



#### This 3DAdvisors Report Covers:

- ✓ **Insider Trading:** Insider Trading Behavior
- Accounting:** Quality of Earnings Issues
- Governance:** Corporate Governance Issues

## Hidden Risks: Insider Shares Pledged as Collateral *3DAdvisors, LLC Special Report Update*

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This *Special Report* covers situations where an insider or group of insiders has very large positions (sometimes more than 10% of the outstanding shares) and has pledged some or all of those shares as collateral for securities margin accounts or personal loans. During periods of increasing market volatility, such as we have been experiencing recently, these situations can add a hidden but sometimes very significant degree of risk for share prices that are already under pressure. In this report, we review two high visibility situations where margin calls have taken place, plus another situation where we believe a margin call has taken place but the existence of pledged shares has never been disclosed by the company. We include two Appendices. In Appendix A we list the shares pledged by individual insiders at selected companies, including those shares that have been called and shares that are still pledged but have not been called. In Appendix B, we present an update to the Appendix in our last update that ranks, using a simple measure, the risk associated with margin calls taking place at individual companies where insiders have pledged significant amounts of stock as collateral for margin accounts or personal loans.

*Special Reports* are published periodically on topics of general interest to 3DAdvisors, LLC subscribers.

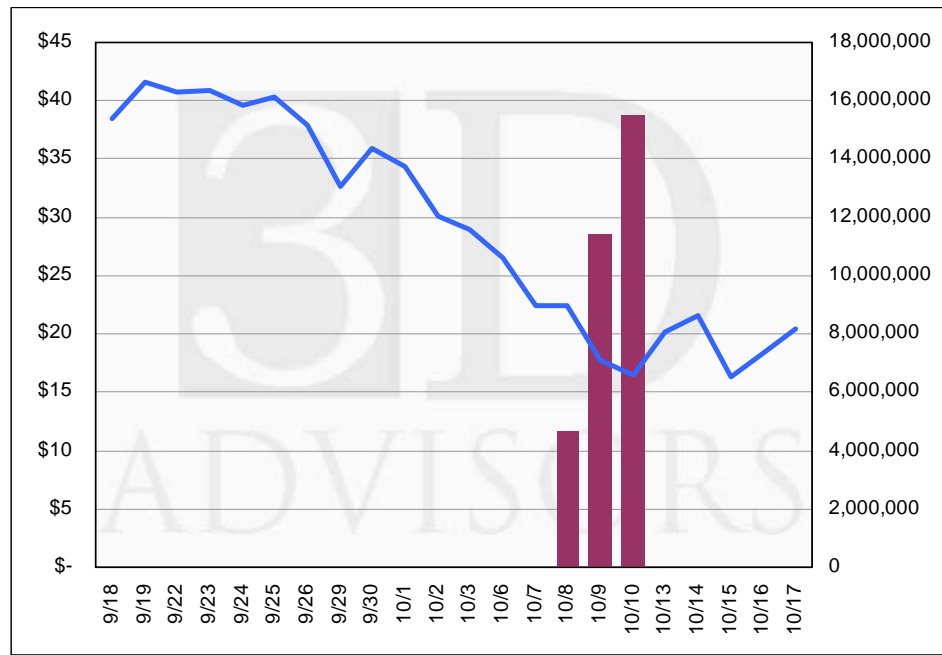
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### Discussion of 3DAdvisors Findings

When we published an update to our series of special reports on the hidden risks that are present when insiders pledge large amounts of stock as collateral for margin accounts or personal loans on [10/08/08](#), we certainly did not anticipate the Dow's losing 1,000 points over the next three sessions to close out the worst week in stock market history. The market fallout has been painful indeed, but the bleeding has been particularly dire in situations where beaten up share prices have triggered margin calls which has in some instances resulted in the forced sale of millions of shares, exaggerating the damage already done and making the hemorrhaging far worse. At this point we suspect most of our clients are closely monitoring the margin call spectacle sweeping Wall Street and the media.

Virtually all of the news on margin calls over the past 10 days has been after-the-fact; that is, they are postscripts on margin calls after pledged shares have been sold and the stock and shareholders have already been hammered. There has been very little in the way of reporting on individual situations where pledged share balances remain high and still represent potentially significant risk so long as market volatility remains elevated and stocks stay under pressure. For this reason, we are issuing a follow-up report for our clients to update the listing we published in our last update to show where margin call activity has already taken place, but also where additional margin balances remain high and therefore the possibility of margin calls continues to be a significant risk. We begin with a brief recap of some of the margin call activity seen in the past two weeks and some of our thoughts on the behavior.

