

Monthly report - April 2025



**SNOWBALL
RESEARCH**

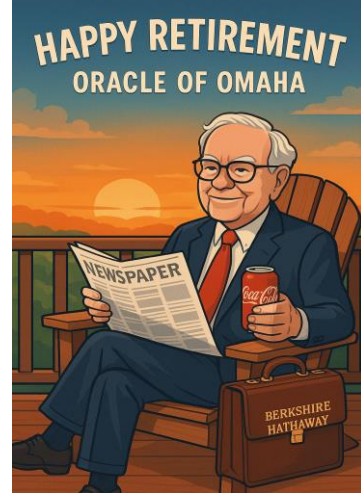
IDEA GENERATION REPORT

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Happy retirement, Mr. Buffett



From a young boy selling Coke to becoming the oracle of Omaha, he and his philosophy reshaped how we think about value, risk, and time.

Warren Buffett retires having not just built one of the most admired companies in history, but having inspired an entire industry to think better.

Through his annual letters, he taught the world more than any textbook ever could—about business, behavior, and life.

Thank you, Mr. Buffett, for showing the world how to win with grace.

Launch of red flags project and ongoing developments

Dear clients:

This report marks a major first step—I've taken my first baby step into building risk alerts focused on audit and governance.

Over the past 4–5 weeks, I've stepped back to invest time and energy into developing automation tools (in Python) with a developer to reduce the time spent on recurring work.

In parallel, I've built a structured process to uncover red flags using AI. The AI does the heavy lifting—scanning and narrowing down filings—so I can focus on the deeper review and final flagging.

The areas I've covered so far include:

- a) changes in debt agreement terms
- b) NT filings (delayed 10-K/10-Q submissions)
- c) auditor changes
- d) voting results
- e) rapid management turnover
- f) chairman appointments, and
- g) compensation-related perks

This is just the beginning—a foundational step. I'm still learning and refining the process as I go.

I'm also in the process of rebuilding the Snowball website to support these improvements and workflows.

Let me explain—my next plan is to build a “watchlist” that tracks recent changes in companies that have appointed a new CEO. As I mentioned in the last issue, instead of flagging a situation once and moving on, I want to provide ongoing updates for at least 9–12 months.

To make this manageable, I won't attach all past reports with each update—that would make the reports too bulky. Instead, I'll include a summary list of watchlist stocks in the report with short recent updates and provide a website link for accessing the past report. This approach keeps the reports concise while giving readers the option to go deeper if they wish.

We're also in the early stages of tracking companies that have delayed filing their 10-K or 10-Q.

As you can see, having a solid website infrastructure creates multiple advantages.

So far, we've transferred hundreds of activism notes to the site and organized them into multiple menus for easy topic navigation.

I will share the login details very soon.

Our coverage now includes major sections like CEO changes, CFO changes, recent developments, divestments, strategic alternatives, fund letters, activism, and red flags.

We're steadily moving toward our immediate goal—building a central hub for stock research focused on companies under \$5 billion in market cap.

Please continue sharing your feedback. Thank you for all your support.

Best,

Raghuraman.S.S

Founder, Snowball Research

Using AI for Investment Research: Practical Notes

1. Understanding a business, product, or service

If you find some information from an SEC filing that is hard to understand, just copy-paste it into ChatGPT or any other service and ask it to explain it to you. Do not Google and waste time. ChatGPT is excellent in this aspect. Keep asking follow-up questions to understand it better.

When I read about the new product launched by BigCommerce — Catalyst — this is what I saw: “Catalyst is the composable, fully customizable headless commerce framework for BigCommerce.”

My head started to spin. What does this even mean?

After running it through ChatGPT, I found that Catalyst is a ready-made solution that helps businesses quickly build online storefronts (websites where people buy products) with minimal coding.

ChatGPT is like a real-time translator for tech jargon. It takes complex, developer-heavy language and turns it into clear, simple explanations anyone can understand.

2. AI is not your colleague. It is not a portfolio manager.

Instead of asking for an opinion from an AI, try asking for pros and cons. It is usually more productive. Why?

- Pros and cons are objective: They present both sides of an issue without bias.
- Avoids false authority: AI doesn't have personal experience or real preferences.
- More actionable: Pros and cons help you form your own opinion with balanced information.

Even though it is not wrong to ask, “What do you think of this ABC industry?” it could be more productive to ask, “What are the pros and cons of running a business in this industry?”

3. Invest time in creating “prompts”

“Keywords” were the backbone of success in Google searches. A long time back, I trained my team members with keywords and had regular discussions about sharing key insights.

Now it is prompts — a prompt is simply a fancy word for a question, command, or instruction.

You get additional information if you tweak your prompt — i.e., your question. It takes a “learning curve.” That’s why I said we need to “invest” time.

Simply save all the prompts that you used in a Google Doc or Word document. This way, within a few weeks, you will have a list of commonly used prompts.

Categorize the prompts — list of prompts to use when trying to understand a business, list of prompts for industry research, etc.

This becomes your proprietary knowledge hub. You can reuse the prompts and save a lot of time.

Pro tip: Always keep the prompt list open. Or buy a new monitor to add to your existing setup and keep the document open. This reduces the friction of opening the document every time you are doing research. It may sound a bit weird, but it works. I’m using it this way 😊

Keep improving the prompt.

4. Ask follow-up questions

Treat your AI interaction like a conversation, not a one-shot answer.

5. Avoid contextual ambiguity

Even though AI is better than Python in finding data using its ability to understand similar words, like humans it can misinterpret two terms that are similar but not always interchangeable. This is called “contextual ambiguity.”

- Divestment vs. Exit: Divestment involves selling; exit can be a shutdown with no sale. AI might interpret both differently.
- Restructuring vs. Cost-cutting: Restructuring is broader (may include strategy or org changes); cost-cutting is purely financial.

6. If you evaluate any AI tools for investment research, prefer tools that provide the source data for easy cross-verification.

This is critical for avoiding 'hallucination.'

I ditched a ChatGPT process for one investment research project predominantly due to hallucination. ChatGPT provided data for a company that it pulled from the air.

7. Be cautious when using “summaries.”

One of the most common uses of AI is summaries. Now, you can find AI-generated transcript summaries and various other things.

The quality of an AI-generated earnings call summary heavily depends on the general instruction or framework defined by the developer. What the developer chooses to highlight reflects their own view of what's important — not necessarily what matters to you.

As a result, critical insights, red flags, or strategic shifts can easily be missed.

AI summaries are great — but beware: reading an AI-generated summary can create an illusion of knowledge. That is dangerous.

8. AI can be unreliable with numbers. Always keep this in mind.

Columbus McKinnon (CMCO): Stock plunges on big-ticket acquisition announcement; \$80B PE firm Clayton, Dubilier & Rice (CD&R) backs deal, eyes 40% stake - a look at CD&R's past success stories

Summary

In Feb 2025, Columbus McKinnon announced a \$2.7B all-cash acquisition of Kito Crosby to double revenue and expand globally. The deal is backed by \$3.1B in debt financing and an \$800M perpetual convertible preferred equity investment from CD&R, giving it a potential 40% stake and three board seats. Following the announcement, the stock dropped by over 50%, reflecting market concerns over deal size and leverage. The transaction is expected to close in H2 2025.

At \$15.76, Columbus McKinnon's stock is trading at less than half of CD&R's agreed conversion price of \$37.68. This steep discount offers public investors a chance to buy in well below the valuation a top-tier private equity firm like CD&R deemed fair—before the market's reaction. CD&R's sizable investment and board involvement suggest strong conviction in the company's long-term potential.

This report also highlights a few prior CD&R-backed deals with similar structures, where the target companies' stock prices appreciated following CD&R's involvement.

Additionally, insiders have purchased shares worth \$1.1 million since February 2025.

The report also includes notes from two fund letters—Heartland Value Fund and Aristotle Capital.

I. BUSINESS

- The company designs, manufactures, and sells intelligent motion solutions that are used to efficiently and ergonomically move, lift, position, and secure materials. Their key products include hoists, crane components, precision conveyor systems, rigging tools, light rail workstations, and digital power and motion control systems.
- Explanation of major products - uses & revenue contributions
 - Hoist - 49% of revenue. A hoist is a mechanical device used to lift, lower, and move heavy loads vertically or horizontally. For example - At a car manufacturing plant, the company's hoists are used to lift and position vehicle frames and engines during assembly. These heavy components require precise placement for robotic welding and installation.

- High Precision Conveyors - 16% of revenue. A real-world example is the use of Columbus McKinnon's montrac® precision conveyors in PowerCo's gigafactories in Canada and Spain, enabling efficient, precise battery cell stacking.
 - Digital power control and delivery systems - 12% of revenue. These electronic solutions that manage, regulate, and deliver electrical power to industrial lifting and motion equipment. In a manufacturing plant, these systems enable smooth and programmable control of crane movements, improving safety, extending equipment life, and optimizing energy use.
 - Actuators and rotary unions - 10% of revenue. Actuators and rotary unions are used in industrial automation. In the automotive industry, actuators are used to help machines move parts during manufacturing. They take power—such as electricity or compressed air—and convert it into motion to push, lift, position, or rotate components like doors, engines, or frames on the assembly line. Rotary unions allow the transfer of fluids (air, oil, or water) between stationary and rotating parts without leaks.
 - Chain and rigging tools - 7% of revenue. The company offers a comprehensive range of chain and rigging tools designed for industrial lifting, securing, and load control applications.
 - Others: Industrial cranes (4%), and Elevator application drive systems (2%).
- The company's products are used in various targeted market verticals, such as manufacturing, transportation (including EV production and aerospace), energy and utilities, process industries, industrial automation, construction and infrastructure, food and beverage, entertainment, life sciences, consumer packaged goods, and e-commerce/supply chain/warehousing.

II. WHAT WE LIKE

1) Signs of moat

- Market Leadership: The Company states it is the market leader for hoists, material handling digital power control systems, and precision conveyors in the United States. It also believes it is a market leader for manual hoists and linear actuators in Europe.
- Extensive distribution channels: The company highlights its extensive, diverse, and well-established distribution channels globally, including independent distributors, crane builders, OEMs, and government agencies, stating that this provides a strategic advantage in its markets.
- Product breadth: The Company believes the substantial breadth of its product offerings is a strategic advantage.
- Brand reputation - reliability: Key competitive factors affecting their business include product reliability, performance, functionality, safety, quality, and brand reputation.

These factors are crucial in the mission-critical applications where their products are used.

- **Pricing Power (in some conditions):** In an environment of increasing costs for raw materials, freight, and logistics, the company has generally been successful in passing these increases on to customers through pricing actions, with the goal of being margin neutral. They expect to continue to be successful in instituting such price increases.

2) Mission critical applications; Customers cannot postpone replacement

- The company focuses on commercial and industrial applications where safety, reliability, and quality are critical.
- Many of their products are essential for safety and operations (e.g., power plants, automotive lines), so replacements and upgrades can't be fully deferred.

3) Profitable and generates free cash flow

The company generates consistent free cash flow, which it has used to repay the debt incurred for acquisitions.

(mm)	FY Mar 2017	FY Mar 2018	FY Mar 2019	FY Mar 2020	FY Mar 2021	FY Mar 2022	FY Mar 2023	FY Mar 2024	LTM Dec 2024
Net sale	637	839	876	809	650	907	936	1014	982
Operating income	24	68	69	90	42	74	98	107	75
Net Loss	9	22	43	60	9	30	48	47	40

Free cash flow

(mm)	FY Mar 2017	FY Mar 2018	FY Mar 2019	FY Mar 2020	FY Mar 2021	FY Mar 2022	FY Mar 2023	FY Mar 2024	LTM Dec 2024
CFO	60	70	79	107	99	49	84	67	48
Capex	14	15	12	9	12	13	13	25	24
FCF	46	55	67	98	87	36	71	42	24

III. WHY ARE WE FLAGGING THIS?

1) Big-ticket acquisition and recent price crash

In Feb 2025, the company announced a definitive agreement to acquire Kito Crosby Limited from KKR for \$2.7 billion in an all-cash transaction. Since November 2024, the company's stock price has been cut in half. One of the reasons for the recent price crash is due to the concerns over the acquisition.

Kito Crosby, owned by KKR since 2013, is a global lifting solutions leader serving 50+ countries. Under KKR, it more than doubled revenue, expanded product lines and geographies.

Kito Crosby

- In 2024, it generated \$1.1B in revenue.
- High 30s or 40ish gross margin
- EBITDA margin of 23%
- North America: 60%; Asia: 20%; Europe: 20%

On a pro-forma basis, the Company is expected to have annual revenue of \$2.1 billion, Adjusted EBITDA of \$486 million and an Adjusted EBITDA Margin of 23%.

Highly Attractive Financial Profile Through Strategic Combination

	<i>FY2025E</i>	 COLUMBUS MCKINNON	 KITO CROSBY™	 COLUMBUS MCKINNON + KITO CROSBY™ Pro Forma ^{1,2}
Key Highlights:				
• Significantly improved scale, with revenue of \$2B+				
• Improved profitability and cash flow with synergies				
• More geographically diverse				
• Enhanced consumables & hardware presence				
• Exposure to compelling vertical end markets				
Revenue (\$M)		\$1.0B	\$1.1B	\$2.1B
Adjusted Gross Margin¹ (%)		37%	39%	40%
Adjusted EBITDA¹ (\$M)		\$153	\$263	\$486
Adjusted EBITDA Margin¹ (%)		16%	23%	23%
Top-Tier Financial Profile Supports >100% FCF Conversion Over Time³				

The combined significant cash flow generation will enable the Company to de-lever in the near-term.

Debt

The company intends to fund this acquisition through a combination of \$3.1 billion of committed debt financing, including a \$500 million revolving credit facility from

JPMorgan and \$800 million of perpetual convertible preferred equity investment from Clayton, Dubilier & Rice.

FCF

The company believes the combined entity will generate over \$200 million of free cash flow a year, and this amount is expected to grow.

Upon completion, the company expects to be approximately 4.8 times levered on a credit agreement basis. Through significant cash flow and the debt structure, they expect to reduce the net leverage ratio to approximately 3 times by the end of year 2 after closing.

Clayton, Dubilier & Rice's involvement

Potential board involvement; potential 40% stake

CD&R has agreed to invest \$800 million via perpetual convertible preferred equity to support Columbus McKinnon's \$2.7 billion acquisition of Kito Crosby. The deal is expected to close in the second half of 2025. The preferred equity carries a 7% annual dividend and a conversion price of \$37.68 per share, granting CD&R an approximate 40% ownership stake upon conversion. As a result of their investment, three individuals from CD&R – Mike Lamach, Nate Sleeper, and Andrew Campelli – are expected to join the company's board upon the closing of the deal.

Interestingly, Nate Sleeper is the CEO of CD&R.

Who is CD&R?

CD&R is a leading private investment firm with deep and proven experience delivering growth and operational improvement in industrials and manufacturing companies. As of March 2024, CD&R manages approximately \$80.1 billion in AUM.

Approximately 50% of CD&R's capital is invested in partnership deals.

Private equity firms like CD&R don't usually publish fund performance, but data from CalSTRS offers some insight into their returns.

- Fund IX (2014 vintage): 19.61%
- Fund X (2018 vintage): 33.26%
- Fund XI (2021 vintage): 4.38%
- Fund XII (2024 vintage): 13.77%

Source:

<https://www.calstrs.com/files/5c3703f7c/CalSTRSPrivateEquityPerformanceReportFYE2024.pdf>

Clayton, Dubilier & Rice's strategic involvements: A few success stories

Clayton, Dubilier & Rice (CD&R) has repeatedly demonstrated its ability to create value through minority or structured investments—particularly in situations where companies need capital to complete strategic acquisitions. A prime example is Beacon Roofing Supply, which mirrors the Columbus McKinnon–Kito Crosby deal structure.

• Beacon Roofing Supply

In 2018, Beacon acquired Allied Building Products for \$2.6 billion. CD&R supported the transaction by investing \$400 million via perpetual convertible preferred equity, which included dividend rights and a conversion price of ~\$41.26/share. CD&R gained board representation but did not assume control. In 2023, Beacon repurchased all preferred shares for \$800 million, doubling CD&R's investment (excluding dividends). In March 2025, QXO acquired Beacon for \$124/share—marking a full exit at a strong valuation.

• Covetrus

In April 2020, CD&R injected \$250 million into Covetrus via convertible preferred equity (7.5% dividend, \$11.10 conversion price), helping stabilize the business during the pandemic. CD&R also gained two board seats. In 2022, it partnered with TPG to take Covetrus private at \$21/share, completing a \$4 billion acquisition in October 2022.

• Diversey (formerly JohnsonDiversey)

CD&R acquired a 46% stake in 2009 through a \$477 million investment as part of a \$2.6 billion recapitalization, with the Johnson family retaining control. In 2011, CD&R exited via Sealed Air's \$4.3 billion acquisition of Diversey, generating a 2.7x return.

• Resideo + Snap One (Ongoing)

In April 2024, Resideo announced the acquisition of Snap One for \$1.4 billion. CD&R backed the deal with a \$500 million investment in perpetual convertible preferred equity (7% dividend, \$26.92 conversion price) and received board representation. This follows CD&R's strategy of funding acquisitions without seeking outright control.

Overall-

At \$15.76, Columbus McKinnon's stock is trading at less than half of CD&R's agreed conversion price of \$37.68. This steep discount offers public investors a chance to buy in well below the valuation a top-tier private equity firm like CD&R deemed fair—before the

market's reaction. CD&R's sizable investment and board involvement suggest strong conviction in the company's long-term potential.

2) Q1 2025 commentary from Heartland Value Fund

In its Q1 2025 commentary, Heartland Value Fund highlighted Columbus McKinnon Corp. (CMCO) as a compelling investment opportunity. Despite a 41% stock drop following the announcement of a \$2.7 billion acquisition of Kito Crosby and concerns over increased leverage (4.8x upon closing), Heartland sees long-term value. They noted management's insider buying during the sell-off and a target to boost EBITDA margins from 15.5% to the mid-20% range post-integration. Valuing CMCO at \$54 per share, Heartland believes the market overreacted, presenting an attractive entry point for investors focused on fundamentals and long-term growth potential.

Who runs the Heartland Value Fund? The Heartland Value Fund is managed by Will Nasgovitz, CEO and Portfolio Manager, and Bill Nasgovitz, Chairman and Portfolio Manager. Will Nasgovitz has been with Heartland Advisors since 2003, while Bill Nasgovitz founded the firm in 1983 and has over five decades of investment experience.

Recently, we've been willing to add to positions in companies where the fundamentals make sense and with promising levels of insider buying to confirm our views. A good example is Columbus McKinnon Corp. (CMCO), which we initially added to our Strategy in the fourth quarter. The company designs, manufactures, and distributes materials, handling products, and systems used in a variety of industrial applications, including lifting, precision conveyance, and linear motion.

Historically, CMCO's growth has been largely driven by changes in manufacturing activity. A new CEO joined the business in June 2020 with the goal of higher growth and margin applications while increasing the recurring revenue mix. CMCO, however, reported a softer recent quarter due to slowing industrial demand driven by U.S. policy uncertainty. The company also announced a \$2.7 billion acquisition of competitor Kito Crosby, which sent the stock plummeting 41% due to uncertainty around execution and an increased leverage profile of 4.8x upon closing.

We believe Columbus McKinnon offers investors a compelling risk/reward case and a strong catalyst as it seeks to reduce leverage and improve the growth and margin profile of the consolidated business. Management, which has been aggressively purchasing the stock in the open market during the recent sell-off, is targeting mid-20% EBITDA margins upon integration. That's up from an estimated 15.5% in FY25 pre-acquisition. At the end

of the quarter, the stock was trading at about \$17 a share. Our current target price target of \$54 would imply a valuation of 10.5 times Enterprise Value to EBITDA. Upon execution of the acquisition, however, we believe CMCO should be treated similarly to its industrial peers trading at average of 12x EV/EBITDA.

Source: <https://www.heartlandadvisors.com/Strategies/Heartland-Value-Fund/1Q25-Value-Fund-Comm>

3) Q4 2024 commentary from Aristotle Capital Boston

Columbus McKinnon (CMCO), is a designer and manufacturer of a variety of material handling products and industrial lifts. The company is expected to benefit from a cyclical rebound in demand following a period of subdued performance as well as the harvesting of investments they've made over the past several years in faster growing, higher margin intelligent motion solutions (conveyance and automation).

Source: <https://www.aristotlecap.com/resource/small-mid-cap-equity-4q-2024-2/>

4) Insider buying

Insiders purchased a total of \$1.1M worth of shares from February 2025 to date.

Since November 2024, the CEO purchased shares worth \$1.22M

Date | Insider | Title | Shares Purchased | Price per Share | Total Amount

2025-03-19	Kathryn V Bohl	Director	2,819	\$17.99	\$50,714
2025-03-14	Jeanne Beliveau-Dunn	Director	160	\$18.34	\$2,934
2025-03-06	Appal Chintapalli	President of EMEA & APAC	6,000	\$16.96	\$101,760
2025-03-03	Chad R Abraham	Director	20,000	\$16.05	\$320,900
2025-02-21	Michael Dastoor	Director	10,000	\$19.21	\$192,100
2025-02-14	David J. Wilson	President & CEO	10,857	\$20.50	\$222,569
2025-02-13	Christopher J Stephens	Director	5,000	\$20.27	\$101,350
2025-02-13	Gerard G Colella	Director	5,500	\$20.47	\$112,585
2024-11-14	Christopher J Stephens	Director	1,000	\$37.34	\$37,340
2024-11-01	David J. Wilson	President & CEO	31,300	\$32.02	\$1,002,155

Monro (MNRO): High FCF yield; Newly appointed CEO is a MD of AlixPartner

RESEARCH

1) The company is a nation-wide operator of retail tire and automotive repair stores in the US.

