



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

ROOFERS LOCAL 149 PENSION FUND,  
on behalf of itself and all others similarly  
situated public stockholders of  
ACUSHNET HOLDINGS CORP.,

Plaintiff,

v.

MAGNUS HOLDINGS CO. LTD.,  
MISTO HOLDINGS CORPORATION  
(f/k/a FILA HOLDINGS CORP.), DAVID  
MAHER, YOON SOO (GENE) YOON,  
HO YEON (AARON) LEE, AND KEUN  
CHANG (KEVIN) YOON,

Defendants.

C.A. No. 2025-0466-PAF

**Redacted Version Dated:**

May 5, 2025

**VERIFIED CLASS ACTION COMPLAINT**

Plaintiff Roofers Local 149 Pension Fund (“Plaintiff”), on behalf of itself and all other similarly situated public stockholders of Acushnet Holdings Corp. (“Acushnet” or the “Company”), brings the following Verified Class Action Complaint (“Complaint”) against: (a) the Company’s controlling stockholders, Magnus Holdings Co. Ltd. and Misto Holdings Corporation (f/k/a Fila Holdings Corp.) (together, “Fila”); (b) David Maher, Yoon Soo (Gene) Yoon, Ho Yeon (Aaron) Lee, and Keun Chang (Kevin) Yoon (collectively, the “Director Defendants”) for breaching their fiduciary duties. The allegations of the Complaint are based on the knowledge of Plaintiff as to itself, and on information and belief, including the investigation of counsel, the review of publicly available information,

and the review of certain books and records produced by the Company in response to Plaintiff's books and records demand made under 8 *Del. C.* § 220, as to all other matters.

## **INTRODUCTION**

1. This Action challenges a controller's use of a share repurchase program to preserve its control while selling hundreds of millions worth of stock.

2. Since Acushnet went public in November 2016, Fila has owned slightly more than 50% of the Company's outstanding shares. But Fila has not simply continued to hold onto the shares it owned following the IPO. Instead, Fila has sold nearly seven million shares for approximately \$400 million both directly to Acushnet and to third parties. At the same time, Fila caused the Company to spend over \$750 million repurchasing shares from both the public and Fila. Without the share repurchases, Fila would have lost mathematical control and would only own approximately 41% of the Company's shares. The carefully calibrated share repurchase program allowed Fila to maintain mathematical control over Acushnet while liquidating hundreds of millions of dollars of its equity, depriving public stockholders of the opportunity to rid themselves of a controller.

3. Defendants cannot shield their conduct through Senate Bill 21's "safe harbors." For one thing, the so-called "safe harbor" provisions of Senate Bill 21, codified in Section 144 of the Delaware General Corporation Law, are

unconstitutional because they purport to divest this Court of equitable jurisdiction below the constitutional minimum established by Article IV, Section 10 of the Delaware Constitution of 1897. And even if the safe harbor provisions were constitutional as applied to acts or transactions taking place after the statute was adopted, Senate Bill 21 further violates Article I, Section 9 of the Delaware Constitution of 1897 by purporting to eliminate causes of action that had accrued or vested before the bill was adopted.

4. More importantly, however, Acushnet's share repurchases from the public do not qualify for safe-harbor cleansing, even if Senate Bill 21 applies. The repurchases from the public were a "controlling stockholder transaction" within the meaning of 8 *Del. C.* § 144(e)(3) because they were "an act or transaction from which a controlling stockholder or a control group receives a financial or other benefit not shared with the corporation's stockholders generally." In turn, Section 144(b) provides that a "controlling stockholder transaction" is eligible for safe-harbor protection only if it is approved by either a majority-of-the-minority vote or a committee of directors whom the board has determined to be disinterested with respect to the transaction. That did not happen here. Acushnet's share repurchases from the public were approved by its full board of directors, not a committee, and were not subject to a majority-of-the-minority vote.

5. Through this Action, Plaintiff seeks damages and other relief for Defendants' breaches of fiduciary duty in connection with their perpetuation of Fila's control.

### **PARTIES**

6. Plaintiff Roofers Local 149 Pension Fund ("Plaintiff") is a stockholder of the Company and has continuously been a stockholder of the Company since November 2017.

7. Defendant Magnus Holdings Co. Ltd. ("Magnus") has, at all relevant times, directly held a number of shares of Acushnet common stock sufficient to provide it with control over Acushnet.

8. Defendant Misto Holdings Corporation (f/k/a Fila Holdings Corp.) is the sole shareholder of Magnus and controls Acushnet through Magnus. Fila Holdings Corp. and Magnus are collectively referred to herein as "Fila."

9. Defendant David Maher ("Maher") has been a director and Acushnet's President and CEO since 2018. Maher has worked at Acushnet since May 1991 in a variety of roles. Maher received \$9,741,876, \$8,838,717, \$6,251,475, and \$8,092,225 from Acushnet in total compensation in 2024, 2023, 2022, and 2021 respectively.<sup>1</sup> Acushnet states in its public filings that it does not consider Maher to

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<sup>1</sup> Acushnet has not yet reported Maher's total 2024 compensation.

be an independent director. Upon information and belief, Maher depends on his job at Acushnet as his primary source of income.

10. Defendant Yoon Soo (Gene) Yoon has been a director of Acushnet since 2011. He has also been the Chairman of Fila since 1994 and served as Fila's CEO from 1991 to 2018. He owed and owes fiduciary duties to Fila in that capacity. Yoon Soo (Gene) Yoon can be deemed to beneficially own all of Acushnet shares owned by Fila.