**Figure 1.** CHK Daily Closing Price, 09/18/08 through 10/17/08 (Blue Line and Left Scale) and Number of Shares Sold by Aubrey McClendon to meet margin calls (Red bars, Right Scale). Source: Reuters and CHK SEC Filings.



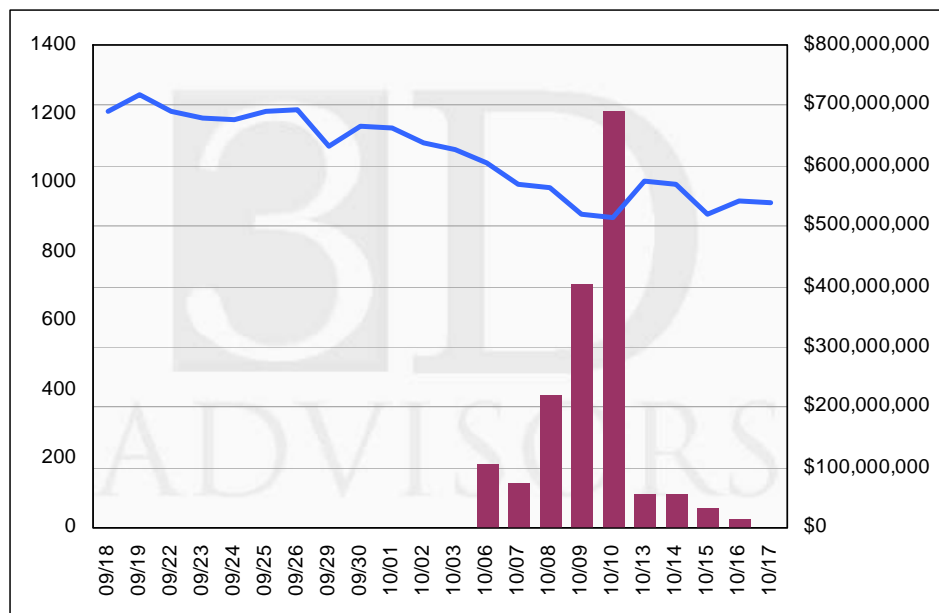
Margin call risk did not catch Wall Street's attention until insiders at General Growth Properties, Inc. (NYSE:GGP) were forced to forfeit millions of their company shares in late September which was highlighted in a 10/02/08 Wall Street Journal article<sup>1</sup>. Even this report, however, failed to generate awareness throughout the investor community as to the surfacing threat of margin call selling that could, and ultimately would, put significant downward pressure on already beaten up stocks. The event that finally brought home the fundamental risk of insider pledged holdings, and sparked the still on-going media interest in the phenomenon was when Chesapeake Energy Corp. (NYSE:CHK) shares lost as much as 43% of their value between 10/08/08 and 10/10/08 on unusually high volume which was later revealed to be tied to Co-founder and CEO **Aubrey McClendon** selling 31.5 million shares, nearly his entire actionable position, as

<sup>1</sup> Eavis, Peter. "GGP Insiders Unload a Heap of Shares" Wall Street Journal. October 2, 2008.

a result of margin calls (see Figure 1 above). Over the next few days, Form 4 filings began coming in from insiders at numerous other companies that revealed the extent of the risk from insiders leveraging their positions. While many of these filings were not a surprise to us since we at least knew the shares were pledged, there are other instances where the insiders had not properly reported their hedging activities under admittedly vague SEC regulations, opening up a whole new area of risk: situations where insiders fail to disclose that their holdings have been pledged as collateral. More on this wrinkle below.

The overall insider ownership liquidation figures are staggering. **Between 10/06/08 and 10/16/08, margin calls and other similar debt-related stock redemptions resulted in the sale of more than 115 million shares with a combined market value of \$1.6 billion** (see Figure 2 below). Prominent corporate leaders and industry pioneers from a broad spectrum of sectors were forced to sell millions of shares. Names such as **Sumner Redstone, John Abele** and **John Malone** top the list of those surrendering tens to hundreds of millions of dollars of their personal net worth. But even scarier than the number of shares sold to this point is the amount of pledged stock still hanging over companies like a black cloud. By our measure, there are more than 800 million shares still pledged by corporate executives and directors at the 40 companies listed in the appendices to this report. Even if the market rebounds from the five year-lows reached two weeks back, the threat of perilous margin selling will not vanish.

