

Ashford Inc.
Form SC 13D/A
August 23, 2018

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

SCHEDULE 13D/A

**Under the Securities Exchange Act of 1934
(Amendment No. 4)***

Ashford Inc.

(Name of Issuer)

Common Stock, \$0.01 par value

(Title of Class of Securities)

044104-10-7

(CUSIP Number)

Monty J. Bennett

14185 Dallas Parkway, Suite 1150

Dallas, Texas 75254

(972) 490-9600

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 8, 2018

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. ☐

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Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 044104-10-7

1	Name of Reporting Person or I.R.S. Identification No. of Above Person Monty J. Bennett	
2	Check the Appropriate Box if a Member of a Group (a) ☐ (b) ☐	
3	SEC Use Only	
4	Source of Funds OO/PF	
5	Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐	
6	Citizenship or Place of Organization United States	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 1,308,719
	8	Shared Voting Power 0
	9	Sole Dispositive Power 1,308,719
	10	Shared Dispositive Power 0
11	Aggregate Amount Beneficially Owned by Each Reporting Person 1,308,719	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares ☒ (1)	
13	Percent of Class Represented by Amount in Row (11) 40.9%(2)	
14	Type of Reporting Person IN	

(1) Excludes 195,579 shares of Common Stock reserved for issuance by the Issuer to the Reporting Person pursuant to the Issuer's deferred compensation plan.

(2) Based on 2,109,388 shares of Common Stock outstanding as of August 7, 2018, as reflected in the Issuer's Form 10-Q filed with the Securities and Exchange Commission on August 9, 2018 plus the following: (i) 714,286 shares of Common Stock issuable upon conversion of the 4,000,000 shares of Series B Preferred Stock (as defined below) that were issued in connection with the Transactions described elsewhere in this Schedule 13D; (ii) the Units (as defined below); and (iii) the Options (as defined below).

Explanatory Note

Ashford Inc., a Maryland corporation (the Company), entered into a Combination Agreement (the Combination Agreement) with Monty J. Bennett and Archie Bennett, Jr., the Company's Chairman and Chief Executive Officer and his father; Remington Holdings, L.P., a Delaware limited partnership (Remington); Remington Holdings GP, LLC, a Delaware limited liability company and the general partner of Remington (the General Partner); Project Management LLC, a Maryland limited liability company and wholly owned subsidiary of Remington (PM LLC); MJB Investments, LP (MJB Investments); Mark A. Sharkey; Ashford Holding Corp., a Maryland corporation and wholly owned subsidiary of the Company (New Holdco); and Ashford Merger Sub Inc., a Maryland corporation and wholly owned subsidiary of New Holdco (Merger Sub). On August 8, 2018 (the Effective Date), the parties to the Combination Agreement completed a business combination by effectuating the transactions contemplated by the Combination Agreement.

As part of the transactions contemplated by the Combination Agreement (the Transactions), Merger Sub merged with and into the Company (the Merger), with the Company surviving and becoming a wholly owned subsidiary of New Holdco and, by virtue of such Merger, each issued and outstanding share of common stock of the Company, par value \$0.01, was converted into one share of common stock, par value \$0.01 of New Holdco (the New Holdco Common Stock). In connection with the Merger, the Company changed its legal name to Ashford OAINC Inc. and in connection with the consummation of the Transactions, New Holdco changed its legal name to Ashford Inc. As a result of the Merger and after the legal name changes, Ashford OAINC Inc. (formerly named Ashford Inc., the Predecessor Ashford Inc.) became a wholly owned subsidiary of Ashford Inc. (formerly named Ashford Holding Corp.). Ashford Inc. is the successor issuer to Predecessor Ashford Inc. under Rule 12g-3 under the Securities Exchange Act of 1934 (the Exchange Act). As a result, the shares of Ashford Inc.'s common stock, par value \$0.01 per share, are deemed to be registered under Section 12(b) of the Exchange Act.

Prior to the consummation of the Merger, Remington and certain of its affiliates: (i) transferred the project management business conducted by certain affiliates of Remington prior to the closing of the Transactions (the Project Management Business) to PM LLC; and (ii) transferred 100% of the equity interests in PM LLC (the PM LLC Transferred Securities) to Archie Bennett, Jr., MJB Investments and Mark A. Sharkey (collectively, the Remington Sellers) (clauses (i) and (ii), collectively, the PM Formation Transaction). Immediately following the consummation of the PM Formation Transaction and the effectiveness of the Merger, the Remington Sellers transferred to New Holdco the PM LLC Transferred Securities in exchange for the consideration provided in the Combination Agreement.