11. Defendant Ho Yeon (Aaron) Lee has been a director of Acushnet since July 26, 2022. He has also been the Chief Financial Officer of Fila since September 2021 and Head of Fila's Corporate Strategy since January 2018. He owed and owes fiduciary duties to Fila in that capacity. Ho Yeon (Aaron) Lee is also the CEO of Magnus and can be deemed to beneficially own all of Acushnet shares owned by Fila.

12. Defendant Keun Chang (Kevin) Yoon has been a director of Acushnet since April 8, 2019. He has also been Fila's CEO since March 2018. He owed and owes fiduciary duties to Fila in that capacity. Keun Chang (Kevin) Yoon can be deemed to beneficially own all of Acushnet shares owned by Fila. Keun Chang (Kevin) Yoon is the son of Yoon Soo (Gene) Yoon.

13. The Defendants listed in ¶¶ 9-12 above are collectively referred to herein as the "Director Defendants."

## **SUBJECT MATTER JURISDICTION AND FORUM**

14. This Court has subject-matter jurisdiction over this Action, which asserts claims for, among other things, breaches of fiduciary duty, pursuant to 10 *Del. C.* § 341, which provides that this Court “shall have jurisdiction to hear and determine all matters and causes in equity.”

15. In connection with Acushnet’s IPO, a transaction that would cement Fila’s control, the Company adopted an Amended and Restated Certificate of Incorporation (the “Charter”) that contains an exclusive forum selection provision designating the Court of Chancery as the exclusive forum for this Action:

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or stockholder of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim against the Corporation or any director or officer of the Corporation arising pursuant to any provision of the DGCL or this Amended and Restated Certificate of Incorporation or the Bylaws (as either may be amended and/or restated from time to time), or (iv) any action asserting a claim against the Corporation or any director or officer of the Corporation governed by the internal affairs doctrine; provided, that, in the case of each of the foregoing clauses (i) through (iv), if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state court sitting in the State of Delaware. To the fullest extent permitted by law, any

Person purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consent to the provisions of this Article IX(B).

## **SUBSTANTIVE ALLEGATIONS**

### **I. ACUSHNET IS CONTROLLED BY FILA**

16. Acushnet designs, develops, manufactures, and distributes golf related products. Acushnet holds numerous trademarks, including leading golf brands such as Titleist and FootJoy.

17. Acushnet's predecessor was originally founded in 1910 and it entered the golf business in 1932. Acushnet was acquired by a group including Fila Holdings Corp ("Fila"), a large global sports brand, in July 2011 and completed its initial public offering ("IPO") in November 2016.

18. Prior to the IPO, Fila owned 33.1% of the Company's outstanding shares. In connection with the IPO, Fila purchased shares from other investors such that it owned 53.1% of the Company post-IPO. Fila financed the purchase of those shares with a \$271.1 million term loan (the "2016 Fila Loan") with an original maturity date of October 28, 2017. In connection with the Fila Loan, Fila pledged 95% of its Acushnet shares as collateral. In September 2017, Fila entered into a new \$373.7 million three-year term loan agreement where it pledged 100% of its Acushnet shares as collateral (the "2017 Fila Loan" and, together with the 2016 Fila Loan, the "Fila Loans").

19. Fila has continued to control Acushnet since its IPO. As a result, Acushnet qualifies a “controlled company” under the rules of the New York Stock Exchange.

20. Fila has also owned slightly more than 50% of the Company’s outstanding stock since the IPO. Fila has maintained majority ownership despite liquidating a significant number of its Acushnet shares. Immediately following the IPO, Fila owned 39,345,151 Acushnet shares representing 53.1% of the Company’s outstanding shares. According to the Company’s annual proxy statement, as of April 11, 2025, Fila owned 30,477,059 Acushnet shares representing 50.8% of the Company’s outstanding shares as of that time. As discussed below, Fila has used its control over the corporate machinery to maintain mathematical control over Acushnet by causing Acushnet to engage in large share repurchases from public investors.

21. Fila’s control has allowed it to select all of Acushnet’s directors. Currently, at least four of Acushnet’s eight directors are either dual fiduciaries of Acushnet and Fila or lack independence from Fila. Three of the Director Defendants are fiduciaries of both Acushnet and Fila. In addition, Maher is the CEO of Acushnet and his livelihood depends on staying in Fila’s good graces.

## II. ACUSHNET ADOPTS A SHARE REPURCHASE PROGRAM DESIGNED TO PROVIDE FILA WITH LIQUIDITY WHILE PRESERVING ITS CONTROL

22. Since the IPO, Fila has used its control over the corporate machinery to ensure it was able to liquidate a substantial amount of its shares while maintaining control over Acushnet. Over this time Acushnet has spent hundreds of millions of dollars on share repurchases from both public investors and Fila. Fila has also sold a significant amount of shares both to the Company and public stockholders. By balancing Acushnet's repurchases with Fila's sales, Fila has ensured that it maintained slightly more than 50% of Acushnet's outstanding shares and voting power.

23. The below chart reflects the total amount of shares repurchased by Acushnet since 2019<sup>2</sup> and Fila's ownership over that time:

Year	Total Shares Repurchased	Total Spent on Repurchases	Fila Ownership Percentage <sup>3</sup>	Shares Repurchased from Fila	Total Spent on Fila Repurchases
2019	1,127,966	\$29,352,000	52.1%	535,983	\$13,775,000
2020	243,894	\$6,976,000	52.2%	N/A	N/A
2021	1,404,863	\$65,497,000	51.7%	355,341	\$11,125,000 <sup>4</sup>
2022	4,114,863	\$190,759,000	53.4%	699,819	\$37,501,000
2023	6,486,405	\$332,439,000	52.2%	3,993,522	\$200,002,000

<sup>2</sup> The Company did not repurchase any shares in 2018.