2) Growth through acquisitions: Out of the 1,288 stores, the company operates only 360 stores under the Monro brand name. Most of the remaining brand names are acquired by the company.

- Tire Choice Auto Service Centers – Acquired in 2014 from Hennelly Tire & Auto Inc. - Current status: 349 stores
- Mr. Tire Auto Service Centers – Acquired in 2004 from Mile One Automotive -Current status: 317 stores.
- Car-X Tire & Auto – Acquired in 2015; Current status: 72 stores.
- Tire Warehouse Tires for Less – Acquired in 2009; Current status: 55 stores.
- Ken Towery's Tire & Auto Care – Acquired in 2012; Current status: 34 stores.
- Mountain View Tire & Auto Service – Acquired in April 2021; Current status: 30 stores.
- Tire Barn Warehouse – Acquired in November 2012; Current status: 27 stores.

3) Current challenges

Weakness in the tire market: Monro categorizes its tire offerings into different Tiers - Tier 1 is typically the most expensive, while Tier 4 is the most affordable. Low-to-middle income consumers are delaying tire purchases and trading down to budget-tie tires - consumers are "trading down" from the higher-margin Tier 1 and 2 tires to Tier 3 offerings and also to Tier 4. This shift towards lower tiers puts pressure on the average selling price (ASP).

The company is actively using promotions, including self-funded promotions and manufacturer-funded promotions, to attract these value-oriented consumers.

The company is willing to make necessary price and promotional investments, even if it puts pressure on profitability in the near term, to drive sales and unit growth and improve customer counts.

Higher fixed occupancy costs as a percentage of sales due to lower overall sales have negatively impacted gross margin.

The company focuses on a group of approximately 300 small or underperforming stores.

II. WHY ARE WE FLAGGING THIS?

1) Valuation

M.Cap: \$426 million

Debt: \$59 million

Cash: \$11million

EV: \$474 million

Long-term finance leases and financing obligations: \$272 million

EV (after including finance lease and financing obligations): \$746 million

LTM FCF: \$70M

LTM FCF/EV: 15%

LTM FCF/EV (including finance lease & financing obligation): 9%

2) Newly appointed CEO is a MD of AlixPartner

AlixPartner's MD appointed as CEO

- In March 2025, the company appointed Peter Fitzsimmons, Partner and Managing Director of AlixPartners, as CEO.
- Fitzsimmons has been appointed as President and CEO in connection with, and as part of a strategic consulting engagement with AlixPartners.
- AlixPartners executives typically serve in interim roles such as CEO, CFO, or CRO during periods of corporate transition, restructuring, or crisis. While AlixPartners provides interim leadership, their professionals generally do not transition into permanent executive roles within client organizations. This appointment is completely unique.

Who is AlixPartners?

- AlixPartners is one of the most respected firms in corporate turnarounds.
- When companies face financial distress, operational inefficiencies, or are preparing for bankruptcy, AlixPartners is often brought in to stabilize operations, cut costs, improve cash flow, and chart a recovery path. The firm's professionals are occasionally placed in interim executive roles like CEO or CRO during critical transitions.

Background of Peter Fitzsimmons:

- Peter Fitzsimmons is a Partner and MD at AlixPartners, where he advises companies undergoing major transformations across sectors such as automotive, retail, telecom, software, consumer products, and financial services.
- He originally joined AlixPartners in 1995 and rejoined in 2020 after a seven-year stint at Tower Three Partners, a private equity firm focused on operational turnarounds.
- Over his career, Fitzsimmons has served in client-facing leadership roles, including interim CEO and CFO, helping businesses navigate complex restructuring and performance improvement efforts.
- Source: <https://www.alixpartners.com/our-people/28611/peter-fitzsimmons/>

3) Commentary by Palm Valley Capital

- Eric, Jayme, and Frank co-founded Palm Valley Capital Management.
- In its First Quarter 2025 Commentary, Palm Valley Capital Fund (PVCMX) discussed Monro, highlighting the company's current challenges and strategic positioning.

During the quarter we repurchased Monro, a leading operator of retail tire and automotive repair stores in the United States. In fiscal year 2024, Monro operated 1,288 stores in 32 states and serviced 4.7 million vehicles. Monro's automotive repair business has benefited from the rising average age of vehicles and the record number of vehicles on the road. However, even with these tailwinds, revenue and earnings have recently been under pressure. Many of Monro's customers have been suffering from the rising cost of living, and as a result, have been delaying automotive repairs and trading down to lower-priced tires. These trends contributed to Monro posting low to mid-single digit same-store sales declines over the past year, sending shares to multiyear lows. Although trends appear to be stabilizing, for Monro to achieve its double-digit operating margin goal, further improvements in same-store sales will be needed, along with the return of higher-margin tire sales. This will take time. However, given the necessity of auto repairs and tire replacement, we expect operating results will eventually recover. Despite recent challenges, Monro has continued to generate meaningful free cash flow, which has been used to reduce debt, pay dividends (7.6% current yield), and buy back stock.

<https://www.palmvalleycapital.com/fundletter>

COMMENTS

The U.S. tire retail industry remains intensely competitive. Key points-

- Highly competitive and fragmented → Hard to build pricing power
- Low switching costs → Customers are price-sensitive and not brand-loyal
- Online disruption → Platforms like Amazon and TireRack erode local pricing advantage. Online platforms have increased price transparency and introduced new fulfillment models, including direct-to-home and installer delivery.
- Margin pressure → Rising input costs + oversupply of low-cost tires

Here are a few compelling advantages as well

- Tires are a recurring need.
- Less cyclical than discretionary retail
- Chains like Monro use tire traffic to upsell higher-margin work (brakes, alignments)
- Large chains can survive margin compression better than independents
- Large chains reduce unit costs and improve gross margins through volume buying
- Long-standing ties with tire manufacturers and parts suppliers improve pricing, supply reliability, and exclusive offerings.
- Centralized systems for inventory, procurement, marketing, and training lower overhead and enable consistent service quality.

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The task is to gather the latest data on the U.S. tire retail industry, including current market size, shipment volumes, growth forecasts, and key trends, consumer behavior, retail channel shifts, and competitive dynamics.

U.S. Tire Retail Industry: Latest Statistics (2023–2024)

Market Size & Shipment Volume

- **Market Value:** The U.S. tire retail market (independent tire dealers and related retailers) is a **multi-billion dollar industry**, approaching **\$45–46 billion** in annual sales. According to IBISWorld, industry revenue reached about **\$45.7 billion in 2024**, growing roughly **2.6%** that year (after a rebound from the pandemic downturn). This reflects strong pricing power and recovering demand in the tire replacement sector.
- **Annual Shipments:** U.S. tire demand is enormous in unit terms. Approximately **332 million tires** were **shipped** in the U.S. in **2023** – essentially flat compared to ~332 million in 2022 – as the market stabilized at pre-pandemic volumes. For **2024**, shipments are forecast to hit **335–339 million units** (a **1–2%** year-over-year increase), marking a new record high surpassing the previous peak set in 2021 (335.2 million). Most of these tires are for the replacement market: roughly **80–83%** of annual shipments are **replacement tires** sold through retail/aftermarket channels, with the remaining ~17–20% going to **original equipment (OE)** fitment on new vehicles. (In 2023, for example, ~274 million tires were sold as replacement tires vs. ~58 million as OE tires.) This ratio underscores that **aftermarket demand** – driven by the huge vehicle fleet needing tire replacements – is the primary driver of industry volume.

Growth Outlook for 2024 and Beyond

- **2023 Performance:** Industry unit volume was **flat to slightly down in 2023**, but dollar sales grew due to higher prices. Dealers reported that **“overall, tire sales were flat to down in 2023, but pricing was way up,”** which bolstered revenue despite stagnant unit demand. Elevated materials costs and a shift to higher-value products pushed tire prices ~8–10% higher in many cases, lifting the market’s dollar value even as unit shipments held steady.
- **2024 Expectations:** Moderate growth is expected in the near term. The USTMA (U.S. Tire Manufacturers Association) forecasts **total shipments of ~335–339 million tires in 2024**, about a **1–2% increase** from 2023. This modest uptick is driven by factors like a **recovering vehicle miles traveled**, a **larger car parc** (total vehicles on the road), and

improving new vehicle production (boosting OE tire demand). In revenue terms, the market is projected to expand a few percent as well – IBISWorld anticipates roughly **0.5% annual growth** on average in the tire dealer industry through 2024, and many dealers are “cautiously optimistic” about **slight improvements** in 2024 sales. Growth is constrained by the mature, replacement-driven nature of the business, but 2024 is still on track to be a **record year** by volume.

- **Near-Future Projections:** Over the next several years, **low single-digit growth** is expected annually. USTMA’s early 2025 forecast projects U.S. shipments reaching **340.4 million units in 2025** (up ~0.9% from 2024). Similarly, aftermarket analysts predict **continued modest expansion**. For example, the Auto Care Association projects tire dealer revenues to grow **~5.6% annually through 2027** (reflecting both volume recovery and price/mix increases). In essence, the **outlook is steady** rather than explosive – the tire replacement market tends to grow in line with the **vehicle population and miles driven**. Barring any economic shocks, **2024–2027** should see the U.S. tire market inch upward each year, supported by ongoing demand for replacement tires (as pandemic-era deferred tire purchases come due and new vehicle sales improve). Manufacturers are gearing up accordingly, and the industry’s **capacity and supply chain** are expected to keep pace with this gradual growth.

Retail Channel Breakdown (Consumer Replacement Market)

Tire sales in the U.S. flow through several retail channels, with independent tire dealers holding the largest share:

- **Independent Tire Dealers – ~60–65%:** Independent tire shops (ranging from single-location businesses to large regional chains) dominate the replacement tire market. In recent years they have **increased** their collective share. As of 2020, independents accounted for about **65.5%** of U.S. consumer replacement tire unit sales, up from ~63% in 2019. (A decade ago, in 2010, their share was ~60%, so the trend has been upward.) This channel’s strength is attributed to specialized service, variety of brands, and focus on tires; notably, many customers gravitated to independent dealers during COVID-19 disruptions when other outlets reduced operations. The independent dealer segment remains highly fragmented (over **28,000 tire dealer businesses** nationwide as of 2024), but collectively it is the **cornerstone** of tire retail in the U.S.
- **Auto Dealerships – ~9–10%:** New-car dealerships (through their service departments) represent roughly a tenth of the replacement tire market. Many car owners return to dealers for maintenance including tires, especially during the warranty period. This channel’s share has **inched up** over the long term (from about 6% in 2010 to 9.5% in

2019), as dealerships have placed more emphasis on tire sales. In 2020, auto dealers held about **9.5%** of the consumer tire market, essentially unchanged from 2019.

- **Mass Merchandisers – ~8–10%:** Big retail chains (like **Walmart**, Target, etc. with tire service centers) account for just under a tenth of tire sales. Pre-pandemic, mass merchandisers had about **10.5%** share (2019), but this slipped to roughly **8.0%** in 2020 after temporary auto center closures (e.g. Walmart paused tire services early in COVID, losing some business to independent shops). While these retailers have since reopened, the mass merchant channel's share remains a mid-single-digit fraction of the market.
- **Warehouse Clubs – ~8%:** Wholesale clubs (**Costco**, Sam's Club, BJ's, etc.) similarly hold around **8%** of the tire market. Their share was ~8.5% in 2019, dipping to 8.0% in 2020. Clubs attract customers with competitive pricing and membership perks (like free rotations), and they continue to be a significant retail outlet for tires.
- **Tire Manufacturer-Owned Stores – ~6%:** Tire company-operated retail networks (e.g. Goodyear Auto Service, Firestone Complete Auto Care owned by Bridgestone, etc.) make up roughly **6%** of replacement tire sales. This share has been relatively stable (about 6–7% historically). These are brick-and-mortar outlets owned by tire makers, offering tires of their own brands (and often others) along with automotive services.
- **Online & Other Channels – ~3% (and Growing):** A small but rapidly growing portion of tire sales comes from **pure online platforms and miscellaneous retailers**. In 2019, only ~2.5% of tire sales were attributed to “miscellaneous” outlets (including online-only sellers). By 2020 that grew to **3.0%**, and it has expanded further since. **Online sales** in particular have accelerated: by early 2023, e-commerce accounted for an estimated **14% of all replacement tire units sold** (up from ~9% in 2019). This online share cuts across the above channels – many independent dealers and chains now sell via their websites, and pure e-commerce players (like Tire Rack, SimpleTire, Amazon, etc.) partner with local installers to serve customers. The key takeaway is that **brick-and-mortar outlets still handle the vast majority (~85%+) of tire transactions, but digital channels are capturing a growing slice** of sales each year.

*(Note: The percentages above are for the **consumer replacement** tire market. They exclude OEM tire shipments and heavy truck/OTR tires. “Independent dealers” includes locally owned tire shops and regional chains; “mass merchandisers” are big-box retailers with tire departments; “miscellaneous” includes e-commerce-only retailers and smaller outlets. Source: Modern Tire Dealer Facts Issue data.)*

Key Trends Shaping the Industry (2023–2024)

- **Electric Vehicle (EV) Adoption:** The rapid growth of electric vehicles is starting to impact the tire industry in notable ways. **EVs tend to be heavier and deliver instant torque, which wears out tires faster** than conventional gas cars. Tire makers and dealers are observing that EV tires may **need replacement ~20% more frequently**, and EV-specific tire models often **cost ~50% more** than standard tires due to special compounds and designs. This is creating new opportunities and challenges:

- **Rising EV Tire Demand:** EV sales in the U.S. surged to ~1 million+ units in 2023 (around 7% of new car sales) and continue climbing. **Each of those EVs will require replacement tires sooner on average, boosting aftermarket demand. Some data suggests an EV's factory tires might last only ~24,000 km (~15k miles) versus ~64,000 km on a typical gasoline car.** Tire retailers are beginning to see more EV owners coming in for new tires, often shocked at faster wear.

- **Product Innovation:** In response, tire manufacturers are launching **EV-specific tires** engineered for higher load indices, low rolling resistance, and noise reduction (to offset EV battery weight and quiet powertrains). Dealers are training staff on EV tire requirements (proper load ratings, avoid mixing tires on dual-motor EVs, etc.) and marketing themselves as EV-friendly service centers.

- **Opportunity & Outlook:** Overall, EV adoption is viewed as a **positive demand driver** for the tire aftermarket. As one industry analysis put it, for the first time in decades there's a factor (EVs) that **increases replacement tire consumption** per vehicle. By 2027, EVs are expected to make up a much larger share of vehicles on the road, and the **EV tire segment** is projected to grow explosively (one projection sees global EV tire sales rising ~**10x** from \$1.7B in 2023 to \$17B by 2031). Tire dealers that adapt to this trend – carrying the right EV tire stock, and investing in related services (like mobile installation or alignment for EVs) – stand to benefit as electric cars proliferate.

- **Online Tire Sales & E-Commerce:** The way consumers buy tires is **shifting increasingly online**, forcing the industry to evolve. **E-commerce tire sales have boomed** in recent years, a trend accelerated by the pandemic:

- **Rapid Growth:** Online sales of replacement tires grew **45% from 2019 to 2022**, far outpacing the overall market. By 2023, an estimated **14% of replacement tires** were being purchased online – a significant jump from a 9% share in 2019. Consumers are doing research on tire brands, prices, and reviews on the web, and many are choosing to **order tires online** (via specialized e-tailers or marketplaces)

for the convenience and often cost savings.

○ **Hybrid Models:** Typically, online purchasers have the tires shipped to a local installer or opt for in-store pickup/install at a tire center. This has blurred the lines between channels – for example, a customer might buy from TireRack.com (online pure-play) but get the tires mounted at an independent dealer who partners with Tire Rack. According to industry data, nearly **1/3 of tire shoppers opt for “online-to-store” options** – about **31% order online for home delivery** and another **21% order online for in-store pickup/install**, while roughly 48% still buy fully in-store (this statistic was for custom wheels, but tires show a similar pattern). The net effect is that **digital influence** on tire retail is huge, even if the installation remains a physical service.

○ **Industry Response:** Tire retailers have embraced e-commerce by launching their own online storefronts and scheduling tools. Major players are investing heavily – e.g., **Discount Tire’s acquisition of Tire Rack (2021)** integrated a leading online retailer into the largest brick-and-mortar tire chain, signaling how critical online sales have become. Likewise, Amazon has entered the space by selling tires with an option to ship to local garages or mobile installers. The convenience of online shopping (wide selection, transparent pricing, user reviews) is now an expectation for many customers. Going forward, **online tire sales are expected to keep rising** (the online share could exceed 20% by late decade), and successful tire dealers will likely be those who **seamlessly merge online and offline experiences** – offering easy online quoting, appointments, and e-commerce while still providing expert in-person service for installation and maintenance.

● **Industry Consolidation (Mergers & Acquisitions):** The tire retail industry is **consolidating** as large dealership chains and financial investors acquire smaller players. Historically fragmented, the sector has seen a wave of **M&A activity** recently:

○ **Growth of Mega-Dealers:** Big independent tire chains have been on an expansion spree. For example, Mavis Tire Express Services (backed by private equity) merged with Express Oil and acquired numerous regional tire retailers, growing to over **2,000 outlets** nationwide. Discount Tire, the nation’s largest independent tire dealer, has expanded beyond 1,100 stores and added Tire Rack to its portfolio. Other consolidators like Belle Tire, Les Schwab, and Monro have also been buying stores in new markets. According to Modern Tire Dealer, the **top 10 independent tire dealership companies now operate 6,647 locations collectively** – a huge portion of total industry volume concentrated in a few hands. This trend has accelerated; as one analyst noted, “our industry is fairly advanced in its consolidation cycle... but M&A

activity is set to **accelerate further** in the tire industry”. Private equity firms see tire dealerships as attractive investments (steady cash flow, essential service), fueling a roll-up of local shops into larger chains.

○ **Impacts:** Consolidation can lead to greater **operational efficiencies** (bulk purchasing power, streamlined distribution, national branding) but also means tougher competition for small independents. Larger chains often compete on price and have the capital to invest in technology and marketing. At the same time, tire manufacturers are consolidating on the supply side – **Goodyear’s acquisition of Cooper Tire in 2021** is a prime example, which combined two major tire makers and their brand lineups. Fewer, larger players exist at both the retail and manufacturing levels now. For consumers, this may bring more consistent service networks and pricing, but potentially fewer unique local dealer choices.

○ **Outlook:** Industry experts anticipate **continued consolidation** in coming years. There are still tens of thousands of independent dealers (many single-store operators) that could be acquired or band together. We may see new **national chains** emerge as the big get bigger. However, tires remain a local, service-oriented business at heart – so even as ownership consolidates, maintaining customer trust and local presence is key. In summary, the U.S. tire retail landscape is **shifting toward larger entities** owning bigger slices of the pie, a trend that will shape how tires are sold (and at what margin) moving forward.

● **Shifting Consumer Preferences & Other Trends:** A few additional trends are worth noting:

○ **SUV/Light-Truck Tire Demand:** Americans’ preference for trucks, SUVs, and crossovers translates into strong demand for larger **rim diameter tires**, all-terrain tires, and light-truck (LT) tires. Dealers report that the **“SUV and larger truck tire market is very strong”**, helping boost sales of higher-margin products (like off-road capable tires and premium all-season SUV tires). This also ties into the popularity of “plus-sizing” wheels/tires for appearance and performance.

○ **Price-Sensitive Consumers:** With inflation driving tire prices up, budget-conscious buyers are seeking value options. There’s been an uptick in sales of **tier-3/tier-4 brands** (value-oriented imported tires) especially when gas prices and economic concerns pinch consumers. At the same time, affluent customers continue to spend on **premium brands** – a bifurcation noted by analysts (high-income consumers driving premium tire sales, low-income consumers delaying purchases or opting for cheaper tires). Tire retailers are adjusting their inventories to offer a wide range from economy to high-end tires to cater to this spread.

○ **Product and Sustainability Innovations:** Tire manufacturers are introducing more **“sustainable” tires** (with recycled materials, soybean oil, etc.), **longer-lasting treads**, and specialty products (e.g. run-flat tires, all-weather tires for varying

climates). While these product trends are on the manufacturing side, they affect retail as dealers must educate consumers on new options. Also, **extended mobility solutions** (like self-sealing tires or mobile tire installation services) are emerging, which could influence how consumers service tires in the future.

Overall, the **U.S. tire retail industry in 2023–2024** is characterized by a **stable but slowly growing market**, with **record-high shipments** expected, and revenue growth driven largely by higher prices. **Key forces** – from the advent of EVs to the rise of online sales and consolidation of tire retailers – are reshaping how tires are sold and serviced. Independent tire dealers remain at the heart of the industry, but they are evolving (and in many cases, consolidating) to meet new customer expectations and market realities. Despite economic headwinds, fundamentals like an aging vehicle fleet and ongoing replacement tire needs point to a **resilient outlook** for tire retail in the coming years. The industry is adapting through innovation and scale, ensuring that it can continue to **keep America rolling** on fresh treads.

Sources: U.S. Tire Manufacturers Association (USTMA) shipment reports; Modern Tire Dealer industry surveys and “Facts Issue” data; IBISWorld market research; Circana/NPD tire market analysis; AlixPartners/automotive analysis on EV impact; and trade publications (Tire Business, Motor magazine, etc.) for consolidation and channel trends.

