

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☒

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 Under Rule 14a-12

Argo Group International Holdings, Ltd.

(Name of Registrant as Specified in Its Charter)

Voce Capital Management LLC

Voce Capital LLC

Voce Catalyst Partners LP

J. Daniel Plants

Carol A. McFate

Bernard C. Bailey

Kathleen M. Dussault

Nicholas C. Walsh

Charles H. Dangelo

(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 Rule 14a-6(i)(4) 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 was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

☐ 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:

On April 24, 2019, Voce Capital Management LLC (“Voce”) issued a press release, a copy of which is filed herewith as Exhibit 1. Voce also uploaded new information and materials to its website: www.Argo-SOS.com. Screenshots of the new information and materials are filed herewith as Exhibit 2.

voce capital

A voice for value

VOCE CAPITAL ADDRESSES ARGO'S ATTEMPTED JUSTIFICATIONS FOR MISUSE OF CORPORATE ASSETS

Argo's Selective and Hair-Splitting "Explanations" Demonstrate Deeply Rooted Culture of Excess and Obfuscation

Voce Discovers Real Estate Transaction Documents Related to Lavish Corporate Apartments Uncovered in Miami

Complete Flight Logs for Argo's G-5 since 2016 Now Available on www.Argo-SOS.com

Voce Intends to Release Next Week Detailed Plan to Improve Argo's ROE and Unlock Substantial Shareholder Value

San Francisco, CA (April 24, 2019) – Voce Capital Management LLC ("Voce"), the beneficial owner of approximately 5.6% of the shares of Argo Group International Holdings, Ltd. (NYSE: ARGO) ("Argo" or the "Company"), today commented on recent statements made by Argo, including in materials accompanying its definitive proxy statement (the "Proxy Statement"):

"On February 25, 2019, after Argo's Board of Directors attempted to end-run our private discussions with it by unilaterally, and invalidly, stacking its Board with more hand-selected directors, we elected to bring our concerns about Argo's governance, performance and prospects directly to our fellow shareholders in the form of a detailed and substantive letter (the "Shareholder Letter"). It's not surprising to us that Argo's recently-issued letter to shareholders is replete with selective and misleading attempts to explain away the multitude of issues that Voce has raised with respect to the Company's excessive expenses and misuse of corporate assets. After a careful review of Argo's materials, we believe that its responses raise yet more questions – questions to which shareholders deserve honest and complete answers. In particular, Argo's responses are especially deficient in the following key areas:

- 1. Does Argo truly believe that a stock price merely rising in tandem with its peers justifies the misuse of corporate assets, including a fleet of three aircraft and a global network of corporate housing, for personal use by its CEO?**

While Argo continues to reiterate that its stock price has appreciated over time, its shareholder returns, inclusive of dividends, are merely in-line with those of its actual peers (and not its special peer group specifically designed for benchmarking purposes). No amount of stock price gains can legitimize the commingling of personal and corporate priorities or the personal use of corporate assets by senior management, which we believe is the norm at Argo, as we have demonstrated exhaustively.

2. Why will Argo not come clean about its corporate housing program?

In our Shareholder Letter, we took exception to Argo's provision of Bermuda housing to Mr. Watson in light of the \$2.9 million relocation bonus it had previously paid him, ostensibly to move to Bermuda. Subsequently, the Company announced the termination of the housing stipend, but notably did not acknowledge or address the long-term lease that we believe Argo undertook for Mr. Watson's benefit at "The Jungle," a luxurious villa along billionaire's row that has served as his private home when he's in Bermuda.

The only clear or categorical defense that Argo has offered in response to the litany of issues we have enumerated relates to CEO Watson's New York City penthouse apartment. In its letter, Argo defiantly insists "The Company did not build, nor have we ever had, a penthouse apartment *above our New York offices*" (emphasis added). Given that we already know from the Company's own proxy statements for the past three years that it does in fact have "corporate housing in New York," Argo's indignation is somewhat puzzling. Argo appears to be quibbling over the *location* of Argo's corporate loft for Mr. Watson rather than its *existence*.

