited partner in the following situations:

- (i) in order to cure any ambiguity, make any inconsequential revision, provide clarity or to correct or supplement any provision which may be defective, incomplete or inconsistent with any other provisions set forth in the Limited Partnership Agreement, or to correct any printing or clerical errors or omissions;
- (ii) to comply with any anti-money laundering or anti-terrorist rules, regulations, directions or special measures;
- (iii) to take such action in light of changing regulatory conditions, as is necessary in order to permit Remington to continue in existence; or
- (iv) to the extent permitted by or approved pursuant to the terms of the Limited Partnership Agreement or the definitive Transaction Documents.

**Dissolution and Termination**

The Limited Partnership Agreement will provide that Remington will be dissolved upon the first to occur of the following events:

- (i) with the consent of, as applicable, a majority in interest of the Bennett Limited Partners; provided that a Disposition Transaction has not occurred and a majority in interest of the Bennett Transferee Limited Partners, the good faith determination by GP Holdings that such earlier dissolution and termination is necessary or advisable because there has been a materially adverse change in any applicable law;
- (ii) at such time as there are no remaining limited partners, unless the business of Remington is continued in accordance with Delaware law; or
- (iii) the entry of a decree of judicial dissolution under Delaware law.





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**Letter Agreements**

As part of the transactions, on September 17, 2015, the Company entered into a letter agreement with each of Ashford Trust and Ashford Prime (the "*Letter Agreements*"), clarifying that for purposes of determining the "Termination Fee" under the respective Advisory Agreement entered by the Company with each of Ashford Trust and Ashford Prime and certain other parties, "Net Earnings" and "Adjusted EBITDA" shall not include the Company's Adjusted EBITDA arising under certain Hotel Master Management Agreements entered with Remington Lodging and certain other parties attributable to Management Fees, Project Management Fees and Market Service Fees (all as defined in the Hotel Master Management Agreements) earned by Remington and/or its subsidiaries and consolidated with the Company.

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**PROPOSAL 1: THE CONTRIBUTION**

**The Proposal**

The stockholders of the Company are being asked to approve the Contribution. For a detailed discussion about the Contribution, see the section of this proxy statement titled "Special Factors Background of the Transactions." Copies of the Acquisition Agreement, the Certificate of Designation, the Investor Rights Agreement and the Limited Partnership Agreement are attached to this proxy statement as Annexes.

**Company Board Recommendation and Required Vote**

As discussed in the section of this proxy statement titled "Special Factors Background of the Transactions", the Company Board formed the Special Committee consisting of three independent and disinterested directors to evaluate and negotiate the transactions and the Transaction Documents, to consider and evaluate alternatives for the Company, and to alleviate any potential conflicts of interest. The Special Committee unanimously approved and adopted the Transaction Documents and the transactions and recommended that (i) the Company Board approve and adopt the Transaction Documents and the transactions, and (ii) our stockholders, to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT, approve and adopt the Transaction Documents and the transactions.

The Company Board subsequently unanimously (with Monty Bennett and J. Robison Hays, III recusing themselves due to due to Monty Bennett's interest in the transactions and Mr. Hays' status as an executive officer of the Company who reports to Monty Bennett), (i) approved and adopted the favorable recommendation of the special committee in respect of the transactions and the Transaction Documents; (ii) approved the form, terms and provisions of the Transaction Documents; and (iii) determined to recommend that the stockholders of the Company vote to approve the transactions to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT.

Approval of this Proposal 1 requires the affirmative "**FOR**" vote of a majority of the shares of our outstanding common stock entitled to vote at the special meeting. You may vote "FOR," "AGAINST" or "ABSTAIN" from voting. Abstentions and broker non-votes, if any, will have the same effect as a vote "AGAINST" this Proposal 1. If you provide your proxy or broker instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the Board.

***THE COMPANY BOARD, WITH MONTY BENNETT AND J. ROBISON HAYS, III RECUSING THEMSELVES, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF COMPANY VOTE "FOR" THIS PROPOSAL 1.***

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**PROPOSAL 2: THE SHARE ISSUANCES**

**The Proposal**

The stockholders of the Company are being asked to approve the Share Issuances.

The Share Issuances could occur in the future because the preferred stock and common stock issued to the Remington Sellers by Newco may, under specified circumstances described under "The Transaction Documents Investor Rights Agreement Put and Call Options," be exchanged for (i) shares of the Company's common stock or (ii) shares of the Company's preferred stock, which would be convertible into shares of the Company's common stock. In addition, the 20% Remington limited partnership interest retained by the Bennetts may in the future, under specified circumstances described under "The Transaction Documents Investor Rights Agreement Put and Call Options," be acquired by us in exchange for shares of the Company's common stock. The formulas used to calculate the number of shares of the Company's common stock that could be issued to the Remington Sellers in the future are subject to several factors that may be adjusted or cannot be calculated until the time of issuance. For a description of these events and calculations, see "The Transaction Documents Investor Rights Agreement Put and Call Options." A maximum number of approximately 4,156,000 shares of the Company's common stock could be issued to the Remington Sellers if certain events occurred at some point in the future, subject to specific assumptions described in the section entitled "The Transaction Documents Investor Rights Agreement Put and Call Options."

In any of the foregoing events, the potential Share Issuances could exceed 20% of our outstanding common stock, and, under these circumstances, the rules and regulations of the NYSE MKT require that the potential issuances be approved by a majority of the total votes cast on such matter.

**Company Board Recommendation and Required Vote**

As discussed in the section of this proxy statement titled "Special Factors Background of the Transactions", the Company Board formed the Special Committee consisting of three independent and disinterested directors to evaluate and negotiate the transactions and the Transaction Documents, to consider and evaluate alternatives for the Company, and to alleviate any potential conflicts of interest. The Special Committee unanimously approved and adopted the Transaction Documents and the transactions and recommended that (i) the Company Board approve and adopt the Transaction Documents and the transactions, including the Share Issuances, and (ii) our stockholders, to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT, approve and adopt the Transaction Documents and the transactions, including the Share Issuances.

The Company Board of directors subsequently unanimously (with Monty Bennett and J. Robison Hays, III recusing themselves due to due to Monty Bennett's interest in the transactions and Mr. Hays' status as an executive officer of the Company who reports to Monty Bennett), (i) approved and adopted the favorable recommendation of the Special Committee in respect of the transactions, including the Share Issuances, and the Transaction Documents; (ii) approved the form, terms and provisions of the Transaction Documents; and (iii) determined to recommend that the stockholders of the Company vote to approve the transactions, including the Share Issuances, to the extent required by applicable law or the terms of the Company's listing on the NYSE MKT.

Approval of this Proposal 2 requires the affirmative "**FOR**" vote of a majority of the shares of our outstanding common stock present at the special meeting (in person or by proxy) and cast at the meeting. You may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**" from voting. Abstentions, if any, will have the same effect as a vote "**AGAINST**" this Proposal 2. Broker non-votes will not be considered present and entitled to vote on, and accordingly will have no effect on the outcome of, this Proposal 2. If you

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provide your proxy or broker instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the Company Board.

***THE COMPANY BOARD, WITH MONTY BENNETT AND J. ROBISON HAYS, III RECUSING THEMSELVES, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF COMPANY VOTE "FOR" THIS PROPOSAL 2.***

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**PROPOSAL 3: ADJOURNMENT OR POSTPONEMENT OF SPECIAL MEETING**

**The Proposal**

The stockholders of the Company are being asked to approve a proposal that will give the Company the authority, if necessary or appropriate, to adjourn or postpone the special meeting for the purpose of soliciting additional proxies in favor of the proposals to approve the Contribution (Proposal 1) or the Share Issuances (Proposal 2) if there are not sufficient votes at the time of the special meeting to approve such proposals. If this adjournment proposal is approved, the special meeting could be adjourned by the Company Board. In addition, under Article I, Section 5 of the Company's bylaws, the chairman of a meeting has the authority to adjourn the meeting, whether or not a quorum is present.

We not anticipate that we will adjourn or postpone the special meeting unless (i) necessary or appropriate to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the Contribution (Proposal 1) or the Share Issuances (Proposal 2), or (ii) counsel advises us that such adjournment or postponement is necessary under applicable law. Any signed proxies received by the Company in which no voting instructions are provided on such matter will be voted in favor of an adjournment or postponement in these circumstances. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow the Company's stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting, as adjourned or postponed.

**Company Board Recommendation and Required Vote**

Approval of this Proposal 3 requires the affirmative "**FOR**" vote of a majority of the votes cast at the special meeting. You may vote "FOR," "AGAINST" or "ABSTAIN" from voting. Abstentions and broker non-votes, if any, will not be considered as votes cast under the Company's bylaws, and accordingly will have no effect on the outcome of this Proposal 3. If you provide your proxy or broker instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the Company Board.

***THE COMPANY BOARD, WITH MONTY BENNETT AND J. ROBISON HAYS, III RECUSING THEMSELVES, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS OF THE COMPANY VOTE "FOR" THIS PROPOSAL 3.***

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**FINANCIAL INFORMATION**

**Unaudited Pro Forma Financial Statements of Ashford Inc. and Subsidiaries**

Set forth on Annex A to this proxy statement are the unaudited pro forma financial statements and accompanying notes of Ashford Inc. and its subsidiaries as of and for the nine months ended September 30, 2015 and for the year ended December 31, 2014, which have been prepared by our management and are derived from (a) our audited financial statements as of and for the year ended December 31, 2014 included in our Annual Report on Form 10-K for the period then ended; (b) our unaudited financial statements as of and for the nine months ended September 30, 2015 included in our Quarterly Report on Form 10-Q for the period then ended; (c) the audited consolidated financial statements of Remington and its subsidiaries as of and for the year ended December 31, 2014 included in Annex B to this proxy statement; and (d) the unaudited consolidated financial statements of Remington and its subsidiaries as of and for the nine months ended September 30, 2015 included in Annex B to this proxy statement.