FlyExclusive (FLYX): Recent significant changes

Elevator pitch

- The fact that Berkshire Hathaway owns NetJets underscores the strength of the private jet business model. Warren Buffett is known for backing capital-efficient, long-term businesses, and his 1998 acquisition of NetJets (\$725m) reflects confidence in the industry's profitability, customer stickiness, and recurring revenue potential from fractional ownership and membership models.
- Third Point owns 5% of the o/s shares.
- Plenty of recent changes

Negative? Compensation structure

RESEARCH

FlyExclusive runs a private jet service.

I. WHAT WE LIKE

- 1) 5th largest player: The Company is the fifth-largest private jet operator in the U.S. based on 2024 flight hours. According to ARGUS TRAQPak data, flyExclusive logged 64,215 flight hours in 2024, marking a 16.3% increase from the previous year
<https://privatejetcardcomparisons.com/2025/02/22/2024s-30-biggest-charter-fractional-private-jet-companies>
- 2) Advance notice and 98% in-house flights: Unlike most operators that rely heavily on costly third-party outsourcing, flyExclusive fulfills over 98% of flights with its own fleet. The company purposefully requires longer advance notice than the industry standard. By requiring 4–5 days' notice (versus competitors' hours), it optimizes scheduling, reduces reliance on third-party affiliate aircraft, and maintains a lean customer-to-aircraft ratio.
- 3) Skilled mechanics focuses only on a few jet types: The Company focuses on fewer types of jets, allowing their mechanics to become highly skilled at working on them, which improves maintenance efficiency and keeps the planes ready to fly.

II. RECENT CHANGES

1) Elimination of non-performing aircrafts

- The company has been actively engaged in a strategic initiative to eliminate non-performing aircraft from its fleet.
- Number of Aircraft Involved: At the start of 2024, flyExclusive had over 100 aircraft on its certificate, of which 37 were identified as non-performing

- These aircraft were considered a drag on margins and operations. They were often losing money, had low dispatch availability (as low as 30% on some), were down for maintenance more than twice the time they were available for revenue and created operational friction. Financial implication? At their peak, they represented roughly \$30 million in annual EBITDA drag and were losing as much as \$3 million per month.
- By the end of 2024, flyExclusive had sold or eliminated 20 of these aircraft and expects fewer than 8 to remain by mid-2025.
- Replacement aircraft: These non-performing aircraft are being replaced primarily with Challenger 300s and 350s, described as modern, fuel-efficient, high-performance, super-midsized jets, which have significantly higher dispatch availability (exceeding 80%, nearly 300% better than the aircraft they are replacing), cost less to operate and are expected to contribute approximately \$8 million to \$10 million in annual revenue at significantly better margins.
- Impact? (a) The drag on EBITDA from these aircraft had been reduced to under \$1 million per month as of Q3 2024 and should be eliminated in 2025 as the refresh completes. (b) Despite having a smaller fleet on certificate (88 aircraft in Q3 2024 down from 100 a year ago) due to the removal of non-performing aircraft, the company flew more in Q4 2024 (flight hours increased 36% YoY) and saw improved hours per aircraft.

2) Transition to in-house MRO

- In 2021, flyExclusive opened an MRO (maintenance, repair, and overhaul) facility to reduce industry-wide maintenance shortages and shift from 20% to a targeted 80% in-house maintenance.
- Currently, about 50% of maintenance is handled in-house, with 10% focused on Wi-Fi and Avionics upgrades.
- Efforts continue to reach 80%, aiming to boost reliability, efficiency, cut costs, and create new third-party revenue streams.
- Most recently, the MRO business grew revenues and is serving both internal and external customers, with the Paint and Interior business generating more revenue from outside clients.
- In 2024, MRO revenues increased by \$2.6 million, representing 55% growth over 2023, driven by services provided to both internal and external customers.

3) Shift to contractual retail customers (recurring revenue stream):

- The company's charter business has transitioned from primarily ad hoc wholesale operations before 2020 to focusing on contractual retail customers. This shift provides greater customer and revenue visibility through programs like the jet club, fractional ownership, and partner contracts. These models generate more predictable revenue through non-refundable deposits, membership fees, and pre-paid flight revenue.

- The Jet Club involves members paying deposits and daily/hourly rates for flights, with guaranteed access. Fractional ownership involves customers purchasing a share for a term (up to 5 years), giving them access to the fleet and requiring payment for flight services.
- Management expects the business mix to "shift and accelerate toward the Club and fractional business" in the second half of 2024.
- Cancellation of GRP agreement: FlyExclusive had a "Fleet Guaranteed Revenue Program Agreement" (GRP Agreement) with Wheels Up Partners, LLC, dated November 1, 2021. Under this contract, flyExclusive provided a set number of aircraft to Wheels Up. The GRP Agreement accounted for 24% and 22% of total revenue in 2023 and 2022, respectively. This agreement was terminated on June 30, 2023, and no revenue was generated from the program thereafter. As of now, the company does not currently have any GRP contracts in place. However, the company mentioned that it had already planned to scale down business with WUP prior to the termination for strategic reasons.

4) Introduction of Fractional program

- The company launched its Fractional ownership program in the second quarter of 2022.
- Customers purchase a fractional ownership interest in an aircraft for a contractual term typically up to 5 years. Customers have the right to flight and membership services from a fleet of aircraft, including the specific aircraft they have fractionally purchased.
- With the transfer of interest, flyExclusive can still utilize these aircraft to service other channels, which is seen as a capital-light way to grow the fleet.
- With the launch of its fractional program in Q2 2022, flyExclusive ordered five CJ3+ aircraft from Textron Aviation, with options for up to 25 more. In Q4 2022, it expanded further by agreeing to purchase up to 14 mid and super-mid aircraft, with deliveries expected between 2024 and 2027. All aircraft are intended for use under the company's fractional ownership program.
- The introduction of this program was described as a "capital-efficient, asset-light channel" to complete customer offerings.
- Fractional ownership contributed roughly \$9 million in revenue in the fourth quarter of 2024, an increase of 73% quarter-over-quarter and 275% increase year-over-year

5) Reduction in losses

- The company reported an adjusted EBITDA loss of around \$19 million in Q1 2024, which improved to \$16 million in Q2 and slightly over \$10 million in Q3. This positive trend continued in Q4, with the loss further reduced to \$6 million.

6) Leadership team

- In 2024, the company restructured and expanded its leadership team, appointing a new CFO, COO, SVP of Technology, and Director of Internal Audit, while redeploying existing talent into the roles of CCO and CAO. The company also built a new internal finance function, implemented SOX compliance protocols, and has filed all SEC reports on time since the leadership changes.

COMMENTS

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Starting a private jet business is technically possible — but scaling it successfully is brutally hard.

Regulations, capital needs, operations, and winning trust — these are the real barriers.

//

Read or listen to the CEO's remark in the earnings call transcript — it's unusually candid.

We started 2024 with over 100 aircraft on our certificate, but 37 of those were nonperforming aircraft. That's a polite way of saying most of them were losing money.

Red flags

Jim Segrave launched flyExclusive in 2015 with just two jets, following the sale of his previous venture, Segrave Aviation, to Delta Air Lines in 2010. Fast forward, and he now commands one of the leading private jet companies.

But Segrave's leadership comes with some intriguing—and controversial—perks.

- \$8.5 million salary with no-downside: As CEO, Segrave receives a base salary of \$8.5 million annually. Notably, the board of directors has the authority to increase his salary but cannot reduce it. Yes, you read that correctly—his salary is immune to any downward adjustment, regardless of performance or market conditions.
- Personal aircraft use: In addition to his substantial salary, Segrave's personal use of company aircraft cost LGM approximately \$183,000 in 2022 and \$220,000 in 2023.
- Tuition payments for children: One particularly unusual benefit is the \$25,684 in tuition payments made for Segrave's children in 2023. While everyone values their children's education, it's almost unheard of for such costs to be reimbursed by the company—especially for an executive earning \$8.5 million (cash) annually. The amount may be

negligible relative to his salary, but the decision to claim such a minor expense raises questions about judgment. •Related party transactions: The company's related-party transactions span eight pages and 5,700 words in its disclosures.

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// The Q&A section below was generated by AI.

Question1 : What are the key challenges faced by startups or new entrants in the private jet industry, particularly in areas like fleet acquisition, regulatory compliance, customer acquisition, operational efficiency, and competition with established players?

1. Regulatory Hurdles

- *You need an **FAA Part 135 certificate** to fly paying customers — a **very tough and slow** process (12–24 months minimum).*
- *You need maintenance programs, safety checks, pilot hiring standards — all approved by FAA.*

2. Massive Capital Investment

- *Private jets are expensive (even used ones can cost \$2–10 million each).*
- *You need **multiple jets** to offer reliable service, not just one or two.*
- *You also need money for hangars, staff, insurance, and marketing **before making any profit.***

3. Operational Complexity

- *Managing a fleet is complex: scheduling, crew logistics, maintenance, compliance.*
- *Delays or grounding even a few planes can kill reputation quickly in private aviation.*

4. Customer Trust and Brand

- *Ultra-wealthy customers value trust, reliability, and reputation.*
- *It's very hard for a brand-new operator to convince clients to switch from trusted names like NetJets or Flexjet.*

5. Pilot Shortage

- There is a serious shortage of trained business jet pilots.
- A new company must **outbid** existing companies to hire good pilots — very expensive.

Question 2: If you had \$100 million, how fast could you start a private jet company?

Assumptions:

- You want to start a **serious operator**, not just a boutique charter.
- You aim to compete regionally (e.g., East Coast or West Coast).
- Focus on light/mid-size jets (like Citation CJ3+, Excel/XLS)

📅 Timeline & Spending Breakdown

Step	Time	Estimated Cost	Notes
1. FAA Part 135 Certification	12–18 months	\$1–2M	Legal, consulting, compliance setup. No shortcuts here.
2. Aircraft Purchase (10 jets)	3–6 months	\$40–60M	Light jets cost \$3–6M each. Need multiple for network reliability.
3. Maintenance + Hangars	6–12 months	\$10–15M	Lease or build MRO base at airport. Includes tools, systems.
4. Pilot & Crew Hiring	3–6 months	\$5M upfront	Need at least 2 crews per jet. Includes training + relocation.
5. Operations + Scheduling Systems	6–9 months	\$2–3M	Dispatch, crew planning, flight tracking software.
6. Branding, Website, Sales	3–6 months	\$2–3M	Must look credible to HNW clients.
7. Insurance, Legal, Reserve Funds	Immediate	\$10–15M	Aviation insurance is expensive. Reserves for cash flow.

📊 Total Spent: \$70–95M

📌 **Time to Launch: 12-24 months (even with full money in hand)**

🚫 **Why Money Alone Isn't Enough:**

- FAA process **can't be rushed** — even billionaires wait.
 - Hiring pilots and building brand takes trust and time.
 - You need to **bleed cash** for a year+ before revenue starts.
 - Customer loyalty is hard to break — even with better pricing.
-

Conclusion:

Even with **\$100M**, you're looking at **2 years to launch** and **uncertain profits** after that. Private jet aviation is **capital-heavy, time-consuming, and regulation-choked** — the **hardest part is not entry, it's scaling and sustaining**.

Dave & Buster's Entertainment (PLAY): Recent significant changes

RESEARCH

This stock was featured in the recent report published on March 11, 2025.

In the recent conference call, I found plenty of interesting updates.

Just a short recap.

(a) Founder of Hill Path joins the board; Trading below the purchase price:

- On January 30, 2025, the company entered into a revised settlement agreement with Hill Path and appointed Scott I. Ross, in addition to James Chambers who was appointed in 2020. Mr. Ross is the Founder and Managing Partner of Hill Path Capital. Mr. Ross was previously a Partner at Apollo Management (which he joined in 2004) where he focused on private equity and debt investments in the lodging, leisure, entertainment, consumer and business services sectors.
- Trading below the purchase cost
 - The average purchase cost of Hill Path Capital is \$31.1.
 - The current stock price is \$19.1

(b) Interim CEO

Kevin M. Sheehan serves as Interim Chief Executive Officer since December 2024, as Chair of the Dave & Buster's Board since April 2021.

RECENT CHANGES - UPDATES

The company's current leadership team claims that they have been systematically unwinding mistakes made by previous leadership and pursuing a "back to basic" strategy.

Here are some of the recent changes and actions taken by management:

• Marketing: Back to TV ad, fix conflicting promotions and reintroduction of popular promotion

- Kevin (Interim CEO) noted that under the past management, the company went from 90%-plus TV to essentially zero. Now, the new management team has begun moving marketing dollars back towards TV advertising.

- Kevin also argued that the prior leadership overwhelmed the customers and operators with way too many and often overlapping and conflicting promotions. Now, the company has returned more closely to its historical cadence of promotional activity. In particular, the company has reintroduced historically the most popular and successful promotion, classic Eat & Play Combo.
- **Operations:** Kevin is now spending significant time engaging directly with operators.
- **Steps to increase average check price**
 - Evaluating pricing: The Company hasn't increased individual menu item prices since Q4 last year. They're reassessing pricing to stay competitive versus casual dining and out-of-home options.
 - Focus on "food attach": Instead of just raising prices, they're increasing how often food is added to customer orders.
 - Eat & Play Combo strategy:
 - They're promoting this combo aggressively, including via kiosks.
 - At the end of a game-only purchase flow, the kiosk encourages customers to add food.
 - 90% of customers are opting to upgrade their combo.
 - They've added premium entrées (e.g., ribs) to the combo, and those are selling well.
 - Key takeaway: They're driving higher average check size (revenue per customer) through combo promotions and upselling rather than menu price increases.
- **Remodels:** The remodel strategy is being re-evaluated in collaboration with operators, targeting stores are being reprioritized, and budget spend and oversight are being revised. They are proceeding with a more measured pace in the first half of 2025 to gather insights before remodeling remaining stores. The goal is a more thoughtful approach focusing on improvements with high ROI. Management expects a mid- to high-single-digit hurdle rate for optimized remodels, lower than the prior mid-teen rate. Sixteen remodels are planned for fiscal year 2025.
- **Introduction of new games:** The past management team deprioritized new game investment, resulting in no major game additions for over two years—a break from the company's usual approach. The company has now launched Human Crane, a life-sized claw machine where guests become the claw, already live in 40+ stores, with 100 more planned. Additionally, six premium games are launching, including UFC Challenge, Godzilla VR, NBA Superstars, and Top Gun: Maverick, NBA Smash 'N Fun, and Funko Funcade. This marks a major revival of the "summer of games" to elevate the in-store experience.
- **Capital Spending:** The capital spending plan is currently under review, with a renewed focus on converting operating cash flow to free cash flow by eliminating "imprudent and ineffective capital spend" and more closely monitoring expenditures.

Total capital expenditures are expected to not exceed \$220 million in fiscal 2025, which includes spend on net new stores, remodels, games, and maintenance. This net number assumes typical tenant improvements and sale leasebacks in FY '25.

- **New Store Development:** This continues to be a focus, with 14 new stores added in fiscal 2024, including five in the fourth quarter (four D&Bs and one Main Event) and the first international franchise in India. They plan to open 10 to 12 new **stores** and one store relocation in fiscal 2025.

Other significant activities

- **14.9% buyback:** The Company repurchased nearly 3 million shares for approximately \$85 million in Q4 2024, bringing total repurchases for fiscal 2024 to about 5 million shares (12.4% of outstanding shares). An additional 1 million shares were repurchased for approximately \$24 million in fiscal 2025 thus far.
- The company also completed an additional sale leaseback transaction for five properties in Q4 2024, generating \$111 million in proceeds, bringing total fiscal 2024 sale leaseback proceeds to approximately \$185 million. They plan to be opportunistic in monetizing owned real estate assets.

Sprinklr (CXM): Recent changes

RESEARCH

New CEO

In November 2024, the company appointed Rory Read as CEO. Here are his solid track record

- **Sale of Vonage for \$6.2 billion:** During his tenure, Read oversaw the development of a prominent enterprise communications portfolio that included CCaaS, UCaaS, and CPaaS solutions. He led the sale of Vonage to Ericsson in July 2022 for \$6.2 billion.
- **Chief Integration Officer, Dell:** He served as Chief Operating Executive at Dell Technologies. From October 2015 to May 2018, Mr. Read served as Chief Integration Officer at Dell, where he played a lead role in the largest tech merger in history— the \$67 billion merger of Dell and EMC in 2016.
- **CEO, AMD (2011 to 2014):** He served as the CEO of AMD and during his tenure, he diversified the company's portfolio to produce \$2 billion in revenue from new businesses, initiated the next-generation Zen chip architecture and restructured AMD's debt profile, returning the company to profitability.
- **COO, Lenova (2006 to 2011):** He served in various roles at Lenovo Group Ltd., including as Chief Operating Officer and President, where he was responsible for driving growth, execution, profitability and performance across a Global 500 enterprise encompassing more than 160 countries.

RECENT CHANGES

The company's President and CEO, Rory Read, is executing a significant transformation plan focused on driving durable, profitable growth and improving operational efficiency.

- **Cost reduction**
 - In February 2025, the company announced an approximate 15% reduction in the global workforce. Most of these actions were complete by the end of Q4 FY25, with a few remaining areas to be finished in Q2 FY26.
 - The goal is to deliver a portion of cost savings to improve operating margins this year (FY26).
 - Professional services margins are not considered optimal and are being addressed as part of becoming more efficient.

- **Strategically Reinvesting and Adding Talent:**
 - Gained efficiency from cost optimization is being leveraged to hire and invest in prioritized areas.
 - Strategic hires will be made globally in areas such as go-to-market sales pods, customer implementations, AI, core product skills, and service R&D skills. These hires are expected to take one to three quarters to execute.
 - Investments will begin to ramp up in the second half of FY26 after lower operating expenses in the first half.
- **Realigning the Go-to-Market Coverage Model, Project Bear Hug; Implementing two pods,**
 - In February 2026, the company implemented a new go-to-market coverage model. The management shared the full details with the sales team during a company-wide event. As part of this rollout, the company assigned specific geographic or customer territories to sales reps, introduced new compensation plans (how reps will be paid) and defined coverage ratios (how many reps are assigned per territory or customer segment).
 - There is always an opportunity to upsell during customer interactions, as each engagement provides a chance to demonstrate value and introduce other parts of the Sprinklr platform. To capitalize on this, a focused initiative called Project Bear Hug has been launched, targeting the top 400–500 accounts. The structure aims to cultivate deeper customer relationships, particularly within the C suite.
 - A dual pod structure will be set up across key accounts, combining roles like technical success managers (to ensure long-term platform adoption) and Renewal Account Managers (RAMs) who will manage customer relationships and renewals on a rolling 12-month basis—avoiding last-minute renewal efforts. The service pod will be enhanced to ensure implementation teams are well organized and technically equipped to support customers effectively.
 - Sales team incentives have been changed to properly reward for renewals and renewals on time, as well as dual-selling motion across core and service.

“We're not going to be in the case where we're looking at a renewal in the last month of the contract. That's just foolish”. - CEO, Q3 2025

- **Addressing implementation challenges:** Management is actively addressing inconsistent implementations that have led to pressure on customer renewals and satisfaction.
 - The goal is to treat implementation as a product, productize it, make it consistent, and well-documented.
 - Efforts are focused on getting current implementations through successfully and training teams for consistent delivery.

- This work on consistency and predictability is expected to take two to four quarters.
- **Addressing technical debt:** In FY26, a key priority is reducing technical debt to enhance platform stability and efficiency. Efforts include:
 - Finalizing improvements to telephony options, covering both partner solutions and Sprinklr's own Voice Connect.
 - Upgrading workforce management capabilities.
 - Enhancing reporting infrastructure by transitioning from fragmented, point-to-point systems to a centralized data lake with a flexible reporting layer—enabling easier, intuitive reporting.
 - Strengthening security and reliability across the platform throughout the year.
 - **Note:** Technical debt refers to shortcuts or suboptimal solutions in software development that help deliver products faster in the short term but create problems or inefficiencies later.
- **Revamping Pricing and Packaging:** While still in the early phases, management intends to **simplify pricing and packaging models** in FY26. The concept is to move away from a large number of SKUs towards "essential" and "professional" Sprinklr with add-on modules.
- **Strengthening Leadership:** The leadership team and board have been strengthened with accomplished leaders. Recent additions include Joy Corso as Chief Administrative Officer and Jan Hauser and Stephen Ward to the Board of Directors.
- **Reenergizing Partner Ecosystem:** Management intends to build out the partner ecosystem as a multiplier for execution and reach.
- **Focusing on the Rule of 40:** A key objective is to reach the Rule of 40 through a combination of faster top-line growth and substantial operating margin expansion. FY26 is seen as a transitional year to stabilize the company and burn in execution, which management hopes will drive better results throughout the year and position Sprinklr for durable growth and improved profitability.

The impact of these changes is expected to manifest over time, with go-to-market adjustments showing results more quickly (beginning of FY26), while product deliveries and the full effect of operational changes will flow through the year and into FY27. Management emphasizes that this transformation will take time, but they are making real and tangible progress.

AirSculpt (AIRS): Heads up

RESEARCH

AirSculpt is a proprietary form of liposuction marketed as a gentler, high-precision fat removal method. It uses a laser to loosen fat, followed by a mechanical process that extracts fat through a tiny incision—no general anesthesia or stitches required. Marketed as faster recovery, less invasive, and more precise than traditional liposuction.

1) Concerns over the background of the new CEO

In January 2025, the company appointed Yogi Jashnani as new CEO. Here are a few of our concerns.