Item 1. Security and Issuer

This Amendment No. 4 (this Amendment) to the Schedule 13D relates to the common stock, par value \$0.01 per share (the Common Stock), of Ashford Inc., a Maryland corporation (f/k/a Ashford Holding Corp., which is the successor registrant to the Predecessor Ashford Inc., is referred to in this Amendment as New Holdco or the Issuer), and is being filed by Monty J. Bennett (the Reporting Person or Monty J. Bennett). The principal executive offices of the Issuer are located at 14185 Dallas Parkway, Suite 1100, Dallas, Texas 75254. Except as specifically amended by this Amendment No. 4, the Schedule 13D remains unchanged.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 of this Schedule 13D is hereby supplemented as follows:

In consideration of the contribution of the PM LLC Transferred Securities, the Remington Sellers received aggregate consideration of \$203,000,000, consisting of 8,120,000 shares of Series B Convertible Preferred Stock, par value \$25.00 (Series B Preferred Stock). The Reporting Person received 4,000,000 shares of Series B Preferred Stock, which are convertible at any time and from time to time, in full or partially, into 714,286 shares of Common Stock at a conversion ratio equal to the liquidation preference of a share of Series B Preferred Stock, divided by \$140 (as adjusted pursuant to the anti-dilution provisions described below, if applicable).

Item 4. Purpose of Transaction

Item 4 of this Schedule 13D is hereby supplemented as follows:

The Reporting Person, directly or indirectly through certain affiliates, acquired the Series B Preferred Stock and the Common Stock issuable upon conversion of the Series B Preferred Stock in connection with the Transactions and for investment purposes. As a result of the Reporting Person's position as Chief Executive Officer of the Issuer and as Chairman of the Issuer's Board of Directors, the Reporting Person effects a measure of control over the Issuer. The Reporting Person evaluates, and will continue to evaluate, his ownership and voting position in the Issuer and may consider the following future courses of action: (i) continuing to hold the Series B Preferred Stock and other Securities for investment; (ii) converting, at the option of the Reporting Person, some or all of the Series B Preferred Stock into shares of Common Stock; (iii) disposing of all or a portion of the Common Stock issuable upon conversion of the Series B Preferred Stock and other Securities in open market sales or in privately-negotiated transactions; or (iv) acquiring additional shares of Common Stock in open market or in privately-negotiated transactions. The Reporting Person's future actions with regard to his investments are dependent on his evaluation of a variety of circumstances affecting the Issuer in the future, including without limitation the market price of the Common Stock, the Issuer's business and the Reporting Person's investment portfolio.

Item 5. Interest in Securities of the Issuer

Item 5 of this Schedule 13D is hereby supplemented as follows:

(a) Aggregate Number and Percentage of Securities. The holdings reported by the Reporting Person herein consist of: (a) 221,172 shares of Common Stock; (b) 372,206 shares of Common Stock issuable upon the exercise of options (Options) granted to the Reporting Person under the Issuer's 2014 Incentive Plan, which Options vest in their entirety, if at all, three years from the date of grant; (c) 1,054.82 common units, which are, upon redemption at the request of the Reporting Person, redeemable for cash or, at the option of the Issuer, convertible into shares of Common Stock (on a 1-for-1 basis) (the Units and together with the Common Stock and Options, the Securities) in Ashford Hospitality Holdings LLC, the operating subsidiary of the Issuer; and (d) 714,286 shares of Common Stock issuable upon conversion of the Series B Preferred Stock, held directly or indirectly by the Reporting Person.

The Reporting Person is deemed to beneficially own an aggregate of 1,308,719 shares of Common Stock (including: (x) 372,206 shares of Common Stock issuable upon the exercise of Options granted to the Reporting Person under the Issuer's 2014 Incentive Plan, which Options vest in their entirety, if at all, three years from the date of grant; (y) 1,054.82 Units; and (z) 714,286 shares of Common stock issuable upon the conversion of the Series B Preferred Stock, representing approximately 40.9% of the Issuer's outstanding Common Stock. The Securities are held directly by the Reporting Person except as follows:

(i) 14,154 shares of Common Stock, 245,000 shares of Common Stock issuable upon exercise of Options and 143.04 Units are held indirectly by the Reporting Person through MJB Operating, LP;