**Consolidated Financial Statements of Remington and Subsidiaries**

Set forth on Annex B to this proxy statement are the audited consolidated financial statements of Remington and its subsidiaries for each of the three years ended December 31, 2014, 2013 and 2012 and the unaudited interim consolidated financial statements for the nine month period ended September 30, 2015.

**Non-GAAP Financial Measures of Remington and Subsidiaries**

The following presentations of EBITDA and Adjusted EBITDA are a supplemental measure of performance that is not a measure of operating performance under GAAP. EBITDA is defined as net income (loss) before interest income, interest expense, income taxes, depreciation and amortization. We adjust EBITDA by subtracting or adding compensation expense related to deferred compensation plans, gain (loss) on distribution of restricted investments, gain (loss) on the sale of assets, dividend income and other income (expense). We believe that Adjusted EBITDA provides investors and management with a meaningful indicator of operating performance. Remington also uses Adjusted EBITDA, among other measures, to evaluate profitability and includes these measures in reviews to determine quarterly distributions to partners. The methodology for calculating EBITDA and Adjusted EBITDA may differ from the methodologies used by other companies, when calculating the same or similar supplemental financial measures and may not be comparable with these companies. Adjusted EBITDA should not be considered as an alternative to a) GAAP net income (loss) as an indication of our financial performance or b) GAAP cash flows from operating activities as a measure of our liquidity nor is such measure indicative of funds available to satisfy our cash needs. You are urged to carefully review the U.S. GAAP financial information of Remington set forth on Annex B to this proxy statement.

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**REMINGTON HOLDINGS, L.P. AND SUBSIDIARIES**  
**NON-GAAP FINANCIAL MEASURES**

(unaudited)

|                        | Three Months Ended<br>September 30, |           | Nine Months Ended<br>September 30, |            | Years Ended<br>December 31, |            |            |
|------------------------|-------------------------------------|-----------|------------------------------------|------------|-----------------------------|------------|------------|
|                        | 2015                                | 2014      | 2015                               | 2014       | 2014                        | 2013       | 2012       |
| <b>Adjusted EBITDA</b> | 6,412,768                           | 6,765,931 | 18,387,566                         | 18,190,813 | 29,166,251                  | 26,648,539 | 21,710,727 |

The reconciliation of the non-GAAP financial measure is set forth in the table below.

**REMINGTON HOLDINGS, L.P. AND SUBSIDIARIES**  
**RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA**

(unaudited)

|  | Three Months Ended<br>September 30, |              | Nine Months Ended<br>September 30, |               | Years Ended<br>December 31, |               |               |
|--|-------------------------------------|--------------|------------------------------------|---------------|-----------------------------|---------------|---------------|
|  | 2015                                | 2014         | 2015                               | 2014          | 2014                        | 2013          | 2012          |
| <b>Net income</b>  | \$ 6,391,195                        | \$ 6,449,297 | \$ 17,674,937                      | \$ 16,548,627 | \$ 27,038,831               | \$ 26,147,799 | \$ 20,804,209 |
| Depreciation and<br>amortization                                 | 37,376                              | 65,646       | 233,556                            | 282,938       | 418,022                     | 334,362       | 222,890       |
| Income tax expense   | 54,354                              | 63,477       | 217,923                            | 262,983       | 201,110                     | 155,934       | 122,890       |
| <b>EBITDA</b>  | 6,482,925                           | 6,578,420    | 18,126,416                         | 17,094,548    | 27,657,963                  | 26,638,095    | 21,149,989    |
| Compensation expense<br>related to deferred<br>compensation plan | 102,936                             | 209,647      | 557,053                            | 1,127,108     | 1,466,992                   | 1,011,368     | 1,605,082     |
| (Gain) loss on distribution of<br>restricted investment          |                                     |              | (87,810)                           | 32,521        | 170,961                     | (970,174)     | (1,000,758)   |
| (Gain) loss on sale of asset                                     |                                     |              |                                    |               | (44,064)                    | 600           |               |
| Other (income) expense   | (964)                               | (5)          | (3,165)                            | (27)          | (132)                       | 268           | 143           |
| Dividend income  | (172,129)                           | (22,131)     | (204,928)                          | (63,337)      | (85,469)                    | (31,618)      | (43,729)      |
| <b>Adjusted EBITDA</b>   | \$ 6,412,768                        | \$ 6,765,931 | \$ 18,387,566                      | \$ 18,190,813 | \$ 29,166,251               | \$ 26,648,539 | \$ 21,710,727 |



Table of Contents**INFORMATION ABOUT ASHFORD INC.****Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth certain information regarding the ownership of our common stock as of March 3, 2016 by (i) each person who beneficially owns, directly or indirectly, more than 5% of our common stock, (ii) each of our directors, our chief executive officer and our two most highly compensated executive officers and (iii) all of our directors and executive officers as a group.

In accordance with SEC rules, each listed person's beneficial ownership includes: (i) all shares the person actually owns beneficially or of record; (ii) all shares over which the person has or shares voting or dispositive control (such as in the capacity of a general partner of an investment fund); and (iii) all shares the person has the right to acquire within 60 days. Except as otherwise noted in the footnotes below, each person or entity identified below has sole voting and investment power with respect to such securities.

As of March 3, 2016, we had an aggregate of 2,010,569 shares of common stock outstanding. Except as indicated in the footnotes to the table below, the business address of the stockholders listed below is the address of our principal executive office, 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254.

| Name and Address of Beneficial Owner                         | Number of<br>Shares<br>Beneficially<br>Owned(1) | Percent of<br>Class |
|--|---|---------------------|
| Monty J. Bennett   | 221,172(2)                                      | 11.0%               |
| David A. Brooks  | 32,441  | 1.6%                |
| Dinesh P. Chandiramani                                       | 1,423   | *                   |
| Darrell T. Hail  | 1,423   | *                   |
| J. Robison Hays, III   | 10,000  | *                   |
| John Mauldin   | 2,211   | *                   |
| Gerald J. Reihsen, III                                       | 1,423   | *                   |
| Brian Wheeler  | 1,423   | *                   |
| Douglas A. Kessler   | 29,924  | 1.5%                |
| Deric S. Eubanks   | 3,366   | *                   |
| Mark L. Nunneley   | 15,415  | *                   |
| Jeremy Welter  | 6,775   | *                   |
| Ashford Hospitality Trust, Inc.                              | 598,163   | 29.8%               |
| Ashford Hospitality Prime, Inc.                              | 194,880   | 9.7%                |
| All executive officers and directors as a group (12 persons) | 326,996   | 16.3%               |

\*

Denotes less than 1.0%.

(1)

Ownership excludes any ownership of common units in Ashford LLC, our operating Company.

(2)

This number excludes the Company's obligation to issue common stock to Monty Bennett pursuant to the Company's deferred compensation plan. As of March 3, 2016, the Company has reserved an aggregate of 195,579 shares of common stock for issuance to Monty Bennett, which are issuable periodically over a five-year period that will begin in January 2018.

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**Certain Relationships and Related Person Transactions**

**Advisory Relationship with Ashford Trust and Ashford Prime**

Ashford Trust created us to separate its asset management and advisory business from its hospitality investment business. In connection with our separation from Ashford Trust, Ashford LLC became our operating Company, and it continues to advise Ashford Prime pursuant to the existing advisory agreement between Ashford Prime and Ashford LLC. Ashford LLC also became the advisor to Ashford Trust. Pursuant to our advisory agreements with Ashford Trust and Ashford Prime, we (through our operating Company Ashford LLC) are responsible for implementing the investment strategies and decisions and the management of the day-to-day operations of Ashford Trust and Ashford Prime, in each case subject to the supervision and oversight of the respective board of directors of such entity. We may also perform similar services for new or existing platforms created by us, Ashford Trust or Ashford Prime.

Our advisory agreements with Ashford Prime and Ashford Trust each have an initial 10-year term. Each advisory agreement is automatically renewed for successive five-year terms after its expiration unless terminated either by us or Ashford Trust or Ashford Prime, as applicable. We are entitled to receive from each of Ashford Trust and Ashford Prime an annual base fee calculated as 0.70% or less of the total market capitalization of such entities, subject to a minimum quarterly fee. We are also entitled to receive an incentive fee from each of Ashford Trust and Ashford Prime based on their respective out-performance, as measured by total annual stockholder return, as compared to such entity's respective peers. In the year ended December 31, 2014, we received base fees of \$4.0 million and \$8.7 million from Ashford Trust and Ashford Prime, respectively. We received no incentive fees in 2014.

In addition, we are entitled to receive directly or be reimbursed, on a monthly basis, for all expenses paid or incurred by us or our affiliates on behalf of Ashford Trust or Ashford Prime or in connection with the services provided by us pursuant to the advisory agreements, which includes each of Ashford Trust's and Ashford Prime's pro rata share of our office overhead and administrative expenses incurred in providing our duties under the advisory agreements. For the year ended December 31, 2014, we received reimbursements of approximately \$693,000 and \$1.8 million from Ashford Trust and Ashford Prime, respectively.