**Figure 2.** Daily Closing Value of the S&P 500 Index (Blue Line and Left Scale) and Dollar Value of Stock Sold to Meet Margin Calls (Red Bars and Right Scale). Source: Reuters and Various Company SEC Filings.



As we have discussed in prior reports, the amendment to the SEC proxy disclosure rules (Executive Compensation and Related Person Disclosure), which was passed in September 2006 and took effect with proxies issued in 1Q07, happens to be quite brief with regards to the specifications and instructions of the pledged stock

disclosure requirements (actual rule below – bolding is ours). In our opinion the SEC's guidance falls short of properly outlining their expectations, which opens the door to companies applying their own interpretation of the rule and ultimately deciding what information needs to be disclosed. Yet, while the scope of the information might be at their discretion, the fact remains pledged stock totals for every named executive officer and board member must be provided and we have not seen any exceptions to this directive.

**As proposed, we are amending Item 403(b) by adding a requirement for footnote disclosure of the number of shares pledged as security by named executive officers, directors and director nominees. To the extent that shares beneficially owned by named executive officers, directors and director nominees are used as collateral, these shares may be subject to material risk or contingencies that do not apply to other shares beneficially owned by these persons. These circumstances have the potential to influence management's performance and decisions. As a result, we believe that the existence of these securities pledges could be material to shareholders. Because significant shareholders who are not members of management are in a different relationship with other shareholders and have different obligations to them, the amendments do not require disclosure of their pledges pursuant to Item 403(a), other than pledges that may result in a change of control currently required to be disclosed.**

We emphasize this point because in light of the numerous Form 4 filings disclosing margin-related sales that have been filed in recent weeks, we have identified a number of situations where companies have either inadvertently overlooked or just ignored the disclosure rule. The most egregious examples came at Viacom Inc. (NYSE:VIA) and CBS Corp. (NYSE:CBS), where Sumner Redstone, the Founder and Executive Chairman of both companies, received margin calls on 17 million CBS shares and 7 million shares of VIA (non-voting stock in both cases) held by National Amusement, the theater chain company that holds his shares. These sales, which erased 20% of his combined VIA and CBS interests, caught us off guard since neither company disclosed his pledged stock or debt obligations (\$1.6 billion) in any SEC filings including the Proxy Statements. What's more, it explicitly states in the Viacom Proxy that "All hedges and pledges of Viacom securities by our executive officers are prohibited". There was no comment from either company about Redstone's situation until a press release was issued on 10/17/08<sup>2</sup> once it became apparent he was unable to repay part of the outstanding loan balance coming due in the near term and would have to renegotiate the loan terms. It is unfathomable to us that this behavior fails to get inserted in the risk section of Viacom's and CBS's SEC 10-K and frankly, should be on the SEC's radar.

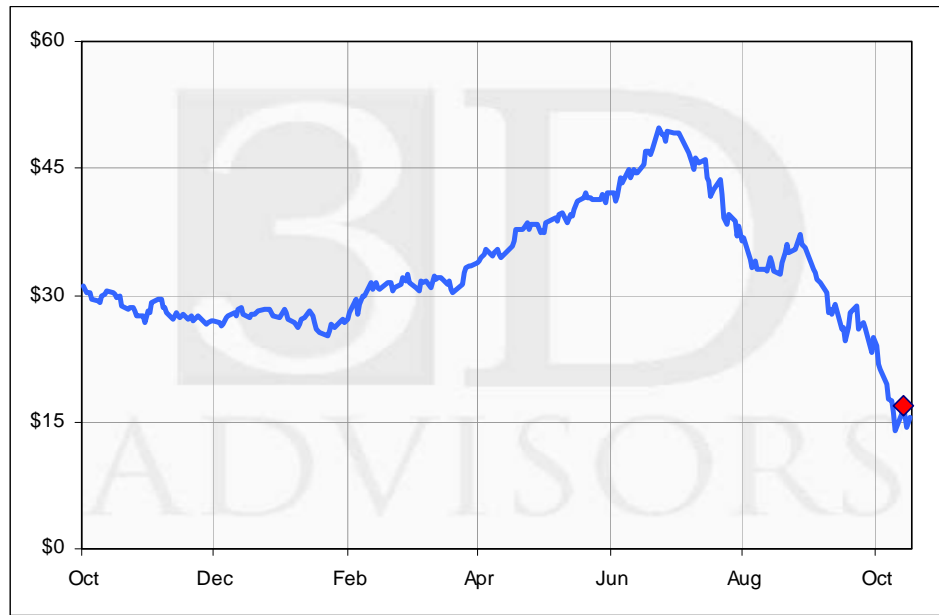
Nabors Industries Ltd. (NYSE:NBR) is another example of a company that has seemingly ignored the disclosure rules. We preface this section by acknowledging that the following actions are speculative and only our interpretation until we receive definitive confirmation from the company. On 10/14/08 a Form 4 was filed by Nabors

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<sup>2</sup> "National Amusements in Discussions with Banks and Noteholders", BusinessWire, October 17, 2008.