- **Limited relevant industry experience:**
 - Aside from a four-year stint at Ideal Image, a medical aesthetics provider, the CEO has no substantive background in the medical or surgical sectors.
 - His prior roles include digital marketing for U.S. credit card products, Chief Marketing Officer at Advance Auto Parts (auto parts), and most recently, Chief Revenue Officer at Sky Zone, a recreational trampoline park operator.
- **Remote leadership experience:** His most recent role at Sky Zone was served 'remotely', raising questions about hands-on operational involvement.
- **Pattern of short tenures:** Over the past eight years, he has held three different executive roles across unrelated sectors, suggesting limited continuity in any single domain.



Yogi Jashnani
Chief Executive Officer at AirSculpt

Show all posts →

Experience



Chief Executive Officer
AirSculpt · Full-time
2025 - Present · 5 mos



Chief Revenue Officer (CRO)
Sky Zone · Full-time
2023 - 2025 · 2 yrs
Remote

2) Concerns over the critical reviews published online

The following are real concerns that should be figured out during the indepth research

• **Yelp Vs Google reviews**

First, let's examine the discrepancy between Yelp and Google reviews.

We analyzed customer ratings for 29 AirSculpt centers listed on the company's website across both Yelp and Google. The findings reveal a notable divergence in sentiment between the two platforms:

- **Yelp Reviews:** 10 out of 29 centers (34.4%) received negative ratings ranging from 2.2 to 3.9. Of these, 7 centers were rated below 3.6, indicating particularly poor customer experiences.
- **Google Reviews:** In contrast, all 29 centers showed overwhelmingly positive feedback, with consistently high ratings and glowing customer praise.

This stark contrast raises important questions about platform dynamics, review authenticity, and potential bias.

Yelp reviews tend to be more detailed and explanatory, often highlighting both positive and negative aspects of the customer experience. In contrast, Google reviews are generally broader and more uniformly positive, with limited depth.

When I pasted the Google reviews for AirSculpt's Edina Center into ChatGPT and asked for its assessment, two observations stood out:

- **High Volume of First-Time Reviewers:** Many reviewers have only 1–3 reviews total.
- **Repetitive Language:** Phrases like “amazing experience,” “felt comfortable,” “nurses were supportive,” and “highly recommend” are repeated often.

• **Insights from the critical negatives**

After reviewing numerous negative Yelp comments, we've summarized the key themes below. These points warrant closer attention during your in-depth research.

A broader underlying theme in many patient complaints is that the marketing of AirSculpt set unrealistic expectations. AirSculpt is heavily marketed as a minimally invasive, “lunchtime lipo” with minimal downtime (often claiming patients can return to daily activities within 24–48 hours). Even though some recovery stories align with these

promises, some reviews tell a more uncomfortable recovery story, suggesting the downtime can be more than advertised. Notably, some reviewers felt the 1–2 day recovery marketing was misleading. One Reddit AMA participant bluntly wrote: “the 24-48 [hour] recovery is the biggest lie” [reddit.com](https://www.reddit.com), emphasizing that she experienced considerable pain after the procedure. Similarly, an Allure magazine editor who tried AirSculpt noted “the intensity of the recovery was a bit shocking” despite being told what to expect [plasticsurgeonnewyork.com](https://www.plasticsurgeonnewyork.com)

Some patients complain that the fat reduction was minimal or that they didn’t see a dramatic difference. These reviews often sound disappointed that after the swelling went down, their before-and-after wasn’t as impressive as the marketing photos.

Uneven or inadequate fat removal is a related complaint; a few patients say they ended up with lumps, asymmetry, or leftover fat pockets that didn’t go away. Others mention needing a revision or second procedure to achieve what they wanted.

Some reviewers voice frustration with the post-op effects. The most common is the amount of fluid drainage and swelling – patients who weren’t prepared for it found it messy or alarming (soaking through pads, etc.).

3. Short report

Fuzzy Panda Research's report raises significant red flags about AirSculpt Technologies' business practices, medical safety standards, and ethical conduct.

<https://fuzzypandaresearch.com/airs/>

COMMENTS

Ultimately, it all comes down to the quality of the procedure. Prospective customers will consult reviews on Yelp, Reddit, Google, and other platforms. In cities like Philadelphia, Edina, Atlanta, Miami, Orlando, New York City, Seattle, and Salt Lake City—roughly 30% of total locations—negative Yelp reviews are likely to raise concerns and hurt conversion.

New York City, being a wealthy, dense, and trend-setting market, serves as a strong testbed for consumer-facing businesses. Success here often signals broader market potential. However, with only 75 Yelp reviews and an average rating of 3.4, the low traction and lukewarm reception suggest limited product-market fit—even in a high-opportunity environment. While it's not a death sentence, it's a clear red flag for scalability.

Some poorly rated stores on Yelp were opened recently—Philadelphia (2.2 rating) in November 2022, Miami (2.8 rating) in November 2021, and Salt Lake City (3.8 rating) also in November 2021. Most recently, management decided to pause new store openings. Since growth is also dependent on center expansion, this pause is a clear risk to the company’s growth trajectory.

Nevertheless, we will closely monitor the initiatives introduced by the new CEO.

	Yelp Rating	Yelp - No of reviews	Link	Google - Rating	Google - No of reviews	Link
AirSculpt - Philadelphia	2.2	10	https://www.yelp.com/biz/airsculpt-philadelphia-wayne-2	4	21	https://g.co/kgs/1aaMEBY
AirSculpt - Edina	2.6	5	https://www.yelp.com/biz/airsculpt-edina-edina	4.9	157	https://g.co/kgs/Y1Jvmsk
AirSculpt - Atlanta	2.7	20	https://www.yelp.com/biz/airsculpt-atlanta-atlanta-3	4.9	116	https://g.co/kgs/Z3AA2y7
AirSculpt - Miami	2.8	9	https://www.yelp.com/biz/airsculpt-miami-miami-beach	4.8	52	https://g.co/kgs/R9nTAKK
AirSculpt - Orlando	3	10	https://www.yelp.com/biz/airsculpt-orlando-orlando	4.9	128	https://g.co/kgs/kF3gr2y
AirSculpt - New York City	3.4	75	https://www.yelp.com/biz/airsculpt-new-	4.8	111	https://g.co/kgs/8FCIWRz

			york-city-new-york			
AirSculpt - Seattle	3.6	25	https://www.yelp.com/biz/airsculpt-seattle-bellevue	4.9	193	https://g.co/kgs/fZJYtc
AirSculpt - Salt Lake City	3.8	13	https://www.yelp.com/biz/airsculpt-salt-lake-city-salt-lake-city	4.9	160	https://g.co/kgs/2XuVwHB
AirSculpt - Sacramento	3.9	167	https://www.yelp.com/biz/airsculpt-sacramento-roseville	4.8	119	https://g.co/kgs/ZRXxeV8
AirSculpt - Washington D.C.	3.9	49	https://www.yelp.com/biz/airsculpt-washington-d-c-vienna	4.9	195	https://g.co/kgs/UcnAVUV
AirSculpt - Dallas	4	66	https://www.yelp.com/biz/airsculpt-dallas-dallas	4.9	504	https://g.co/kgs/umg43kb
AirSculpt - Chicago	4.1	44	https://www.yelp.com/biz/airsculpt-chicago-chicago	4.9	283	https://g.co/kgs/kp8qn1Y
AirSculpt - Denver	4.1	31	https://www.yelp.com/biz/airsculpt-denver-denver	4.9	203	https://g.co/kgs/ftVxqGi
AirSculpt - San Jose	4.1	27	https://www.yelp.com/biz/airsculpt-san-jose	3.7	9	https://g.co/kgs/V4jdEpB

			jose-san-jose			
AirSculpt - Houston	4.2	64	https://www.yelp.com/biz/airsculpt-houston-houston	-	4.9	400 https://g.co/kgs/et5gGpV
AirSculpt - Boston	4.3	25	https://www.yelp.com/biz/airsculpt-boston-boston	-	4.9	121 https://g.co/kgs/HuUSxSc
AirSculpt - Nashville	4.3	13	https://www.yelp.com/biz/airsculpt-nashville-nashville		4.9	130 https://g.co/kgs/XTY1AeK
AirSculpt - Beverly Hills	4.5	504	https://www.yelp.com/biz/airsculpt-beverly-hills-beverly-hills	-	4.8	228 https://g.co/kgs/y3tnR8G
AirSculpt - San Diego	4.5	80	https://www.yelp.com/biz/airsculpt-san-diego-san-diego		4.8	38 https://g.co/kgs/hQdIpSy
AirSculpt - Scottsdale	4.5	71	https://www.yelp.com/biz/airsculpt-scottsdale-scottsdale		4.9	194 https://g.co/kgs/HWp5qtW
AirSculpt - Austin	4.7	10	https://www.yelp.com/biz/airsculpt-austin-austin	-	4.9	117 https://g.co/kgs/kY1i3UX
AirSculpt - Charlotte	4.7	34	https://www.yelp.com/biz/airsculpt-	-	4.9	193 https://g.co/kgs/QdM6TJR

			charlotte-charlotte			
AirSculpt - Las Vegas	4.7	87	https://www.yelp.com/biz/airsculpt-las-vegas-henderson	-	4.8	92 https://g.co/kgs/QCpXpvh
AirSculpt - Birmingham	5	1	https://www.yelp.com/biz/airsculpt-birmingham-birmingham	-	5	8 https://g.co/kgs/z2DnrAC
AirSculpt - Kansas City	5	1	https://www.yelp.com/biz/airsculpt-kansas-city-prairie-village	-	4.7	31 https://g.co/kgs/q2rZanc
AirSculpt - Deerfield	5	1	https://www.yelp.com/biz/airsculpt-deerfield-deerfield	-	4.7	12 https://g.co/kgs/vEbjqIB
AirSculpt - Orange County	4.6	52	https://www.yelp.com/biz/airsculpt-orange-county-irvine		3.9	10 https://g.co/kgs/bPbMNvc
AirSculpt - Raleigh	-	-	https://www.yelp.com/biz/airsculpt-raleigh-raleigh		4.7	74 https://g.co/kgs/mAjBfuQ
AirSculpt - White Plains	-	-	https://www.yelp.com/biz/airsculpt-white-plains-white-plains		5	5 https://g.co/kgs/5i2n16b

Leslie's (LESL): Recent changes

RECENT CHANGES

1) CEO–Interim CFO Connection:

- In March 2025, Tony Iskander was appointed interim CFO.
- He had been advising Leslie's since December 2024 as a senior finance and accounting consultant through Stambrisk Consulting LLC.
- CEO Jason McDonell and interim CFO Tony Iskander previously worked together at Advance Auto Parts.
 - McDonell served as EVP of Merchandising and Marketing from 2019 to 2023.
 - Iskander worked at the company from 2017 to 2024.

2) Creating Local Fulfillment Centers with no capex; LFCs are expected to improve working capital and reduce debt

Local Fulfillment Centers (LFCs) are part of Leslie's strategic initiative to enhance its existing footprint.

What are Local Fulfillment Centers (LFCs)?

Leslie's is improving some of its existing stores or service centers by giving them an additional role. These upgraded locations are called Local Fulfillment Centers (LFCs). They are not new buildings—just existing stores being used more efficiently.

What do LFCs do?

Besides serving customers like before, these stores will now store extra inventory for nearby locations—like a mini warehouse. Each LFC will support about 20 nearby stores in the same area.

Why is this helpful?

- Let's say a big item (like a pool pump) is expensive or bulky. Instead of every store keeping multiple units, they might keep just one. If it sells, the store can quickly get more from the local LFC.
- This system helps avoid stock outs during peak seasons (like summer) and improves inventory efficiency.
- This system creates a more flexible network compared to the traditional model where stores rely solely on distribution centers for replenishment, which can lead to out-of-stock situations between shipments, especially during the busy peak season.

Benefit?

Reduce inventory per store: Enables precision inventory management, allowing for better depth levels within a market and consolidation of slower-turning/higher-ticket items. This is expected to reduce overall inventory per store and improve inventory turns.

Working Capital and Debt Reduction: By improving inventory efficiency and reducing inventory per store, LFCs will help improve working capital and are expected to free up cash that can be used for the priority of paying down debt

- Convenience is a **core theme** in winning with the PRO customer. This includes having necessary items like parts or specialty chemicals readily available so PROs can satisfy any pool need quickly. The time it takes to solve a customer's problem often determines who wins the sale, making convenience critical.
- PROs are **very price sensitive**.
- Reinvigorating flash sales and implementing targeted promotional activity around events to cater to the PRO.

Here is more information about PRO customers and recent changes related to serving them:

3) Winning PRO customers

The company's management view winning with the PRO customer as a strategic growth area.

Leslie's serves both residential/DIY (Do-It-Yourself) customers and pool professionals nationwide.

PRO customers are pool professionals who service pools, often on a weekly basis.

PRO partners spend in excess of \$10,000 per year at Leslie's.

Unlike DIY customers whose use might be heavily impacted by weather, consumers pay pool professionals monthly for their service, which provides a bit of a built-in buffer to absolute weather conditions, particularly in the Sunbelt.

Steps taken to win the PRO business

- The company is focusing on pro assortment, including creating a customized list of "never out" PRO SKUs – critical items they aim to always have in stock
- The company is looking to expand this assortment and improve overall in-stock positions, which is crucial for PROs who need product reliably and quickly.

- The company is shifting its mindset to use its entire 1,000+ store footprint to serve PRO customers, rather than just designated "Pro Stores. This leverages their proximity advantage – being within 20 miles of 80% of pools in America.
- Leslie's is focused on dialing into pricing on key SKUs to be competitive for PROs, who are very price sensitive. The company is also using targeted promotional activity and flash sales.

Note: The PRO business, while a strategic growth area, operates structurally at a lower gross margin than the residential business

The company continues to add more PRO partners. As of the fourth quarter of fiscal 2024, Leslie's had 4,400 PRO partners, which was about 14% higher than the previous year. These PRO partners spend in excess of \$10,000 per year at Leslie's.

- The PRO pool consumer group has shown relative strength and resilience during a dynamic season compared to other consumer groups. PRO pool sales declined 1% in Q4 2024 and 4% for fiscal 2024. In Q1 2025, PRO pool sales grew 9% year-over-year, which was encouraging. This growth was predominantly driven by an increase in transactions.
- The PRO business operates at a structurally lower gross margin than the residential business, which contributes to differences in the overall gross margin profile.

These efforts are currently in progress and are expected to yield more significant benefits during the peak pool season in the third and fourth quarters.

Interest expense

In the last two quarters, the interest expenses are declining

- Q1 2025: Interest expense was \$15.8 million compared to \$17.1 million in the prior year period.
- Q4 2024: Interest expense was \$17.0 million compared to \$17.2 million in the prior year period

The effective rate on the company's term loan during the first quarter of fiscal 2025 was 7.6% compared to 8.2% during the first quarter of fiscal 2024.

COMMENTS

This is a high-risk situation.

- The company currently holds \$751M in debt, raising significant concern given its negative free cash flow of approximately \$(110)M in the latest quarter.

- Recent turnover - The Chief Stores Officer, who joined in September 2023, resigned in March 2025 and Scott Bowman, CFO since 2023, also resigned in March 2025.
- The stock is trading at just \$0.60, reflecting market skepticism about its financial health.

Why are we still tracking it?

Despite near-term distress, the company historically generated positive free cash flow. If the new management can execute a turnaround and restore cash generation, the stock could offer substantial upside from current levels.

Forrester Research (FORR): Recent stock price crash

RESEARCH

- Forrester Research operates as a global independent research and advisory firm. It helps leaders across various functions like technology, marketing, and customer experience use customer obsession to drive growth.
- Segment
 - Research segment (78% of revenue): This segment includes revenues from all of Forrester's research products, primarily subscription-based services like Forrester Decisions.
 - Consulting segment (18% of revenue): This segment includes the revenues and the related costs of the Company's project consulting organization.
 - Events (4% of revenue): This segment's revenue comes from ticket sales and sponsorships for the various events Forrester hosts
- Forrester Wave
 - The Forrester Wave™ is an independent guide used by enterprise buyers to assess technology vendors, based on Forrester's consistent and publicly available evaluation methodology.
 - The company may be evaluated in the Forrester Wave™ even without formal participation, under Forrester's Vendor Participation Policy.
 - The evaluation is designed to be transparent and impartial, with analysts refraining from engaging with vendors during the assessment period if the engagement concerns the same market.
 - The Wave provides buyers with detailed, criteria-based analysis and tools to tailor findings to their specific business needs, focusing only on products generally available at the time of the questionnaire.

RECENT CHANGES

1. Migration to “Forrester Decisions” product

- Forrester Decisions, launched in 2021, is a portfolio of 15 standardized research services tailored to the most critical priorities of senior leaders and their teams in technology, marketing, customer experience, sales and product functions.
- Combination of Legacy Products: Prior to the launch of Forrester Decisions, Forrester Research was the primary subscription research product. Acquired in 2019, SiriusDecisions Research was another distinct research product that specializes in B2B marketing, sales, and product alignment frameworks. In 2021, the company combined these two to make one product- Forrester Decision.

- The company has been actively migrating clients from its legacy Forrester Research and SiriusDecisions Research products to Forrester Decisions. As of December 31, 2024, approximately 80% of the overall CV was in Forrester Decisions product platform compared to 62% at December 31, 2023.
- Forrester Decisions became the only subscription research product available for most new clients as of January 1, 2023.
- Motivation? Forrester Decisions includes innovative features like Izola, the generative AI tool, which has been positively received by clients. Izola is a significant differentiator and a selling point for migration, as it provides clients with faster access to research and insights. The company's strategy is to focus investments on Forrester Decisions and not bring new features like Izola to legacy products, which serves as an incentive for migration.

2. Transitioning away from sub-\$50 million tech vendors

Over the last two years, the company made a decision to deemphasize small vendors i.e. companies that generate below \$50 million in revenue. Why? The company has observed funding and budget pressures among its smaller technology clients, which has impacted client retention. These clients typically on boarded in good times and churned in bad times.

3. Benefit of migration to Forrester Decision?

Here are the benefits highlighted by the management-

- The company eliminated separate management structures for SiriusDecisions and Products in 2020.
- This product has demonstrated higher client retention rates compared to legacy research products.
- The migration allows Forrester to focus its entire organization on selling and supporting a single research platform.
- By simplifying the product portfolio and focusing on Forrester Decisions, the company anticipates increased profitability and operating leverage in the long term
- This streamlines operations and allows research and product teams to concentrate on enhancing this core offering
- The shift towards larger corporate clients through Forrester Decisions also aims to create a more stable client base
- Client engagement is considerably higher with Forrester Decisions, on average Forrester Decisions users visit the company's site 50% more than users of its legacy research.
- As per Q4 2023 earnings call, approximately 70% of Forrester Decision seat holders are at the director level and above, which is significantly higher than its legacy product.

COMMENTS

//Trusted brand – hard to replicate

Have you noticed how often companies highlight these accolades?

- Capgemini named a Leader in The Forrester Wave™: Customer Experience Strategy Consulting Services, Q4 2024.
- Oracle named a Leader in The Forrester Wave™: Translytical Data Platforms, Q4 2024.

From emerging players to industry giants, being ranked in the Forrester Wave report is a big deal—showcasing the credibility and influence these firms hold. Companies cite these reports for marketing validation.

Forrester has built a trust-driven, strategy-focused research brand that's difficult to replicate—especially in domains where credibility matters.

// Gartner Vs Forrester

Gartner is a dominant player. Gartner's revenue grew from \$1.1 billion in 2012 to \$6.3 billion in 2024. During the same period, Forrester's revenue grew from \$293M in 2012 to \$432M in December 2024.

The number of analysts Gartner employs, the scale of its conferences, and the breadth of vendor and industry coverage are significantly higher than Forrester's—it clearly dominates in size and reach.

What's your point? There's no justification for applying Gartner's EV/Revenue or EV/EBITDA multiples to Forrester.

// What is the edge ?

It's clear that Gartner is the larger firm. But what edge does Forrester have over Gartner? Put differently, are there areas where Forrester offers deeper focus or expertise compared to Gartner?

As per the initial research, Forrester's focus is all about customer satisfaction and customer experience. Please cross verify the below when you talk to customers, management or any expert.

- Customer Experience (CX): Forrester has deep coverage in CX strategy, measurement, and technology, including dedicated Waves for CX strategy consulting, voice of

customer (VoC), and journey orchestration. Gartner covers CX but is more tech-focused (e.g., CRM platforms).

- Forrester evaluates digital transformation consultancies and agencies (e.g., Accenture Interactive, Wipro Digital) in areas like design, innovation, and digital business strategy, which Gartner touches less frequently.
- Gartner, meanwhile, goes deeper into IT infrastructure, security, enterprise software, and vertical-specific tech (e.g., healthcare IT, manufacturing ERP) and is often the preferred source for CIOs and procurement teams.

Another way to look at it: Gartner may deliberately avoid certain sectors because it prioritizes high-growth verticals that can meaningfully move the needle on its \$6.3B topline. Chasing a \$50M market opportunity would only lift revenue by 0.79%—a marginal gain for a company of its scale. Competing with Forrester in niche or slower-growth segments may simply not be worth the effort when larger, faster-growing opportunities offer better returns. This also helps explain why Forrester, which targets these under-served niches, faces limitations in scaling consistently.

Just wanted to reiterate — please cross-verify these points when speaking with any Forrester customer or industry expert.

//

If Forrester's growth potential is limited, why flag it?

Because the current valuation is so depressed that even modest improvement or change could unlock meaningful upside.

M.Cap: \$185M

Debt: \$35M

Cash: \$134M

EV: \$86M

Note: Debt and Cash balance is extracted from the recent press release -

https://www.sec.gov/Archives/edgar/data/1023313/000095017025064425/forrex99_1.htm

Over the past 10 years, the average free cash flow is approximately \$33 million, excluding the 2021 outlier of \$91 million.

