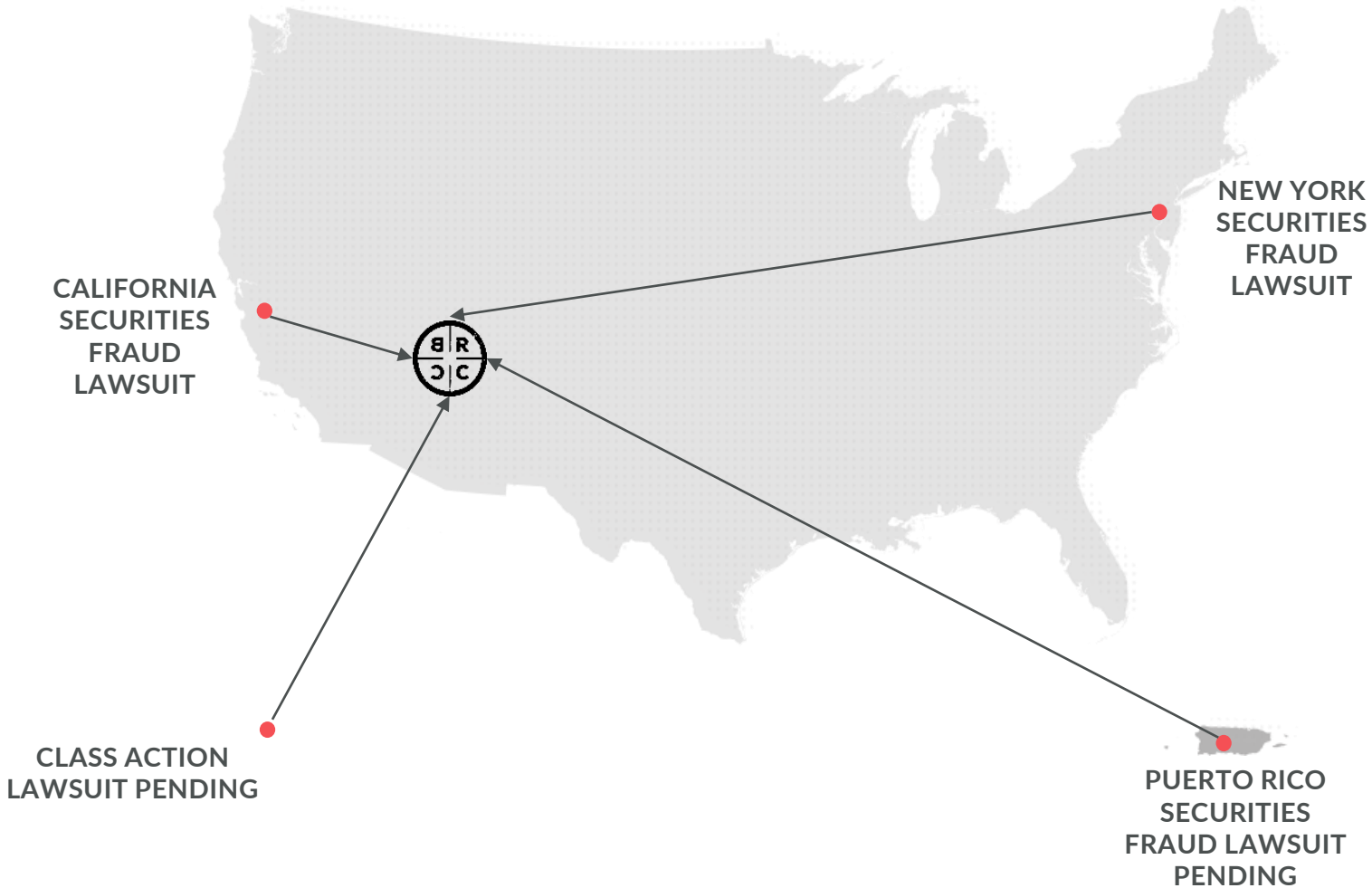


# Is Black Rifle's ignorance or arrogance to blame?

1791 Management's research into  
Black Rifle Coffee (NYSE: BRCC)

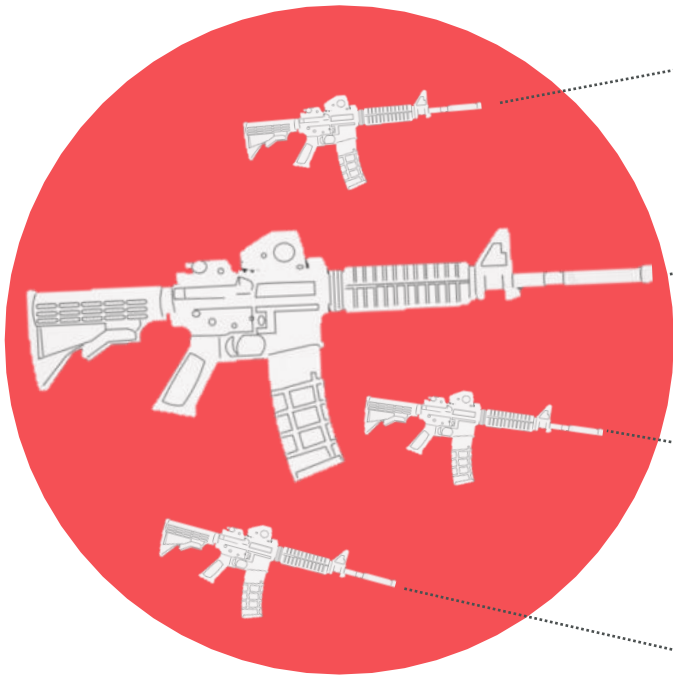
# BLACK RIFLE FACES LAWSUITS IN NUMEROUS JURISDICTIONS

## WONDERING WHY?



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# IN LESS THAN SIX MONTHS AS A **PUBLIC COMPANY**, BLACK RIFLE MANAGED TO DO ALL THE FOLLOWING...



1 Breached contract with their public shareholders

2 Lied to their public shareholders

3 Stole their warrant holder's right to get stock

4 Stole their public shareholder's money

# BLACK RIFLE'S COMPLETE HISTORY AS A **PUBLIC COMPANY**

## LIED TO THEIR PUBLIC SHAREHOLDERS

2

4/11

Black Rifle says the warrants cannot be exercised because they are "waiting on SEC to provide comments."

## STOLE THEIR PUBLIC SHAREHOLDER'S MONEY

4

4/19

CEO awarded himself an additional **\$47 million dollars** by falsely claiming the stock's VWAP was above **\$20 for 20 days** (second tier vesting event)



Lawsuit... Lawsuit... Lawsuit... Lawsuit... Lawsuit...

5/4

Black Rifle warrants were delisted

Lawsuit... Lawsuit... Lawsuit...

2/9

Black Rifle Public Listing

3/11

Did not allow warrants to be exercised by public

3/29

(first tier vesting)

4/8

SEC provided comments on S1

3/3

Breached contract by failing to complete SEC regulatory filing (S1) within 15 business days

3/16

S1 filed with SEC 13 days too late

4/4

Announced removal of public warrants.

4/18

Black Rifle "cleared SEC comments," filed S1/A, but still didn't allow warrant holders to exercise

5/2

Black Rifle asked SEC to make S1 Effective after they delisted the warrants

1

## BREACHED CONTRACT WITH THEIR PUBLIC SHAREHOLDERS

3

## STOLE THEIR WARRANT HOLDER'S RIGHT TO GET STOCK

# 1 Breached contract with their public shareholders

On 3/3/2022, Black Rifle should have filed their S1.

Black Rifle breached their contract by failing to complete the SEC regulatory filing (S1) within 15 business days after their first public listing date.