President, Chief Operating Officer and Deputy Chairman **Anthony Petrello**, reporting sales on 10/10/08 and 10/13/08 covering 1.77 million shares. On these dates, NBR shares traded between \$13 and \$15, as much as 75% off the 52-week high. The Form 4 does not indicate that these sales were the result of a margin call and a review of Nabors' last two Proxies does not turn up any mention of Petrello having pledged any of his shares. Our suspicion that these sales were margin related stems from a stock acquisition he made back in 2007.

**Figure 3.** NBR Daily Closing Price, 10/01/07 through 10/17/08. Red diamond is the date that President and COO Anthony Petrello filed a Form 4 disclosing that he had sold 1.77 million shares on 10/10/08 and 10/13/08. Source: NBR SEC Filings.



In March 2007 Petrello held 2.29 million options with a \$23.25 strike price that were set to expire that month. Since Nabors does allow its executives to transact 'cashless exercises', he could have turned in some of the stock to cover his exercise costs and the related taxes. Instead, Petrello elected to pay \$53.4 million out of pocket to purchase the shares outright. From our experiences, there are not a lot of corporate officers who are liquid enough to come up with that kind of money on the spot which is why we suspect he borrowed against his existing shares. If he did in fact receive a loan to exercise the options, which occurred on 03/07/07, then Nabors would have had just enough time to include the pledged stock information in the Proxy released on 04/30/07 and again in the next Proxy filed on 04/29/08.

We have attached two appendices to this report. Appendix A is a comprehensive list of companies with insiders who have pledged their stock and fall into two categories: 1) Insiders who collectively pledged more than 5% of their company's outstanding stock and, 2) Key executives or directors who pledged more than 75% of their personal actionable ownership (common stock plus vested in-the-money options). We recognize there are additional pledged ownership situations out there, including some where

margin calls already occurred and were covered in the press, but they are not included in the list since they do not fall under either of the two categories above. There are also other examples that have surfaced where we do not have enough information to verify or interpret the pledge arrangements.

Appendix B exhibits a basic scoring system we devised to help forecast which companies have the highest risk of its insiders receiving margin calls. The calculations used are: 1) percentage of market price below the 52-week high and, 2) market price as a percentage of the five-year low. The margin risk score is the average of the two percentages. We used a five-year low because there are a number of insiders who pledged their holdings before proxies were released in early 2007. The 'score' is admittedly simple, but without knowing the exact date an insider pledged their holdings or what their margin requirement looks like, predicting the market prices that trigger a margin call is nearly impossible. But as you will see, there is a correlation between higher 'scores' and margin calls thus far.

We are readily available to discuss this topic further and urge our clients to contact us with any questions.

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## Appendix A: Significant Pledged Shares Balances for Selected Companies and Insiders

