

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934

(Amendment No.)

Filed by the Registrant []

Filed by a Party Other than the Registrant [X]

Check the Appropriate Box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

HC2 Holdings, Inc.

(Name of registrant as specified in its charter)

**PERCY ROCKDALE LLC
RIO ROYAL LLC
MG CAPITAL MANAGEMENT LTD.
GEORGE BROKAW
KENNETH COURTIS
MICHAEL GORZYNSKI
ROBIN GREENWOOD
LIESL HICKEY
JAY NEWMAN**

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the Appropriate Box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it is determined):
- (4) Proposed maximum aggregate value of transaction:
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- Fee paid previously with preliminary materials:
 - Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement no.:
 - (3) Filing Party:
 - (4) Date Filed:
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MG Capital Management Ltd., together with the other participants named herein (collectively, “MG Capital”), has filed with the Securities and Exchange Commission a definitive consent statement and an accompanying consent card to be used to solicit votes for the election of its slate of director nominees for the Board of Directors of HC2 Holdings, Inc., a Delaware corporation (the “Issuer”).

On April 28, 2020, MG Capital and its affiliates issued the attached press release.

MG Capital Comments on HC2's Desperate, Last-Minute Announcement Regarding Philip Falcone's Excessive Compensation

Decision to Temporarily Withhold Mr. Falcone's Bonus Validates Our Long-Standing Criticisms Over His Excessive Compensation

Reminds Stockholders That Mr. Falcone Has Reaped Roughly \$60 Million in Compensation Over the Past 6 Years While Hundreds of Millions in Value Eroded

Questions Why the HC2 Board Has Not Pledged to Match Our Nominees' Commitment to Cut Director Fees by 50% and Reduce CEO Base Compensation to \$1

NEW YORK—April 28, 2020—BUSINESSWIRE— MG Capital Management, Ltd. (together with Percy Rockdale LLC, the nominating stockholder, and its affiliates, “MG Capital” or “we”), a significant stockholder of HC2 Holdings, Inc. (NYSE: HCHC) (“HC2” or the “Company”), which collectively with the other participants in its solicitation beneficially owns more than 6% of the Company’s outstanding shares, today commented on HC2’s announcement regarding CEO Philip Falcone’s decision to not receive incentive compensation until the Company’s stock price reaches \$7.50 per share. Additional important information is available for stockholders at www.ABetterHC2.com.

Michael Gorzynski, MG Capital’s founder and managing partner, commented:

“Mr. Falcone has reaped approximately \$60 million in compensation over the past six years as he ran HC2 into the ground – and this afternoon’s desperate, last-minute ploy does not change that. If Mr. Falcone really cared about stockholders and wanted to align himself with them, he should have done so long before bleeding HC2 dry and pushing it to the brink of bankruptcy. Instead, he wrote another case study in recent years on how to egregiously mismanage a business and destroy value for anyone that entrusts him with capital.

We believe it's important that Mr. Falcone return all of the compensation, restricted stock and options that he has been awarded as a result of opaque related party transactions and the inappropriate NAV schemes that he has cooked up with the Board. A core tenant of our plan is to recover any and all inappropriate payments made to Mr. Falcone and his allies.

In contrast to the current Board, MG Capital’s nominees have committed to slashing director fees by 50% and I have committed to accepting \$1 for any service as interim CEO. If Mr. Falcone and his fellow directors were as committed to stockholder value as they claim to be, they would have matched those pledges. And they would have also outlined a plan for delivering close to the \$9 per share in value that we believe is achievable under our strategy.

Stockholders need to recognize that Mr. Falcone and his current – and incoming – allies on the Board appear more focused on self-interests than stockholder value. MG Capital will continue to make that very clear as we reinforce our case for change and highlight our nominees’ superior strategy. We will remain a stockholder champion at HC2.”

We urge HC2 stockholders to consent to all three proposals on the GREEN consent card and return it in your postage-paid envelope provided. The consent deadline is May 7, 2020.

Should you have any questions or need assistance with voting, please contact Saratoga Proxy Consulting LLC at (888) 368-0379 or (212) 257-1311 or by email at info@saratogaproxy.com.

PROTECT YOUR INVESTMENT. SIGN, DATE AND RETURN YOUR FILLED OUT GREEN CONSENT CARD TODAY.

FORWARD-LOOKING STATEMENTS

Any statements contained herein that do not describe historical facts, including future operations, are neither promises nor guarantees and may constitute “forward-looking statements” as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology. There is no assurance or guarantee with respect to the prices at which any securities of the Issuer will trade, and such securities may not trade at prices that are stated, estimated or implied herein. Any such forward-looking statements contained herein are based on current assumptions, estimates and expectations, but are subject to a number of known and unknown risks and significant business, economic and competitive uncertainties that may cause actual results to differ materially from expectations. Numerous factors could cause actual future results to differ materially from current expectations expressed or implied by such forward-looking statements, including the risks and other risk factors detailed in various publicly available documents filed by the Issuer from time to time with the Securities and Exchange Commission (SEC), which are available at www.sec.gov, including but not limited to, such information appearing under the caption “Risk Factors” in Issuer’s Annual Report on Form 10-K filed with the SEC on March 16, 2020. Any forward-looking statements should be considered in light of those risk factors. MG Capital cautions readers not to rely on any such forward-looking statements, which speak only as of the date they are made. MG Capital disclaims any intent or obligation to publicly update or revise any such forward-looking statements to reflect any change in Issuer expectations or future events, conditions or circumstances on which any such forward-looking statements may be based, or that may affect the likelihood that actual results may differ from those set forth in such forward-looking statements.

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