The board of directors of each of Ashford Trust and Ashford Prime also has the authority to make annual equity awards to us or directly to our employees, officers, consultants and non-employee directors, based on the achievement by Ashford Trust or Ashford Prime, as applicable, of certain financial and other hurdles established by the respective boards of directors. In 2014, Ashford Prime awarded equity grants of its common stock or LTIP units to our officers and employees valued at \$2.1 million. In June 2015, Ashford Prime awarded performance stock units to our executive officers valued at \$6.4 million. In March 2015, Ashford Trust awarded equity grants of its common stock or LTIP units to our executive officers and employees valued at \$17.0 million.

If we are requested to perform services outside the scope of an advisory agreement, Ashford Trust or Ashford Prime, as applicable, is obligated to separately pay for such additional services. No such fees for additional services were paid in 2014.

We are also entitled to receive a termination fee from each of Ashford Trust and Ashford Prime under certain circumstances.

**Relationship and Agreements between Ashford Inc. and Remington**

Immediately prior to the completion of the spin-off from Ashford Trust, we entered into a mutual exclusivity agreement with Remington, pursuant to which we agreed to utilize Remington to provide property management, project management and development services for all hotels, if any, that we may

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acquire as well as all hotels that future companies advised by us may acquire, to the extent that we have the right, or control the right, to direct such matters, unless our independent directors either (i) unanimously vote not to utilize Remington for such services or (ii) based on special circumstances or past performance, by a majority vote elect not to engage Remington because they have determined, in their reasonable business judgment, that it would be in our best interest not to engage Remington or that another manager or developer could perform the duties materially better. In exchange for our agreement to engage Remington for such services for all hotels, if any, that we may acquire as well as all hotels that future companies advised by us may acquire, Remington has agreed to grant to any such companies advised by us a right of first refusal to purchase any investments identified by Remington and any of its affiliates that meet the initial investment criteria of such entities, as identified in the advisory agreement between us and such entities, subject to any prior rights granted by Remington to other entities, including Ashford Trust, Ashford Prime and us. The services that Remington provides under the mutual exclusivity agreement to Ashford Trust, Ashford Prime and future companies advised by us includes (i) property management services, which consist of the day-to-day operations of hotels; (ii) project management services, which consist of planning, management and implementation of capital improvements and plans related to capital projects; and (iii) development services, which consist of building hotel properties or constructing hotel improvements. Currently, our business strategy does not include providing any of these types of services.

Monty Bennett will potentially benefit, indirectly, from Remington's receipt of property management fees, project management fees and development fees by Remington from such future companies that we advise, as well as any such fees payable by us if we acquire or develop hotels in the future. Currently, our business strategy does not contemplate the acquisition or development of hotels.

**Conflicts of Interest**

Each of our executive officers and two of our directors also serve as key employees and as officers of Ashford Trust and Ashford Prime, and will continue to do so. Furthermore, so long as we serve as an advisor to Ashford Prime, we will be allowed to designate two persons as candidates for election as director of Ashford Prime at any stockholder meeting at which directors are to be elected. Such nominees may be executive officers of us or Ashford Prime. Monty Bennett, is also the chief executive officer and chairman of the board of directors of Ashford Trust and Ashford Prime. Although we consulted with our third-party financial advisors when structuring the terms of our agreements with Ashford Trust and Ashford Prime, we did not conduct arm's-length negotiations with respect to the terms of such agreements. As a result, the principals of Ashford Trust may have had the ability to influence the type and level of benefits that they and our other affiliates will receive. Accordingly, our advisory agreements and other agreements with each of Ashford Trust and Ashford Prime, including fees and other amounts payable, may not be as favorable to us as if they had been negotiated on an arm's-length basis with unaffiliated third parties.

Monty Bennett is an owner and the chief executive officer of Remington and is an owner, the chief executive officer and chairman of Ashford Trust and Ashford Prime. As a result, his duties to us as a director and officer may conflict with his duties to, and pecuniary interest in, Remington, Ashford Trust and Ashford Prime.

Mr. Wheeler is a member of the Company Board, and serves as chairman of the Company's nominating/corporate governance committee and as a member of the Company's compensation committee. Mr. Wheeler's wife owns a commercial printing company that is occasionally utilized by the Company, Ashford Trust and Ashford Prime for printing needs, for which 2014 total fees paid were \$87,284, with a similar amount expected to be paid during 2015. The Company Board determined that these transactions did not impair the independence of Mr. Wheeler.

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Pursuant to our advisory agreements with each of Ashford Prime and Ashford Trust, each such entity acknowledges that our personnel will advise Ashford Trust and Ashford Prime and may also advise other businesses in the future and will not be required to present Ashford Trust or Ashford Prime with investment opportunities that we determine are outside of their respective initial investment guidelines and within the investment guidelines of another business we advise. To the extent we deem an investment opportunity suitable for recommendation, we must present Ashford Trust with any such investment opportunity that satisfies its initial investment guidelines and must present Ashford Prime with any such investment opportunity that satisfies Ashford Prime's initial investment guidelines, but in each case we will have discretion to determine which investment opportunities satisfy such entity's initial investment guidelines. If, however, either Ashford Trust or Ashford Prime materially changes its investment guidelines without our express consent, we will be required to use our best judgment to allocate investment opportunities to Ashford Trust, Ashford Prime and other entities we advise, taking into account such factors as we deem relevant, in our discretion, subject to any then-existing obligations we may have to such other entities. Any new individual investment opportunities that satisfy Ashford Prime's investment guidelines will be presented to its board of directors, who will have up to 10 business days to accept any such opportunity prior to it being available to Ashford Trust or another business advised by us. Likewise, any new individual investment opportunities that satisfy Ashford Trust's investment guidelines will be presented to its board of directors, who will have up to 10 business days to accept any such opportunity prior to it being available to Ashford Prime or another business advised by us. Portfolio investment opportunities (the acquisition of two or more properties in the same transaction) are treated differently. Some portfolio investment opportunities may include hotels that satisfy the investment objectives of both Ashford Trust and Ashford Prime or of another business we advise. If the portfolio cannot be equitably divided by asset type and acquired on the basis of such asset types in satisfaction of each such entity's investment guidelines, we will be required to allocate investment opportunities between Ashford Trust, Ashford Prime and any other businesses we advise in a fair and equitable manner, consistent with such entities' investment objectives. In making this determination, using substantial discretion, we will consider the investment strategy and guidelines of each entity with respect to acquisition of properties, portfolio concentrations, tax consequences, regulatory restrictions, liquidity requirements, financing and other factors we deem appropriate. We may utilize options, rights of first offer or other arrangements to subsequently reallocate assets. In making the allocation determination, we have no obligation to make any investment opportunity available to Ashford Trust or Ashford Prime.

In addition, pursuant to our advisory agreements with each of Ashford Prime and Ashford Trust, we agreed to, from time to time, to make "key money investments" to facilitate the acquisition of properties by Ashford Prime and Ashford Trust if the independent board members of the Company and each of Ashford Prime or Ashford Trust, as applicable, have determined that without such an investment, the acquisition of such property would be uneconomic to Ashford Prime or Ashford Trust. Any such assets are referred to as "key money assets." Any key money investment will be in the form of, but not limited to, cash, notes, equity of the Company, the acquisition of furniture, fixture and equipment by the Company for use at the subject hotel, or other investment mutually agreed to by the Company and Ashford Prime or Ashford Trust, as applicable, at the time the Company makes such an investment. Upon such key money investment, the Company will be engaged as the asset manager for the related key money asset and will receive the key money asset management fees which are included in the base fees. The Company, Ashford Trust and Ashford Prime may also agree to additional incentive fees based on the performance of any key money asset.

From time to time, as may be determined by our independent directors and the independent directors of Ashford Prime, Ashford Trust and any other Company subsequently advised by us, each such entity may provide financial accommodations, guaranties, back-stop guaranties, and other forms of financial assistance to the other entities on terms that the respective independent directors determine to be fair and reasonable.

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**OTHER MATTERS**

**Stockholder Proposals**

For a stockholder proposal to be considered for inclusion in the company's proxy statement for the 2016 annual meeting of stockholders, our corporate secretary must receive the written proposal at our principal office no later than the close of business on December 19, 2015. Such proposals also must comply with SEC regulations Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to the attention of Investor Relations at 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254.

As to any proposal that a stockholder intends to present to stockholders other than by inclusion in our proxy statement for the 2016 annual meeting of stockholders, the proxies named in management's proxy for that annual meeting of stockholders will be entitled to exercise their discretionary authority on that proposal unless we receive notice of the matter to be proposed no earlier than December 19, 2015 and no later than January 18, 2016. Even if the proper notice is received timely, the proxies named in management's proxy for that annual meeting of stockholders may nevertheless exercise their discretionary authority with respect to such matter by advising stockholders of such proposal and how they intend to exercise their discretion to vote on such matter, unless the stockholder making the proposal solicits proxies with respect to the proposal to the extent required by Rule 14a-4(c)(2) under the Exchange Act.

All stockholder proposals must be in full compliance with our bylaws to be eligible for inclusion in our proxy or presentation to our stockholders.