<sup>3</sup> These ownership percentages reflect the information contained in and dates as of each annual proxy.

<sup>4</sup> 2021 numbers do not include shares Fila sold into the open market as discussed below.

Year	Total Shares Repurchased	Total Spent on Repurchases	Fila Ownership Percentage <sup>5</sup>	Shares Repurchased from Fila	Total Spent on Fila Repurchases
2024	2,658,180	\$172,799,000	50.8%	587,520	\$37,498,000 <sup>5</sup>
<b>Total</b>	<b>16,036,171</b>	<b>\$797,822,000</b>	<b>N/A</b>	<b>6,172,185</b>	<b>\$299,901,000</b>

24. Internal Acushnet documents show that the full Board has been aware of the unique benefits the repurchase program would provide to Fila since the IPO. A brief history of the Board’s deliberations concerning the Company’s share repurchase plans and Fila sales is included below.

**A. 2017**

25. On November 16, 2017, Acushnet completed a secondary public offering in which the Mirae Funds, a former significant Acushnet stockholder, sold 9,165,542 shares at a public offering price of \$17 per share. The Company did not sell any shares in this offering.

26. In a December 15, 2017 Board presentation delivered by management, the Board was informed that this secondary offering “has added needed liquidity to the stock float.”<sup>6</sup> The presentation recommended that with a \$1.5 billion market cap and \$700 million public float, Acushnet should not consider a stock repurchase program until such time that the Company’s market price increases and the Company achieves its target leverage.

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<sup>5</sup> 2024 numbers do not include shares Fila sold into the open market as discussed below.

<sup>6</sup> GOLF\_00001010 at 062.

**B. 2018**

27. An April 25, 2018, the Compensation Committee met to discuss a RSU Program Term Sheet and 2018-2020 Broad Based Equity Program and the adoption of “a share repurchase plan that would, at a minimum, offset any dilution from” the equity award program.<sup>7</sup> If Acushnet did not offset the expected dilution from the issuance of equity awards, Fila would have lost mathematical control.

28. On April 26, 2018, the full Board met to discuss these issues. On June 5, 2018, the Board signed a unanimous written consent authorizing a \$20 million share repurchase program.

29. In a December 2018 Board presentation, management informed the Board that it believed the Company’s expected cash reserves would allow it to consider a \$50 to \$70 million repurchase program. As part of its analysis, management assumed Fila would participate in the repurchase program on a pro rata basis.

**C. 2019**

30. On February 15, 2019, the full Board approved increasing the share repurchase program authorization to \$50 million. The Board was informed that the repurchases were expected to be pro rata from Fila and the public float, with the

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<sup>7</sup> GOLF\_00000387 at 388.

repurchases from Fila being reviewed by a sub-committee of purportedly independent directors.

31. The Board approved the formation of a sub-committee (the “Sub-Committee”) consisting of directors Gregory Hewett, Sean Sullivan, and Steven Tishman to review and approve repurchases solely from Fila. The resolutions creating the Sub-Committee did not state that the Board would not separately approve repurchases with Fila, unless they were first recommended or approved by the Sub-Committee. The resolutions also did not determine that the Sub-Committee members were disinterested with respect to repurchases from Fila. Rather, the resolutions state that the Board believed that the Sub-Committee members were “not affiliated with Fila” and had no “personal interest” in repurchases from Fila. Most notably, the Sub-Committee was not empowered with respect to, and did not separately review or approve, the overall share repurchase program or repurchases from stockholders other than Fila—even though Fila received non-ratable benefits from those repurchases which cemented its mathematical control.

32. On May 1, 2019, the Sub-Committee approved the entry into a share repurchase agreement with Fila in connection with the Company’s planned \$50 million in share repurchases. On May 10, 2019, Fila and Acushnet entered into an agreement whereby Acushnet agreed to purchase \$24.9 million worth of stock from

Fila based on the weighted price of the shares Acushnet repurchased in the open market.

33. On October 29, 2019, the Audit Committee discussed that the Company would likely not be able to complete its planned repurchases in 2019 and that the program would likely be completed in 2020.

**D. 2020**

34. On February 11, 2020, the full Board unanimously adopted resolutions expanding the share repurchase program authorization to \$100 million. Shortly thereafter, however, much of the world entered into lockdowns as a result of the spread of Covid-19 and the Company only completed a small number of repurchases in 2020.

35. On July 20, 2020, the Board received a presentation on the Company's capital allocation plan and the share repurchases made to-date. The presentation specifically noted that, in 2019, Acushnet repurchased 591,983 shares on the open market and 535,983 shares directly from Fila.

36. On December 10, 2020, the Board received a presentation about the status of the repurchase program. The Board was told that a recent amendment to the Company's credit facility limited the Company to spending \$15 million on repurchases to offset dilution while it was in effect. Assuming the Company did not experience a significant impact related to Covid, it planned on terminating the

amendment by the end of the second quarter, presumably of 2021, and begin repurchasing shares in the third quarter.

37. Management also informed the full Board that it intended to repurchase about \$20 million worth of shares in 2021 and then to ramp that repurchase amount up to \$40 million in 2023. Management made clear that Acushnet would “repurchase at least enough shares annually to offset dilution from our employee and BOD equity programs.”<sup>8</sup> The Company would quickly abandon these modest repurchases estimates.