Clearly, a company generating \$33M in free cash flow but trading at an enterprise value of just \$86M suggests that shareholders are deeply concerned.

Some investors may worry that the company could pursue a large, value-destructive acquisition and deplete its cash reserves.

In the last decade, the company has made only three acquisitions totaling around \$255M—two small deals in 2018 (<\$10M) and the \$245M SiriusDecisions deal in 2019, funded by debt.

While George F. Colony (CEO & Chairman) has expressed openness to acquisitions, his 39% ownership stake reflects an owner's mindset—making it unlikely he would jeopardize long-term value for a short-term splash.

// Take a look at a governance-

a) There is no related party transaction.

b) This isn't a typical CEO-controlled board filled with long-time insiders or old buddies—three of the six directors were appointed recently, including a 37-year-old former employee and current CEO of BlueConic.

c) In February 2024, based on the company's 2023 financial performance, the Committee chose to keep base salaries for the named executive officers unchanged. Notably, as part of broader cost reduction efforts, the Committee approved—and Mr. Colony agreed to—maintain his reduced annual base salary of \$1.00 for 2024.

d) Take a look at the CEO's compensation table-

Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Option Awards \$(2)	Incentive Plan Compensation (\$)	All Other Compensation \$(3)	Total (\$)
2024	51	182,250	—	—	—	32,992	215,293
2023	207,993	—	—	—	—	36,928	244,921
2022	597,896	—	—	—	371,250	23,484	992,630

//

Overall -

The company's client base has been impacted by the tech sector slowdown, limited funding for smaller clients, and a challenging macro environment. That said, a turnaround in economic conditions could act as a strong catalyst.

BigCommerce Holdings (BIGC): Recent changes

RESEARCH

BigCommerce is a tool that helps businesses set up and run online stores. You don't need to know coding to use it. It gives you everything you need to sell products online — like a website, shopping cart, payment options, and tools to manage orders and customers.

Shopify is its major competitor

In 2024, Shopify generated \$8.88 billion in revenue, marking a 26% increase from the previous year. The platform supports over 1.75 million merchants across 175 countries and hosts approximately 4.6 million live online stores. Shopify employs around 8,100 people globally and holds more than 12% of the U.S. e-commerce market.

In contrast, BigCommerce generated \$332M.

No transaction fees for customers: A payment gateway is a tool that helps businesses accept payments online. Shopify offers two main payment options: over 100 third-party gateways or its own Shopify Payments, which is easy to set up and offers competitive rates. In contrast, BigCommerce doesn't have its own payment gateway but supports over 65 providers, including Stripe and Apple Pay. While Shopify may charge up to 2% in transaction fees depending on the plan, BigCommerce charges no additional transaction fees, making it more cost-effective for high-volume sellers.

Low cost - BigCommerce offers enterprise-grade features at lower pricing tiers.

BigCommerce has a lot of built-in apps - saves money.

Some Shopify experts have shared excellent insight on the difference between Bigcommerce and shopify. I encourage you to read it.

Many users refer to BigCommerce as "BC". Just FYI

<https://www.quora.com/unanswered/What-are-the-differences-between-BigCommerce-and-Shopify>

https://www.quora.com/What-are-some-basic-ways-in-which-BigCommerce-differs-from-Shopify?no_redirect=1

https://www.reddit.com/r/ecommerce/comments/q045n0/deciding_between_bigcommerce_and_shopify/

//

There is a separate community for Bigcommerce in reddit -

<https://www.reddit.com/r/bigcommerce/>

RECENT CHANGES

Here are some of the ongoing changes at the company-

- **Significant improvement in profitability and cash flow:**
 - In 2024. Non-GAAP operating income exceeded \$19 million in 2024, a \$25 million improvement over 2023.
 - Non-GAAP operating margin expanded by 767 basis points in 2024.
 - Operating cash flow reached \$26 million in 2024, a \$50 million improvement from 2023.
 - The company aims for additional low-to-mid single-digit operating margin expansion in 2025.
- **Significant reduction in debt:** The Company's debt hovered around \$340 for the past few years. In the last few quarters, the company has reduced its debt significantly and the current o/ debt as per the latest press release is \$154M.
- **Management team additions:** Over the last year, the company has replaced the majority of senior executive roles in their sales, marketing, operations, and customer success teams. The company has recruited top leaders with SaaS and commerce expertise. This includes Michelle Suzuki as Chief Marketing Officer, Rob Walter as Chief Revenue Officer, Marcus Groff as SVP of Engineering, and Tracy Turner as SVP of Revenue Operations. The new team is in place and is focused on transformation efforts.
- **Go-to-market reorganization:** The Company has completely rearchitected its sales, marketing, strategic partnerships, customer success, and operations organizations. This involved integrating the teams, systems, and operational processes for its three owned products (BigCommerce platform, Feedonomics, Makeswift) which previously functioned in separate silos. The teams are now organized around three offering groups: B2C, B2B, and Small Business, with dedicated general managers for each. Sales and marketing teams are now aligned with these offerings. The marketing

organization has been recentralized into a matrix model to decrease duplicity and costs and level set best-in-class standards globally. The company is also integrating product marketing teams into one group.

- **Increased sales capacity:** The company is ramping up its sales team, adding experienced B2C and B2B sellers and increasing the number of account managers. They are on track to double their quota-carrying sales team by mid-2025. Much of the hiring for this doubling of capacity was largely complete by the end of Q4 2024. This staffing is intended to support growth at a faster rate.
- **Reduction in expenses:** The company has cut ineffective sales and marketing spend and reduced sales and marketing expenses as a percentage of revenue from 41% in 2023 to 36% in 2024. Specific changes include reducing the number of events to double down on larger ones and changing the partner program to encourage deeper relationships with a smaller number of partners who provide better implementations and customer experiences.

We want growth but it has to be efficient, and the changes we have been implementing have set us up to do so. - Q4 2024

- **New products:** Recently, the company launched Catalyst - Catalyst is a ready-made solution that helps businesses quickly build online storefronts (website where you purchase stuff) with minimal coding. You can launch a fully functional e-commerce site directly from the BigCommerce dashboard in one click. It includes Makeswift, a visual builder that lets you drag and drop components to design pages easily, making it ideal for non-developers to create and manage storefronts without writing code. The company plans to introduce more bundled solutions like Catalyst in 2025, tailored to specific markets and industries.
- **Increased use of AI:** AI is being leveraged to enhance sales efficiency by helping identify opportunities and create targeted outreach. The use of AI aims to service customers better, faster, and less expensively.
- **Cost cutting, reduction in stock-based compensation:** The company cut ineffective sales and marketing spend, reducing headcount by approximately 10%. The company has been eliminating non-core initiatives. They reduced stock-based compensation as a percentage of revenue and plan to prioritize minimal net dilution in their equity program.
- **Focus on Enterprise and NRR:** The priority remains moving up market and focusing on enterprise accounts. A key goal is to bring Net Revenue Retention (NRR) for enterprise accounts to best-in-class levels, improving upon the 99% NRR seen in 2024.

Overall - the new CEO has outlined three top priorities for 2025: (1) driving profitable revenue growth, (2) streamlining operations by eliminating non-core initiatives, and (3) executing its sales and marketing transformation with aligned teams and new leadership.

*****NOT VERIFIED***GENERATED BY AI**

// The Q&A section below was generated by AI.

Why is BigCommerce often considered a strong choice for B2B e-commerce, and what are the reasons behind this preference?

*BigCommerce is often preferred for B2B because it has **built-in features tailored for complex B2B needs** — without needing many extra apps or custom development.*

Key reasons:

- **Customer group pricing** – You can show different prices to different customers (e.g., wholesalers vs. retailers).
- **Custom catalogs** – Businesses can restrict or personalize product visibility by customer type.
- **Quote management** – Buyers can request quotes instead of checking out immediately.
- **Credit terms** – BigCommerce supports invoicing, offline payments, and purchase orders.
- **Multi-user accounts** – One company account can have multiple users with roles and permissions.
- **Integration readiness** – It integrates well with ERP and CRM systems used in B2B.

*Shopify can support B2B, but it usually needs add-ons or Shopify Plus (which is more expensive). BigCommerce makes these features available **out of the box**, making it easier and more cost-effective for B2B sellers.*

Synaptics (SYNA): Sudden adoption of “change of control” agreement for its executive team (short notes)

In February 2025, Synaptics' CEO stepped down as CEO and Ken Rizvi (CFO) was appointed as interim CEO.

On April 17, 2025, the company adopted new “Change of Control and Severance Agreements” for its executive team, including interim CEO Ken Rizvi, providing up to 2x salary and 200% bonus, full equity acceleration (excluding MSUs), and 18 months of COBRA coverage if terminated in connection with a change of control. Retention RSUs were also granted, with full vesting if not assumed post-transaction.

In addition, on the same day, the company adopted revised indemnification agreements. Enhanced indemnification shields directors and officers from liability—standard when sensitive board decisions may be forthcoming.

COMMENTS

Given that the company is adding change of control protections abruptly during a CEO search, it may suggest that the board is preserving strategic flexibility and preparing for potential M&A or a sale process.

Bakkt Holdings (BKKT) appointed former Softbank Group executive as Co-CEO (ultra-short notes)

RESEARCH

Akshay Naheta, a former SoftBank Group official who has overseen some of its biggest deals, has joined Bakkt Holdings Inc. as a co-chief executive officer to help turn around the struggling American crypto trading and custody platform.

Naheta will also be part of the company's board and will work with Andy Main, the firm's current CEO.

Bakkt Holdings offers SaaS and application programming interface solutions for crypto trading capabilities and loyalty for clients and customers.

Crypto is well outside our focus—but Bakkt attracting a former SoftBank executive raises eyebrows, which is why we're flagging it.

Risk, Audit & Governance: Red Flags, Fixes & Updates

Debt Alerts

zSpace (ZSPC): Headsup (short notes); 20% interest rate

The company provides augmented and virtual reality educational technology solutions for K-12 schools. The zSpace laptop is a unique and intriguing device, particularly for educators that allows users to interact with 3D objects in an AR/VR environment.

ALERT

On April 10, 2024, in connection with their senior secured convertible note financing, the Company entered into an amendment to its existing loan and security agreement with Fiza Investment. Pursuant to this, the interest rate was lowered from 25% to 20%.

COMMENTS:

Even though reduction of interest expense is good news, the interest rate is too high and signals significant financial risk.

OTHER RED FLAGS/HEADS UP

- Material weakness and going concern
 - The company's independent registered public accounting firm included an explanatory paragraph in its report on the consolidated financial statements for the year ended December 31, 2024, stating that management has concluded there is substantial doubt about the company's ability to continue as a going concern for one year after the date the financial statements are issued.
 - The company has identified material weaknesses in its internal control over financial reporting for the years ended December 31, 2023 and 2024.
- Customers
 - Subsequent to fiscal year 2023, the company experienced significant cancellations ("debooks") of previously reported customer commitments, impacting full-year bookings performance. These debooks totaled \$1.6 million in 2023 and \$1.2 million in 2024, with most occurring in the last three quarters of 2024. The primary driver was customer financial constraints.
 - The company's five largest customers accounted for 23% of revenue in 2023 and 26% in 2024.
- Product review - not great <https://www.tomshardware.com/reviews/zspace-vr-laptop-education,6129.html>

In spite of these, the company is trading at an EV/Revenue multiple of 4.5X.

Roadzen (RDZN): High cost debt

On March 31, 2025, Roadzen raised \$2M in gross proceeds through a public offering of junior convertible notes - face value \$2.3M, 16% annual interest, maturing in 1 year. The notes are convertible into ordinary shares at \$2.00/share, with customary anti-dilution protections and redemption terms.

COMMENT: The convertible notes with a high interest rate of 16% (increasing to 18% upon default) is a red flag.

Lee Enterprises (LEE): Waiver of interest and lease payment hints liquidity issues

Recently, the company faced a systems outage due to a cyberattack. To support short-term liquidity for remediation and operations, its lender BH Finance waived March 2025 interest and lease payments. On March 31, 2025, BH Finance and BH Media extended this support by waiving April 2025 payments as well, providing \$3.7M in additional capital. All waived amounts will be added to the loan principal. [SEC link](#)

COMMENTS: If a cyberattack forces the company to seek waived payments just to manage operations, its financial cushion is likely thin. This signals fragility in their balance sheet.

The company recently received a takeover offer.

Xerox Corporation: High interest rate

Xerox Corporation and its subsidiary issued \$400M in 10.25% First Lien Notes (due 2030) and \$400M in 13.5% Second Lien Notes (due 2031) through a private offering.

Use of Proceeds:

- First Lien Notes: To redeem existing 5.00% 2025 Notes, repay \$95M of TLB Facility debt, and for general corporate purposes.
- Second Lien Notes: To fund the proposed acquisition of Lexmark International II, LLC and repay Lexmark's debt.

COMMENTS: The 10.25% on First Lien Notes and 13.5% on Second Lien Notes indicate elevated credit risk and suggest lenders demanded steep premiums due to Xerox's weak credit profile.

Superior Industries International: Increase in liquidity threshold

The company amended its term loan agreement to increase the liquidity threshold, which would trigger a mandatory prepayment of term loans, from \$80 million to \$115 million.

COMMENTS: The liquidity threshold in a loan agreement is the minimum amount of cash or liquid assets the company must maintain. If the company's liquidity falls below this level, it may be forced to repay part of the loan early. Lenders typically raise these thresholds when they are worried the company's financial situation could worsen.

AuthID: High-cost placement fees for the capital raise

The company provides secure, biometric, identity verification, and strong passwordless and biometric authentication.

AuthID raised ~\$8.1M via a registered offering on March 31, 2025, selling 1.36M common shares at \$4.50 each and issuing 450,000 pre-funded warrants. The offering closed on April 1, 2025.

Placement agents:

- Madison: Earned 7% commission, advisory fees, legal reimbursements, and 80,999 warrants.
- Dominari: Earned 8% commission, 1% management fee, legal reimbursements, and 91,556 warrants.
- All placement agent warrants have a \$4.50 exercise price.

COMMENTS: While the financing provides needed capital, the aggressive placement agent compensation raises red flags.

The company is yet to generate any meaningful revenue.

Clipper Realty: Impairment

Clipper Realty Inc.'s subsidiary entered into a Purchase and Sale Agreement to sell a property for \$45.5M and expects a significant impairment of assets estimated between \$32 million to \$34 million.

Wellgistics Health, Inc.: Debt raised from insiders

On April 7, 2025, the Company issued an unsecured \$500,000 promissory note to related party Sansur Associates, LLC, owned by Chairman Suren Ajarapu. The note bears 10% annual interest, matures on October 4, 2025, and is prepayable without penalty. In case of default, the interest rate increases to 12% per annum.

COMMENTS: The note matures in just 6 months (by October 2025).

Better Home & Finance (BETR): Noteholders take 50% haircut

On April 12, 2025, the company entered into a privately negotiated exchange agreement to retire \$534 million of 1.00% convertible notes due 2028, in exchange for \$110 million in cash and \$155 million of new senior secured notes, giving noteholders a ~50% haircut. <https://www.sec.gov/Archives/edgar/data/1835856/000162828025017610/ex991-bettersbdebtrestruct.htm>

COMMENTS: Even though this transaction helps clean up the balance sheet —reducing debt without equity dilution and creating ~\$265 million in pre-tax equity value—it reflects prior financial distress.

Plug Power (PLUG) | M.Cap: \$742M: Raises high-interest financing (Debenture with interest rate of 15%)

On April 28, 2025, Plug Power entered into a Secured Debenture Purchase Agreement to raise up to \$525M in secured debt, including an initial \$210M tranche at a 15% interest rate (25% upon default) and an OID-adjusted purchase price of \$200M. The buyer, YA II PN, Ltd., will receive warrants for up to 31.5M shares, with potential for more if future tranches close. . All debt is secured by nearly all of Plug's assets and carries no financial covenants but includes a 2% exit fee (partially waivable).

Hyperscale Data (GPUS) | M.Cap: \$40M: 20% original issue discount

On April 15, 2025, the company issued to the Investors convertible promissory notes in the aggregate principal face amount of \$5 million in aggregate gross consideration of \$4 million in cash paid by the Investors to the Company, prior to placement agent fees and expenses of approximately \$460,000.

COMMENTS:

- The 20% original issue discount—issuing \$5M in principal for only \$4M in cash—signals distressed financing, as the company is effectively paying a premium for capital upfront.
- On top of the discount, the ~\$460K agency fee represents over **11% of the cash raised**, which is unusually high and further underscores **capital scarcity or urgency**.
- The conversion feature, set at 80% of the lowest trading price over the prior five days, is highly dilutive and typically associated with "death spiral" financing; it creates incentives for the noteholder to sell or short the stock, driving the price down to convert at cheaper levels.

SEC filing delays - NT Filings

Primis Financial Corp (FRST): A quick summary of recent accounting problems- Restatements, Auditor Exit; Solid progress

- **Accounting Issues and Restatements:** In early 2024, the company identified errors in the application of U.S. GAAP related to the accounting for a third-party managed consumer loan portfolio and certain loan transfers. This required the company to determine that previously issued financial statements could no longer be relied upon and necessitated restatements. Restated financial statements were included in amended filings for the year ended December 31, 2022 (Form 10-K/A) and the quarters ended March 31, 2023 and June 30, 2023 (Forms 10-Q/A). These restatements impacted various financial statement line items, including net income, retained earnings, and balance sheet accounts.
 - Transfers of loans by the Company's subsidiary, Primis Bank, to other financial institutions over the first, second, and third quarters of 2023. These transfers did not qualify for sales treatment under U.S. GAAP and should have been accounted for as secured borrowings.
 - Losses on a receivable Primis Bank previously reported on the Company's balance sheet as of December 31, 2023. Information obtained after year-end confirmed these losses met the accounting requirements of a subsequent event that should be recognized during the year ended December 31, 2023.
 - Management also determined that the Company's allowance for credit losses related to a third party managed portfolio was insufficient as of the end of the fourth quarter of 2023.
 - In early 2024, the company's independent registered public accountants, FORVIS, LLP, informed the Company that they believe there is a potential error in the methodology used to account for a portfolio of consumer loans. This portfolio represents approximately 6% of the Company's gross loans as of December 31, 2023. This consumer loan portfolio is originated and serviced through a third party under a contractual arrangement with Primis Bank.
- **Material Weaknesses in Internal Controls:** The accounting errors led to the identification of **material weaknesses in the Company's internal control over financial reporting** as of December 31, 2022, and December 31, 2023, particularly concerning the assessment of complex agreements and loan transfers.
- **Auditor change:** The Company's independent registered public accounting firm, Forvis Mazars, LLP, declined to stand for re-appointment as auditor for the year ending December 31, 2024 [conversation history]. This decision followed discussions with the Audit Committee regarding "reportable events," which were related to the

material weaknesses in internal control and the accounting issues that triggered the restatements. Forvis had expressed an adverse opinion on the effectiveness of the company's internal control over financial reporting for both 2022 and 2023. The sources state there were no "disagreements" as defined by SEC rules. Crowe LLP was subsequently appointed as the new auditor.

- **Filings Delays and Catch-up:** Due to the accounting issues, restatements, and consultation with the SEC, the company was delinquent in filing its 10-K for the year ended December 31, 2023, and Quarterly reports for the quarters ended March 31, 2024, June 30, 2024, and September 30, 2024. The 2023 10-K and the Q1, Q2, and Q3 2024 10-Q reports have since been filed.
- **Current pending filing:** The Company is currently delinquent in filing its 10-K for the year ending December 31, 2024. This has resulted in a non-compliance notice from Nasdaq and a scheduled hearing.

Veradigm (MDRX): Major progress after accounting fiasco

NT, audit investigation and management changes

In Feb 2023, the company announced that it was unable to file its 10-K for the year ended December 31, 2022, on time due to internal control failures related to revenue recognition, stemming from a software tool implemented in 2021 that caused duplicative transactions and revenue misstatements.

In March 2023, the company's board determined that its financial statements from Q1 2021 through Q3 2022, including the full year 2021, should no longer be relied upon due to revenue misstatements caused by internal control failures.

In late 2023, the company's audit committee began an investigation and identified deficiencies in accounting policies and practices related to revenue recognition, impairment accounting, bonus accruals, and non-GAAP financial measures disclosure. It also highlighted problems with inappropriate communications within the finance organization, insufficient accounting resources, and inconsistent exercise of judgment.

As a direct result of the Audit Committee Investigation, the CEO and CFO resigned at the request of the Board on December 6, 2023.

On February 27, 2025, the Board concluded that the 2020 financial statements should no longer be relied upon due to misstatements found during the 2022 audit process.

In April 2025, the company terminated Grant Thornton and appointed BDO USA as its new audit firm.

Current status

(a) Filing of pending 10-K filing: After a 28-month gap, in March 2025, the company filed its 10-K for the fiscal year ended December 2022, which included restated financials for full years 2021 and 2020, as well as restated interim results for the first three quarters of both 2022 and 2021.

(b) Co-operation agreement with Kent Lake PR (shareholder) : On February 20, 2025, the company signed a co-operation agreement with shareholder Kent Lake PR LLC, expanding the Board from five to six members and appointing Vinit Asar and Louis Silverman as independent directors. Per the agreement, Mr. Garrison will resign and two more independent directors—subject to Kent Lake’s approval—will be added.

About Kent Lake - Kent Lake Partners LP (AUM: \$496M - concentrated portfolio) is an investment fund founded by Ben Natter in 2019 with a focus on small and mid-capitalization public equities, particularly in the healthcare space. Mr. Natter has over a decade of successful public healthcare equity investing experience.