**Multiple Stockholders Sharing One Address**

The SEC rules allow for the delivery of a single copy of an annual report and proxy statement to two or more stockholders who share an address, unless we have received contrary instructions from one or more of the stockholders. We will deliver promptly upon written or oral request separate copies of our annual report and proxy statement to a stockholder at a shared address to which a single copy was delivered. Requests for additional copies of the proxy materials, and requests that in the future separate proxy materials be sent to stockholders who share an address, should be directed to Ashford Inc., Attention: Investor Relations, 14185 Dallas Parkway, Suite 1100, Dallas, Texas, 75254 or by calling (972) 490-9600. In addition, stockholders who share a single address but receive multiple copies of the proxy materials may request that in the future they receive a single copy by contacting us at the address and phone number set forth in the previous sentence. Depending upon the practices of your broker, bank or other nominee, you may need to contact them directly to continue duplicate mailings to your household. If you wish to revoke your consent to householding, you must contact your broker, bank or other nominee. If you hold shares of common stock in your own name as a holder of record, householding will not apply to your shares.

If you wish to request extra copies, free of charge, of any annual report, proxy statement or information statement, please send your request to Ashford Inc., Attention: Investor Relations, 14185 Dallas Parkway, Suite 1100, Dallas, Texas, 75254 or call (972) 490-9600. You can also obtain copies from our web site at [www.ashfordinc.com](http://www.ashfordinc.com).

**Where You Can Find Additional Information**

We file annual, quarterly and special reports, proxy statements and other information with the SEC at 100 F Street N.E., Washington, DC 20549-1090. You may read and copy any reports, statements or other information we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at (800) SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document

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retrieval services and on the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). We make available on our website at [www.ashfordinc.com](http://www.ashfordinc.com), free of charge, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, press releases, charters for the committees of our board of directors, our Board of Directors Guidelines, our Code of Business Conduct and Ethics, our Financial Officer Code of Conduct and other Company information, including amendments to such documents as soon as reasonably practicable after such materials are electronically filed or furnished to the SEC or otherwise publicly released. Such information will also be furnished upon written request to Ashford Inc., Attention: Investor Relations, 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254 or by calling (972) 490-9600.

### **Information Incorporated by Reference**

The SEC allows us to "incorporate by reference" information into this proxy statement. That means we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this proxy statement, except to the extent that the information is superseded by information in this proxy statement.

This proxy statement incorporates by reference the documents listed below that the Company has previously filed with the SEC.

Annual Report on Form 10-K for the fiscal year ended December 31, 2014; and

Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015.

We are delivering to our stockholders with this proxy statement the aforementioned annual report and quarterly reports in accordance with Item 13(b)(2) of Schedule 14A. In addition, the Company incorporates by reference any future filings it makes with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than information furnished pursuant to Item 2.02 or Item 7.01 of a Current Report on Form 8-K) after the date of this proxy statement and prior to the date of the special meeting. Such documents are considered to be a part of this proxy statement, effective as of the date such documents are filed. In the event of conflicting information in these documents, the information in the latest filed document supersedes the former.

You can obtain any of the documents listed above from the SEC, through the SEC's website at [www.sec.gov](http://www.sec.gov) or from the Company by written request to Ashford Inc., Attention: Investor Relations, 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254 or by calling (972) 490-9600. These documents are available from the Company without charge.

**You should rely only on the information contained in (or incorporated by reference into) this proxy statement to vote on each of the proposals submitted for stockholder vote. We have not authorized anyone to provide you with information that is different from what is contained in (or incorporated by reference into) this proxy statement. This proxy statement is dated March 15, 2016. You should not assume that the information contained in this proxy statement is accurate as of any later date.**

By order of the board of directors,

14185 Dallas Parkway, Suite 1100  
Dallas, Texas 75254  
March 15, 2016

/s/ DAVID A. BROOKS  
David A. Brooks  
*Secretary*

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ANNEX A

**ASHFORD INC. AND SUBSIDIARIES  
UNAUDITED PRO FORMA FINANCIAL STATEMENTS**

The unaudited pro forma financial statements as of and for the nine months ended September 30, 2015 and for the year ended December 31, 2014 have been derived from the historical (i) financial statements of Ashford Inc. and subsidiaries and (ii) consolidated financial statements of Remington Holdings, LP and subsidiaries ("Remington").

The pro forma adjustments give effect to the following transactions:

the contribution by Ashford Inc. of substantially all of Ashford Inc.'s asset and business operations, including Ashford LLC to Ashford Advisors, Inc.; and

the acquisition of an 80% limited partnership interest in Remington and 100% of the general partnership interests in Remington directly and indirectly by Ashford Advisors, Inc. for \$331.7 million in consideration in the form of:

- (i) 916,500 shares of Ashford Advisors, Inc. Class B non-voting common stock with an estimated fair value of \$100 per share, representing a 29.4% ownership in Ashford Advisors, Inc.;
- (ii) 9,200,000 shares of Ashford Advisors, Inc. 6.625% non-voting convertible preferred stock with a value of \$25 per share; and
- (iii) \$10.0 million interest-free promissory note payable issued by Remington Hospitality Management, Inc.

The unaudited pro forma balance sheet as of September 30, 2015 is presented to reflect adjustments to Ashford Inc.'s balance sheet as if the transactions were completed on September 30, 2015. The unaudited statements of operations for the nine months ended September 30, 2015, and year ended December 31, 2014, are presented as if the transactions were completed on January 1, 2014.

The following unaudited pro forma financial statements should be read in conjunction with the (i) Ashford Inc. and subsidiaries financial statements as of September 30, 2015, December 31, 2014 and 2013 and for the three and nine months ended September 30, 2015 and 2014 and the years ended December 31, 2014, 2013 and 2012, and the notes thereto included elsewhere in this document and (ii) Remington consolidated financial statements as of September 30, 2015, December 31, 2014 and 2013 and for the nine months ended September 30, 2015 and 2014 and for the years ended December 31, 2014, 2013 and 2012 included elsewhere in this document. We have based the unaudited pro forma adjustments on available information and assumptions that we believe are reasonable. The following unaudited pro forma financial statements are presented for informational purposes only and are not necessarily indicative of what our actual financial position would have been as of September 30, 2015 assuming the transactions had been completed on September 30, 2015 or what actual results of operations would have been for the nine months ended September 30, 2015 and the year ended December 31, 2014 assuming the transactions had been completed on January 1, 2014, nor are they indicative of future results of operations or financial condition and should not be viewed as indicative of future results of operations or financial condition.

Table of Contents**ASHFORD INC. AND SUBSIDIARIES****UNAUDITED PRO FORMA BALANCE SHEET**

As of September 30, 2015

(in thousands, except share amounts)

|   | Historical<br>Ashford Inc.<br>(A) | Historical<br>Remington<br>(B) | Adjustments         | Pro Forma<br>Ashford Inc. |
|---|-----------------------------------|--------------------------------|---------------------|---------------------------|
| <b>Assets</b>                                   |                                   |                                |                     |                           |
| Current assets:                                 |                                   |                                |                     |                           |
| Cash and cash equivalents                       | \$ 25,321                         | \$ 8,146                       | \$ (D(i)) (286) (I) | \$ 33,181                 |
| Restricted cash                                 | 6,547                             | 5,758                          | (D(ii))             | 12,305                    |
| Restricted investment for deferred compensation |                                   | 2,674                          | (186) (D(ii))       | 2,488                     |
| Investments in securities                       | 116,176                           |                                |                     | 116,176                   |
| Prepaid expenses and other                      | 804                               | 392                            | (D(i))              | 1,196                     |
| Receivables                                     | 216                               | 20,816                         | (D(i))              | 21,032                    |
| Due from Ashford Trust OP, net                  | 5,893                             |                                |                     | 5,893                     |
| Due from Ashford Prime OP                       | 2,441                             |                                |                     | 2,441                     |
| Deferred tax asset                              | 746                               |                                | 390 (E)             | 2,753                     |
|   |                                   |                                | 1,617 (G)           |                           |
| Total current assets                            | 158,144                           | 37,786                         | 1,535               | 197,465                   |
| Investments in unconsolidated entities          | 2,456                             |                                |                     | 2,456                     |
| Furniture, fixtures and equipment, net          | 6,464                             | 926                            | (D(iii))            | 7,390                     |
| Deferred tax asset                              | 2,757                             |                                | (2,757) (H)         |                           |
| Intangible assets                               |                                   |                                | 299,790 (E)         | 299,790                   |
| Goodwill  |                                   |                                | 199,412 (E)         | 199,412                   |
| Other assets                                    | 4,000                             | 524                            | (D(iv))             | 4,524                     |
| Total assets                                    | \$ 173,821                        | \$ 39,236                      | \$ 497,980          | \$ 711,037                |

**Liabilities and Equity**

|   |           |           |                     |           |
|---|-----------|-----------|---------------------|-----------|
| Current liabilities:                                  |           |           |                     |           |
| Accounts payable and accrued expenses                 | \$ 10,782 | \$ 24,097 | \$ (D(i)) 2,750 (F) | \$ 37,629 |
| Current portion of note payable                       |           |           | 2,085 (C(iii))      | 2,085     |
| Capital projects liability                            |           | 3,800     | (D(i))              | 3,800     |
| Due to affiliates                                     | 760       | 11        | (D(i))              | 771       |
| Liabilities associated with investments in securities | 13,418    |           |                     | 13,418    |
| Deferred compensation plan                            | 29        | 315       | (D(v))              | 344       |
| Other liabilities                                     | 6,547     | 665       | (D(i))              | 7,212     |
| Total current liabilities                             | 31,536    | 28,888    | 4,835               | 65,259    |
| Note payable  |           |           | 6,945 (C(iii))      | 6,945     |
| Accrued expenses                                      | 212       |           | 6,104 (E)           | 6,316     |
| Deferred income                                       | 344       | 609       | (D(vi))             | 953       |
| Deferred tax liability, net                           |           |           | 88,556 (E)          | 79,909    |
|   |           |           | (5,890) (G)         |           |
|   |           |           | (2,757) (H)         |           |
| Liability for managed properties                      |           | 1,321     | (D(vii))            | 1,321     |
| Deferred compensation plan                            | 13,352    |           |                     | 13,352    |
| Total liabilities                                     | 45,444    | 30,818    | 97,793              | 174,055   |