SILVERBOX ENGAGED MERGER CORP I

and

CONTINENTAL STOCK TRANSFER & TRUST COMPANY

WARRANT AGREEMENT

Dated as of February 25, 2021

**7.4.1 Registration of Shares of Common Stock.** The Company agrees that as soon as practicable, but **in no event later than fifteen (15) Business Days** after the closing of its initial Business Combination, it shall use its reasonable best efforts to file with the Commission a registration statement for the registration, under the Securities Act of the shares of Common Stock issuable upon exercise of the Warrants. The Company shall use its reasonable best efforts to cause the same to become effective within sixty (60) Business Days following the closing of the initial Business Combination and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the Warrants in accordance with the provisions of this Agreement. If any such registration statement has not been declared effective by the 60th Business Day following the closing of the Business Combination, holders of the Warrants shall have the right, during the period beginning on the 61st Business Day after the closing of the Business Combination and ending upon such registration statement being declared effective by the Commission, and during any other period when the Company shall fail to have maintained an effective registration statement covering the issuance of the shares of Common Stock issuable upon exercise of the Warrants, to exercise such Warrants on a “cashless basis,” by exchanging the Warrants (in accordance with Section 3(a)(9) of the Securities Act (or any successor statute) or another exemption) for that number of shares of Common Stock equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the Warrants, multiplied by the excess of the “Fair Market Value” (as defined below) over the Warrant Price by (y) the Fair Market Value and (B) 0.361. Solely for purposes of this subsection 7.4.1, “Fair Market Value” shall mean the average closing price of the Common Stock for the ten (10) trading days ending on the third trading day prior to the date that notice of exercise is sent to the Warrant Agent from the holder of such Warrants or its securities broker or intermediary. The date that notice of “cashless exercise” is received by the Warrant Agent shall be conclusively determined by the Warrant Agent. In connection with the “cashless exercise” of a Public Warrant, the Company shall, upon request, provide the Warrant Agent with an opinion of counsel for the Company (which shall be an outside law firm with securities law experience) stating that (i) the exercise of the Warrants on a “cashless basis” in accordance with this subsection 7.4.1 is not required to be registered under the Securities Act and (ii) the shares of Common Stock issued upon such exercise shall be freely tradable under United States federal securities laws by anyone who is not (and has not been during the preceding three months) an affiliate (as such term is defined in Rule 144 under the Securities Act (or any successor rule)) of the Company and, accordingly, shall not be required to bear a restrictive legend. Except as provided in subsection 7.4.2, for the avoidance of doubt, unless and until all of the Warrants have been exercised or have expired, the Company shall continue to be obligated to comply with its registration obligations under the first three sentences of this subsection 7.4.1.

2

## Lied to their public shareholders

THE SEC PROVIDED COMMENTS  
ON 4/8/2022



DIVISION OF  
CORPORATION FINANCE

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

April 8, 2022

Evan Hafer  
Chairman and Chief Executive Officer  
BRC Inc.  
1144 S. 500 W  
Salt Lake City, UT 84101

Re: BRC Inc.  
Registration Statement on Form S-1  
Filed March 16, 2022  
File No. 333-263627

Dear Mr. Hafer:

We have limited our review of your registration statement to those issues we have addressed in our comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter by amending your registration statement and providing the requested information. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your registration statement and the information you provide in response to these comments, we may have additional comments.

Form S-1 filed March 16, 2022

General

1. Revise your prospectus to disclose the price that each selling securityholder paid for the securities being registered for resale. Highlight any differences in the current trading price, the prices that the selling securityholders acquired their shares and warrants, and the price that the public securityholders acquired their shares and warrants. Disclose that while the selling securityholders may experience a positive rate of return based on the current trading price, the public securityholders may not experience a similar rate of return on the securities they purchased due to differences in the purchase prices and the current trading price. Please also disclose the potential profit the selling securityholders will earn

## 2 Lied to their public shareholders

1791

PHONE  
CALL ON  
4/11/2022  
AT 1:46 PM



Tanner Doss  
VP Investor Relations  
Black Rifle Coffee

1791

“...are you going to make your S1 Effective before you delist the warrants so the public can get their shares?”

Since the SEC had already provided comments on 4/8/2022, Tanner was **lying** about “waiting on the SEC for comments.”



“...we can’t get the S1 Effective because we are waiting on the SEC to comment on our S1...”

1791

“...if you can’t make your S1 Effective before the redemption deadline you announced... are you going to extend the deadline?”

Black Rifle didn’t care that they were stealing the public’s right to get shares.



“...we have no plans on extending the redemption deadline...”

1791

“...so if the S1 isn’t Effective are you just going to redeem and steal the public’s stock?”

This is also a **lie** because Black Rifle, not the SEC, determines when the S1 will be Effective.



“...it’s up to the SEC to get the S1 Effective before the redemption date...”



### 3 Stole their warrant holder's right to get stock

Black Rifle notified the public that they were going to delist the warrants before the public ever had a chance to get their shares.

EX-99.2 3 tm2210418d1\_ex99-2.htm EXHIBIT 99.2

Exhibit 99.2

April 4, 2022

#### NOTICE OF REDEMPTION OF ALL OUTSTANDING WARRANTS (CUSIP 05601U113)

Dear Warrant Holder,

BRC Inc. (the “*Company*”) hereby gives notice that it is redeeming, at 5:00 p.m. New York City time on May 4, 2022 (the “*Redemption Date*”), all of the Company’s outstanding warrants (the “*Warrants*”) to purchase shares of the Company’s Class A common stock, par value \$0.0001 per share (the “*Class A Common Stock*”), that were originally issued under the Warrant Agreement, dated as of February 25, 2021 (the “*Warrant Agreement*”), by and between SilverBox Engaged Merger Corp I (“*SilverBox*”) and Continental Stock Transfer & Trust Company, as warrant agent (the “*Warrant Agent*”), and further assumed by the Company on February 9, 2022, as part of the units sold in SilverBox’s initial public offering (the “*IPO*”) (such warrants, the “*Public Warrants*”) or in a private placement simultaneously with the IPO (such warrants, the “*Private Warrants*” which, together with the Public Warrants, constitute the Warrants), as applicable, in each case for a redemption price of \$0.10 per Warrant (the “*Redemption Price*”).