(ii) 53,726 shares of Common Stock and 501.60 Units are held indirectly by the Reporting Person through Dartmore LP;

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(iii) 115,477 shares of Common Stock and 35.91 Units are held indirectly by the Reporting Person through MJB Investments, LP;

(iv) 11,602 shares of Common Stock and 109.24 Units are held indirectly by the Reporting Person through Reserve, LP IV;

(v) 18,450 shares of Common Stock and 186.36 Units are held indirectly by the Reporting Person through Ashford Financial Corporation (the Reporting Person has a pecuniary interest in 50% of the 18,450 shares of Common Stock and 186.36 Units held by Ashford Financial Corporation); and

(vi) 7,763 shares of Common Stock and 78.67 Units are held indirectly by the Reporting Person through Reserve, LP III.

(b) Power to Vote and Dispose. The Reporting Person has the sole voting and dispositive power over the Securities identified in response to Item 5(a) above. Until August 8, 2023 (five year anniversary of the Effective Date),

the Reporting Person is required to vote its shares of Common Stock in excess of 25% of the combined voting power of all of the outstanding voting securities of the Issuer in the same proportion as the unaffiliated stockholders of the Issuer vote their shares of Common Stock.

(c) Transactions within the Past 60 Days. The transactions described in Item 3 and Item 6 are incorporated by reference into this Item 5(c).

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 of this Schedule 13D is hereby amended and supplemented as follows:

Investor Rights Agreement

On the Effective Date, the Reporting Person, Archie Bennett, Jr., MJB Investments, Mark A. Sharkey and New Holdco entered into the Investor Rights Agreement that provide for, among other items, governing rights, operating agreements, non-competes, transfer restrictions, and put and call rights and obligations of the parties with respect to New Holdco and its subsidiaries, including PM LLC.

Board Designation Rights

The Investor Rights Agreement provides that for so long as the Reporting Person, Archie Bennett, Jr., MJB Investments and Mark A. Sharkey (together with each person that succeeds to their respective interests as the result of a transfer permitted under the Investor Rights Agreement, the Covered Investors) beneficially own no less than 20% of the issued and outstanding shares of New Holdco Common Stock (taking into account the Series B Preferred Stock on an as-converted basis), each of Archie Bennett, Jr., during his lifetime, and thereafter those Covered Investors holding in the aggregate 55% of the total number of shares of New Holdco Common Stock (taking into account the Series B Preferred Stock on an as-converted basis) held by all Covered Investors (a Majority in Interest), and Mr. Monty J. Bennett, during his lifetime, and a Majority in Interest of the Covered Investors thereafter, will each be entitled to nominate one individual (other than Archie Bennett, Jr.) for election as a member of the Board of Directors of New Holdco (each a Seller Nominee). Monty J. Bennett and W. Michael Murphy will serve as the initial Seller Nominees. The Investor Rights Agreement requires New Holdco, with respect to the Seller Nominees: (i) to assure that the size of the Board will accommodate the Seller Nominee; (ii) at each annual meeting of stockholders of New Holdco, to cause the slate of nominees standing for election, and recommended by the Board, at each such meeting to include each 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 New Holdco 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 each Seller Nominee.

Preemptive Rights

The Investor Rights Agreement provides that, except for issuances in connection with the conversion of the Series B Preferred Stock as provided in the Articles Supplementary establishing the Series B Preferred Stock or the exercise of the Change of Control Put Option or Call Option (each

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as defined below), New Holdco will not issue any equity securities, rights to acquire equity securities of New Holdco or debt convertible into equity securities of New Holdco (New Securities) unless New Holdco gives each of Monty J. Bennett, Archie Bennett, Jr., and MJB Investments (together with each person that succeeds to the interests as an immediate family member or controlled entity transferee (the Holder Group Investors) 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.