Source: Individual Company SEC Filings

Company	Ticker	Insiders w/ Pledged Shares	Initial Pledged Shares <sup>1</sup>	Shares Sold In Margin Calls	Current Pledge Shares	Current Actionable Ownership <sup>2</sup>	% Actionable Ownership Pledged	Total % of Outstanding Pledged	Margin Call Risk Score
Companies where insiders collectively pledged more than 5% of the outstanding shares									
Boston Scientific Corp.	BSX	CB Pete Nicholas	67,226,957	17,506,930	49,720,027	53,826,997	92%	6%	57%
		DIR J. Abele	51,384,488	15,581,910	35,802,578	44,027,548	81%		
		DIR J. Fleishman	116,587	0	116,587	159,920	73%		
Cato Corp.	CTR	CB, CEO, Pres John Cato	1,740,525	0	1,740,525	1,861,725	93%	6%	62%
Champion Industries Inc.	CHMP	CB, CEO Marshall Reynolds	2,377,750	0	2,377,750	4,256,127	56%	23%	66%
Cheniere Energy Inc.	LNG	CB, CEO Charif Souki	2,972,319	2,793,309	179,010	278,110	64%	2%	91%
		VC Walter Williams	649,139	341,617	307,522	307,547	100%		
		CFO Don Turkleson	610,973	482,540	128,433	128,433	100%		
		DIR Keith Carney	254,130	0	254,130	254,130	100%		
		DIR Nuno Brandolini	173,607	0	173,607	173,607	100%		
Chesapeake Energy Corp.	CHK	CB, CEO Aubrey McClendon	31,522,923	31,522,923	0	325,459	0%	0%	65%
		DIR Breene Kerr	228,750	0	228,750	228,750	100%		
Constellation Brands Inc.	STZ	Sands Family	13,854,625	0	13,854,625	24,778,188	56%	6%	70%
Covanta Holding Corp.	CVA	CB Samuel Zell	19,500,900	0	19,500,900	19,725,534	99%	13%	20%
Credit Acceptance Corp.	CACC	CB Donald Foss	2,204,198	0	2,204,198	19,523,269	11%	7%	53%
Fossil Inc.	FOSL	CEO Kotsa Kartsotis	8,875,539	0	8,875,539	9,575,539	93%	13%	77%
General Maritime Corp.	GMR	CB, CEO, P Peter Georgiopoulos	2,267,793	0	2,267,793	2,267,793	100%	7%	63%
Green Mountain Coffee Inc.	GMCR	CB Robert Stiller	3,057,129	0	3,057,129	5,783,794	53%	12%	28%
Iron Mountain Inc.	IRM	DIR Kent Dauten	2,625,000	0	2,625,000	2,681,261	98%	5%	62%
		DIR Vincent Ryan	6,805,622	0	6,805,622	15,516,057	44%		
Kinetic Concepts Inc.	KCI	DIR James Leninger	3,000,000	0	3,000,000	8,904,774	34%	5%	43%
Knight Transportation Inc.	KNX	CB, CEO Kevin Knight	2,908,046	0	2,908,046	5,927,408	49%	20%	68%
		VC Gary Knight	3,931,636	0	3,931,636	6,270,961	63%		
		COO Keith Knight	5,500,000	0	5,500,000	6,313,621	87%		



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		DIR Randy Knight	4,612,429	0	4,612,429	6,277,252	73%		
Kronos Worldwide Inc.	KRO	CB, CEO Harold Simmons (Valhi, Inc.)	23,292,297	0	23,292,297	46,705,079	50%	47%	77%
Life Time Fitness Inc.	LTM	CB, CEO Bahram Akradi	4,082,000 <sup>3</sup>	1,464,109	2,617,891	4,110,000	64%	7%	77%
Lithia Motors Inc.	LAD	CB, CEO Sidney DeBoer (Class B)	3,762,231	0	3,762,231	3,907,527	96%	20%	79%
		All executive officers	430,000	0	430,000	430,000	100%		
Maguire Properties Inc.	MPG	B/O (former CEO) Robert Maguire	8,769,404	0	8,769,404	9,042,036	97%	18%	76%
Mannatech Inc.	MTX	CB Samuel Caster	5,300,000	0	5,300,000	5,463,116	97%	27%	72%
		DIR Marlin Robbins	1,900,000	0	1,900,000	2,033,330	93%		
Oracle Corp.	ORCL	CB, CEO Larry Ellison	442,241,175	0	442,241,175	1,171,971,324	38%	9%	43%
PetroQuest Energy Inc.	PQ	CB, P, CEO Charles Goodson	3,866,512	0	3,866,512	4,073,720	95%	8%	45%
Pulte Homes Inc.	PHM	CB William Pulte	30,378,652	0	30,378,652	42,008,189	72%	12%	60%
Quest Software Inc.	QSFT	CB, CEO Vincent Smith	30,750,531	0	30,750,531	31,750,531	97%	29%	59%
Sonic Automotive Inc.	SAH	CB, CEO O. Bruton Smith	4,440,625	0	4,440,625	11,057,900	40%	12%	92%
		P, COO B. Scott Smith	500,000	0	500,000	997,750	50%		
Speedway Motorsports Inc.	TRK	CB, CEO O. Bruton Smith	14,350,000	0	14,350,000	29,000,000	49%	33%	78%
TD Ameritrade Holding Corp.	AMTD	CB Joe Ricketts	30,500,000	0	30,500,000	112,177,699	27%	5%	57%
Trailer Bridge Inc.	TRBR	CB, CEO John McCown	359,000	0	359,000	1,484,625	24%	16%	67%
		DIR Malcolm McLean	1,443,992	0	1,443,992	1,512,274	95%		
		GC William Gotimer	62,542	4,977	57,565	163,557	35%		
		CFO Mark Tanner	22,739	0	22,739	116,739	19%		
		VP Robert van Dijk	14,432	0	14,432	106,432	14%		
Valhi Inc.	VHI	CB Harold Simmons	13,920,000	0	13,920,000	107,321,357	13%	12%	57%
Western Alliance Bancorp	WAL	P, CEO Robert Sarver	2,363,141	0	2,363,141	3,957,807	60%	7%	53%