In addition to accommodations in New York City and the Bermuda mansion that shareholders are providing for Mr. Watson to live in, we have also uncovered still more questionable allocations of capital related to corporate-owned apartments. In Miami, Argo currently owns (or appears to have acquired) three separate corporate apartments in the Setai Resort & Residences, 101 20th St, Miami Beach, FL 33139. Argo subsidiary AGI Properties, Inc. bought units 2806, 3603 and 3606 at the Setai in 2014-2015 for a combined purchase price exceeding \$15 million. Copies of the publicly-available transaction documents are available on www.Argo-SOS.com.

New York City, Bermuda, Miami . . . these are just the corporate residences we have discovered so far. Where else does Argo own similar properties? Argo fails to disclose in any of its public filings the locations of its many owned and leased property locations around the world, and it's obvious to us why it has chosen to try to conceal them. Rather than picking nits over where these homes are located, why doesn't Argo reveal to investors the full extent of capital allocated to, and locations of, its real estate assets, so that we may judge for ourselves? We pose again the unanswered questions from our Shareholder Letter: "Who accepted responsibility on the Company's behalf to provide . . . private homes around the world in the first place? How is it an appropriate allocation of shareholder capital for Argo to own or lease such lavish properties. . . ?" Argo's shareholders are entitled to answers.

3. What percentage of flights on corporate aircraft were used to transport CEO Watson for personal purposes, or for a mix of personal and professional travel?

Through our research, we identified three Argo corporate jets in its “aircraft program” and detailed their extensive use, including a number of highly questionable dates and destinations to sybaritic destinations and locales with no Argo offices. We reiterate our fundamental point that the employees of a small company like Argo, whose offices are in global financial hubs, should utilize the abundant commercial flights available when traveling. The multi-million dollar annual expense for a company of Argo’s size to carry such aircraft is completely unjustified.

In our Shareholder Letter, we invited Argo to explain whether it considers the G-5’s recent 1,500 flights and 500 hours per year in the air to be exclusively for business purposes and, if so, to explain how that could be possible in light of the many questionable destinations and suspicious timing of trips we have highlighted. Rather than do so, Argo instead coyly parried that “the Company did not use corporate aircraft to transport our CEO to *all of the destinations* described . . . in Voce Capital’s initial press release” (emphasis added). We note again the clever use of language by Argo. So which of the destinations did the Company aircraft take Mr. Watson to? And if he in fact regularly reimburses the Company for personal use of aircraft, how much? When and for which flights?

To make this easier for Argo shareholders to analyze, we are releasing today all flight logs for Argo’s G-5 since 2016, which can accessed by visiting www.Argo-SOS.com and clicking the “Download Flight Logs for Argo’s G-5” button on the home page. Shareholders will notice that the G-5 doesn’t appear to have flown a single time since the publication of our Shareholder Letter – which would be the longest stretch it has ever sat idle during Argo’s control of this asset. Either Argo has found a way to cloak these embarrassing flight logs, or else perhaps its extensive prior use was not, in fact, for legitimate purposes, as we suspect. Once again, we call upon Argo to solve the mystery for shareholders.

4. Why doesn’t Argo disclose the exact amounts it spends on its various sponsorships, so shareholders can assess whether they constitute a “modest cost” as the Company argues?

Argo has long sponsored many yacht regattas, Grand Prix cars and the like, which align with CEO Watson’s description of himself (on his now inactive ‘personal’ website, owned and operated by Argo) as ‘a sailor, runner, climber and car racing enthusiast.’

As usual, a high degree of skepticism is warranted in reviewing Argo’s carefully couched response. What is a “named sponsorship,” on which Argo claims to spend less than \$1 million per year? Does that include all of the following: Vestas 11th Hour Racing, Artemis Racing, Alvimedica, Team Tiburon, Argo Gold Cup, Argo Group Pro Am Regatta, Argo Group’s M32 Racing Team, GEOX Dragon and Aguri, for starters? Does that cost also include Mr. Watson’s travel on the G-5 around the world as an avid participant at many of these sporting events, too?

Similarly, a ‘person familiar with Argo’s thinking’ was cited in *The Wall Street Journal* on February 24, 2019 claiming that in the case of Argo’s Formula E race-car team, the owner of the team generates more in ‘premiums’ than the cost of the sponsorship. Given the Company’s 2018 ~98% combined expense ratio, justifying sponsorship costs with ‘premiums’ suggests both wildly unprofitable spend and preposterous ROI methodology. In fact, the Company would need to generate 50x the cost of these sponsorships just to break even.