#### **E. 2021**

38. Fila was apparently not satisfied with the pace of Acushnet’s repurchases. To that end, on May 18, 2021, Fila filed a Form 4 disclosing that it sold 650,000 shares at a weighted average price of \$48.68 or \$31,642,000 in the aggregate. The Form 4 made clear that Fila had two goals: generating liquidity for itself by selling Acushnet shares while also maintaining control of Acushnet. The Form 4 disclosed that the filing concerns “shares sold by [Fila] for liquidity purposes. [Fila] has indicated to the Issuer that it currently plans to retain its majority stake in the Issuer[.]”

39. On October 20, 2021, the full Board met, and Maher informed the Board that the Company would recommend an enhanced share repurchase program.

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<sup>8</sup> GOLF\_00001251 at 277.

Specifically, management recommended, and the full Board approved, an increase in the share repurchase authorization to \$200 million. The approval was based on an expectation that Acushnet would enter into an agreement with Fila to repurchase \$37.5 million worth of shares while Acushnet also repurchased \$37.5 million worth of shares in the open market by early 2022. The planned agreement with Fila indicates that Fila and management had already agreed to the new share repurchases prior to this meeting.<sup>9</sup>

40. The materials accompanying this Board discussion show the Board was provided a specific update on the number of shares Acushnet had already repurchased in 2021 on both the open market (387,076) and directly from Fila (355,341). That presentation explained that controlling stockholders, like Fila, could have different preferences on capital allocation strategies than other stockholders:<sup>10</sup>

- Investors typically view return of capital in aggregate and are indifferent as to distribution form (dividend vs. share repurchase); a controlling shareholder, however, may have a preference in order to manage tax and control consequences.

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<sup>9</sup> There is no indication that the Sub-Committee approved entering into another repurchase agreement with Fila prior to this meeting. However, the Company did produce Committee resolutions dated October 26, 2021 purporting to approve the new repurchase agreement.

<sup>10</sup> GOLF\_00001665 at 716.

41. At the time, management was still projecting a modest share repurchase program in the following years:<sup>11</sup>

(in USD m)	2019	2020	2021	2022	2023	2024
Cash flow from operations	\$134	\$264	\$236	\$256	\$253	\$248
Capital Expenditures	(\$33)	(\$25)	(\$40)	(\$60)	(\$50)	(\$50)
Free Cash Flow	\$101	\$239	\$196	\$196	\$203	\$198
Term Loan Amortization	(\$37)	(\$18)	(\$18)	(\$18)	(\$18)	(\$18)
Annual Dividends <sup>1</sup>	(\$43)	(\$46)	(\$49)	(\$51)	(\$53)	(\$56)
Annual Share Repurchase	(\$29)	(\$7)	(\$40)	(\$40)	(\$40)	(\$40)
Special Share Repurchase <sup>2</sup>	\$0	\$0	(\$37)	(\$38)	\$0	\$0
Acquisitions	(\$28)	\$0	\$0	\$0	\$0	\$0
Other	(\$14)	(\$7)	(\$8)	(\$10)	(\$9)	(\$9)
Total Capital Allocation	(\$151)	(\$78)	(\$151)	(\$157)	(\$119)	(\$122)
Net Free Cash Flow	(\$50)	\$161	\$45	\$39	\$84	\$76

42. On November 8, 2021, Acushnet and Fila entered a new repurchase agreement under which Acushnet agreed to repurchase \$37.5 million worth of shares from Fila.

#### **F. 2022**

43. The repurchases contemplated by Fila's November 2021 repurchase agreement were completed by January 2022.

44. On February 9, 2022, management reported to the Board on its repurchase program, including the number of shares repurchased in 2021 on the open market (1,049,522) and from Fila (355,341).

<sup>11</sup> GOLF\_00001665 at 720.

45. Management also informed the Board that it would continue to repurchase shares to offset dilution. At the time, management wanted to repurchase \$65 million worth of shares in 2022, including the repurchases already completed, and then repurchase approximately \$65 million worth of shares in each of 2023 and 2024, with \$40 million coming from the open market and \$25 million coming from Fila.

46. By April 2022, management’s repurchase plans grew more ambitious. On April 28, 2022, management presented information about the Company’s recent share repurchases:<sup>12</sup>

Share Repurchase (in USD m except shares)	# Shares	\$
Q1 2022 repurchases (599,819 Fila and 463,980 open market)	1,163,799	\$59.1
Q1 2021 repurchases*	56,156	\$2.4
FY 2021 repurchases (355,341 Fila and 1,049,522 open market)	1,404,863	\$65.5
Remaining balance under share repurchase authorization		\$39.1

\*all open market

47. Management then told the full Board it wanted to increase the amount of planned repurchases through 2024 *by \$550 to \$600 million*. Management asked the Board to approve another \$150 million increase to the share repurchase authorization, bringing it to \$350 million total (immediately) and noted it would come back to the Board for the balance of the authorization later. Assuming the full

<sup>12</sup> GOLF\_00001800 at 822.

\$650 million in repurchases, management expected the Company's float would be reduced by 21%.