Vocal: Most recently, the fund is opposing Quanterix’s proposed merger with Akoya Biosciences.

Fiscal 2024 - preliminary financial ranges

Even though the company is yet to file the recent 10-Ks, it provided a preliminary financial ranges for the fiscal 2024-

- Revenue: Estimated between \$583 million and \$588 million, including ~\$1 million from favorable customer settlements
- Net Loss: Estimated between \$46 million and \$49 million
- Adjusted EBITDA: Estimated between \$85 million and \$90 million
- Net Cash (as of Dec 31, 2024): \$87 million (Cash: \$295 million; Debt: \$208 million from 2019 convertible notes).
- 2025 Financial Outlook
 - Revenue (GAAP): Expected to be approximately flat compared to 2024
 - Net Cash: Expected to remain positive

Source:

<https://www.sec.gov/Archives/edgar/data/1124804/000119312525056755/d877347dex991.htm>

Auditor change

Tortoise Energy Infrastructure (TYG) |M.Cap: \$750M: Auditor switch warrants scrutiny

In April 2025, the company changed its independent registered public accounting firm from Ernst & Young LLP to Tait, Weller & Baker LLP.

A switch from Ernst & Young to a smaller firm like Tait, Weller & Baker may not be a red flag on its own, but it warrants closer scrutiny.

GivBux (GBUX) |M.Cap: \$320M: Auditor resigned following charges brought by the SEC against the audit firm related to securities fraud

The company engages in the Fin-Tech mobile wallet business in the United States.

GivBux Inc reported that its previous auditor, Olayinka Oyebola & Co, were dismissed due to charges brought against the firm by the SEC relating to securities fraud. Additionally, OTC Markets had placed Olayinka Oyebola & Co on their Prohibited Service Providers List. The Company approved the engagement of LAO Professional Services as the new auditor.

Voting results

Tracking withheld/against vote trends provides valuable insights into shareholder sentiment. Elevated withheld percentages—typically above 20%—often highlight underlying tensions between shareholders and the board.

Innovative Solutions and Support: On April 17, 2025, the company held its Annual Meeting. While all directors were re-elected, five out of six directors received elevated withheld votes ranging from 29.7% to 38.5%, with Glen R. Bressner facing the highest opposition (38.5% withheld).

Applied Optoelectronics: At the April 10, 2025 Special Meeting, both proposals were approved, with the amendment to the equity incentive plan receiving 22.3% opposition (against/abstain).

Seres Therapeutics: On April 10, 2025, the company held its 2025 AGM. Although all proposals were approved, all three directors received elevated withheld votes, signaling notable shareholder dissatisfaction. Eric D. Shaff faced 39% withheld votes, while Dennis A. Ausiello, M.D. and Willard H. Dere, M.D. received 36.1% and 36.9%, respectively. Moreover, while all proposals passed, several items, especially executive compensation and the incentive plan, faced meaningful opposition (22-36%), signaling shareholder concerns over pay practices and governance matters.

Mission Produce: At the recent meeting (April 10, 2025), all directors were re-elected, with Bruce C. Taylor receiving 24.3% withheld votes. The say-on-pay proposal was approved but faced 23.4% opposition

Photronics, Inc.: At the April 2, 2025 Annual Meeting, all eight directors were re-elected, though Mitchell G. Tyson received 23.1% withheld votes, and Adam Lewis faced 14.8% withheld, reflecting pockets of shareholder dissent.

Liberty Energy: The proposal to amend the Company's Charter to delete the waiver of Section 203 of the Delaware General Corporation Law was not approved, receiving 73.5% opposition. Section 203 of the Delaware General Corporation Law restricts business combinations with stockholders owning 15% or more of the company for three years, unless certain conditions are met. A waiver allows the company to opt out of these restrictions.

Others

- Texas Capital Bancshares: The say-on-pay proposal was not approved, receiving 53.0% opposition.
- Tri Pointe Homes: The say-on-pay proposal was approved, though it faced 24.7% opposition.
- H.B. Fuller Company: The amendment and restatement of the H.B. Fuller 2020 Master Incentive Plan was approved, with 27.9% opposition.

Perks

International Bancshares (IBOC) | Mcap: \$3.9B - Company staff provide personal administrative support to the CEO

Mr. Nixon (CEO) received a total “other compensation” of \$259K in 2024. It consists of the following-

- Airplane: \$50.6K
- Administrative expenses: \$40K
- Company & subsidiary bank director fee: \$138K
- Club membership: \$6.4K

What is “Administrative expense”? It is nothing but the personal administrative services provided by Company staff to Mr. Nixon. This isn't common.

Esperion Therapeutics (ESPR) | MCap: \$172M - CEO receives healthcare benefits for “domestic partner”

The Company provides for taxable domestic partner fringe benefits for healthcare.

Let me explain - the company offers healthcare benefits to an employee’s domestic partner. In the US, a domestic partner is someone who is not legally married. Note - Under federal tax law, domestic partners are not treated as spouses, so benefits are usually taxable.

In addition, the CEO gets wellness reimbursement and allowance of a guest to be included on the annual sales company award trip.

Lear Corp (LEA) | MCap: \$4.5B - Company provides security for management after “credible threats”

As per the proxy statement - due to credible threats made, the company commissioned an overall, third-party security review in 2024 and decided to provide additional security services to its executive officers.

During 2024, the company provided its named executive officers with an executive protection risk assessment, a home security system installation with monitoring and cybersecurity protection (e.g., digital privacy protection, personal device security, home network security). The total cost for these services was \$134K.

<https://www.sec.gov/Archives/edgar/data/842162/000084216225000029/lea-20250403.htm#ib2f6ba639fbb4a99a943531977a6e092>

Easterly Government Properties (DEA) | Mcap: \$999M| Company reimburses jet fuel expense of \$0.4M

For 2024, Michael P. Ibe, Executive Vice President—Development and Acquisitions and Vice Chairman of the Board, was reimbursed an aggregate of \$400,000 for jet fuel expenses incurred on aircraft personally owned by Mr. Ibe.

The company has a policy to reimburse jet fuel expenses incurred in connection with business travel on privately owned or leased aircraft.

Who is Mr. Ibe? According to the San Diego Business Journal's 2020 list, he was ranked among the wealthiest individuals in San Diego with an estimated net worth of \$130 million.

https://ocbj.media.clients.ellingtoncms.com/news/documents/2021/01/11/SDBJ_Wealthiest_List_2020.pdf

DigitalBridge Group (DBRG) | M.Cap: \$1.6B: Company reimburses \$1.6M for CEO's private air travel

- Marc C. Ganzi, CEO, received \$1.6M in reimbursements for private air travel and his total compensation for the year 2024 is \$6.03M.
- The Compensation Committee encourages its CEO to use private aircraft for travel to increase his safety, security, and productivity.

Bloom Energy (BE), M.Cap: \$3.8B | CEO enjoys perks - Home security, Home office, Hotel membership, Spousal airline travel; stock awards

- Huge stock awards: The company's stock awards totalled a whopping \$42.39 million in FY 2024 bringing the total compensation to \$44.96M.
- Perks - The company provides home security services for the CEO - Home office-related expenses, including setup and maintenance, are covered to support the CEO's ability to effectively perform his duties outside the Company's headquarters - Hotel membership - The CEO's spouse is allowed to accompany the CEO on business trips, but only to a limited extent and typically on the company's expense.

Major Management & board changes

1. Angi Inc. (ANGI) | M.Cap: \$718M

List of recent resignations-

- Apr 2025: Director 1
- Apr 2025: Director 2
- Apr 2025: Director 3
- Feb 2025: Chief Technology Officer
- Feb 2025: Chief Product Officer
- Oct 2024: Chief Accounting Officer

List of recent appointments-

- Apr 2025: Director Class 1
- Apr 2025: Director Class 2
- Apr 2025: Director Class 3
- Feb 2025: Chief Product Officer
- Feb 2025: Chief Experience Officer
- Jan 2025: Executive Chairman
- Oct 2024: Chief Accounting Officer
- Oct 2024: Chief Operating Officer
- Oct 2024: Chief Growth Officer

2. DMC Global Inc. (BOOM) | M.Cap: \$139M

List of Resignations

- Apr 2025: Director
- Mar 2025: Executive Vice President, Chief Legal Officer and Secretary
- Nov 2024: CEO
- Oct 2024: Director and Chairman
- Oct 2024: Director
- Oct 2024: President of Arcadia Products, LLC, the architectural building products segment of DMC Global Inc.

List of appointments

- Feb 2025: President
- Nov 2024: Interim President and Chief Executive Officer
- Oct 2024: Executive Chairman
- Oct 2024: Lead Independent Director

3. Editas Medicine (EDIT) | M.Cap: \$116M

List of recent resignations

- Mar 2025: CFO
- Dec 2024: Chief Medical Officer
- Dec 2024: Director

List of appointments

- Mar 2025: CFO

4. Evolv Technologies Holdings, Inc. (EVLV) | M.Cap: \$668M

List of recent resignations

- Apr 2025: Interim CFO
- Jan 2025: Chief Commercial Officer
- Dec 2024: Director
- Dec 2024: Director
- Dec 2024: Interim President and CEO
- Nov 2024: CFO
- Oct 2024: CEO

List of recent appointments

- Apr 2025: CFO
- Feb 2025: Class II Director
- Jan 2025: Chief Revenue Officer
- Dec 2024: CEO
- Nov 2024: Interim CFO
- Oct 2024: Interim President and CEO

Appointment/Resignation of Chairman / Executive Chairman

- Infusystem Holdings, Inc. (INFU) | M.Cap: \$114M: On April 1, 2025, the company [announced](#) the appointment of Scott Shuda as Executive Chairman of the Board.
- Biote Corp. (BTMD) | M.Cap: \$198M: On April 1, 2025, Marc Beer, Executive Chairman, transitioned from full-time employment to part-time employment, consistent with the Board of Directors' transition plan of leadership. [Link](#)
- AMMO, Inc. (POWW) | M.Cap: \$238M: On April 4, 2025, Fred W. Wagenhals delivered [notice](#) to the *board* of his resignation from his position as the Executive Chairman of the Company and as Chairman of the Board, effective immediately.
- Hilltop Holdings Inc. (HTH) | M.Cap: \$1.9B: On April 24, 2025, the Board of the company appointed Mr. Gerald J. Ford as Chairman Emeritus effective immediately. [Link](#)
- Universal Electronics Inc. (UEIC) | M.Cap: \$80M: Effective May 1, 2025, Eric Singer will commence serving as Chairman of the Board. [Source](#)
- Air Lease Corporation (AL) | M.Cap: \$5.9B: On March 13, 2025, Mr. Steven Udvar-Házy [notified](#) the company of his intent to retire from his position as Executive Chairman of the Company effective as of the date of the Company's 2025 AGM.
- Inland Real Estate Income Trust, Inc. (INRE) | M.Cap: \$396M: On May 2, 2025, Robert D. Parks [informed](#) the company of his resignation from his position as a member of the Board of Directors of the Company, including as Chairman thereof, effective May 2, 2025.
- Howard Hughes Holdings Inc. (HHH) | M.Cap: \$4.1B: On May 4, 2025 the Board appointed William A. Ackman, Ryan Israel and Jean-Baptiste Wautier to the Board, effective May 5, 2025. In addition, Mr. Ackman has been appointed as the Executive Chairman of the Board and R. Scot Sellers has been appointed Presiding Director. [Link](#)
- Alto Ingredients (ALTO) | M.Cap: \$65M: On March 17, 2025, Douglas L. Kieta, the Chairman of the Board of the company notified the Company that he will not stand for re-election to the Board at the Company's upcoming 2025 AGM to be held on June 25, 2025.

STRATEGIC INITIATIVES, ACTIONS & DIVESTMENTS

Oramed Pharmaceuticals Inc. (ORMP) | M.Cap: \$93M | Biotechnology

On April 28, 2025, Oramed Pharmaceuticals announced a \$36.9 million strategic investment and collaboration with Alpha Tau Medical, acquiring about 14.1 million shares. As part of the partnership, Oramed will provide Alpha Tau with investor relations, strategic guidance, and capital markets expertise over three years, while also appointing two directors to Alpha Tau's Board. [Link](#)

Entrada Therapeutics, Inc. (TRDA) | M.Cap: \$349M | Biotechnology

On April 29, 2025, Entrada Therapeutics approved a strategic plan to focus on its Duchenne muscular dystrophy (DMD) pipeline and key preclinical programs, effective May 2. The plan includes a ~20% workforce reduction in select research areas and increased hiring to support global DMD trials. [Link](#)

Sage Therapeutics, Inc. (SAGE) | M.Cap: \$451M | Biotechnology

On April 29, 2025, Sage Therapeutics announced that its Board is actively reviewing strategic alternatives to maximize shareholder value, with no set timeline and plans to disclose updates only when deemed appropriate or necessary. [Link](#)

Alico, Inc. | M.Cap: \$218M | Farm Products

On January 6, 2025, Alico, Inc. announced a strategic transformation to wind down its Alico Citrus division, ceasing nearly all citrus operations after the 2025 harvest due to prolonged financial challenges from citrus greening disease and environmental factors. The company will shift focus to diversified land use and real estate development, abandoning trees on approximately 90% of its producing acres, with accelerated depreciation of these assets through April 2025. [Link](#)

Jack in the Box Inc | M.Cap: \$462M | Restaurants

On April 23, 2025, Jack in the Box unveiled its "JACK on Track" plan to improve long-term financial performance, including exploring strategic alternatives for the Del Taco brand, with BofA Securities engaged for the process. [Link](#)

Amplify Energy Corp. | M.Cap: \$109M | Oil & Gas E&P

On April 25, 2025, Amplify Energy Corp announced its plans to continue to evaluate strategic alternatives to maximize value to stockholders, including potential portfolio optimization strategies. [Link](#)

Ironwood Pharmaceuticals, Inc. (IRWD) | M.Cap: \$118M | Drug Manufacturers

On April 14, 2025, Ironwood Pharmaceuticals has engaged Goldman Sachs to explore strategic alternatives to maximize shareholder value while continuing to advance aprglutide's development. [Link](#)

Coherus BioSciences, Inc. (CHRS) | M.Cap: \$130M | Biotechnology

On April 14, 2025, Coherus BioSciences completed the divestiture of its UDENYCA® franchise to Intas Pharmaceuticals for up to \$558.4 million, including a \$483.4 million upfront payment. The deal marks Coherus' full strategic shift to focus on its innovative oncology pipeline, including LOQTORZI®, casdozokitug (IL-27 antagonist), and CHS-114 (CCR8 antibody). [Link](#)

Vacasa, Inc. (VCSA) | M.Cap: \$124M | Travel Services

On April 14, 2025, Vacasa stated that it has engaged in a broad strategic review process, which involved soliciting bids from 23 individual third party bidders, receiving six preliminary bids and ultimately receiving only one final bid after six months of engagement. [Link](#)

Certara, Inc. (CERT) | M.Cap: \$2285M | Health Information Services

On April 14, 2025, Certara stated that it is conducting a strategic evaluation of its regulatory services business and has initiated preliminary discussions with multiple external parties following the public announcement of its internal review. [Link](#)

AMMO, INC. (POWW) | M.Cap: \$170M | Aerospace & Defense

On April 18, 2025, AMMO, Inc. completed the sale of its ammunition manufacturing assets to Olin Winchester, marking its strategic shift to become a pure-play e-commerce company focused on GunBroker.com. The sale, which followed a comprehensive strategic review, allows AMMO to concentrate on scaling its high-margin digital marketplace and enhancing shareholder value. Proceeds will support platform growth, innovation, and capital allocation, while a corporate rebranding to “Outdoor Holding Company” is underway to reflect its new identity. [Link](#)

Belpointe PREP, LLC (OZ) | M.Cap: \$232M | Real Estate – Development

On April 18, 2025, Citrin Cooperman & Company, LLP decided to undergo a strategic shift by focusing its issuer engagement efforts on industries outside of Belpointe PREP's core business sector. [Link](#)

Atea Pharmaceuticals, Inc. (AVIR) | M.Cap: \$254M | Biotechnology

On April 17, 2025, Atea Pharmaceuticals reaffirmed that its strategic alternatives review—first announced in December 2024—is ongoing, with Evercore engaged to explore value-enhancing opportunities. The scope includes potential partnerships, mergers, acquisitions, asset sales, or other strategic transactions. [Link](#)

3D Systems Corp (DDD) | M.Cap: \$277M | Computer Hardware

On April 1, 2025, 3D Systems completed the sale of its Geomagic® software portfolio to Hexagon's Manufacturing Intelligence Division for \$123 million, with approximately \$100 million in expected net proceeds. The transaction strengthens 3D Systems' balance sheet and aligns with its strategic shift to focus on core additive manufacturing software platforms—3D Sprint®, 3DXpert®, and Oqton Industrial Manufacturing OS. [Link](#)

Magnachip Semiconductor Corp (MX) | M.Cap: \$103M | Semiconductors

On April 8, 2025, Magnachip announced plans to shut down its Display business by the end of Q2 2025 after unsuccessful sale efforts, shifting its focus entirely to Power IC and Power discrete units. The move is part of its cost-cutting strategy to reduce operating expenses by 30–35% and support its “3-3-3” plan, targeting breakeven adjusted EBITDA by end-2025, operating income in 2026, and positive free cash flow in 2027. [Link](#)

Tilray Brands, Inc. (TLRY) | M.Cap: \$171M | Drug Manufacturers

On April 8, 2025, Tilray outlined Q3 FY2025 strategic initiatives focused on profitability and growth through its \$33M Project 420 cost-saving plan, \$1.4M in hemp-derived THC beverage sales across 10 states, and expanding international cannabis sales for better margins. It is also scaling cultivation and enhancing efficiency through capital investments. [Link](#)

Levi Strauss & Co (LEVI) | M.Cap: \$5946M | Apparel Manufacturing

On April 8, 2025, Levi Strauss & Co. announced it is evaluating strategic alternatives for its global Dockers® business, including a potential sale, with a formal process underway and targeted completion within fiscal 2025. As of March 2, 2025, Dockers® is classified as held for sale and reported as discontinued operations. [Link](#)

Tempest Therapeutics, Inc. (TPST) | M.Cap: \$22M | Biotechnology

On April 9, 2025, Tempest Therapeutics announced its plans to explore a full range of strategic alternatives to advance its clinical-stage programs and maximize stockholder value. [Link](#)

Keros Therapeutics, Inc. (KROS) | M.Cap: \$494M | Biotechnology

On April 10, 2025, Keros Therapeutics announced it has initiated a formal review of strategic alternatives, including a potential sale, business combination, continued pipeline investment, or return of capital to shareholders. To safeguard the process, the company adopted a limited-duration stockholder rights plan in response to significant stock accumulation by certain investors, aiming to ensure fair participation and protect shareholder interests. [Link](#)

II. FUND LETTERS

Fund Name: 1 Main Capital Partners

Source:

<https://static1.squarespace.com/static/5e03bb9dcc191357f10902ad/t/6811272f5f09744a602add3b/1745954608020/Q1%2725+letter.pdf>

Company Name: Arvinas, Inc. (ARVN)

Market Cap: \$661M

Arvinas (ARVN), a clinical-stage biotech company developing targeted protein degraders, is down more than 90% from its 2021 highs due to investor disappointment with its trials.

Pipeline struggles aside, ARVN has over \$1 billion in cash and two significant license/collaboration agreements. With Pfizer, ARVN is eligible to receive up to \$1.4 billion of payments upon the approval of ARV-471 and then share equally (50/50) in all profits and losses of the drug. With Novartis, ARVN is eligible to receive up to \$1 billion upon the approval of ARV-766, with ongoing tiered royalties thereafter.

Despite these assets, ARVN's market capitalization fell to \$500 million in March 2025 upon a disappointing readout for ARV-471 (vepedgestrant). This valuation implies that the company will burn its cash, or that its pipeline will turn out to have minimal value. However, I believe it is unlikely that both will occur. The company's largest holder with a 15% stake, EcoR1, is an engaged and concentrated biotech specialist that has sufficient incentive to prevent further value destruction.

Company Name: Third Harmonic Bio, Inc. (THRD)

Market Cap: \$233M

Third Harmonic Bio (THRD) came public in 2022, and its shares quickly came under pressure after the company reported that THB001, its primary drug, caused liver toxicity issues in trials. In February 2025, phase 1 data for another pipeline asset, THB335 ("335"), also disappointed investors.

Concurrent to releasing the 335 results, THRD halted all non-335 research, fired 50% of its workforce, and initiated a strategic review, saying "we have to consider our responsibility to our shareholders and our ability to build value over a reasonable time

horizon...given the recent market dynamics around our stock, we believe that solely relying on the progress of 335 to build value is an inefficient approach.”

On the same day, THRD guided to a 6/30/25 estimated net cash balance of >\$5 per share with nearly no liabilities, at which point the Fund bought shares at \$3.45. In mid-April the company announced it would dissolve itself and return all its cash to shareholders. We then exited at \$5.

Fund Name: Deep Sail Capital Partner

Source:

https://www.deepsailcapital.com/files/ugd/50dba3_bac2a701a95c46838078218809f11a2c.pdf

Company Name: ClearPoint Neuro, Inc. (CLPT)

Market Cap: \$402M

ClearPoint Neuro ([CLPT](#)) traded off 22% in Q1 after returning an incredible 120% return in 2024. The results and potential for future growth at ClearPoint are stronger now than they were at the end of 2024, with multiple of their key partners progressing significant clinical trial milestones in Q1, including uniQure ([QURE](#)) with their Huntington's disease therapy AMT-130, which recently received breakthrough therapy designation from the FDA along with its orphan drug and fast track designation. We continue to hold our ClearPoint Neuro position as we believe the company is still in the early innings of a multi-year period of extremely high revenue growth.