As we did in our meetings with management earlier this year, we request that the Company disclose exactly how much it is spending on these sponsorships as well as demonstrate tangible evidence of their ROI so that shareholders can judge for themselves. Are these worthy uses of shareholder capital or are they just obscenely expensive backstage passes for CEO Watson as he follows his sporting idols around the world on Argo’s jet at shareholder expense?

5. On what basis did Argo’s Board conclude, when it unilaterally appointed Messrs. Liss and Latham, that it could circumvent the requirement in the Bye-laws that only shareholders can fill Board vacancies?

On March 27, following Argo’s filing of its proxy statement and disclosure of information related to its recent purported Director appointments of Messrs. Liss and Latham, we issued a press release publicly challenging the validity of these appointments under Argo’s Bye-laws:

Argo’s Bye-laws, Section 22(6), authorize the Board to appoint Directors only ‘to fill a casual vacancy,’ which under well-settled precedent has long been interpreted to mean only death or resignation in between annual meetings; otherwise, only shareholders may fill vacant Board seats. *See, e.g., Munster v. Cammell & Co.*, 21 Ch. D 183 (1882) (“‘Any casual vacancy’ . . . is any vacancy in the office of directors arising *otherwise than by the retirement in rotation* . . .”). At the time of the Board’s unilateral appointments of Messrs. Liss and Latham in February of 2018, there were no casual vacancies for the Board to fill. The last open Board seat which was created through a ‘casual vacancy’ occurred due to the death of Director Cash during his term. Mr. Cash’s ‘casual vacancy’ was filled by the Board’s appointment of Director Bradley in 2018.

In typical fashion, rather than provide any substantive response to the serious issues raised by our analysis, which go to the heart of the Board’s governance function and becloud the legitimacy of two of its members, the Board provided shareholders with no justification, rationale or defense for its position. Rather, it issued a four-sentence postcard summarily asserting that “the Board properly appointed Messrs. Latham and Liss to fill two vacancies.”

No mention of the Bye-laws and not even an acknowledgement of the critical importance that the *nature* of the vacancy has in determining whether the Board, as opposed to shareholders at an annual meeting, has the power to fill such a vacancy between meetings. Argo shareholders deserve more respect than the arrogant fiat with which the Board seems to believe it can stack its membership and summarily dismiss shareholder inquiries. We continue to believe these appointments are invalid and that the actions taken by the Board and the ‘Special Nominating Committee,’ which included the participation of these individuals, are similarly infirm. The appointments should be rescinded and all actions taken by the Board with their participation annulled.

* * *

Voce will be releasing a detailed plan next week outlining how to unlock significant additional value at Argo by dramatically improving operations and capital allocation. We look forward to discussing this plan in detail with our fellow shareholders.

We believe that the five highly-qualified, independent director candidates that we have nominated for election to Argo’s Board will restore accountability, independence and integrity to the Company. Our nominees are Bernard C. Bailey, Charles H. Dangelo, Admiral Kathleen M. Dussault, Carol A. McFate and Nicholas C. Walsh. We look forward to the opportunity to make our case to Argo shareholders at this year’s Annual Meeting.”

The 2019 Annual Meeting is scheduled to be held on May 24, 2019. Voce urges its fellow shareholders to vote on the Blue proxy card FOR its highly-qualified nominees and FOR its proposals. For more information, investors can visit [www . Argo-SOS. com](http://www.Argo-SOS.com).

About Voce Capital Management LLC

Voce Capital Management LLC is a fundamental value-oriented, research-driven investment adviser founded in 2011 by J. Daniel Plants. The San Francisco-based firm is 100% employee-owned.

Additional Information and Where to Find It

Voce Catalyst Partners LP, Voce Capital Management LLC, Voce Capital LLC, and J. Daniel Plants, (collectively, the “Participants”) filed with the Securities and Exchange Commission (the “SEC”) a definitive proxy statement and accompanying form of proxy on April 12, 2019 to be used in connection with the solicitation of proxies from the members of Argo Group International Holdings, Ltd. (the “Company”). All members of the Company are advised to read the definitive proxy statement and other documents related to the solicitation of proxies by the Participants when they become available, as they will contain important information, including additional information related to the Participants and information about the Participants' director nominees.