48. Management's new plan called for the Company to spend significantly more on repurchases than the Company's free cash flow:<sup>13</sup>

**2022 – 2024 Capital Allocation Plan** **ACUSHNET HOLDINGS CORP.**

(in USD m)	2019A	2020A	2021A	2022P	2023P	2024P
Cash flow from operations	\$134	\$264	\$314	\$166	\$250	\$260
Capital Expenditures	(\$33)	(\$25)	(\$38)	(\$60)	(\$50)	(\$50)
Free Cash Flow	\$101	\$239	\$276	\$106	\$200	\$210
Term Loan Amortization	(\$37)	(\$18)	(\$18)	(\$8)	-	-
Dividends	(\$43)	(\$46)	(\$49)	(\$55)	(\$58)	(\$56)
Share Repurchases	(\$29)	(\$7)	(\$65)	(\$250)	(\$250)	(\$250)
Other	(\$42)	(\$7)	(\$6)	(\$12)	(\$34)	(\$33)
Total Capital Allocation	(\$151)	(\$78)	(\$138)	(\$326)	(\$342)	(\$339)
Free Cash Flow less Capital Allocation	(\$50)	\$161	\$138	(\$219)	(\$142)	(\$129)
Ending Net Debt	\$372	\$187	\$34	\$255	\$405	\$520
Covenant Leverage Ratio	1.8x	1.6x	0.8x	1.1x	1.3x	1.5x
Payout % of Free Cash Flow						
Dividends	43%	19%	18%	52%	29%	27%
Share Repurchases	29%	3%	24%	236%	125%	119%
Total	71%	22%	41%	288%	154%	146%

49. The full Board agreed and approved the requested increase to the share repurchase authorization.

<sup>13</sup> GOLF\_00001800 at 847.

50. On June 16, 2022, Acushnet and Fila entered into a new repurchase agreement pursuant to which Acushnet agreed to repurchase \$75 million worth of shares from Fila. The Company produced a draft of this agreement with a header that indicates it might be part of a Board Committee written consent. The Company has not produced any such written consent in response to Plaintiff’s books-and-records demand and the Company has certified that its production is complete.

51. On August 30, 2022, Acushnet and Fila amended their June 2022 repurchase agreement to increase the amount to be repurchased from \$75 million to \$100 million. There is no evidence in the public record or the documents produced by the Company that the Sub-Committee approved this amendment.

52. On July 26, 2022, the Board met and “discussed the Company’s share repurchase plan and agreement with [Fila.]”<sup>14</sup> The report included the YTD 2022 repurchases from the open market and from Fila:<sup>15</sup>

Share Repurchase (in USD m except shares)	# Shares	\$
Q1 2022 repurchases (699,819 Fila and 463,980 open market)	1,163,799	\$59.1
Q2 2022 repurchases*	911,325	\$37.5
YTD 2022 repurchases (699,819 Fila and 1,375,305 open market)	2,075,124	\$96.6
Remaining balance under share repurchase authorization		\$151.6

<sup>14</sup> GOLF\_00001064 at 071.

<sup>15</sup> GOLF\_00001103 at 141.

53. Management updated its overall recommendation to repurchase an additional \$550 million worth of shares through 2024. The full Board approved, an additional \$100 million increase (to \$450 million total) to the share repurchase authorization.<sup>16</sup>

**G. 2023**

54. On February 9, 2023, the Board met and discussed the share repurchase program, including the total repurchases made in 2022:<sup>17</sup>

Share Repurchase (in USD m except shares)	# Shares	\$	Average Price
Q1 2022 repurchases (592,819 Fila and 463,960 open market)	1,163,799	\$59.1	\$50.79
Q2 2022 repurchases*	950,225	\$39.1	\$41.11
Q3 2022 repurchases*	869,368	\$41.6	\$47.82
Q4 2022 repurchases*	1,131,471	\$51.0	\$45.08
FY 2022 repurchases (599,819 Fila and 3,415,044 open market)	4,114,863	\$190.8	\$46.36
Remaining balance under share repurchase authorization		\$157.4	

55. Management reported that it would continue to repurchase shares to offset dilution and that it had completed the latest repurchase of \$100 million worth of shares from Fila in January 2023. Management recommended, and the full Board approved, an additional \$250 million increase in the share repurchase program authorization (to \$700 million total).

<sup>16</sup> For many meetings, the materials produced by the Company include a high-level script for the Chairman to walk through. Those scripts assumed the outcome of any matter was pre-ordained and the Board would approve whatever was asked of them. *See e.g.*, GOLF\_00001103 at 107 (“Chairman: Thank you, the motion carries.”).

<sup>17</sup> GOLF\_00000764 at 797.

56. At the time, management was now projecting to repurchase \$207 million worth of shares in 2023, \$220 million in 2024, and \$200 million in 2025 such that the Company's capital allocation budget exceeded its planned free cash flows:<sup>18</sup>

<b>2023 – 2025 Capital Allocation Plan</b>						<b>ACUSHNET HOLDINGS CORP.</b>	
	2019A	2020A	2021A	2022A	2023P	2024P	
(In USD m)							
Cash flow from operations	\$124	\$264	\$314	(\$68)	\$157	\$264	
Capital Expenditures	(\$33)	(\$25)	(\$38)	(\$81)	(\$78)	(\$55)	
Free Cash Flow	\$101	\$239	\$276	(\$129)	\$102	\$209	
Term Loan Amortization	(\$36)	(\$18)	(\$18)	-	-	-	
Dividends	(\$43)	(\$48)	(\$48)	(\$52)	(\$53)	(\$53)	
Share Repurchases	(\$29)	(\$7)	(\$65)	(\$188)	(\$207)	(\$220)	
MSA & Other	(\$42)	(\$7)	(\$6)	(\$87)	(\$38)	(\$8)	
Total Capital Allocation	(\$110)	(\$78)	(\$138)	(\$338)	(\$294)	(\$281)	
Free Cash Flow less Capital Allocation	(\$49)	\$161	\$138	(\$467)	(\$14)	(\$72)	
Ending Net Debt	\$372	\$187	\$37	\$111	\$523	\$594	
Covenant 4 Quarter Average Net Debt	\$399	\$370	\$259	\$481	\$587	\$607	
Covenant Leverage Ratio	1.7x	1.6x	0.8x	1.4x	1.6x	1.6x	

57. The Company produced resolutions of the Sub-Committee dated June 8, 2023 purporting to approve a new repurchase agreement with Fila covering an additional \$100 million worth of shares. The parties entered into that new agreement on June 9, 2023.