## Appendix A: Significant Pledged Shares Balances for Selected Companies and Insiders

Source: Individual Company SEC Filings

Company	Ticker	Insiders w/ Pledged Shares	Initial Pledged Shares <sup>1</sup>	Shares Sold In Margin Calls	Current Pledge Shares	Current Actionable Ownership <sup>2</sup>	% Actionable Ownership Pledged	Total % of Outstanding Pledged	Margin Call Risk Score
		CFO Dale Gibbons	69,900	0	69,900	136,674	51%		
		DIR Donald Synder	96,082	0	96,082	215,071	45%		
<b>Companies where a key officer or director pledged more than 75% of their holdings (but insiders collectively did not pledge more than 5% of outstanding shares)</b>									
Apartment Investment & Mgmt Co. AIV		CB, CEO, P Terry Considine	3,269,285	2,429,022	840,263	2,865,200	29%	1%	75%
		CIO David Robertson	125,713	111,200	14,513	185,673	8%		
Coca-Cola Enterprises Inc.	CCE	DIR Marvin Herb	17,856,470	1,371,100	16,485,370	17,257,448	96%	3%	73%
Developers Diversified Realty Corp. DDR		CB, CEO Scott Wolstein	1,824,961	1,207,000	617,961	1,300,323	48%	1%	77%
		CFO William Schafer	119,574	0	119,574	124,637	96%		
		P, COO Daniel Hurwitz	32,163	0	32,163	233,501	14%		
EXCO Resources Inc.	XCO	CB, CEO Douglas Miller	497,521	0	497,521	849,522	59%	1%	67%
		VC, P Stephen Smith	678,309	0	678,309	862,017	79%		
General Growth Properties Inc.	GGP	Former CFO Bernard Friebaum	7,527,590	6,456,455	1,071,135	1,133,575	94%	0%	70%
		P, COO Robert Michaels	1,326,000	1,200,000	126,000	191,707	66%		
		CCDO Jean Schlemmer	185,956	160,000	25,956	81,716	32%		
Kirby Corp.	KEX	CB C. Berdon Lawrence	1,326,640	0	1,326,640	1,424,984	93%	3%	45%
		P, CEO Joseph Pyne	303,522	0	303,522	351,217	86%		
MCG Capital Corp.	MCGC	P, CEO Steven Tunney	421,520	0	421,520	430,062	98%	1%	77%
		EVP B. Hagen Seville	258,675	0	258,675	370,330	70%		
		EVP, GC Samuel Rubenstein	25,000	0	25,000	166,085	15%		
Quicksilver Resources Inc.	KWK	P, CEO Glen Darden	743,712	0	743,712	2,885,548	26%	2%	77%
		CB Thomas Darden	835,414	0	835,414	2,948,224	28%		
		DIR Steven Morris	858,864	602,664	256,200	389,178	66%		
		DIR Phillip Cook	12,084	0	12,084	14,515	83%		
		DIR James Hughes	3,480	0	3,480	14,096	25%		
		Quicksilver Energy L.P. (Darden Family)	4,330,861	3,985,520	345,341	41,581,392	1%		
SBA Communications Corp.	SBAC	P, CEO Jeffrey Stoops	1,915,768	100,000	1,815,768	1,998,364	91%	2%	35%
Tesoro Corp.	TSO	CB, CEO Bruce Smith	<sup>4</sup>	251,100	<sup>4</sup>	3,653,229	<sup>4</sup>	<sup>4</sup>	70%



## Appendix A: Significant Pledged Shares Balances for Selected Companies and Insiders

Source: Individual Company SEC Filings

Company	Ticker	Insiders w/ Pledged Shares	Initial Pledged Shares <sup>1</sup>	Shares Sold In Margin Calls	Current Pledge Shares	Current Actionable Ownership <sup>2</sup>	% Actionable Ownership Pledged	Total % of Outstanding Pledged	Margin Call Risk Score
Wendy's/Arby's Group Inc.	WEN	DIR Nelson Peltz, DIR Peter May	<sup>5</sup>	0	<sup>5</sup>	51,657,326	<sup>5</sup>	<sup>5</sup>	<b>84%</b>
XTO Energy Inc.	XTO	CB, CEO Bob Simpson	7,343,749	<b>2,776,903</b>	4,566,846	8,467,653	54%	<b>2%</b>	<b>45%</b>
		P, DIR Keith Hutton	2,543,468	0	2,543,468	4,005,329	64%		
		EVP Vaughn Vennerberg	1,738,070	<b>160,000</b>	1,578,070	2,291,382	69%		
		CFO Louis Baldwin	1,350,684	<b>535,700</b>	814,984	1,634,604	50%		
		Three board members	130,187	0	130,187	207,883	63%		