The definitive proxy statement and an accompanying proxy card will be furnished to some or all of the Company's stockholders and are, along with other relevant documents, available at no charge on the SEC website at <http://www.sec.gov/>.

Cautionary Statement Regarding Forward-Looking Statements

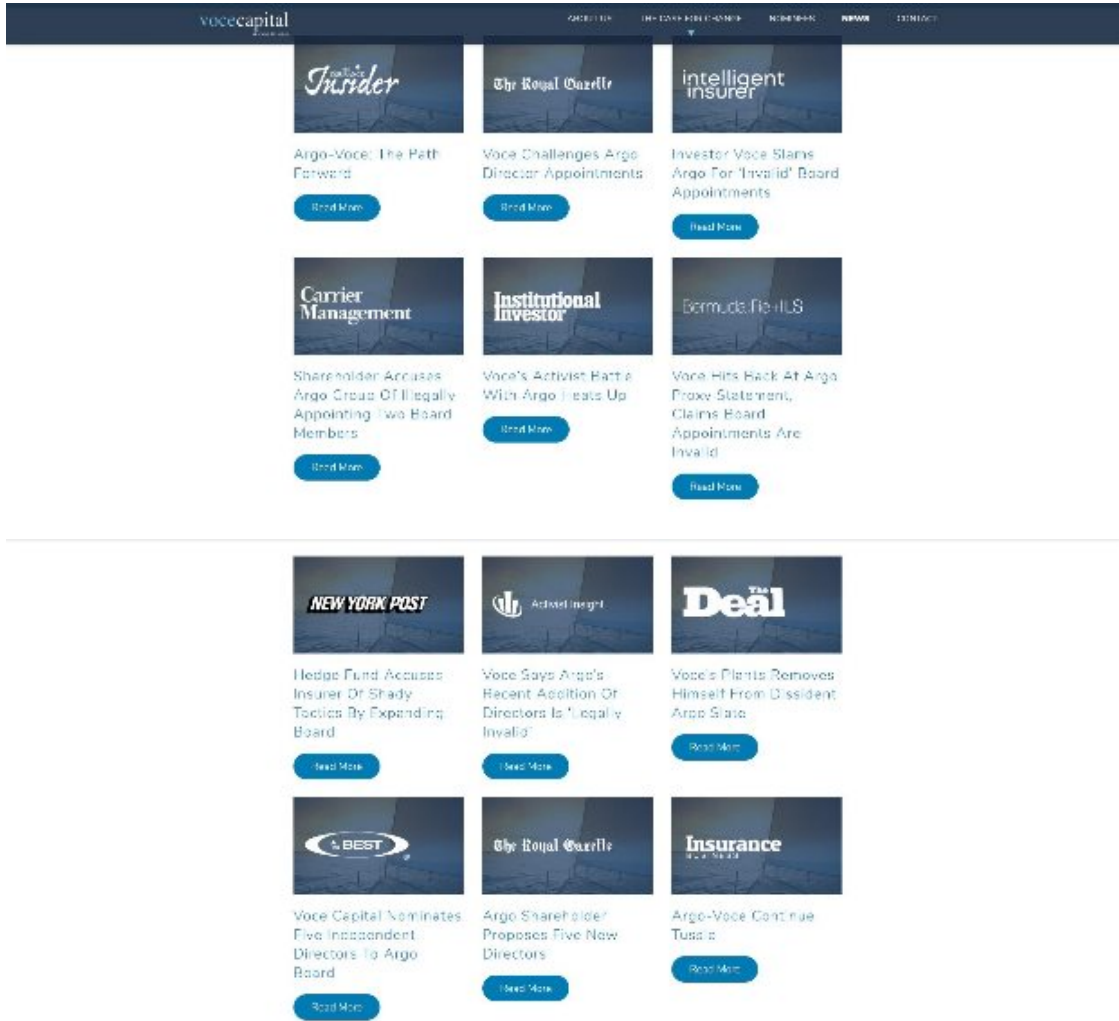
All statements contained in this press release that are not clearly historical in nature or that necessarily depend on future events are "forward-looking statements," which are not guarantees of future performance or results, and the words "anticipate," "believe," "expect," "potential," "could," "opportunity," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. The projected results and statements contained in this press release that are not historical facts are based on current expectations, speak only as of the date of this press release and involve risks that may cause the actual results to be materially different. In light of the significant uncertainties inherent in the forward-looking statements, the inclusion of such information should not be regarded as a representation as to future results. Voce disclaims any obligation to update the information herein and reserves the right to change any of its opinions expressed herein at any time as it deems appropriate. Voce has not sought or obtained consent from any third party to use any statements or information indicated herein as having been obtained or derived from statements made or published by third parties.