<sup>18</sup> GOLF\_00000764 at 811.

58. The resolution also states that Leanne Cunningham, Gregory Hewett, and Steven Tishman were the members of the Sub-Committee, even though Leanne Cunningham was not included as a member in the initial resolutions creating the Sub-Committee and thus the full Board made no determination of her independence at that time.

59. On July 25, 2023, the Board met. Management asked the Board to reappoint the “Sub-Committee” and noted there were “recent changes to committee membership.”<sup>19</sup> The full Board approved this motion and ratified prior repurchase approval resolutions. The resolutions state that the Board was doing so because “Fila ..., which controls a majority of the voting power of the Common Stock . . . has requested that the Company consider repurchasing shares of Common stock from [Fila] directly ... in connection with the Company’s repurchases from other shareholders pursuant to the Share Repurchase Program.”<sup>20</sup>

60. The Board appointed Leanne Cunningham, Gregory Hewett, and Steven Tishman to the reconstituted Sub-Committee. Once again, the resolutions did not authorize the Sub-Committee to review or approve the Company’s repurchases from public stockholders. Nor did the resolutions state that the Board

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<sup>19</sup> GOLF\_00000349 at 350.

<sup>20</sup> GOLF\_00000636 at 642.

would not separately approve repurchases with Fila without the prior favorable recommendation or approval of the Sub-Committee.

61. At this meeting, the Board also received an update on the Company’s YTD 2023 repurchases:<sup>21</sup>

Share Repurchase (in USD m except shares)	# Shares	\$	Average Price
Q1 2023 repurchases (2,168,528 Fila and 346,389 open market)	2,514,917	\$116.1	\$46.17
Q2 2023 repurchases*	482,500	\$24.0	\$49.72
YTD 2023 repurchases (2,168,528 Fila and 828,889 open market)	2,997,417	\$140.1	\$46.74
Remaining balance under share repurchase authorization		\$267.3	

\*all open market

62. Management also updated the Board on its overall capital allocation recommendations, which included repurchasing far more shares than needed to offset dilution:<sup>22</sup>

<sup>21</sup> GOLF\_00000636 at 664.

<sup>22</sup> GOLF\_00000636 at 703.

# Capital Allocation Overview

ACUSHNET  
HOLDINGS  
CORP.

- **Plan presented to Board at February 2023 Meeting**
  - Dividends of \$0.195 quarterly in 2023, increase by \$0.06 in 2024 and 2025
  - Share repurchases of \$207M in 2023, \$220 in 2024 and \$200 in 2025 (completing the \$800M commitment by Q3 2025)
  - Share repurchases include ~\$25M to offset dilution each year
  - Opportunistically refinance in 2024 or 2025
- **June 2023 Consideration**
  - Dividends of \$0.195 quarterly in 2023, increase by 54% from \$0.78 to \$1.20 in Q1 2024 and 5% increase in 2025
  - Share repurchases of \$332M in 2023 (accelerated settlement of \$100m with Magnus by on 11/3/23), \$87m in 2024 and \$219 in 2025 (completing the \$900M commitment by Q3 2025)
  - Share repurchases include ~\$25M to offset dilution each year
  - Increase authorization by \$350M at February 2024 board meeting
  - Prepare to access bond market as soon as September to term out \$350M of revolver draw with 5-year HY Bond - 7.25%
  - Seek credit ratings
- **July 2023 Consideration (reflects advisor's recommendation)**
  - Increase dividend by 30% in Q1 2024 and 5% - 10% thereafter
  - Share repurchases of \$332M in 2023 (accelerated settlement of \$100M with Magnus by/on 11/3/23), \$163M in 2024
  - Share repurchases include ~\$25M each year to offset dilution
  - Increase authorization by \$350M at February 2024 board meeting
  - Prepare to access bond market as soon as September to term out \$350M of revolver draw with 5-year HY Bond - 7.25%
  - Seek credit ratings
  - Maintain unadjusted leverage at an average of 2.25x or less on an annual basis

## H. 2024

63. On February 14, 2024, the Board met and received an update on the share repurchase program, including the total repurchases made in 2023 from both the open market and Fila:<sup>23</sup>

<sup>23</sup> GOLF\_00001511 at 539.

Share Repurchase <sup>(1)</sup>	# Shares	\$ (in USD m)	Average Price
Q1 2023 repurchases (2,158,528 Fila and 346,389 open market)	2,514,917	\$116.1	\$46.17
Q2 2023 repurchases <sup>(2)</sup>	482,500	\$24.0	\$49.72
Q3 2023 repurchases <sup>(2)</sup>	1,153,400	\$64.9	\$56.28
Q4 2023 repurchases (1,824,994 Fila and 510,594 open market)	2,335,588	\$127.4	\$54.55
2023 repurchases (3,993,522 Fila and 2,492,883 open market)	6,486,405	\$332.4	\$51.25
Remaining balance under share repurchase authorization		\$75.0	

1. Based on trade date  
2. All open market

64. At the meeting, management requested, and the full Board approved, a \$300 million increase (to \$1 billion total) to the share repurchase program authorization. Management reported that it expected this authorization to remain open until mid-2025 when the plan was to recommend an additional \$250 million increase. Management also reported on the amounts it had historically repurchased from Fila and the amount it could expect to pay Fila through repurchases and dividends through 2027:<sup>24</sup>

<sup>24</sup> GOLF\_00001511 at 552-53.