Transfer Restrictions

The Investor Rights Agreement provides that, for five years after the closing of the Transactions, each of the Covered Investors are prohibited from transferring New Holdco Common Stock or Series B Preferred Stock to any person (subject to certain specified exceptions) that is or would become, together with such person s affiliates and associates, a beneficial owner of 10% or more of the shares of New Holdco Common Stock, taking the Series B Preferred Stock into account on an as-converted basis, except: (i) to family members and in connection with estate planning; (ii) as a result of any voting agreement between Mr. Monty J. Bennett and Mr. Archie Bennett, Jr.; (iii) transfers in which no transferee (or group of affiliated or associated transferees) would purchase or receive 2% or more of the outstanding voting shares of New Holdco; (iv) in connection with any widespread public distribution of shares of New Holdco Common Stock or Series B Preferred Stock registered under the Securities Act of 1933, as

amended (the Securities Act); or (v) a transfer to any transferee that would beneficially own more than 50% of the outstanding New Holdco Common Stock and Series B Preferred Stock without any transfer from a Covered Investor, unless such transfer restrictions have been waived by the affirmative vote of the majority of the stockholders of New Holdco that are not affiliates or associates of the Covered Investors. For the purposes of such transfer restriction, any person is deemed to beneficially own the securities of any other person if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert or in parallel, or towards a common goal with such other person, related to acquiring, holding, voting or disposing of voting securities of New Holdco or changing or influencing the control of New Holdco, other than in connection with the solicitation of, or granting or receiving, revocable proxies or consents given in response to a public proxy or consent solicitation or being solicited for, or tendering or receiving tenders of securities in a public tender or exchange offer. Any permitted 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

Call Option. Pursuant to the Investor Rights Agreement, after the seventh anniversary of the closing of the Transactions, New Holdco has the option to redeem all or any portion of the Series B Preferred Stock in \$25,000,000 increments on a *pro rata* basis among all Covered Investors unless, no less than 15 days before the closing of the purchase transaction, the participating Covered Investors specify an alternative allocation of the Series B Preferred Stock subject to the redemption (the Call Option), at a price per share equal to the sum of (i) \$25.125 (as adjusted for any applicable stock splits or similar transactions) (the Base Strike Price) plus (ii) all accrued but unpaid dividends. The purchase price is payable only in cash. The notice of exercise of the Call Option does not limit or restrict any Covered Investor's right to convert the Series B Preferred Stock into shares of New Holdco Common Stock prior to the closing of the Call Option.

Change of Control Put Option. The Investor Rights Agreements provides each Covered Investor with the option, exercisable on one occasion, to sell to the Company all of the Series B Preferred Stock then owned by such Covered Investor (the Change of Control Put Option) at any time at or during the ten business day consecutive period following the consummation of a Change of Control. 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 an amount equal to (1) not more than the Base Strike Price, 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 which shall initially be 15% of the Base Strike Price, and reduced by 3% of the Base Strike Price for each year, inclusive of the year in which the Change of Control Put Option is exercised, until the fifth anniversary of the Effective Date. Such price shall be payable at each Covered Investor's election in any combination of cash or a number of shares of New Holdco Common Stock determined by dividing the cash amount to be paid by a \$140 conversion price. The \$140 conversion price is subject to adjustment in the event of stock dividends on New Holdco Common Stock or any subdivision or combination of New Holdco Common Stock.

A Change of Control means, with respect to any Covered Investor, any of the following, in each case that was not voted for or consented to by such Covered Investor solely in its capacity as a stockholder of New Holdco: (i) any person (other than Archie Bennett, Jr., Monty J. 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 J. Bennett or any group of which they are a member) acquires beneficial ownership of securities of New Holdco that, together with the securities of New Holdco previously beneficially owned by the first such person, constitutes more than 50% of the total voting power of the New Holdco's outstanding securities; or (ii) the sale, lease, transfer or other disposition (other than as collateral) of all or a majority of New Holdco'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 New Holdco.

Voting Limitations

The Investor Rights Agreement provides that on matters submitted to a vote of the holders of voting securities of New Holdco, the Covered Investors will have the right to vote or direct or cause the vote of the shares as to which they hold sole voting power or are held by immediate family members (or a trust for the benefit of such person) (Sole Voting Shares) as the Covered Investors determine, in their sole discretion, except if, prior to the fifth anniversary of the closing of the Transactions, the combined voting power of the Reference Shares (as defined below) of New Holdco exceeds 25.0% (plus the combined voting power of any common stock of New Holdco acquired by any Covered Investor in an arm's length transaction after the closing of the Transaction from a person other than New Holdco or a subsidiary of New Holdco, including through open market purchases, or privately negotiated transactions or any