Commitments and contingencies



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|   |            |           |            |           |            |
|---|------------|-----------|------------|-----------|------------|
| Redeemable noncontrolling interests in Ashford LLC  | 286        |           | (286)      | (I)       |            |
| 6.625% Ashford Advisors, Inc. cumulative convertible preferred stock, \$25 liquidation value, 0 shares issued and outstanding at September 30, 2015, 9,200,000 shares issued and outstanding, as adjusted |            |           | 230,000    | (C(ii))   | 230,000    |
| Noncontrolling interest attributable to Class B common stock of Ashford Advisors, Inc., 0 shares issued and outstanding at September 30, 2015, 916,500 shares issued and outstanding, as adjusted         |            |           | 91,650     | (C(i))    | 91,650     |
| Noncontrolling interest in Remington  |            |           | 82,670     | (J)       | 82,670     |
| Equity:   |            |           |            |           |            |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized:  |            |           |            |           |            |
| Series A cumulative preferred stock, no shares issued and outstanding at September 30, 2015   |            |           |            |           |            |
| Common stock, \$0.01 par value, 100,000,000 shares authorized, 2,010,808 shares issued and 2,010,104 shares outstanding at September 30, 2015   | 20         |           |            |           | 20         |
| Additional paid-in capital  | 233,831    | 8,418     | (8,418)    | (D(viii)) | 233,831    |
| Accumulated deficit   | (207,673)  |           | (2,750)    | (F)       | (202,916)  |
|   |            |           | 7,507      | (G)       |            |
| Treasury stock, at cost, 704 shares at September 30, 2015, 3,630 shares as adjusted   | (87)       |           | (186)      | (D(ii))   | (273)      |
| Total stockholders' equity of the Company   | 26,091     | 8,418     | (3,847)    |           | 30,662     |
| Noncontrolling interests in consolidated entities   | 102,000    |           |            |           | 102,000    |
| Total equity  | 128,091    | 8,418     | (3,847)    |           | 132,662    |
| Total liabilities and equity  | \$ 173,821 | \$ 39,236 | \$ 497,980 |           | \$ 711,037 |

See Notes to Unaudited Pro Forma Financial Statements.

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## ASHFORD INC. AND SUBSIDIARIES

## UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

Nine Months Ended September 30, 2015

(in thousands, except share and per share amounts)

|  | Historical<br>Ashford Inc.<br>(AA) | Historical<br>Remington<br>(BB) | Adjustments        | Pro Forma<br>Ashford Inc. |
|--|------------------------------------|---------------------------------|--------------------|---------------------------|
| <b>Revenues</b>  |                                    |                                 |                    |                           |
| Advisory services  | \$ 41,752                          | \$                              | \$                 | \$ 41,752                 |
| Property management fees   |                                    | 21,286                          |                    | 21,286                    |
| Project management fees  |                                    | 11,905                          |                    | 11,905                    |
| Cost reimbursements from managed properties  |                                    | 184,740                         |                    | 184,740                   |
| Other  | 351                                |                                 |                    | 351                       |
| <b>Total revenue</b>   | <b>42,103</b>                      | <b>217,931</b>                  |                    | <b>260,034</b>            |
| <b>Expenses</b>  |                                    |                                 |                    |                           |
| Salaries and benefits  | 29,905                             |                                 | (300) (CC)         | 29,605                    |
| Property management expenses   |                                    | 10,096                          |                    | 10,096                    |
| Project management expenses  |                                    | 5,681                           |                    | 5,681                     |
| Other reimbursement costs  |                                    | (183)                           |                    | (183)                     |
| Reimbursement costs from managed properties  |                                    | 184,740                         |                    | 184,740                   |
| Depreciation and amortization  | 516                                |                                 | 7,738 (DD)         | 8,254                     |
| General and administrative   | 15,179                             |                                 | (4,656) (EE)       | 10,523                    |
| <b>Total expenses</b>  | <b>45,600</b>                      | <b>200,334</b>                  | <b>2,782</b>       | <b>248,716</b>            |
| <b>Operating income (loss)</b>   | <b>(3,497)</b>                     | <b>17,597</b>                   | <b>(2,782)</b>     | <b>11,318</b>             |
| Unrealized loss on investment in unconsolidated entity   | (3,020)                            |                                 |                    | (3,020)                   |
| Interest expense   |                                    |                                 | (228) (FF)         | (228)                     |
| Interest income  | 202                                |                                 |                    | 202                       |
| Dividend income  | 532                                | 205                             |                    | 579                       |
| Unrealized loss on investments   | (10,851)                           |                                 |                    | (10,851)                  |
| Realized gain on investments   | 1,070                              | 88                              |                    | 1,158                     |
| Other income (expense)   | (135)                              | 3                               |                    | 26                        |
| <b>Income (loss) before income taxes</b>   | <b>(15,699)</b>                    | <b>17,893</b>                   | <b>(3,010)</b>     | <b>(816)</b>              |
| Income tax expense   | (1,500)                            | (218)                           | (5,354) (GG)       | (7,072)                   |
| <b>Net income (loss)</b>   | <b>(17,199)</b>                    | <b>17,675</b>                   | <b>(8,364)</b>     | <b>(7,888)</b>            |
| Loss from consolidated entities attributable to noncontrolling interests                         | 13,323                             |                                 |                    | 13,323                    |
| Net income attributable to noncontrolling interests in Remington                                 |                                    |                                 | (2,002) (HH)       | (2,002)                   |
| Net loss attributable to noncontrolling interests in Ashford Advisors, Inc. Class B common stock |                                    |                                 | 2,348 (II)         | 2,348                     |
| Net (income) loss attributable to redeemable noncontrolling interests in Ashford LLC             | 10                                 |                                 | (10) (JJ)          |                           |
| <b>Net income (loss) attributable to the Company</b>   | <b>(3,866)</b>                     | <b>17,675</b>                   | <b>(8,028)</b>     | <b>5,781</b>              |
| Preferred dividends  |                                    |                                 | (11,428) (KK)      | (11,428)                  |
| <b>Net income (loss) attributable to common stockholders</b>                                     | <b>\$ (3,866)</b>                  | <b>\$ 17,675</b>                | <b>\$ (19,456)</b> | <b>\$ (5,647)</b>         |

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**Loss per share basic:**

|  |    |        |      |    |        |
|--|----|--------|------|----|--------|
| Net loss attributable to common stockholders | \$ | (1.95) | (LL) | \$ | (2.84) |
|--|----|--------|------|----|--------|

|  |  |       |      |  |       |
|--|--|-------|------|--|-------|
| Weighted average common shares outstanding basic |  | 1,986 | (LL) |  | 1,986 |
|--|--|-------|------|--|-------|

**Loss per share diluted:**

|  |    |        |      |    |        |
|--|----|--------|------|----|--------|
| Net loss attributable to common stockholders | \$ | (4.70) | (MM) | \$ | (5.51) |
|--|----|--------|------|----|--------|

|  |  |       |      |  |       |
|--|--|-------|------|--|-------|
| Weighted average common shares outstanding diluted |  | 2,198 | (MM) |  | 2,198 |
|--|--|-------|------|--|-------|

See Notes to Unaudited Pro Forma Financial Statements.

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## ASHFORD INC. AND SUBSIDIARIES

## UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

Year Ended December 31, 2014

(in thousands, except share and per share amounts)