Fund Name: Baron Real Estate Income Fund

Source: <https://www.baroncapitalgroup.com/article/quarterly-letter-baron-real-estate-income-fund-q1-2025#section-recent-activity>

Company Name: The Macerich Company (MAC)

Market Cap: \$3.8B

The Macerich Company ([MAC](#)) is a REIT that owns a portfolio of exceptionally high-quality malls in the U.S. Under a new management team, the company is undergoing a business transformation to improve portfolio quality, growth potential, and balance sheet health, which we believe will ultimately translate into an improved valuation multiple for the company.

It is valued at less than 10 times forward earnings (Funds from Operations or FFO), on depressed earnings, which is a discount to its historical norm of 15 to 17 times FFO.

Company Name: Independence Realty Trust, Inc. (IRT)

Market Cap: \$4.6B

Independence Realty Trust, Inc. ([IRT](#)) owns 33,000 apartment units that cater to a more affordable income demographic across the Sunbelt and Midwest markets.

It is valued at a 6.2% implied capitalization rate representing a discount to private market transactions in the high 4% to 5% capitalization range. At its public market implied valuation of only \$200,000 per apartment, the shares are valued at a 25% discount to private market values.

Company Name: Kilroy Realty Corporation (KRC)

Market Cap: \$3.7B

Kilroy Realty Corporation ([KRC](#)) is a REIT that owns a portfolio of high-quality office properties concentrated in U.S. West Coast markets including San Francisco, San Diego, Los Angeles, and Seattle.

It is valued at a 10% implied capitalization rate, representing a discount to private market transactions in the 5% to 6% capitalization range. The company also trades at a meaningful discount to certain publicly listed peers who trade at 6.5% to 7.5% capitalization rates, whereas Kilroy historically traded at similar valuations as these peers.

Fund Name: ClearBridge Global Value Improvers Strategy

Source: <https://www.clearbridge.com/perspectives/commentaries/global-value-improvers>

Company Name: Coty Inc. (COTY)

Market Cap: \$4.4B

Prestige fragrance company Coty ([COTY](#)) weighed on overall stock selection within the consumer staples sector. Coty continued its decline alongside other health and beauty companies following weaker than anticipated quarterly earnings and reduced full-year

guidance citing incremental retailer destocking, a slowdown in the company's U.S. mass beauty line and incrementally worse performance in China. An uncertain economic outlook and tariffs, and signs of wavering consumer sentiment and spending, added to investor concerns about the company's outlook.

Fund Name: Praetorian Capital Fund

Source:

<https://go.pracap.com/hubfs/Quarterly%20Letters/2025/2025%20Q1%20Investor%20Letter%20-%20Approved.pdf>

Company Name: The St. Joe Company (JOE)

Market Cap: \$2.4B

JOE owns approximately 167,000 acres in the Florida Panhandle. It has been widely known that JOE traded for a tiny fraction of its liquidation value for years, but without a catalyst, it was always perceived to be “dead money.”

Over the past few years, the population of the Panhandle has hit a critical mass where the Panhandle now has a center of gravity that is attracting people who want to live in one of the prettiest places in the country, with zero state income taxes and few of the problems of large cities.

The oddity of the current disdain for so-called “value investments” is that many of them are growing quite fast. I believe that JOE may grow revenue at a rapid rate for the foreseeable future, with earnings growing at a much faster clip. Meanwhile, I believe the shares trade at an attractive multiple on Adjusted Funds from Operations (AFFO), while substantial asset value is tossed in for free.

Besides the valuation, growth, and high Return on Invested Capital (ROIC) of the business, why else do I like JOE? For starters, land tends to appreciate rapidly during periods of high inflation. More importantly, I believe we are witnessing a massive population migration as people with means choose to flee big cities for somewhere peaceful.

I suspect that every convulsion of urban chaos and/or tax-the-rich scheming will launch JOE shares higher, and it will ultimately be seen as the way to “play” the stream of very wealthy refugees fleeing for somewhere better.

Fund Name: O'Keefe Stevens Advisory

Source: <https://www.okeefestevens.com/quarterly-investor-letter-q1-2025/>

Company Name: Donnelley Financial Solutions, Inc. (DFIN)

Market Cap: \$1.3B

In our portfolio, Donnelley Financial ([DFIN](#)) recently declined approximately 20% following disappointing Q4 results and soft guidance for Q1. The miss was driven primarily by a steeper-than-expected decline in their legacy paper and printing segment, as well as continued weakness in capital markets activity—particularly IPOs and M&A. However, our investment thesis centers on the company’s recurring software solutions segment, which grew organically by 11.6% in Q4. This growth signals underlying strength in the core business.

Company Name: Five Point Holdings, LLC (FPH)

Market Cap: \$784M

Five Point Holdings Starts With a Bang

Our Q4 2023 letter stated that Five Point Holdings ([FPH](#)) was a top pick for 2024. While it performed well, gaining 23% on the year, how a month makes such a difference. In January, Five Point reported robust Q4 results and guided 2025 to be equally as strong, guiding to \$200m of Net Income, putting them in a net cash position. On this news, the stock rose 50% on the day following. Only a few years ago, we were increasingly worried about their upcoming debt maturity. Now, having the discussion 180 and moving to how they will deploy excess free cash flow in the coming years is a turnaround timeline we couldn’t have fathomed.

Fund Name: The Optimist Fund

Source:

<https://static1.squarespace.com/static/6126534b004a8459bd33eb87/t/6808de88d384ea56103454fc/1745411721508/Optimist+Fund+Q1+2025+Quarterly+Letter.pdf>

Company Name: ThredUp Inc. (TDUP)

Market Cap: \$528M

ThredUp – As highlighted in our Q4 letter, ThredUp preannounced strong results in January, pointing to a meaningful acceleration in both revenue growth and margin expansion. In March, the company issued conservative 2025 guidance, which we believe positions it well to continue to outperform market expectations. Due to having a market cap of just \$400 million, ThredUp remains largely under the radar—but we expect that to change over the next 12–18 months as its improving fundamentals attract broader

investor attention. It's currently a top three position in the portfolio, and we believe its best days remain ahead.

Company Name: Revolve Group, Inc. (RVLV)

Market Cap: \$1.4B

Revolve Group delivered a strong Q4 2024, with net sales up 14% year-over-year to \$293.7 million and net income more than tripling to \$11.8 million, driven by improved marketing and logistics efficiency, lower return rates, and expanded gross margins. While Q1 guidance was slightly below expectations due to a temporary marketing pause related to wildfires in its core LA market, our long-term thesis remains intact.

Company Name: Wayfair Inc. (W)

Market Cap: \$3.8B

Wayfair's Q4 revenue was flat year-over-year, and its Q1 outlook called for modest improvement, which was slightly below expectations, reflecting continued softness in the home goods market. Despite near-term headwinds, we remain confident in Wayfair's long-term potential and see significant upside as the category gradually normalizes.

Fund Name: Baron Health Care Fund

Source: <https://www.baroncapitalgroup.com/article/quarterly-letter-baron-health-care-fund-q1-2025#section-outlook>

Company Name: Arcellx, Inc. (ACLX)

Market Cap: \$3.5B

Arcellx is developing cell therapies for multiple myeloma, including lead drug anito-cel in partnership with Gilead. The company was the Fund's top detractor on fears of potential new safety signals from additional trials of lead drug anito-cel. These worries overshadowed initial encouraging results for anito-cel showing it being as efficacious as Legend/Johnson & Johnson's Carvykti drug with fewer side effects. We remain investors and offer additional thoughts below.

Arcellx, Inc. is developing cell therapies for multiple myeloma, including lead drug anito-cel in partnership with Gilead. Shares detracted from performance. The stock had run up as investors anticipated positive news ahead of results released in early December from a pivotal iMMagine-1 trial. Despite encouraging data showing that anito-cel is as efficacious as Legend/Johnson & Johnson's CARVYKTI with fewer side effects, shares then fell on

fears of any new safety signals as Arcellx conducts additional trials. We think anito-cel is meaningfully differentiated on safety, and new data readouts will support this conclusion. We expect a mid-year update on trial results, which could be the basis for potential approval and launch in the second half of 2026.

Company Name: RadNet, Inc. (RDNT)

Market Cap: \$3.8B

Higher exposure to lagging life sciences tools & services stocks and poor stock selection in health care services and managed health care were other material detractors in the period. The Fund's only position in health care services, diagnostic imaging services provider **RadNet, Inc. (RDNT)**, weighed on performance after reporting below consensus guidance for fiscal year 2025. We view the reasons for the lower guidance as non-recurring and remain excited about the optionality embedded in RadNet's AI products, which provide enhanced digital image reading and analysis, boosting radiologists' accuracy and efficiency.

Fund Name: Pershing Square Holdings

Source: <https://assets.pershingsquareholdings.com/2025/03/14183709/Pershing-Square-Holdings-Ltd.-2024-Annual-Report-1.pdf>

Company Name: Howard Hughes Holdings Inc. (HHH)

Market Cap: \$3.3B

HHH delivered solid business performance in 2024, demonstrating the resilience of its uniquely advantaged, high-quality portfolio of master planned communities ("MPCs"). In its residential land sales segment, the company generated a record-high \$349 million in full-year profits. A continued shortage of resale housing inventory has fueled robust demand for new homes and homebuilder demand for land in HHH's amenity-rich MPCs, which are well-located in growth markets with favorable demographic trends.

In the company's portfolio of income-producing operating assets, net operating income ("NOI") grew 6% on a same-store basis in 2024 driven by strong leasing momentum and steady rental rate increases. In its Ward Village condominium development in Hawaii, HHH continues to experience robust sales momentum. The company closed and delivered on its Victoria Place development in Q4 2024, delivering \$211 million in gross profits, and has pre-sold 58% of inventory at its latest luxury condominium tower, The Launiu, despite only having launched sales last February.

On August 1, 2024, HHH successfully completed its spin-off of Seaport Entertainment Group (NYSE: SEG), which is comprised of the Seaport District in New York City, the Las Vegas Aviators minor league baseball team, and certain other noncore entertainment assets. SEG is in the early stages of unlocking the inherent value of its unique collection of assets under the leadership of CEO Anton Nikodemus, a 30-year entertainment industry veteran. Shortly after its spin-off, SEG successfully completed a \$175 million rights offering. Pershing Square backstopped and invested \$73 million in the rights offering, resulting in a 39.5% ownership stake in SEG, and Investment Team member Anthony Massaro joined the board of the company.

Fund Name: Greystone Capital

Source:

https://www.greystonevalue.com/files/ugd/47fd79_f02d387aa8de45cdb966e41d49cb6bcf.pdf

Company Name: Franklin Covey Co. (FC)

Market Cap: \$275M

During the quarter, we sold our position in Franklin Covey. Although we are long-term investors, the uncertainty of the near-term environment may prove to be a large headwind for the business, and my prior estimates of cash flows have been very wrong up to this point. I was also blindsided by the company's recently reduced guidance (for the second time) for FY25, which along with some other management blunders that has caused me to lose some faith. My loss of confidence combined with better current opportunities were the primary reasons behind the decision to part ways.

Company Name: Xponential Fitness, Inc. (XPOF)

Market Cap: \$419M

Xponential Fitness was a new position for us that I started buying in late February and spoke briefly about during our annual meeting. I won't rehash the details, but based on our work, I was under the impression that the company's past issues were in the rearview mirror, and with a new management team in place, the future seemed bright. We bought our shares at a wide discount to other franchise businesses, despite the high-quality business and growth prospects.

Shortly after our initial purchases, we were sucker-punched by an incredibly weak Q4 / FY24 report where XPOF announced reduced same store sales growth, a restatement of their 2023 financials, lowered guidance, and issued an outlook for studio closures and new studio openings that in no way resembled the growth path being discussed just a few

months prior. To be fair, the accounting issues were benign, but open the door to more problems down the road and introduce the possibility that management knew of these issues for some time. I believe investors have been misled and as a result we sold our shares. This was an unforced error on my part that could have been avoided with patience.

Company Name: Natural Resource Partners L.P. (NRP)

Market Cap: \$1.3B

During FY24, **Natural Resource Partners** generated \$250mm in free cash flow, despite met and thermal coal prices significantly lower than those of the past few years. This is the beauty of the royalty business model, with no ongoing capital requirements and minimal operating expenses. To be clear, free cash flow generated during 2025 will be lower than 2024, but within the next year or so, NRP will have the flexibility to both repurchase units and significantly increase their distributions to unitholders, amounting to a 15-20% yield on the current price. A shutdown of China as a coal export market for the US would not be good for either country, especially as the current administration aims to [reinvigorate the coal industry](#). As a result, it's likely that cooler heads prevail. If not, NRP is nowhere near priced for perfection as intrinsic value lies between \$200-250/share versus the current price of \$100/share.

Company Name: Leon's Furniture Limited (LEFUF)

Market Cap: \$1.1B

For **Leon's Furniture**, only a small portion of their business will be directly affected by tariffs. As a Canadian based retailer, Leon's sources goods from countries outside of the US but does derive a small portion of revenues from the US (sub-10%). In addition, they are the largest importer in the country of containers from China, giving them tremendous negotiating leverage and the ability to weather any supply chain storms, as evidenced by their margin profile during and post-COVID when container rates skyrocketed by 5x. This is not a luxury their competitors have, and I would expect Leon's to take incremental market share in an adverse economic scenario, with the window for M&A also opening. Despite Leon's strong performance through all cycles, I believe shares remain priced as if bad news is on the horizon. I peg intrinsic value at CAD \$50-60/share versus today's price of CAD \$22/share.

Company Name: Bel Fuse Inc. (BELFB)

Market Cap: \$859M

Within **Bel Fuse's** operating footprint, around 13% of total revenues are directly exposed to tariffs via China and Mexico. Bel has shown the ability to pass cost increases through to

customers, which they anticipate will continue, with minimal impact to Bel's financials. Localized manufacturing will also help offset any further impact. During the past few years, management has proven adept at navigating both internal business issues along with the difficult post-COVID economic environment that has plagued a few of their business segments.

A recession would not be ideal for Bel Fuse, and following the acquisition of Enercon, they are leveraged 2.8x. However, management has always shown conservatism and Bel has a cash generative business model that provides a decent margin of safety. My estimate of intrinsic value is between \$120-135/share, versus a current price of \$67/share.

Company Name: Kits Eyecare Ltd. (KTYCF)

Market Cap: \$265M

During the quarter we entered into a new position in KITS Eyecare, an e-commerce optical retailer which I've followed since their IPO in 2021. The investment thesis for KITS is simple; earnings power should grow significantly during the next 3-5 years. The company is operating a disruptive, low-cost business model, currently at an inflection point, growing 30-35% organically in a huge category with a large TAM, has strong operating leverage, positive cash flow, excellent management, and a net cash balance sheet. We paid less than 18x EBITDA for the above attributes, which I believe will look very cheap in the coming years.

Like most of the companies in your portfolio, the best starting point for understanding the attractiveness of our investment is with the management team, particularly KITS Founder, Chairman and CEO Roger Hardy. Roger built a very similar business in the early 2000s called Coastal Contacts, which was ultimately sold to Essilor Luxottica for \$430mm in 2014. Coastal was an early pioneer of e-commerce eyecare which helped reveal a strong product market fit that Roger and his co-founders set out to improve upon with KITS. I like to screen for CEOs on their 'second act', where past learnings, mistakes and successes can be applied for our benefit. Roger, COO Joe Thompson and the team check many of our boxes, not only as owner-operators but as a group spearheading a strong corporate and financial culture that would be very difficult to replicate. As you'll see below, KITS is unlike most businesses in the optical industry, where a focus on the customer typically comes second (or third), not first.

Along with the favorable culture, KITS management team has engineered this business in a differentiated way as compared to most optical retailers, and in just seven years, have built a better mousetrap for e-commerce eyecare, lending itself to recurring revenue, a strong moat, a significant growth runway, and more. KITS competitive advantages should widen over time.

KITS is an e-commerce retailer of contacts, glasses and accessories. The company offers a wide selection of contacts and prescription eyewear with low prices and fast shipping, along with online vision tests and prescription renewals, enabling a superior value

proposition for customers versus legacy retailers. This value proposition is made possible in part by KITS ability to take cost out of the value chain by owning their own automated optical labs and selling direct to consumer. Years of investment have enabled KITS to manufacture eyeglasses in-house (as opposed to the traditional model of outsourcing to a third party), made to order in as fast as 30 minutes, while controlling quality and cost, allowing KITS to eschew traditional markups for frames and lenses typically seen throughout the industry.

Despite the low price point, you won't find KITS glasses at the checkout line at the drug store. KITS quality and selection are no different than what customers would find at their optometrist office, or similar e-commerce incumbent Warby Parker, not skimping on materials and using prescription polycarbonate lenses, acetate frames, European sourced hinges, and modern designs. Customers can purchase a pair of prescription glasses for as low as \$28 and receive them within 1-3 business days, leading to high customer satisfaction and repeat visits. KITS convenient, scalable and limited inventory model has been perfected during the past 7 years, and exceeds all legacy players, who burden customers with long wait times, mandatory eye exams, 1-2-week shipping, and unnecessarily high prices, [in some cases between \\$300-\\$1,000 dollars](#) for a single pair.

In the optical industry, the sale of eyeglasses and lenses specifically drives the majority of industry profits. Despite the apparent simplicity, eyeglasses are complex pieces of technology that require advanced machinery and expertise to manufacture. For most brands, a lack of expertise in manufacturing requires the outsourcing of production to a concentrated group of suppliers, meaning manufacturers can charge significantly higher prices than their costs would suggest is necessary. Industry giant, EssilorLuxottica controls nearly 50% of the industry by owning many parts of the value chain, including retailers, e-commerce players and manufacturing in the form of optical labs. Because of this ownership position built decades ago, Essilor has typically been able to extract rent seeking prices for eyeglasses, despite their low cost of production, given opaque industry pricing and control of the supply chain.

As a result, the historical price to value equation has been to the detriment of the consumer. This would make any industry ripe for disruption with optical care being no different. Decades ago, KITS management saw an opportunity to 'make eyecare easy' via a large gap in the market among younger consumers that were both comfortable shopping online for eyecare and would prefer a better consumer experience and more affordable price point, without skimping on quality. In other words, [competitor's margins were KITS opportunity](#).

The KITS model works in large part by choosing to make their own products, building quality relationships with suppliers, refusing to build a brick-and-mortar presence, avoiding traditional and costly marketing channels, and keeping prices low. As mentioned, KITS can manufacture a pair of prescription glasses within 30 minutes and have them out the door to a customer that same day. The cost savings that stem from this model are passed along to customers, resulting in a better customer experience via low prices and fast shipping. Although KITS gross margins lag below peers such as Essilor

(65%) and Warby Parker (54%), the model requires much lower fulfillment, marketing and G&A expenses.

This is a structural moat that would be difficult to breach as it would require a complete overhaul of competitors' cost structure and operating footprint along with a willingness to accept lower prices. The model has been attempted by others with limited success. Early e-commerce players such as Warby Parker focused on selling glasses first by cutting out the middleman (brick and mortar) and offering lower prices. However, selling eyeglasses first is a difficult undertaking given the lack of repeat purchases, upfront cost of acquiring customers and the challenge of retaining them. This path requires significant marketing spend and scale before dollars start rolling in, which is why most e-commerce players have yet to find the formula for profitability.

KITS bucked this trend in a major way by selling contacts first. Despite the unattractive financial profile as a commoditized, lower-margin product, this was a great chess move, as contacts drive recurring purchases, meaning these early efforts resulted in customer stickiness and repeat business. Today, nearly 70% of KITS revenue comes from repeat customers, providing the perfect segue to sell eyeglasses, which is a segment of KITS business growing 40% per year.

Furthermore, KITS in-house automated manufacturing capabilities took years to build and cost tens of millions of dollars, with the only capital raise to date coming from their 2021 IPO. This is not a business or industry you can attack by throwing money around. Despite a first-mover advantage, and raising hundreds of millions in venture capital, Warby Parker has lost money every year since going public.

Aiding KITS execution is the \$70B US optical industry, a recession resistant space which has exhibited consistent, stable growth across most economic cycles. The category is also shifting online. Since 2005, online penetration for contacts has grown from 5% to 40%, while sales of eyeglasses grew from 1% to 18%. This shift accelerated rapidly post-COVID, as the online mix for glasses was 6-8% pre-pandemic, and sits above 18% today, while 15% of contacts purchases were made online pre-COVID, increasing to over 40% today. Given global growth in myopia, further online penetration, younger consumer trends and increasing brand awareness, KITS has an enormous runway for growth.

Given the above, it's no surprise that KITS has grown tremendously since its founding. Sales have grown at an average rate of 35% since 2019, with no signs of slowing down. In fact, I believe the business is at an inflection point, both company specific and industry wide, allowing growth to persist for the next decade plus. Importantly, this growth has not come at the expense of profitability, with EBITDA margins for FY25 estimated to be in the 6-8% range and growing. Free cash flow margins will remain close to that, as KITS has no debt and limited capex requirements.

KITS currently trades for 1.5x sales and 22x my estimate for FY25 EBITDA. Although this does not screen headline cheap, unit economics for eyeglasses are phenomenal. I estimate that KITS has an industry-leading CAC/LTV, by acquiring customers for around \$25 who

then go on to spend an incremental hundreds of dollars on [KITS.com](https://www.kits.com) within 6-12 months. Additionally, there are opportunities to improve on nearly every line item of the P&L, and this model should show strong operating leverage over time.