distributions of New Holdco Common Stock by either of Ashford Hospitality Trust, Inc. (Trust) or Braemar Hotels & Resorts Inc. (Braemar) to their respective stockholders *pro rata*) of the combined voting power of all of the outstanding voting securities of New Holdco entitled to vote on any given matter, then Reference Shares of New Holdco representing voting power equal to such excess will be deemed to be Company Cleansed Shares under the Investor Rights Agreement. The Covered Investors will vote, or cause to be voted, out of the Covered Investors Sole Voting Shares, shares constituting voting power equal to the voting power of the Company Cleansed Shares in the same proportion as the holders of such class or series of voting securities of New Holdco vote their shares with respect to such matters, inclusive of the Reference Shares of New Holdco voted by the Covered Investors. These voting restrictions may be waived by a majority vote or consent of the independent directors of New Holdco, as applicable, that have no personal interest in the matter to be voted upon.

Reference Shares means all voting securities of New Holdco that are: (a) beneficially owned by any Covered Investor, including any such voting securities as to which any Covered Investor has sole or shared voting power; (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 New Holdco; or (ii) is required to be, or is capable of being, settled through delivery of New Holdco Common Stock, in either case, that is held or beneficially owned by any Covered Investor or any controlled affiliate or any Covered Investor.

The Covered Investors, among themselves, provide that the total number of votes attributable to Reference Shares that are not Cleansed Shares will be proportionately allocated among the Covered Investors based on a percentage, the numerator of which is the number of Reference Shares held by such Covered Investor, and the denominator of which is the total number of Reference Shares held by all Covered Investors in the aggregate.

Termination

The Investor Rights Agreement terminates by its terms on the earliest of: (i) the written agreement of New Holdco and a Majority in Interest of the Covered Investors; and (ii) the date on which the Covered Investors no longer own any New Holdco Common Stock or Series B Preferred Stock; provided the noncompetition agreement, the transfer restrictions, board nomination rights and voting restrictions will last for the time periods provided by their terms and the Call Option and Change of Control Put Option 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 New Holdco Common Stock or Series B Preferred Stock.

Merger and Registration Rights Agreement

On the Effective Date, Ashford Inc., New Holdco, Merger Sub, Archie Bennett, Jr., MJB Investments and Mark A. Sharkey entered into the Merger and Registration Rights Agreement. Pursuant to the Merger and Registration Rights Agreement, New Holdco will, no later than 120 days following the effective time of the Merger, file a registration statement under the Securities Act, to permit the resale of the Series B Preferred Stock and the New Holdco Common Stock into which the Series B Preferred Stock is convertible. New Holdco will use its commercially reasonable efforts to cause the registration statement to become effective and remain available for the resale of the securities covered by the registration statements. In certain circumstances, including at any time that New Holdco is in possession of material nonpublic information, New Holdco will have the right to suspend sales under the registration statement.

The descriptions of the Combination Agreement, Investor Rights Agreement and Merger and Registration Rights Agreement are qualified in their entirety by the text of such agreements, which are included as Exhibit 99.1, 99.2 and 99.3 to this Schedule 13D, respectively, and are incorporated by reference into this Item 6.

Item 7. Materials to be Filed as Exhibits.

- 99.1 Combination Agreement, dated as of April 6, 2018 between Monty J. Bennett, Archie Bennett, Jr., Remington Holdings GP, LLC, Project Management LLC, MJB Investments, LP, Mark A. Sharkey, Remington Holdings, L.P., Ashford Inc., Ashford Holding Corp. and Ashford Merger Sub Inc. (incorporated by reference to Exhibit 2.1 of Form 8-K, filed on April 9, 2018) (File No. 001-36400)
- 99.2 Investor Rights Agreement, dated August 8, 2018, by and among Ashford Holding Corp., Archie Bennett, Jr., Monty J. Bennett, MJB Investments, LP, Mark A. Sharkey, and any other Persons that become parties by joinder as provided herein (incorporated by reference to Exhibit 10.1 of Form 8-K, filed on August 8, 2018) (File No. 001-36400)
- 99.3 Merger and Registration Rights Agreement, dated August 8, 2018, by and among Ashford Inc., Ashford Holding Corp., and Ashford Merger Sub Inc., and, solely for the purposes of Article V hereof, Archie Bennett, Jr., MJB Investments, LP and Mark A. Sharkey (incorporated by reference to Exhibit 10.2 of Form 8-K, filed on August 8, 2018) (File No. 001-36400)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I hereby certify that the information set forth in this statement is true, complete and correct.

Dated: August 22, 2018

By: /s/ Monty J. Bennett
Monty J. Bennett