|  | Historical<br>Ashford Inc.<br>(AA) | Historical<br>Remington (BB) | Adjustments        | Pro Forma<br>Ashford Inc. |
|--|------------------------------------|------------------------------|--------------------|---------------------------|
| <b>Revenue</b>   |                                    |                              |                    |                           |
| Advisory services  | \$ 17,144                          | \$                           | \$                 | \$ 17,144                 |
| Property management fees   |                                    | 30,704                       |                    | 30,704                    |
| Project management fees  |                                    | 17,181                       |                    | 17,181                    |
| Cost reimbursements from managed properties  |                                    | 207,189                      |                    | 207,189                   |
| Other  | 144                                |                              |                    | 144                       |
| <b>Total revenue</b>   | <b>17,288</b>                      | <b>255,074</b>               |                    | <b>272,362</b>            |
| <b>Expenses</b>  |                                    |                              |                    |                           |
| Salaries and benefits  | 57,627                             |                              | (340) (CC)         | 57,287                    |
| Property management expenses   |                                    | 13,215                       |                    | 13,215                    |
| Project management expenses  |                                    | 7,190                        |                    | 7,190                     |
| Other reimbursement costs  |                                    | 199                          |                    | 199                       |
| Reimbursement costs from managed properties  |                                    | 207,189                      |                    | 207,189                   |
| Depreciation and amortization  | 359                                |                              | 10,317 (DD)        | 10,676                    |
| General and administrative   | 5,600                              |                              |                    | 5,600                     |
| <b>Total expenses</b>  | <b>63,586</b>                      | <b>227,793</b>               | <b>9,977</b>       | <b>301,356</b>            |
| <b>Operating income (loss)</b>   | <b>(46,298)</b>                    | <b>27,281</b>                | <b>(9,977)</b>     | <b>(28,994)</b>           |
| Interest expense   |                                    |                              | (415) (FF)         | (415)                     |
| Dividend income  |                                    | 86                           |                    | 86                        |
| Realized loss on investments   |                                    | (171)                        |                    | (171)                     |
| Other income   |                                    | 44                           |                    | 44                        |
| Income (loss) before income taxes  | (46,298)                           | 27,240                       | (10,392)           | (29,450)                  |
| Income tax expense   | (783)                              | (201)                        | (401) (GG)         | (1,385)                   |
| <b>Net income (loss)</b>   | <b>(47,081)</b>                    | <b>27,039</b>                | <b>(10,793)</b>    | <b>(30,835)</b>           |
| Loss from consolidated entities attributable to noncontrolling interests                         | 647                                |                              |                    | 647                       |
| Net income attributable to noncontrolling interests in Remington                                 |                                    |                              | (3,329) (HH)       | (3,329)                   |
| Net loss attributable to noncontrolling interests in Ashford Advisors, Inc. Class B common stock |                                    |                              | 14,327 (II)        | 14,327                    |
| Net (income) loss attributable to redeemable noncontrolling interests in Ashford LLC             | 24                                 |                              | (24) (JJ)          |                           |
| <b>Net income (loss) attributable to the Company</b>   | <b>(46,410)</b>                    | <b>27,039</b>                | <b>181</b>         | <b>(19,190)</b>           |
| Preferred dividends  |                                    |                              | (15,238) (KK)      | (15,238)                  |
| <b>Net income (loss) attributable to common stockholders</b>                                     | <b>\$ (46,410)</b>                 | <b>\$ 27,039</b>             | <b>\$ (15,057)</b> | <b>\$ (34,428)</b>        |

Loss per share basic:

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|  |    |         |      |    |         |
|--|----|---------|------|----|---------|
| Net loss attributable to common stockholders | \$ | (23.43) | (NN) | \$ | (17.38) |
|--|----|---------|------|----|---------|

|  |  |       |      |  |       |
|--|--|-------|------|--|-------|
| Weighted average common shares outstanding basic |  | 1,981 | (NN) |  | 1,981 |
|--|--|-------|------|--|-------|

**Loss per share diluted:**

|  |    |         |      |    |         |
|--|----|---------|------|----|---------|
| Net loss attributable to common stockholders | \$ | (23.43) | (OO) | \$ | (17.38) |
|--|----|---------|------|----|---------|

|  |  |       |      |  |       |
|--|--|-------|------|--|-------|
| Weighted average common shares outstanding diluted |  | 1,981 | (OO) |  | 1,981 |
|--|--|-------|------|--|-------|

See Notes to Unaudited Pro Forma Financial Statements.

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**ASHFORD INC. AND SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS**

**1. Basis of Presentation**

Ashford Inc. is a Delaware corporation formed on April 2, 2014, that provides asset management and advisory services to Ashford Hospitality Trust, Inc. ("Ashford Trust") and Ashford Hospitality Prime, Inc. ("Ashford Prime"). Ashford Trust commenced operations in August 2003 and is focused on investing in the full service hotels in the upscale and upper-upscale segments in domestic and international markets that have revenue per available room ("RevPAR") generally less than twice the national average, and in all methods including direct real estate, equity, securities and debt. Ashford Prime invests primarily in luxury, upper-upscale and upscale hotels with RevPAR of at least twice the then-current U.S. national average in gateway and resort locations. Ashford Prime became a publicly traded entity in November 2013 upon the completion of its spin-off from Ashford Trust. Each of Ashford Trust and Ashford Prime is a real estate investment trust ("REIT") as defined in the Internal Revenue Code ("Code"), and the common stock of each of Ashford Trust and Ashford Prime is traded on the NYSE. The common stock of Ashford Inc. is listed on the NYSE MKT Exchange.

Ashford Inc. was formed through a spin-off of Ashford Trust's asset management business in November 2014. The spin-off was completed by means of a distribution of common stock of Ashford Inc. and common units of Ashford Hospitality Advisors LLC ("Ashford LLC"), a Delaware limited liability company formed on April 5, 2013. Ashford LLC had no operations until November 19, 2013, the date of the Ashford Prime spin-off. As part of the Ashford Inc. spin-off from Ashford Trust, Ashford LLC became a subsidiary of Ashford Inc. on November 12, 2014. Ashford Inc. conducts its business and owns substantially all of its assets through Ashford LLC.

The spin-off of Ashford Inc. was completed on November 12, 2014, with a pro rata taxable distribution of Ashford Inc.'s common stock to Ashford Trust stockholders of record as of November 11, 2014. The distribution was comprised of one share of Ashford Inc. common stock for every 87 shares of Ashford Trust common stock held by the Ashford Trust common stockholders. In addition, for each common unit of Ashford Trust OP, the holder received one common unit of Ashford LLC. Each holder of common units of Ashford LLC could exchange up to 99% of those units for shares of Ashford Inc. stock at the rate of one share of Ashford Inc. common stock for every 55 common units. Immediately following the completion of the exchange offer, Ashford LLC effected a reverse split of its common units such that each common unit was automatically converted into 1/55 of a common unit. The distribution was completed on October 7, 2014, and the exchange and reverse split were completed on November 12, 2014. Following the spin-off, Ashford Trust continues to hold approximately 598,000 shares of Ashford Inc. common stock for the benefit of its common stockholders, which represents an approximate 30% ownership interest in Ashford Inc. In connection with the spin-off, we entered into an advisory agreement with Ashford Trust.

Ashford Inc. has filed a Schedule 14A with the Securities and Exchange Commission with respect to a stockholder vote in order to obtain approval to complete the acquisition of Remington.

**2. Adjustments to Unaudited Pro Forma Balance Sheet**

- (A) Represents the historical balance sheet of Ashford Inc. as of September 30, 2015, as attached to this document.
- (B) Represents the historical consolidated balance sheet of Remington, as of September 30, 2015, as included elsewhere in this document.

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**ASHFORD INC. AND SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS (Continued)**

**2. Adjustments to Unaudited Pro Forma Balance Sheet (Continued)**

(C)

Represents adjustments for Ashford Advisors Inc.'s acquisition (directly and indirectly) of an 80% limited partnership interest in Remington and 100% of the general partnership interests in Remington for \$331.7 million in consideration in the form of (i) 916,500 shares of Ashford Advisors, Inc. Class B non-voting common stock, representing a 29.4% initial ownership in Ashford Advisors, Inc., with an estimated fair value of \$91.7 million; (ii) 9,200,000 shares of Ashford Advisors, Inc. 6.625% non-voting convertible preferred stock with an estimated fair value of \$230.0 million; and (iii) \$10.0 million zero coupon promissory note payable issued by Remington Hospitality Management, Inc., with an estimated fair value of \$9.0 million. Preferred stock, noncontrolling interests in Remington and Class B common stock of Ashford Advisors, Inc. are each classified as mezzanine equity because their terms are such that they are each contingently redeemable at the option of the holders of each respective equity interest based upon the occurrence of an event that is not solely within Ashford Advisors, Inc.'s control. In the event of a change in control, the holders of the Ashford Advisors, Inc. Class B non-voting common stock, the Ashford Advisors, Inc. 6.625% non-voting convertible preferred stock and the 20% limited partnership interest in Remington retained by the Bennetts may put all of their interests back to Ashford Advisors, Inc. and Ashford Advisors, Inc. is obligated to repurchase the interests from the holders.

Under the applicable authoritative accounting guidance found in Accounting Standards Codification 480-10, *Distinguishing Liabilities from Equity*, certain redeemable equity instruments should be classified outside of permanent equity (mezzanine equity) if they are redeemable (1) at a fixed or determinable price on a fixed or determinable date, (2) at the option of the holder, or (3) upon the occurrence of an event that is not solely within the control of the issuer. As all of the aforementioned equity instruments meet these criteria, they should all be classified as mezzanine equity in the Ashford Inc. pro forma balance sheet.

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## ASHFORD INC. AND SUBSIDIARIES

## NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS (Continued)

## 2. Adjustments to Unaudited Pro Forma Balance Sheet (Continued)

(D)

The following table reconciles the historical assets and liabilities of Remington as of September 30, 2015, to the pro forma balances included in the pro forma balance sheet as of September 30, 2015 (in thousands):

|   | Historical<br>Remington (B) | Adjustments       | Pro Forma<br>Remington |
|---|-----------------------------|-------------------|------------------------|
| <b>Assets</b>                                   |                             |                   |                        |
| Current assets:                                 |                             |                   |                        |
| Cash and cash equivalents                       | \$ 8,146                    | \$ (i)            | \$ 8,146               |
| Restricted cash                                 | 5,758                       | (i)               | 5,758                  |
| Restricted investment for deferred compensation | 2,674                       | (186) (ii)        | 2,488                  |
| Prepaid expenses and other                      | 392                         | (i)               | 392                    |
| Receivables                                     | 20,816                      | (i)               | 20,816                 |
| Total current assets                            | 37,786                      | (186)             | 37,600                 |
| Furniture, fixtures and equipment, net          | 926                         | (iii)             | 926                    |
| Other assets                                    | 524                         | (iv)              | 524                    |
| Total assets                                    | \$ 39,236                   | \$ (186)          | \$ 39,050              |
| <b>Liabilities and Equity</b>                   |                             |                   |                        |
| Current liabilities:                            |                             |                   |                        |
| Accounts payable and accrued expenses           | \$ 24,097                   | \$ (i)            | \$ 24,097              |
| Capital projects liability                      | 3,800                       | (i)               | 3,800                  |
| Due to affiliates                               | 11                          | (i)               | 11                     |
| Deferred compensation plan                      | 315                         | (v)               | 315                    |
| Other liabilities                               | 665                         | (i)               | 665                    |
| Total current liabilities                       | 28,888                      |                   | 28,888                 |
| Deferred income                                 | 609                         | (vi)              | 609                    |
| Liability for managed properties                | 1,321                       | (vii)             | 1,321                  |
| Total liabilities                               | 30,818                      |                   | 30,818                 |
| Net assets                                      | \$ 8,418                    | \$ (8,418) (viii) | \$                     |

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(i) Assumes working capital at September 30, 2015 was acquired and approximates fair value.