## 2024 – 2027 Proposed Capital Allocation

ACUSHNET  
HOLDINGS  
CORP.

(in USD m)	2023A	2024E
Cash flow from operations	\$372	\$298
Capital Expenditures	(\$78)	(\$88)
Free Cash Flow	\$297	\$213
Dividends <sup>(1)</sup>	(\$53)	(\$54)
Share Repurchases <sup>(2)(3)</sup>	(\$234)	(\$173)
M&A & Other	(\$43)	(\$12)
Total Capital Allocation	(\$430)	(\$239)
Free Cash Flow less Capital Allocation	(\$133)	(\$26)
Ending Debt	\$794	\$713
Avg. Annual Unadjusted Leverage	1.84x	1.09x
<b>File</b>		
Dividends	(\$37)	(\$38)
Share Repurchases	(\$200)	(\$38)
Total	(\$227)	(\$64)

1. Assumes ~10% increase per year
2. Includes share repurchases to offset dilution related to RSU/PSU settlements (2023 of \$24M, 2024 of \$30M)
3. Based on settlement date

## Share Repurchases

ACUSHNET  
HOLDINGS  
CORP.

(\$ in USD m)	# Shares	\$ Total	\$ Open Market	\$ Magnus
2019	1,127,866	\$28.4	\$15.6	\$13.8
2020	243,894	\$7.0	\$7.0	\$0.0
2021	1,404,863	\$65.5	\$34.4	\$31.1
2022	4,114,863	\$190.8	\$153.3	\$37.5
2023	6,486,405	\$332.4	\$132.4	\$200.0
Total 2019 - 2023 <sup>(1)(2)</sup>	13,377,991	\$625.1	\$362.7	\$262.4
2024E		\$172.5	\$135.0	\$37.5

1. Based on trade date
2. \$40.79 Average Price

65. The Company produced a Sub-Committee unanimous written consent for Spring 2024 repurchase agreement between Fila and Acushnet. The last signature to the consent was added on April 12, 2024. But the repurchase agreement, which covered an additional \$37.5 million worth of shares, was prematurely signed on March 14, 2024 without authorization from the Sub-Committee.

66. On June 12, 2024, the Sub-Committee signed another unanimous written consent approving another repurchase agreement between Fila. The parties signed that agreement, which covered an additional \$62.5 million worth of shares, on June 14, 2024.

67. On August 9, 2024, Fila sold 1.11 million shares of common stock in a transaction exempt from the registration requirements of the Securities Act of 1933 for approximately \$71 million. According to a corresponding Form 8-K filed by Acushnet, “Fila has informed the Company that the Rule 144 transaction was executed for liquidity purposes and that Fila currently plans to retain its majority stake in the Company.”

68. On December 14 and 16, 2024, the Sub-Committee signed another unanimous written consent approving another repurchase agreement between Fila. The parties signed that agreement, which covered an additional \$62.5 million worth of shares, on December 17, 2024.

## **I. 2025**

69. On April 10, 2025, Fila sold 935,907 shares to Acushnet for \$62.5 million pursuant to the June 14, 2024 repurchase agreement.

## **III. THE REPURCHASE PROGRAM HAS BENEFITED FILA AND HARMED STOCKHOLDERS**

70. Since 2019, Acushnet has employed ever-increasing share repurchase programs to facilitate Fila's twin goals of liquidating its Acushnet position, while also maintaining control over the Company.

71. The Board has worked hand-in-hand with Fila to carefully calibrate the repurchase program to ensure Fila's ownership always stays just above 50%. The Board's subservience goes beyond the direct repurchases Acushnet has made from Fila. On at least two occasions Fila has sold an aggregate of \$100 million stock in third-party transactions. Nonetheless, the Board has ensured that Acushnet repurchases enough shares from public investors to allow Fila to maintain mathematical control.

72. Based on the shares outstanding as of November 1, 2024, if Acushnet had used its capital to issue dividends instead of repurchasing shares, and Fila sold the same number of shares, but all into the open market, Fila would only own approximately 41.1% of the Company's outstanding shares and would no longer have mathematical control. If the Company had made no repurchases and Fila had not sold any of its shares, Fila's ownership would still have dropped to

approximately 45.5%. As a result, it is clear that the repurchase program has prevented a change of control from Fila to public stockholders.

73. While the Class has been denied an opportunity to remove the overhang of a controller, the repurchases have allowed Fila to fund its own general capital allocation policy. According to Fila's 5-Year Strategic Plan for fiscal years 2022-2026, Fila is seeking to allocate over \$700 million in capital during that time, with over \$400 million allocated to be returned to Fila's stockholders. For example, in February 2023, Fila announced that it was raising its dividend payout ratio for the fifth consecutive year and that it plans "raise its annual total shareholder return rate based on the controlling shareholders' net income up to 50% by 2026." Moreover, in 2023, Fila's dividend to its stockholders represented a 153.8% payout ratio based on the profit attributable to owners of Fila. That represented an enormous increase to its 2022 dividend payout ratio of 27.6%.