Warrant holders may not exercise Warrants and receive shares of Class A Common Stock in exchange for payment in cash of the \$11.50 per Warrant exercise price until a registration statement covering the issuance of shares of Class A Common Stock upon exercise of the Warrants for cash under the Securities Act is declared effective by the SEC. The Company filed a registration statement on Form S-1 with the SEC (Registration No. 333-263627) to register the issuance of shares of Class A Common Stock upon exercise of the Warrants for cash under the Securities Act, but the registration statement has not yet been declared effective by the SEC and the Company cannot give any assurances that the SEC will declare it effective prior to the Redemption Date. To the extent the registration statement is declared effective by the SEC prior to the Redemption Date, the Company will inform Warrant holders of the procedure to exercise their Warrants for cash and receive shares of Class A Common Stock in exchange for payment in cash of the \$11.50 per Warrant exercise price.



### 3 Stole their warrant holder's right to get stock

Because Black Rifle cleared all comments with the SEC on 4/18/2022, they should have requested (i.e., make Effective) the public's right to get their stock.

BLACK RIFLE NEVER DID.

Instead, they waited until the redemption deadline when it was delisted.

#### KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

601 Lexington Avenue  
New York, NY 10022  
United States

+1 212 446 4800

[www.kirkland.com](http://www.kirkland.com)

April 18, 2022

VIA EDGAR

Securities and Exchange Commission  
Division of Corporation Finance  
100 F Street, NE  
Washington, D.C. 20549  
Attention: Sergio Chinos and Geoffrey Kruczek

Re: BRC Inc.  
Registration Statement on Form S-1  
Filed March 16, 2022  
File No. 333-263627

On behalf of our client, BRC Inc. (the "Company"), we set forth below the Company's responses to the letter, dated April 8, 2022, containing the comments of the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") with respect to the above referenced Registration Statement on Form S-1 filed by the Company on March 16, 2022 (the "Registration Statement").

In order to facilitate your review of our responses, we have restated each of the Staff's comments in this letter, and we have numbered the paragraphs below to correspond to the numbers in the Staff's letter. For your convenience, we have also set forth the Company's response to each of the Staff's comments immediately below the numbered comment.

Concurrent with the submission of this letter, we are filing an Amendment No. 1 to the Registration Statement on Form S-1/A (as so amended, the "Amended Registration Statement"), in response to the Staff's comments. Page numbers in the text of the Company's responses correspond to page numbers in the Amended Registration Statement. Unless otherwise indicated, capitalized terms used herein have the meanings assigned to them in the Amended Registration Statement.

Austin Beijing Boston Chicago Dallas Hong Kong Houston London Los Angeles Munich Palo Alto Paris San Francisco Shanghai  
Washington, D.C.

### 3 Stole their warrant holder's right to get stock

Black Rifle specifically requested the Effective Date be anytime after the redemption deadline that Black Rifle set.

	<b>BRC Inc.</b> 1144 S. 500 W Salt Lake City, UT 84101 (801) 874-1189
May 2, 2022	
<b>VIA EDGAR</b>	
Securities and Exchange Commission Division of Corporation Finance 100 F Street, N.E. Washington, D.C. 20549	
RE: BRC Inc. (the " <i>Company</i> ") Registration Statement on Form S-1 File No. 333-263627	
To whom it may concern:	
Pursuant to Rule 461(a) under the Securities Act of 1933, as amended, the Company hereby respectfully requests that the effective date of the Company's Registration Statement on Form S-1 (File No. 333-263627) be accelerated by the Securities and Exchange Commission to 4:00 p.m. Washington D.C. time on May 4, 2022, or as soon as practicable thereafter.	
Please do not hesitate to contact Peter Seligson of Kirkland & Ellis LLP at (212) 446-4756 with any questions or comments with respect to this letter.	
	Very truly yours, BRC Inc.
	By: <u>/s/ Andrew McCormick</u> Name: Andrew McCormick Title: General Counsel

## 4 Stole their public shareholder's money

Black Rifle's CEO, Even Hafer, awarded himself an additional \$47 million dollars<sup>1</sup> by falsely claiming the stock's VWAP was above \$20 for 20 days ("Second Tier Vesting Event").