<sup>1</sup> Pledged shares holdings as of respective company's proxy report date.

<sup>2</sup> Excludes options currently under water.

<sup>3</sup> CEO Akradi's pledged holdings were not disclosed in Proxy filed on 03/06/08. Information comes from company issued press release on 10/10/08.

<sup>4</sup> Tesoro did not disclose CEO Smith's pledged holdings in the Proxy, nor have they provided any information regarding his remaining pledged holdings, only saying more margin calls could happen.

<sup>5</sup> While Nelson Peltz and related parties have recently filed an ownership statement, it is unclear at this time how many WEN shares they have pledged. In August they collectively had 20,136,731 Triarc shares pledged.



## Appendix B: Pledged Share Data for Selected Companies and Risk Scores

Source: Individual Company SEC Filings and 3DAdvisors, LLC

Company	Ticker	Market Cap	Short Interest	Total % of Outstanding Pledged	52 Week Low	52 Week High	5 Year Low	Current Price	% Off 52 High	% From 5 Low	Margin Risk Score	# Shares Called
Sonic Automotive Inc.	SAH	122.6M	13.3%	12%	\$2.95	\$25.75	\$2.95	\$3.06	88%	96%	92%	
Cheniere Energy Inc.	LNG	56.7M	27.6%	2%	\$0.95	\$41.84	\$0.95	\$1.12	97%	85%	91%	3,607,466
Wendy's/Arby's Group Inc.	WEN	1.49B	N/A	1	\$2.91	\$14.50	\$2.91	\$3.20	78%	91%	84%	
Lithia Motors Inc.	LAD	50.7M	13.1%	20%	\$1.76	\$20.50	\$1.76	\$2.50	88%	70%	79%	
Speedway Motorsports Inc.	TRK	609.3M	4.9%	33%	\$12.96	\$38.77	\$12.96	\$14.03	64%	92%	78%	
Life Time Fitness Inc.	LTM	753.6M	47.3%	7%	\$16.00	\$65.09	\$16.00	\$19.03	71%	84%	77%	1,464,109
MCG Capital Corp.	MCGC	79.3M	5.4%	1%	\$0.65	\$14.80	\$0.65	\$1.05	93%	62%	77%	
Developers Diversified Realty Corp	DDR	1.98B	11.2%	1%	\$13.85	\$56.10	\$13.85	\$16.48	71%	84%	77%	1,207,000
Quicksilver Resources Inc.	KWK	1.61B	5.8%	2%	\$7.80	\$44.98	\$7.80	\$10.14	77%	77%	77%	4,588,184
Fossil Inc.	FOSL	1.21B	12.6%	13%	\$16.47	\$46.25	\$16.47	\$17.85	61%	92%	77%	
Kronos Worldwide Inc.	KRO	541.0M	0.5%	47%	\$9.77	\$31.59	\$9.77	\$11.05	65%	88%	77%	
Maguire Properties Inc.	MPG	233.6M	25.5%	18%	\$3.31	\$30.73	\$3.31	\$4.88	84%	68%	76%	
Apartment Investment & Mgmt C	AIV	1.70B	9.9%	1%	\$18.46	\$46.73	\$18.46	\$19.90	57%	93%	75%	2,540,222
Coca Cola Enterprises Inc.	CCE	5.45B	2.5%	3%	\$9.65	\$27.09	\$9.65	\$11.18	59%	86%	73%	1,371,100
Mannatech Inc.	MTEX	104.2M	18.0%	27%	\$3.32	\$9.61	\$3.32	\$3.94	59%	84%	72%	
Constellation Brands Inc.	STZ	3.13B	6.2%	6%	\$13.81	\$25.65	\$13.81	\$14.29	44%	97%	70%	
Tesoro Corp.	TSO	1.37B	12.5%	N/A	\$7.61	\$65.98	\$5.54	\$9.93	85%	56%	70%	251,100
General Growth Properties Inc.	GGP	1.64B	11.0%	0%	\$3.11	\$57.84	\$3.11	\$6.12	89%	51%	70%	7,816,455
Knight Transportation Inc.	KNX	1.14B	19.0%	20%	\$12.83	\$21.89	\$12.83	\$13.31	39%	96%	68%	
EXCO Resources Inc.	XCO	1.97B	6.9%	1%	\$5.38	\$40.93	\$5.38	\$9.35	77%	58%	67%	
Trailer Bridge Inc.	TRBR	58.4M	0.6%	16%	\$4.77	\$14.44	\$3.36	\$4.90	66%	69%	67%	4,977
Champion Industries Inc.	CHMP	34.9M	0.1%	23%	\$3.02	\$6.43	\$3.02	\$3.50	46%	86%	66%	
Chesapeake Energy Corp.	CHK	11.86B	7.1%	0%	\$11.99	\$74.00	\$11.99	\$20.47	72%	59%	65%	31,522,923
General Maritime Corp.	GMR	405.3M	10.9%	7%	\$8.72	\$31.00	\$8.72	\$12.94	58%	67%	63%	
Iron Mountain Inc.	IRM	4.52B	7.3%	5%	\$18.52	\$38.85	\$18.52	\$22.44	42%	83%	62%	
Cato Corp.	CTR	381.9M	5.3%	6%	\$11.30	\$20.31	\$11.30	\$12.92	36%	87%	62%	
Pulte Homes Inc.	PHM	2.67B	11.5%	12%	\$8.20	\$17.32	\$8.20	\$10.38	40%	79%	60%	
Quest Software Inc.	QSFT	1.26B	5.8%	29%	\$10.31	\$18.87	\$9.61	\$11.90	37%	81%	59%	
TD Ameritrade Holding Corp.	AMTD	7.81B	1.0%	5%	\$11.49	\$23.49	\$9.35	\$13.18	44%	71%	57%	
Boston Scientific Corp.	BSX	13.01B	2.9%	6%	\$6.34	\$14.76	\$6.34	\$8.67	41%	73%	57%	33,080,840
Valhi Inc.	VHI	1.08B	0.5%	12%	\$8.15	\$32.47	\$4.09	\$9.50	71%	43%	57%	