### **CLASS ACTION ALLEGATIONS**

74. Plaintiff brings this Action pursuant to Rule 23 of the Rules of the Court of Chancery, individually and on behalf of all other holders of Company common stock (except Defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with them) who have been or will be threatened with injury arising from Defendants' wrongful actions, as more fully described herein (the "Class").

75. This Action is properly maintainable as a class action.

76. The Class is so numerous that joinder of all members is impracticable.

As of November 1, 2024, there were 60,802,949 shares of Company common stock issued and outstanding. Thus, upon information and belief, there are thousands of Company stockholders scattered throughout the United States.

77. There are questions of law and fact common to the Class, including, *inter alia*, whether:

- a. Fila breached its fiduciary duties as a controlling stockholder;
- b. The Director Defendants breached their fiduciary duties; and
- c. Plaintiff and the other members of the Class were injured by the wrongful conduct alleged herein and, if so, what is the proper measure of damages.

78. Plaintiff is committed to prosecuting this Action and have retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class, and Plaintiff has the same interests as the other members of the Class. Plaintiff is an adequate representative of the Class.

79. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class that would establish incompatible standards of

conduct for Defendants or adjudications with respect to individual members of the Class that would, as a practical matter, be disjunctive of the interests of the other members not party to the adjudications or substantially impair or impede their ability to protect their interests.

80. In the alternative and solely to the extent that Court disagrees the claims are direct, Plaintiff would assert these claims derivatively and demand would be futile. The Acushnet Board has eight members. At a minimum, the four Director Defendants named herein could not impartially consider a demand to bring the claims asserted herein. Three directors—Yoon Soo (Gene) Yoon, Ho Yeon (Aaron) Lee, and Keun Chang (Kevin) Yoon—are dual fiduciaries. A fourth, Maher, is Acushnet’s CEO and his job depends on staying in Fila’s good graces. All four also face a substantial risk of personal liability.

## **CAUSE OF ACTION**

### **COUNT I**

#### **BREACH OF FIDUCIARY DUTY AGAINST FILA AS CONTROLLING STOCKHOLDER**

81. Plaintiff repeats and realleges each and every allegation above as if set forth in full herein.

82. As explained herein, Fila is the Company’s controlling stockholder. As a controlling stockholder, Fila owes the Class the utmost fiduciary duties of due care, good faith, and loyalty.

83. By reason of the foregoing, Fila has breached its fiduciary duties by, among other things, causing the Company to undertake a share repurchase program specifically designed to preserve its control over Acushnet while also providing Fila with significant liquidity. The share repurchase program was approved by the full Acushnet Board, at least half of which was interested in repurchases or lacked independence from Fila.

84. The Class was directly harmed because it was deprived of the opportunity to share in the benefits of control or otherwise be compensated for the loss of control.

85. As a result of Fila's breaches of fiduciary duty, Plaintiff and the Class have been harmed.

86. Plaintiff and the Class have no adequate remedy at law for this harm.

## **COUNT II**

### **BREACH OF FIDUCIARY DUTY AGAINST THE DIRECTOR DEFENDANTS**

87. Plaintiff repeats and realleges each and every allegation set forth herein.

88. The Director Defendants, as Acushnet directors and/or officers, owed the Class the utmost fiduciary duties of care and loyalty. By virtue of their positions as directors of Acushnet and their exercise of control and ownership over the business and corporate affairs of the Company, the Director Defendants have, and at

all relevant times had, the power to control and influence and did control and influence and cause the Company to engage in the practices complained of herein.

89. The Director Defendants were required to (i) use their ability to control and manage the Company in a fair, just, and equitable manner, and (ii) act in furtherance of the best interests of the Company and all of its stockholders. Instead, the Director Defendants breached their fiduciary duties by, among other things, approving the Company's share repurchases which perpetuated Fila's control of the Company without adequate or appropriate value transferred to minority stockholders in exchange. The share repurchase program was approved by the full Acushnet Board, at least half of which was interested in repurchases or lacked independence from Fila.

90. Further, the Class was directly harmed because it was deprived of the opportunity to transfer control back to minority stockholders in the absence of the self-interested and repurchase program.

91. By reason of the foregoing acts, practices, and courses of conduct, the Director Defendants have failed to lawfully discharge their fiduciary obligations toward Plaintiff and the other members of the Class.

92. As a result of the Director Defendants' breaches of fiduciary duty, the Class has been harmed by unfairly preserving Fila's control over Acushnet.

93. Plaintiff and the Class have no adequate remedy at law.

## **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff demands judgment and relief in their favor and in favor of the Class, and against the Defendants, as follows:

- (a) Declaring that this Action is properly maintainable as a class action or, in the alternative, declaring that demand is futile;
- (b) Certifying the proposed Class;
- (c) Finding the Director Defendants liable for breaching their fiduciary duties owed to Plaintiff and the Class;
- (d) Finding that Fila breached its fiduciary duties in its capacity as the controlling stockholder of Acushnet;
- (e) If the Court determines that SB 21 would prevent Plaintiff from recovering on any of its claims, declaring that SB 21 is unconstitutional, both generally and as applied to this Action;
- (f) Awarding Plaintiff and the other members of the Class damages in an amount which may be proven at trial, together with pre- and post-judgment interest thereon;
- (g) Ordering Acushnet to adopt corporate governance reforms to increase the Company's independence from Fila, including the appointment of new independent directors;

- (h) Awarding Plaintiff its reasonable attorneys' and expert witness fees and other costs; and
- (i) Awarding Plaintiff and the Class such other relief as this Court deems just and equitable.

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**Redacted Version Dated:**  
May 5, 2025

*/s/ Ned Weinberger*

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