According to Bloomberg's VWAP calculation, it appears they only hit 12 trading days above \$20, during the period between 3/31/2022 to 4/18/2022.

Just looking at **Yahoo Finance**, BRCC only closed above \$20 for 14 days.



### **BRC INC.**

#### *Primary Offering*

**17,766,641 Shares of Class A Common Stock Issuable Upon the Exercise of Warrants**

#### *Secondary Offering*

**203,821,303 Shares of Class A Common Stock**

**6,266,667 Warrants to Purchase Class A Common Stock**

"First Tier Vesting Event" means the first day on which the VWAP of the Class A Common Stock is greater than or equal to \$15.00 over any 20 trading days within any 30 trading day period commencing at any time on or after the Closing Date; provided that, the reference to \$15.00 shall be decreased by the aggregate per share amount of dividends actually paid in respect of a share of Class A Common Stock following the effective date of the LLC Agreement.

"Second Tier Vesting Event" means the first day on which the VWAP of the Class A Common Stock is greater than or equal to \$20.00 over any 20 trading days within any 30 trading day period commencing at any time on or after the Closing Date; provided that, the reference to \$20.00 shall be decreased by the aggregate per share amount of dividends actually paid in respect of a share of Class A Common Stock following the effective date of the LLC Agreement.

#### ***Vesting Event***

In March 2022, the First Tier Vesting Event occurred, as a result of which 694,062 shares of Series C-1 Common Stock were exchanged for 694,062 shares of Class A Common Stock and 9,926,563 Restricted Common Units were converted into Common Units and the Company issued 9,926,563 shares of Class B Common Stock to the holders thereof.

In April 2022, the Second Tier Vesting Event occurred, as a result of which 694,063 shares of Series C-2 Common Stock were exchanged for 694,063 shares of Class A Common Stock and 9,926,562 Restricted Common Units were converted into Common Units and the Company issued 9,926,562 shares of Class B Common Stock to the holders thereof.

<sup>1</sup>\$47 million based on the \$22.24 open price

we believe  
Black Rifle's  
arrogance  
and  
greed  
will lead  
to their  
downfall

Running a successful business is difficult enough. Adding legal and regulatory battles gives the prospect of success a near-zero probability.

# Disclaimer

The information and opinions expressed in this presentation (the "Presentation") by 1791 Management, L.P. ("1791") is based on publicly available information about BRC Inc. ("Black Rifle"). 1791 recognizes that there may be non-public information in the possession of Black Rifle or others that could lead Black Rifle or others to disagree with 1791's analyses, conclusions, and opinions.

Although 1791 believes the Presentation is substantially accurate in all material respects and does not omit to state material facts necessary to make the statements therein not misleading, 1791 makes no representation or warranty, express or implied, as to the accuracy or completeness of the Presentation or any other written or oral communication it makes with respect to Black Rifle, and 1791 expressly disclaims any liability relating to the Presentation or such communications (or any inaccuracies or omissions therein). Thus, shareholders and others should conduct their own independent investigation and analysis of the Presentation and of Black Rifle and other companies mentioned.

The Presentation includes forward-looking statements, estimates, projections, and opinions prepared with respect to, among other things, certain legal and regulatory issues Black Rifle faces and the potential impact of those issues on its future business, financial condition, and results of operations, as well as, more generally, Black Rifle's anticipated operating performance, access to capital markets, market conditions, assets, and liabilities. Such statements, estimates, projections, and opinions may prove to be substantially inaccurate and are inherently subject to significant risks and uncertainties beyond 1791's control.

1791 is an adviser to funds that are in the business of buying and selling securities and other financial instruments. 1791 currently has a short position in Black Rifle common stock. 1791 will profit if the trading price of Black Rifle common stock declines and will lose money if the trading price of common stock of Black Rifle increases. 1791 may change its views about or its investment positions in Black Rifle at any time, for any reason or no reason. 1791 may buy, sell, cover, or otherwise change the form or substance of its Black Rifle investment. 1791 disclaims any obligation to notify the market of any such changes.

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As used herein, except to the extent the context otherwise requires, 1791 includes its affiliates and its and their respective partners, directors, officers, and employees.