## Appendix B: Pledged Share Data for Selected Companies and Risk Scores

Source: Individual Company SEC Filings and 3DAdvisors, LLC

Company	Ticker	Market Cap	Short Interest	Total % of Outstanding Pledged	52 Week Low	52 Week High	5 Year Low	Current Price	% Off 52 High	% From 5 Low	Margin Risk Score	# Shares Called
Western Alliance Bancorp	WAL	442.9M	14.0%	7%	\$6.79	\$27.66	\$6.79	\$13.00	53%	52%	53%	
Credit Acceptance Corp.	CACC	490.1M	20.1%	7%	\$13.20	\$31.52	\$8.99	\$16.04	49%	56%	53%	
XTO Energy Inc.	XTO	17.40B	3.2%	2%	\$23.80	\$73.74	\$10.59	\$31.68	57%	33%	45%	3,472,603
Kirby Corp.	KEX	1.80B	3.7%	3%	\$28.27	\$61.65	\$14.69	\$33.35	46%	44%	45%	
PetroQuest Energy Inc.	PQ	471.0M	9.7%	8%	\$6.04	\$29.18	\$2.00	\$9.34	68%	21%	45%	
Oracle Corp.	ORCL	87.73B	0.7%	9%	\$15.28	\$23.62	\$9.78	\$17.02	28%	57%	43%	
Kinetic Concepts Inc.	KCI	1.61B	7.2%	5%	\$19.73	\$65.23	\$4.28	\$22.24	66%	19%	43%	
SBA Communications Corp.	SBAC	1.93B	8.4%	2%	\$11.28	\$38.50	\$3.10	\$18.16	53%	17%	35%	100,000
Green Mountain Coffee Inc.	GMCR	703.9M	54.4%	12%	\$25.00	\$44.75	\$6.15	\$29.06	35%	21%	28%	
Covanta Holding Corp.	CVA	3.12B	3.6%	13%	\$15.46	\$30.37	\$1.26	\$20.20	33%	6%	20%	

<sup>1</sup> Nelson Peltz and Peter May collectively had 20.1 million shares (28% of outstanding) of their Triarc shares pledged as collateral for loans before the merger.

It is unclear at this time how many WEN shares are pledged.

\*\* Red highlight indicates companies where insiders have already received margin calls.