Investor Contact:

Okapi Partners LLC
Bruce H. Goldfarb / Patrick J. McHugh
(212) 297-0720 or Toll-free (877) 259-6290
info@okapipartners.com

Media Contact:

Sloane & Company
Dan Zacchei / Joe Germani
(212) 486-9500
dzacchei@sloanepr.com / jgermani@sloanepr.com



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Source Materials

- Download Flight Logs for Argo's G-5
- Miami Apartment Files
- See CEO Mark E. Watson III's "Personal" Website

Flight Logs for Argo's G-5

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[illegible]

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[illegible]

[illegible]

EXEMPTION:

2016

2017

2018

2018 Current

PROPERTY RECORD CARD
OFFICE OF THE PROPERTY APPRAISER

Generated Date: 04/22/2019
Roll Year: 2018

FOR INFO: 0400 RESIDENTIAL - TOTAL VALUE: CONDOMINIUM - RESIDENTIAL
STATUS: ACTIVE REAR:
** Note: values are subject to change due to tax roll corrections **

CURRENT OWNER AND MAILING:	LEGAL DESCRIPTION:	ACCOUNT FLAG:	VALUER
ACT PROPERTIES INC	RETAIL RESORT & RESIDENCES CONDO	1 CAT TYPE DESCRIPTION	CONCACV
C/O SYRAC IN PICKER	UNIT 1603 AREA 1841/1845	2 1850 SQ Smply Number	
175 EAST DELUSION ST STE 1300	UNJIV 0.2624298		
SAN ANTONIO TX 78205	INT IN COMMON ELEMENTS		
	OFF REC 21981 2159		
	000 23572 2525 06 2005 1		

SECT: 0200 Miami Beach	% CAP: 0.00	DISTRICT: 7	SECTING 1: 4100 MULTI-PARCEL - 101+ U/A
CURRER: F	FORI YR: 0	CPAS: 0	SECTING 2: 2000
ERR PAGE YR: 0	NFC: N	EST/COMP ERMNT: K	NON ERR PAGE YR: 2016
NO: N			REL/COMP COVENANT: N NM CD: 20.00 PLANNING

ADDITIONAL PROPERTY INFORMATION

LOT SIZE: 0.6	BUILDING AREA: 1,588	L/S RATIO: 0.00	POOL: K	AVG UNIT SIZE: 1,588.00
BUILDINGS: 1	YEAR BLD: 2004	BFF AGE: 2004	UNIT6: 1	
BUSH: 3	BATH: 3	1/2 BTH: 0	BFF: 0	
LAND: 0	2ND: 0	3RD: 0	4TH: 0	

VALUE HISTORY:

	2016	2017	2018	\$ UNIT OF MEASURE	\$ PER UNIT
ACT VALUE	0	0	0	0.00	
RETRACTED VALUE	0	0	0	0.00	
MARKET VALUE	4,190,120	3,549,912	3,101,002	2,456.55	3,101,002.00
ASSESSED VALUE	4,190,120	3,549,912	3,101,002		
TOTAL EXEMPTION VALUE	0	0	0		