(ii) Represents investments in marketable securities and is recorded at fair value. The adjustment represents a reclass to treasury stock for the value of Ashford Inc. common stock.



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- (iii) Represents furniture, fixtures and equipment, net, which approximates fair value.
- (iv) Represents the note receivable with a related party, which approximates fair value.
- (v) Represents the deferred compensation plan liability, which approximates fair value.
- (vi) Represents deferred income, which approximates fair value.

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Table of Contents**ASHFORD INC. AND SUBSIDIARIES****NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS (Continued)****2. Adjustments to Unaudited Pro Forma Balance Sheet (Continued)**

(vii) Represents the liability for managed properties, which approximates fair value.

(viii) Represents the net working capital adjustment to the purchase price.

(E) The following table represents the fair value of assets acquired and liabilities assumed not reflected in note (D) above (in thousands):

|                                | Fair Value | Estimated Life |
|--------------------------------|------------|----------------|
| <b>Assets</b>                  |            |                |
| Current deferred tax asset     | \$ 390     |                |
| <b>Intangible assets</b>       |            |                |
| Customer relationships:        |            |                |
| Property management contracts  | 149,730    | 27             |
| Project management contracts   | 128,820    | 27             |
|                                | 278,550    |                |
| Trade names                    | 21,240     | Indefinite     |
|                                | 299,790    |                |
| Goodwill                       | 199,412    | Indefinite     |
|                                | \$ 499,592 |                |
| <b>Liabilities</b>             |            |                |
| Deferred tax liability         | \$ 88,556  |                |
| Back office services liability | 6,104      | 10             |
|                                | \$ 94,660  |                |

(F) Upon closing, Ashford Advisors, Inc. will assume and pay all Transaction Costs (as defined) incurred solely by the Remington Holders (as defined) and Remington in connection with the transaction, up to approximately \$2.8 million in the aggregate. Such amounts are not included in the pro forma statement of operations for the year ended December 31, 2014, as these costs are considered to be nonrecurring in nature.

(G) Represents the income tax adjustment associated with the reversal of the historical deferred tax asset valuation allowance on Ashford Inc.'s deferred tax assets upon completion of the transaction.

(H) Represents reclass of non-current deferred tax asset to non-current deferred tax liability, net for presentation purposes.

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- (I) Represents the redemption of the Ashford LLC common units for cash upon the closing of the transaction.
- (J) Represents an adjustment to noncontrolling interest for the 20% limited partnership interest in Remington retained by the Bennetts, at fair value calculated as 20% of the estimated fair value of Remington of \$413.4 million. The 20% limited partnership interest is contingently redeemable for cash based on the occurrence of an event that is not solely within Ashford Inc.'s or any of Ashford Inc.'s subsidiaries' control, which requires it to be classified as mezzanine equity in the Ashford Inc. pro forma balance sheet. See further discussion at footnote (C).

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**ASHFORD INC. AND SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS (Continued)**

**3. Adjustments to Unaudited Pro Forma Statements of Operations**

- (AA) Represents the historical statement of operations of Ashford Inc. for the nine months ended September 30, 2015, as attached to this document and the historical statement of operations of Ashford Inc. for the year ended December 31, 2014, as attached to this document.
- (BB) Represents the historical consolidated statements of operations of Remington, for the nine months ended September 30, 2015, and the year ended December 31, 2014, as included elsewhere in this document.
- (CC) Represents the amortization of the back office services liability discussed in footnote (E) to the pro forma balance sheet recorded as a reduction to "salaries and benefits" expense over the ten year term of the agreement to provide certain administrative, legal, tax, accounting and financial services at no charge.
- (DD) Represents straight-line amortization expense of intangible assets discussed in footnote (E) to the pro forma balance sheet over the estimated useful life of 27 years.
- (EE) Represents the elimination of nonrecurring costs directly attributable to the transaction for the nine months ended September 30, 2015.
- (FF) Represents imputed interest expense on the \$10 million interest-free promissory note payable issued by Remington Hospitality Management, Inc.
- (GG) Represents the adjustment to income tax expense based on a blended federal and state tax rate of 37.8%.
- (HH) Represents an adjustment to loss from consolidated entities attributable to noncontrolling interests for the 20% limited partnership interest in Remington retained by the Bennetts.
- (II) Represents an adjustment to loss from consolidated entities attributable to noncontrolling interests for the 29.4% interest in Ashford Advisors, Inc. obtained by the Bennetts.
- (JJ) Represents the elimination of net loss attributable to the non-controlling interest in Ashford LLC, as a result of the redemption of the Ashford LLC common units for cash upon the closing of the transaction.
- (KK) Represents the preferred dividend on the 9,200,000 shares of Ashford Advisors, Inc. 6.625% non-voting convertible preferred stock discussed in footnote (C) to the pro forma balance sheet.
- (LL) Pro forma basic earnings per share for the nine months ended September 30, 2015 is based on pro forma net loss attributable to common stockholders divided by 2.0 million weighted average basic shares outstanding. The transaction does not result in any additional issuances of Ashford Inc. common stock upon closing.
- (MM) Pro forma diluted earnings per share for the nine months ended September 30, 2015 is based on pro forma net loss attributable to common stockholders divided by 2.2 million weighted average diluted shares outstanding. Diluted earnings per share excludes any

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potential shares issued upon the exercise of the Target Call Option (as defined) as the effect would be anti-dilutive. The number of shares to be issued is based on a multiple of adjusted EBITDA of Remington (as defined).

(NN)

Pro forma basic earnings per share for the year ended December 31, 2014 is based on pro forma net loss attributable to common stockholders divided by 2.0 million weighted average

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**ASHFORD INC. AND SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS (Continued)**

**3. Adjustments to Unaudited Pro Forma Statements of Operations (Continued)**

basic shares outstanding. The transaction does not result in any additional issuances of Ashford Inc. common stock upon closing.

(OO) Pro forma diluted earnings per share for the year ended December 31, 2014 is based on pro forma net loss attributable to common stockholders divided by 2.0 million weighted average diluted shares outstanding. Diluted earnings per share excludes any potential shares issued upon the exercise of the Target Call Option (as defined) as the effect would be anti-dilutive. The number of shares to be issued is based on a multiple of adjusted EBITDA of Remington (as defined).

**Remington Holdings, L.P. and Subsidiaries  
(A Partnership)  
Consolidated Financial Statements (Unaudited)  
September 30, 2015**

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**Remington Holdings, L.P. and Subsidiaries**  
**(A Partnership)**  
**September 30, 2015**

|   |                   |
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| <b><u>Balance Sheets</u></b>                                | <b><u>B-4</u></b> |
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**Independent Auditor's Review Report**

Partners  
Remington Holdings, L.P. and Subsidiaries  
Dallas, Texas

We have reviewed the consolidated financial statements of Remington Holdings, L.P. and Subsidiaries (the Partnership), which comprise the consolidated balance sheet as of September 30, 2015, and the related consolidated statements of income and comprehensive income, partners' capital and cash flows for the three-month and nine-month periods ended September 30, 2015 and 2014.

***Management's Responsibility***

Management is responsible for the preparation and fair presentation of the financial information in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with the applicable financial reporting framework.

***Auditor's Responsibility***

Our responsibility is to conduct our reviews in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

***Conclusion***

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial information referred to above for it to be in accordance with accounting principles generally accepted in the United States of America.

