

Is the
hedge fund,
Engaged Capital,
and
Glenn Welling
in massive
trouble?

Engaged Capital and Glenn Welling (“EC”) are believed to be financially responsible for the investment losses inflicted on public shareholders of (NYSE: BRCC, BRCC-WT)

The Securities Act of 1933 § 11(a)(5), 15 U.S.C. §77k(a)(5) and Act of 1934

To successfully plead a Section 11 claim under the negligence standard, plaintiffs must allege that:

- 1**) the defendant was an underwriter under the Securities Act
- 2**) plaintiffs purchased registered securities, and
- 3**) there was a material misrepresentation or omission in the registration statement.

1 YES, EC was a statutory underwriter under the Securities Act

EC purchased \$10MM shares of unregistered BRCC stock via a Forward Purchase Agreement (“FPA”) dated 11/2/2021 and received their shares one business day prior to BRCC’s de-SPAC IPO date.

EC was the **primary conduit** by which BRCC/BRCC-WT stock was placed into the hands of the investing public because without the FPA, BRCC’s de-SPAC IPO would not have closed.

EC’s FPA was the **critical link** in the chain of transactions through which BRCC/BRCC-WT shares were distributed from Black Rifle Coffee to the public.

Note: **primary conduit** and **critical link** are detailed on the next page.

Per the Securities Act of 1933 and the Securities Exchange Act of 1934, The term “underwriter” is broadly defined in Section 2(a)(11) of the Securities Act to mean “any person who has purchased from an issuer with a view to, or offers or sells for an issuer in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking.” The determination of whether a particular person is an “underwriter” does not depend on the person’s business but rather on that person’s relationship to a particular securities offering. Any person whose activities with respect to any given offering fall within one of the prongs of the Section 2(a)(11) definition is deemed to meet the statutory definition of underwriter—commonly known as a “statutory underwriter.” Congress enacted a broad definition of “underwriter” in order to “include as underwriters all persons who might operate as conduits for securities being placed into the hands of the investing public.” Correspondingly, the Commission’s longstanding view is that, depending on facts and circumstances, any person, including an individual investor who is not a professional in the securities business, can be an “underwriter” within the meaning of the Securities Act if that person acts as a link in a chain of transactions through which securities are distributed from an issuer or its control persons to the public.

1 EC was the **primary conduit** and the **critical link** because without EC's FPA, the de-SPAC IPO of Black Rifle's Stock (BRCC, BRCC-WT) would not be in the hands of public shareholders.

SEC Filing S-4 Page 144

(vii) that the obligations of BRCC to consummate the Business Combination would be subject to a minimum cash condition of **\$300 million**. The LOI also provided for a 45-day mutual exclusivity period, subject to extension.

BRCC needed **\$300 million** in cash to list its stock for public consumption

WITHOUT ENGAGED CAPITAL AND GLENN WELLING, BLACK RIFLE (NYSE:BRCC) **DOES NOT EXIST**

SBEA SPAC Cash to close after redemption....	\$76MM
PIPE (and/or Backstop included).....	\$200MM
EC Forward Purchase Agreement (FPA).....	\$0MM
BRCC NOT PUBLIC (<\$300MM).....	\$276MM

WITH ENGAGED CAPITAL AND GLENN WELLING, BLACK RIFLE (NYSE:BRCC) **EXISTS**

SBEA SPAC Cash to close after redemption....	\$76MM
PIPE (and/or Backstop included).....	\$200MM
EC Forward Purchase Agreement (FPA).....	\$100MM
BRCC PUBLIC COMPANY (>\$300MM).....	\$376MM

2 YES, we, as BRCC and BRCC-WS shareholders purchased registered securities.

We ("1791") were BRCC and BRCC-WS shareholders since 02/15/2022

1791's Prime Brokerage Search	
24 Record(s)	
Symbol	Qty
BRCC	205200.000
BRCC.W	410478.000

February 9, 2022



Chief, Information Technology
Securities and Exchange Commission
Division of Corporate Finance
100 F Street, NE MS 3040
Washington, DC 20549

To whom it may concern:

The New York Stock Exchange certifies its approval for listing and registration of the following securities of BRC Inc., under the Exchange Act of 1934:

- Class A common stock, \$0.0001 par value per share
- Redeemable warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of \$11.50

Sincerely,

3 YES, there were material misrepresentations and/or omissions in the registration statement:

Just one of the material misrepresentation in the registration statement is that BRCC announced the redemption of outstanding warrants on April 4th, 2022, before they were exercisable.

Page 206, Effective Registration Statement dated May 5th, 2022

Redemption of Warrants

Redemption of Warrants when the price per share of Class A Common Stock equals or exceeds \$10.00.

Once the Warrants become exercisable, we may redeem the outstanding Warrants:

- in whole and not in part;

3 YES, there were material misrepresentations and/or omissions in the registration statement:

VWAP for BRCC stock price was never greater than “\$20 over any 20 trading days” within any 30-trading-day period according to Bloomberg. Even the closing price of BRCC on Yahoo! Finance was never “20 days above \$20,” we can only count 14 days.

The statement that the “Second Tier Vesting Event occurred” is a fraudulent misrepresentation because based on the definition of the “Second Tier Vesting Event” it did not occur.

Page 13, Effective Registration Statement dated May 5th, 2022

FREQUENTLY USED TERMS

“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.

Page 25, Effective Registration Statement dated May 5th, 2022

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.

CONCLUSION

We believe Engaged Capital and Glenn Welling are financially responsible for the losses incurred by public shareholders of Black Rifle Coffee (BRCC, BRCC-WT) under The Securities Act section 11 as result of:

1

Under the Securities Act, Engaged Capital and Glenn Welling were statutory underwriters of BRCC, BRCC-WT

2

Public investors purchased BRCC, BRCC-WT (registered securities)

3

There are false statements in the Effective Registration Statement dated May 5TH, 2022