SALE HISTORY

#	AMOUNT	DATE	I/V SALE TYPE	SALESEX	ORBOOK	ORPG	GRANTOR	GRANTEE
01	4,000,000	03/02/2015	Qualifed	01	29512	4726	ME HOLDINGS II LLC	ACT PROPERTIES INC
02	0	05/21/2015	Unqualified	11	28909	1491	MEH LLC	ME HOLDINGS II LLC
03	4,425,000	07/01/2015	Qualifed	01	28735	2846	DAVID W DREWSON TRS	MEH LLC
04	2,690,000	12/31/2013	Qualifed	01	29559	3059	JOSE LAURE MONTAGNER	DAVID W DREWSON TRS
05	1,500,000	12/15/2008	Qualifed	00	26680	2254	TERRY K KELLER	JOSE LAURE MONTAGNER
06	2,475,000	05/01/2005	Qualifed	00	23572	2525		
07	1,450,000	03/01/2005	Qualifed	00	23208	2643		

PREVIOUS OWNER INFORMATION

01 RETAIL OWNERS LLC	02 OFF REC 21981-2159	03 JOSHUA CUBERMAN
01 000 23208 2642 03 2005 1	05	06

EXEMPTION:

2016

2017

2018

2018 Current

PROPERTY RECORD CARD
OFFICE OF THE PROPERTY APPRAISER

Generated Date: 04/22/2019
Roll Year: 2018

FOR INFO: 0401 RESIDENTIAL - TOTAL VALUE: CONDOMINIUM - RESIDENTIAL SPOT/PL: ACTIVE 3F/PL:
** Note: values are subject to change due to tax roll corrections **

CURRENT OWNER AND MAILING: ACT PROPERTIES INC
C/O ARKO RESORTS 18 80TH E ERIE/PA
175 W HOUSTON ST SU14 1300
SAN ANTONIO TX 78203

LEGAL DESCRIPTION: RETAIL RESORT & RESIDENCES CONDO
UNIT 1606
UNITS 0.1274488
INT IN COMMON ELEMENTS
OFF REC 21981-2199
OCO 23077 1514 01 2005 1

ACCOUNT PLAGE: \$ CMT TYPE DESCRIPTION
7 18500 ST Strip Number
VALUE
FOURCV

RECD: 0200 Miami Beach
CUBES: 5 % CAP: 0.00 DISTRICT: 7 ZONING 1: 4100 MULTI-FAMILY - 101+ U/A
ZONING 2: 2050
EXR PAGE YR: 0 FORI YR: 0 CPAS: 0 NON EXR PAGE YR: 2016
NO: N NFO: N EBL/COMP EBL/MT: K EBL/COMP COVENANT: N NH CD: 20.00 PLANNING

ADDITIONAL PROPERTY INFORMATION
LOT SIZE: 0.6 BUILDING AREA: 1,316 L/S RATIO: 0.00 POOL: K AVG UNIT SIZE: 1,316.00
BUILDINGS: 1 YEAR BLD: 2004 EFF AGE: 2004 UNITS: 1
BUSH: 2 BATH: 2 1/2 BTH: 0 EFF: 0
LND: 0 2ND: 0 3RD: 0 4TH: 0

VALUE HISTORY: 2016 2017 2018 \$ UNIT OF MEASURE \$ PER UNIT
ACT VALUE 0 0 0 C.00
RETRACTED VALUE 0 0 0 C.00
MARKET VALUE 3,595,496 2,472,536 2,452,926 2,167.86 2,452,926.00
ASSESSED VALUE 3,595,496 2,472,536 2,715,788
TOTAL EXEMPTION VALUE 0 0 0

SALE HISTORY
AMOUNT DATE I/V SALE TYPE SALE/CE CRR/CK CRR/2 GRANTOR GRANTEE
01 1,550,000 03/01/2015 1 Qualified C1 25975 2578 ME HOLDINGS II LLC ACT PROPERTIES INC
01 3,000,000 05/11/2012 1 Qualified C1 25197 3375 MASTER SLAINE TRUST ME HOLDINGS II LLC
02 100 11/09/2013 1 Unqualified C1 25438 3818 H & F SHOP LLC MARTHA BLAINE GROUP
03 1,110,000 01/01/2005 1 Qualified C2 21027 1514

PREVIOUS OWNER INFORMATION
C1 RETAIL OWNERS LLC 02 OFF REC 21981-2199 03

REMARKS: 2016 2017 2018