***Report on Consolidated Balance Sheet as of December 31, 2014***

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2014, and the related consolidated statements of income and comprehensive income, partners' capital and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 2, 2015, except for the information described in Note 2, which is November 10, 2015. In our opinion, the accompanying consolidated balance sheet of the Partnership as of December 31, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Houston, Texas  
December 9, 2015



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**REMINGTON HOLDINGS, L.P. AND SUBSIDIARIES**  
(A Partnership)

**CONSOLIDATED BALANCE SHEETS**

As of September 30, 2015 and December 31, 2014  
(Unaudited)

|  | 2015                 | 2014                 |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| <b>Current Assets</b>                                      |                      |                      |
| Cash and cash equivalents                                  | \$ 8,146,390         | \$ 7,723,587         |
| Restricted cash for managed properties                     | 1,453,627            | 1,284,061            |
| Restricted cash for insurance reserve and capital projects | 4,304,276            | 4,912,442            |
| Restricted investment for deferred compensation            | 2,674,205            | 4,715,636            |
| Accounts receivable  | 2,974,460            | 8,251,147            |
| Accounts receivable for managed properties                 | 16,636,608           | 12,227,356           |
| Other receivables  | 1,205,410            | 1,368,776            |
| Due from affiliate   |                      | 6,457                |
| Prepaid expenses and other                                 | 391,688              | 402,953              |
| Total current assets                                       | 37,786,664           | 40,892,415           |
| <b>Property and Equipment, At Cost</b>                     |                      |                      |
| Furniture and fixtures                                     | 596,516              | 483,804              |
| Computer software  | 1,435,080            | 1,435,080            |
| Computer hardware  | 1,709,400            | 1,709,400            |
| Leasehold improvements                                     | 72,245               | 72,245               |
| Total property and equipment                               | 3,813,241            | 3,700,529            |
| Less accumulated depreciation and amortization             | 2,887,593            | 2,594,206            |
| Net property and equipment                                 | 925,648              | 1,106,323            |
| <b>Other Assets</b>  |                      |                      |
| Note receivable from related party, net of allowance       | 523,819              | 471,484              |
| <b>Total assets</b>  | <b>\$ 39,236,131</b> | <b>\$ 42,470,222</b> |

**LIABILITIES AND PARTNERS' CAPITAL**

|  |            |            |
|--|------------|------------|
| <b>Current Liabilities</b>                                   |            |            |
| Accounts payable   | \$ 138,093 | \$ 213,598 |
| Accounts payable and accrued expenses for managed properties | 16,537,737 | 12,319,417 |
| Accrued expenses   | 7,421,559  | 7,446,154  |
| Capital projects liability                                   | 3,800,247  | 4,300,247  |
| Deferred compensation arrangement                            | 314,439    | 866,217    |
| Insurance reserve liability                                  | 664,678    | 662,195    |
| Due to affiliate   | 11,488     |            |
| Total current liabilities                                    | 28,888,241 | 25,807,828 |
| Deferred revenue   | 609,257    | 799,683    |
| Reserve liability for managed properties                     | 1,321,000  | 1,192,000  |
| Total non current liabilities                                | 1,930,257  | 1,991,683  |

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|  |                      |                      |
|--|----------------------|----------------------|
| <b>Partners' Capital</b>                       | <b>8,417,633</b>     | <b>14,670,711</b>    |
| <i>Total liabilities and partners' capital</i> | <b>\$ 39,236,131</b> | <b>\$ 42,470,222</b> |

See Notes to Consolidated Financial Statements

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**REMINGTON HOLDINGS, L.P. AND SUBSIDIARIES**  
(A Partnership)

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

(Unaudited)

|   | Three months ending<br>September 30, |                     | Nine months ending September 30, |                      |
|---|--------------------------------------|---------------------|----------------------------------|----------------------|
|   | 2015                                 | 2014                | 2015                             | 2014                 |
| <b>Revenues</b>   |                                      |                     |                                  |                      |
| Property management fees  | 7,401,986                            | 6,461,012           | \$ 21,285,745                    | \$ 18,801,913        |
| Project management fees   | 4,187,180                            | 5,117,820           | 11,905,165                       | 13,329,148           |
| Other revenue from managed properties                                   | 60,721,365                           | 52,713,845          | 184,739,857                      | 163,348,069          |
| <b>Total revenues</b>   | <b>72,310,531</b>                    | <b>64,292,677</b>   | <b>217,930,767</b>               | <b>195,479,130</b>   |
| <b>Operating Expenses</b>   |                                      |                     |                                  |                      |
| Property management expenses  | 3,420,267                            | 3,278,749           | 10,095,816                       | 9,896,758            |
| Project management expenses   | 1,891,902                            | 1,754,917           | 5,681,061                        | 5,310,384            |
| Other expenses from managed properties                                  | 60,721,365                           | 52,713,845          | 184,739,857                      | 163,348,069          |
| Other operating expenses  | 1,004                                | 7,944               | 4,499                            | 14,697               |
| Reimbursement costs, net  | 3,537                                | 46,584              | (187,423)                        | 128,455              |
| <b>Total operating expenses</b>   | <b>66,038,075</b>                    | <b>57,802,039</b>   | <b>200,333,810</b>               | <b>178,698,363</b>   |
| <b>Operating Income</b>   | <b>6,272,456</b>                     | <b>6,490,638</b>    | <b>17,596,957</b>                | <b>16,780,767</b>    |
| <b>Other Income (Expense)</b>   |                                      |                     |                                  |                      |
| Dividend income   | 172,129                              | 22,131              | 204,928                          | 63,337               |
| Gain (Loss) on distribution of restricted investment                    | 0                                    | 0                   | 87,810                           | (32,521)             |
| Other   | 964                                  | 5                   | 3,165                            | 27                   |
| <b>Total other income(expense)</b>                                      | <b>173,093</b>                       | <b>22,136</b>       | <b>295,903</b>                   | <b>30,843</b>        |
| <b>Income Before Provision for Income Taxes</b>                         | <b>6,445,549</b>                     | <b>6,512,774</b>    | <b>17,892,860</b>                | <b>16,811,610</b>    |
| <b>Provision for Income Taxes</b>                                       | <b>54,354</b>                        | <b>63,477</b>       | <b>217,923</b>                   | <b>262,983</b>       |
| <b>Net Income</b>   | <b>6,391,195</b>                     | <b>6,449,297</b>    | <b>17,674,937</b>                | <b>16,548,627</b>    |
| <b>Other Comprehensive Income (Loss)</b>                                |                                      |                     |                                  |                      |
| Unrealized gain (loss) on restricted investment                         | (725,159)                            | (193,883)           | (1,416,696)                      | 472,245              |
| Less reclassification adjustment for (gain) loss included in net income | 0                                    | 0                   | (87,810)                         | 32,521               |
| <b>Comprehensive Income</b>   | <b>\$ 5,666,036</b>                  | <b>\$ 6,255,415</b> | <b>\$ 16,170,431</b>             | <b>\$ 17,053,393</b> |

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**REMINGTON HOLDINGS, L.P. AND SUBSIDIARIES**  
(A Partnership)

**CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL**

**Nine Months Ended September 30, 2015**  
(Unaudited)

|  | Partners'<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income | Total<br>Partners'<br>Capital |
|--|----------------------|---|-------------------------------|
| <b>Balance, December 31, 2014</b>                                | \$ 11,335,397        | \$ 3,335,314                                    | \$ 14,670,711                 |
| Net income   | 17,674,937           |   | 17,674,937                    |
| Reclassifications of gain on marketable securities to net income |                      | (87,810)  | (87,810)                      |
| Unrealized loss on restricted investment                         |                      | (1,416,696)                                     | (1,416,696)                   |
| Distributions  | (22,423,509)         |   | (22,423,509)                  |
| <b>Balance, September 30, 2015</b>                               | \$ 6,586,825         | \$ 1,830,808                                    | \$ 8,417,633                  |

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**REMINGTON HOLDINGS, L.P. AND SUBSIDIARIES**  
(A Partnership)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|  | Nine months ending September 30, |               |
|--|----------------------------------|---------------|
|  | 2015                             | 2014          |
| <b>Operating Activities</b>                                  |                                  |               |
| Net income   | \$ 17,674,937                    | \$ 16,548,627 |
| Items not requiring (providing) cash:                        |                                  |               |
| Depreciation and amortization                                | 233,556                          | 282,938       |
| (Gain) loss on distribution of restricted investment         | (87,810)                         | 32,521        |
| Non-cash payroll receivable                                  | (2,976,878)                      | 2,457,330     |
| Non-cash payroll payable                                     | 2,976,878                        | (2,457,330)   |
| Deferred compensation arrangement                            | (131,971)                        | 675,451       |
| Changes in:  |                                  |               |
| Restricted cash  | 608,166                          | (774,996)     |
| Restricted cash for managed properties                       | (169,566)                        | (620,860)     |
| Accounts receivable  | 5,274,691                        | 3,202,098     |
| Accounts receivable for managed properties                   | (789,226)                        | (170,180)     |
| Other receivables  | 163,367                          | (800,258)     |
| Prepaid expenses and other                                   | 11,265                           | (73,651)      |
| Note receivable  | (52,335)                         | 600,373       |
| Due from related parties and due to affiliates               | 19,941                           | (97,451)      |
| Accounts payable and accrued expenses                        | (100,101)                        | 18,688        |
| Accounts payable and accrued expenses for managed properties | 598,294                          | 766,040       |
| Capital projects liability                                   | (500,000)                        | 1,300,000     |
| Insurance reserve liability                                  | 2,483                            | (524,904)     |
| Reserve liability for managed properties                     | 129,000                          | 25,000        |
| Deferred revenue   | (190,426)                        | 201,229       |
| Net cash provided by operating activities                    | 22,694,265                       | 20,590,665    |
| <b>Investing Activities</b>                                  |                                  |               |
| Purchase of property and equipment                           | (52,881)                         | (205,990)     |
| Dividends received from restricted investments               | 204,928                          | 63,337        |
| Purchase of restricted investments for deferred compensation |                                  | (728,390)     |
| Net cash used in investing activities                        | 152,047                          | (871,043)     |
| <b>Financing Activities</b>                                  |                                  |               |
| Taxes paid on behalf of partners                             | (846,997)                        | (981,511)     |
| Distributions to partners                                    | (21,576,512)                     | (18,415,053)  |
| Net cash used in financing activities                        | (22,423,509)                     | (19,396,564)  |
| <b>Increase (decrease) in Cash and Cash Equivalents</b>      | 422,803                          | 323,058       |