Despite nine straight quarters of 30% or more revenue growth, KITS fulfillment costs, G&A, and sales and marketing have all trended downward as a percentage of revenue. Furthermore, this is not a post-COVID explosion in the category, as much of this growth is from incremental spending from repeat customers, while new customer growth has been modest at 7-8% per year. Therefore, I do not believe KITS is experiencing abnormal growth trends.

Over time, KITS can capture an ever-bigger share of the industry by following a repeatable and effective playbook. Management believes the business can scale to CAD \$250mm in revenues within 2 years, up from CAD \$159mm at the end of 2024. Within five years, KITS is aiming for CAD \$500mm in sales, at which point 10-15% EBITDA margins are within reach. At that scale, assuming the low-end margin range and no change in multiple, KITS stock would be worth CAD \$35/share versus our average cost of around CAD \$9/share. Importantly, these targets are not formal guidance, and in my view are conservative. Despite their progress, KITS brand awareness remains low, which provides further room for upside.

Should I be wrong about my assumptions, I trust management, as owners, to steer the business in the right direction. An unprofitable, slower-growing Coastal was sold for 2x revenues in 2014, and I believe it's only a matter of time before KITS receives some offers from a larger optical industry player. Let's hope it's further down the road this time.

Fund Name: Merion Road Capital

https://www.merionroadcapital.com/files/ugd/f6ee8c_d30a2465944943d7bea9ee4c81197c70.pdf

Company Name: The Monarch Cement Company (MCEM)

Market Cap: \$878M

Monarch Cement ([OTCPK:MCEM](https://www.otcmarkets.com/stock/MCEM)) recently announced another special dividend after having previously paid one out in December. This will bring their total dividends paid to \$7.75 over the past 4 quarters (~6% yield). The company recently moved from the Pink Sheets to OTCQX Best Market - hopefully this will enhance liquidity and valuation. Lastly, management provided attractive guidance for continued pricing strength and energy savings from their solar investment.

Company Name: Butler National Corporation (BUKS)

Market Cap: \$107M

A company I haven't previously discussed is Butler National Corp ([OTCQX:BUKS](#)). BUKS owns a regional casino in Dodge City, KS and an aircraft modification business. While I have tracked the company for many years, I began buying in 2023 following the announcement that their former CEO would step down and sell his shares back to the company (~10% of the shares outstanding). This event removed a key overhang for me – the presence of an entrenched management team with multiple family members on the company payroll. BUKS further strengthened its corporate governance in early 2024 by bringing on two new independent directors, including its largest shareholder. At the annual meeting last year, the company passed a resolution to declassify the board, yet another step in the right direction. Summing up this activity, BUKS executed a large buyback at a fraction of current trading levels, reduced unnecessary overhead, has a highly incentivized board of directors, and is taking steps to improve shareholder friendliness.

Fund Name: Polaris International Equity Composite

<https://polariscapital.com/wp-content/uploads/2025/04/1Q2025intl.pdf>

Company Name: Methanex Corporation (MEOH)**Market Cap: \$1.8B**

Methanex Corp. ([MEOH](#)) dragged down materials sector results. The Canadian methanol producer addressed an unplanned outage in its Geismar 3 plant; downtime will impact second quarter results. Smurfit Westrock's ([SW](#)) stock price trended down since releasing mixed fourth quarter 2024 results. Net sales and earnings per share increased from the prior year quarter; however, these figures fell short of Street expectations. The bigger concern is the impact of tariffs, as Smurfit has notable footprints in Mexico and Canada.

Fund Name: ClearBridge Small Cap Strategy

Company Name: Allegiant Travel Company (ALGT)**Market Cap: \$783M**

Stock selection in the industrials sector was the primary detractor during the quarter, mainly due to Allegiant Travel ([ALGT](#)) — an airline and hospitality company specifically catering to leisure travelers. Despite its airline revenue exceeding market expectations for the fourth quarter, the company's share price declined after announcing it was reducing the value of its Sunseeker Resort. Resignation of its Chief Operating Officer in

early March and economic uncertainty may put additional pressure on consumer spending — particularly with regard to leisure and discretionary purchases.

Company Name: Primoris Services Corporation (PRIM)

Market Cap: \$3B

Primoris Services ([PRIM](#)), which provides a range of construction, maintenance and infrastructure engineering services, also saw its share price decline after the announcement that President Trump would cease spending on the proposed \$300 billion in green infrastructure legislation enacted under the Biden administration, hampering the growth projections of the company's energy division.

Company Name: Columbia Banking System, Inc. (COLB)

Market Cap: \$4.6B

We swapped our exposure in WaFd for Columbia Banking System ([COLB](#)), the holding company for Umpqua Bank, which provides banking, mortgage and other financial services. We believe Columbia has a number of advantages over WaFd: a more attractive valuation, more consolidated geographic footprint, more diversified and higher yielding loan book; better established lending base is and consistently higher net interest margin. Additionally, we believe that Columbia will generate meaningful synergies and tangible book value recoveries from loans written down on its 2023 merger with Umpqua.

Company Name: Privia Health Group, Inc. (PRVA)

Market Cap: \$2.8B

Privia offers a unique health care platform (including technology infrastructure, centralized shared services, access to broader care) that reduces physicians' administrative work and improves clinical integration, resulting in better health care services and outcomes for patients. The company has successfully been able to scale its platform, avoiding the pitfalls of competitors, and thus has become a preferred partner for independent health care providers.

Fund Name: Greenlight Capital

Company Name: Brighthouse Financial, Inc. (BHF)

Market Cap: \$2.8B

The biggest long winner was Brighthouse Financial ([BHF](#)), which rose 20.7% during the quarter. According to media reports, the company has hired Goldman Sachs and Wells Fargo to sell itself. There appears to be a lot of interest from large asset managers that would like the opportunity to manage BHF's approximately \$120 billion general account. While there is a risk the current market turbulence could derail a deal, absent that we expect the company will be successful in selling itself at a healthy premium.

Company Name: Core Natural Resources, Inc. (CNR)

Market Cap: \$3.9B

The biggest long detractor was Core Natural Resources ([CNR](#)), which declined 27.6% during the quarter. CNR was formerly CONSOL Energy (CEIX). It completed its merger with Arch Resources in January. The combined and renamed company has suffered from falling coal prices in 2025 and reduced production due to a fire in one of its mines. There is also a risk that the escalating trade war could harm CNR's exports. However, the combined company has a conservative balance sheet and has the capacity to repurchase a lot of stock this year. It is also likely to benefit from President Trump's executive orders supporting the coal industry.

Fund Name: Patient Capital Management

https://patientcapitalmanagement.com/documents/FG/patient_capital/opportunity_trust/637408_Opportunity_Trust_1Q25_QIR.pdf

Company Name: New Fortress Energy Inc. (NFE)

Market Cap: \$1.4B

We initiated a position in New Fortress Energy ([NFE](#)), a vertically integrated LNG infrastructure company with strategic import terminals across high-growth markets including Jamaica, Puerto Rico, Mexico, Nicaragua, and Brazil. As these countries increasingly adopt LNG as a transition fuel, replacing more expensive oil and coal, New Fortress is well-positioned to benefit. The stock has been highly pressured by an overleveraged balance sheet and continued investment to complete projects. CEO, Wes Edens, who serves as co-CEO of Fortress Investment Group, is the company's largest shareholder, creating strong alignment with shareholders. Given management's private equity background, debt refinancings and asset sales, we expect the company to deleverage over the coming years. We think the stock has the potential to be a multi-bagger from current levels if they execute well.

Company Name: Dave & Buster's Entertainment, Inc. (PLAY)

Market Cap: \$671M

Dave & Buster's Entertainment Inc. (PLAY) trended lower over the first quarter as the market continued to worry about revenue visibility. The company had a disappointing 2024, culminating in the abrupt departure of then-CEO Chris Morris. Founded in 1982 in Dallas, Texas, the company has expanded to over 200 venues in North America across two brands (Dave & Busters, and Main Event). The company is in the middle of a multi-year transformation focused on reinvigorating growth through store remodels, store expansions, and technology upgrades while enhancing margins through cost optimizations and synergies. Despite the efforts, the results haven't yet materialized in the numbers as the challenging macro environment continues to weigh on consumer expenditures. In the meantime, an activist, Hill Path Capital, has built up a position in the company and taken two board seats. With the Chairman of the Board stepping in as CEO, we are already starting to see improved results with the focus on a back-to-basics strategy delivering better than expected results in March and April. While the timing of business model inflection remains uncertain, what's clear is the stock is trading at an all-time low valuation of 6.8x forward earnings. As the company works to improve its operations, they've been actively returning cash to shareholders through buybacks, repurchasing 12% of shares outstanding over the last 12 months.

Fund Name: Fairlight Alpha Fund

https://www.fairlightcapital.com/files/ugd/a6cb30_365a0d76e8d44a168241bef39e97f686.pdf

Company Name: Monument Mining Limited (MMTMF)

Market Cap: \$109M

A driver of our returns for the first quarter was again our junior gold mining stocks: Monument Mining Limited ([OTCPK:MMTMF](#)) and Serabi Gold plc ([OTCQX:SRBIF](#)), as well as another smaller undisclosed position. These appreciated by 60.7% and 43.3%, respectively, during the quarter. These businesses have obviously benefited from the increasing gold prices, with the price per ounce of gold now standing at \$3,341 versus \$2,629 from the prior quarter. But they also have tailwinds from increased production, improvements in production efficiency, and higher gold ore grades.

Monument has not specified how it plans to deploy its excess cash flow, but it is likely to support growth and expansion at its Murchison project in Western Australia. As part of this effort, the company has already begun leasing access to its Burnakura mill to third-party miners, including Odyssey Gold and Great Boulder Resources, which could help accelerate the eventual restart of mining operations at the site. The site is not currently

operational due to a combination of prior capital constraints and a strategic decision to defer restart until more favorable economic or partnership conditions are in place.

Company Name: McCoy Global Inc. (MCCRF)

Market Cap: \$50M

In previous letters, we discussed McCoy Global ([OTCPK:MCCRF](#)), an energy sector name that has performed very well. McCoy is a business that has largely de-linked from direct oil price dependence, thanks to its suite of technologies—such as Case Running Tools and integrated data capture and analysis systems.

Fund Name: Rewey Asset Management

https://www.reweyassetmanagement.com/files/ugd/064a66_ebe8681e14614cc88f5441c310102c5e.pdf

Company Name: Zynex, Inc. (ZYXI)

Market Cap: \$64M

Zynex was our worst performer in the quarter, as the company announced that its top insurance payor was pausing reimbursement while it reviewed the company's shipping practices for consumable supplies. The company continues to ship consumables as requested during the review and has stated they are compliant with the relationship post an audit 2-years ago. While we did trim our position on this news, the leading pillar of our investment case, the introduction of the company's NiCO pulse laser oximeter in late 2025, remains in-tact. This pulse oximeter uses a laser to measure blood oxygen levels during surgery and is more accurate than current light-based estimated readings which are obstructed by pigment levels in skin. Leading reviews of the NiCO device have been positive, and we think it could become the standard of care.

Company Name: Ducommun Incorporated (DCO)

Market Cap: \$821M

We see a compelling investment case in Ducommun ([DCO](#)), a military and commercial aerospace supplier that fits one of our strongest current investment themes. We believe the aerospace and defense sector could see revenue growth regardless of a potential tariff impact or economic slowdown. On the defense side, the U.S. needs to rebuild the stockpiles sent to support the Ukraine and Israel, replace equipment left in Afghanistan and re-tool their equipment for 21st century threats like drone and electronic warfare. We believe that procurement should be little impacted by DOGE cuts and note the

recently passed continuing budget resolution and the prospective 2026 budget under consideration in the Senate both show a rise in defense expenditures. European NATO members are also increasing their defense procurement budgets. On the commercial side, both Boeing and Airbus have struggled to deliver planes despite very strong demand and backlogs. We think that production rates at both companies should continue to improve off the bottom, driving higher sales and earnings results through their supplier base.

DCO, a 175-year-old company with a \$859M market cap, is relatively unknown provider in the military, space, and commercial aircraft industries. In 2024, 54% of its revenue came from military and space, 42% from commercial aerospace, and the rest from industrial. With diverse products like cabling, lighting, and motion control, we see DCO as a good proxy for military and commercial spending. RTX Corp. (Raytheon) is its largest customer, and the top 10 customers comprise 60% of revenues.

The company's strong financial position should support organic growth and acquisitions. At the end of 2024, net debt was \$205.2M, with an EBITDA leverage ratio of 1.76x. A fixed-rate interest hedge on \$150M this debt at 1.7% through 2031 is hidden asset in the capital structure. We expect free cash flow to more than double year-over-year to \$48.4M in 2025, driven by revenue growth and improved working capital efficiency. Over the past five years, book value growth has compounded at an impressive 18.4% CAGR, with a year-end per share value of \$45.21.

We see a visible growth path for revenue, earnings and cash flow. DCO's military and space backlog rose \$100 million to \$625 million in 2024, with a notable win from RTX for Tomahawk missiles. DCO also posted a notable European NATO order in early in 2025 from Bayer-Chemie of Germany for PAC2 electronic cable assemblies. We believe DCO's military sales cadence should support strong revenue growth over the next few years. Moreover, we see this revenue growth rate accelerating as Boeing and Airbus improve their production cadence and deliver on their multi-year backlogs. DCO has won significant content on the Boeing 737 and 787, as well as the Airbus A220 and A320 family of aircraft.

In its 4Q25 earnings call, Ducommun reiterated its Vision 2027 goals of \$950 million to \$1 billion in revenue and an adjusted EBITDA margin of 18%, representing roughly 24% revenue growth and 50.6% EBITDA growth, at the mid-point, from 2024. In addition to revenue leverage, DCO sees margin improvement driven by an increase in engineered product mix and cost reductions, including closing two high-cost facilities in CA and AK that should save roughly \$10 million.

We think the end of quarter sell-off in DCO shares has created a compelling entry point in Ducommun shares. Shares ended the quarter at \$58.03, down 17.0% from their January 21st closing price of \$69.90. We have set our near-term AFV price target for DCO at \$75.50, up 30% from its 1Q25 close. Given the long-term visibility we see in revenue, earnings, margin and free cash flow growth, we think DCO's is a good candidate for a multi-year compounder, and we are optimistic that our AFV target could rise if the company delivers on its Vision 2027 targets and beyond.

Fund Name: Liberty Park Capital

https://6669313.fs1.hubspotusercontent-na1.net/hubfs/6669313/1Q25.pdf?utm_medium=email&hsenc=p2ANqtz--RQQG0xZ-APvOEPDxPyPWYhx6g00qpMDDlkpBiuA-Hb6SHfMIvpssiVc5-_2vnnobodyk moGr4uCvpYb017YKwSKWfQQ&hsmi=357219159&utm_content=357219159&utm_source=hs_email

Company Name: Titan Machinery Inc. (TITN)

Market Cap: \$358M

TITN shares soared after fourth quarter results, despite falling below analyst expectations. The company significantly reduced its inventory levels, which investors see as a sign of a bottoming cycle.

Company Name: VSE Corporation (VSEC)

Market Cap: \$2.1B

VSEC reported stronger-than-expected growth in the fourth quarter and completed the sale of its Fleet Services business. The company has now transformed into a pure-play aerospace distributor under the leadership of one of the best CEOs in the small-cap universe.

Company Name: BK Technologies Corporation (BKTI)

Market Cap: \$148M

BKTI shares jumped after 4Q24 results showed continued growth in sales of the new BKR 9000 radio. The company also effectively addressed concerns about potential negative impacts from reduced federal spending on its growth outlook.

Company Name: Xometry, Inc. (XMTR)

Market Cap: \$1.1B

[XMTR](#) reported results in line with analyst expectations, highlighted by impressive 40% revenue growth in enterprise accounts (those spending over \$500,000 annually on the platform). However, the stock pulled back significantly due to a lower-than-expected first quarter guide (full-year guidance was in line with expectations) and growing uncertainty around tariffs.

Company Name: Wabash National Corporation (WNC)

Market Cap: \$419M

[WNC](#) shares declined despite the company reporting quarterly results that met expectations and announcing a significant reduction in legal liabilities. The trailer manufacturer remains vulnerable to headwinds from reduced trade.

Company Name: Leslie's, Inc. (LESL)

Market Cap: \$106M

We initiated a small position in [LESL](#) after shares dropped nearly 30% due to weaker-than-expected earnings and still-high debt levels. We think the stock and earnings are at a bottom given that other pool companies are reporting stable-to-improving industry conditions (after a post-covid lull), and LESL posted its first positive sales comparison since 2022.

Company Name: Solaris Energy Infrastructure, Inc. (SEI)

Market Cap: \$1.2B

SEI shares jumped after the company announced plans to expand its fleet of gas-powered turbine generators and quickly sell the new capacity. We closed our short position following these earnings results.

Company Name: Innodata Inc. (INOD)

Market Cap: \$928M

INOD reported another quarter exceeding expectations, driven by strong demand for AI-related data entry services. However, we believe demand for these services will likely decrease as AI technology now has the capability to perform such tasks without human intervention.

Company Name: Napco Security Technologies, Inc. (NSSC)

Market Cap: \$779M

Napco Security was founded over 50 years ago by current CEO Dick Soloway after his guitar amplifier parts supplier was robbed. Today, Napco is a security solutions provider selling alarms, locks, and access control systems. It is the only manufacturer with product offerings across all three major security verticals. This is important because dealers and end customers increasingly prefer working with a single provider for integrated security

and alarm systems, positioning NAPCO as a one-stop solution. The company's business model involves selling security hardware to distributors, who then supply dealers responsible for installations in commercial buildings and residential properties. Additionally, NAPCO generates recurring monthly revenue through its cellular radio services division— a segment that has become the crown jewel of the company.

The services segment has grown at a 34% CAGR since 2019. This growth is being driven by a technological transition in the security industry. Buildings have historically relied on copper telephone lines (known as POTS—Plain Old Telephone Service) as the standard communication method for security systems and code-mandated fire alarms. Historically, the FCC required cellular carriers to maintain these lines for public safety reasons. The FCC removed this requirement in 2019 due to the high maintenance costs and the emergence of reliable cellular alternatives. Carriers subsequently began abandoning the maintenance of these lines, creating substantial retrofit demand for cellular-enabled security radios.

NAPCO's StarLink radios have emerged as the industry's preferred retrofit solution, generating consistent monthly recurring revenue with gross margins of approximately 90%. StarLink radios have gained market leadership because they are reliable, inexpensive, easy to install, and compatible with other manufacturers' products (a dealer can install a NAPCO radio regardless of whether the building uses a Bosch, Siemens, or Honeywell fire control panel). We are still in the early stages of this conversion cycle. Of the approximately 6 million buildings in the US requiring these systems, roughly 4 million have yet to upgrade, representing substantial runway for continued growth. Annual recurring revenue has grown to \$86 million from approximately \$20 million just five years ago. The services segment now represents roughly half of company revenue and nearly 80% of gross profits. This shift toward high-margin services has increased NAPCO's operating margins from 11% to 29% over the last four years. We expect operating margins to exceed 40% as this trend continues. Looking ahead, over the next five years, NAPCO could build an installed base of more than 2 million radios, implying annual recurring services revenue potentially exceeding \$300 million.

The current drawdown in shares has been caused by weak growth in the company's equipment segment, which serves as a leading indicator for services growth. The slowdown is partially due to a normalization in demand following a period of record growth. In 2022, carriers discontinued support for 3G connections used by early-generation radios, which pulled forward demand for new 5G radios and caused NAPCO's equipment sales to surge. This created difficult year-over-year comparisons, leading to eight consecutive quarters of negative equipment sales growth. The good news: radio sales have now troughed. While overall equipment sales remain below 2022 levels, radio sales are significantly outperforming other equipment categories and increased 93% year over year in the third quarter of 2024. Given the typical 6-month delay between radio sales and the commencement of recurring revenue, we expect services revenue growth to accelerate in the June quarter.

NAPCO maintains a fortress balance sheet with \$100 million in cash and zero debt. The business is highly recession-resistant, providing critical safety infrastructure that remains necessary regardless of economic conditions. We expect the company will achieve approximately \$150 million in services revenue and \$2.50 in earnings per share by 2026. Applying a reasonable 15x multiple to these earnings and adding \$3 per share in net cash yields a target share price of \$40 — representing double today's price.

Fund Name: Third Avenue Value Fund

Company Name: Tidewater Inc. (TDW)

Market Cap: \$1.7B

However, while the Fund's first quarter return was decent, there was a significant amount of performance dispersion across Fund holdings. In other words, we also own several positions that performed poorly. Energy services companies, Tidewater ([TDW](#)) and Valaris ([VAL](#)), were meaningful negative contributors, as was Harbour Energy ([OTCPK:HBRIY](#)), an upstream energy producer. We sometimes describe our investment approach as “buy grey clouds and sell sunshine” and, in that vein, we had sold a meaningful portion of our Tidewater holdings at far higher prices. In hindsight, we obviously wish we had sold more given the magnitude of the recent price decline. However, during the quarter, we began increasing our Tidewater position once again at prices we believe to be very attractive for a long-term investor, as is also true of our positions in Valaris, Harbour Energy, and a number of other holdings.

Fund Name: Curren Capital Partners

<https://static1.squarespace.com/static/55f99b0ae4b02c9607c0f701/t/6806e8e97d1007171e93f802/1745283305552/Q1+2025+Letter.pdf>

Lists all positions larger than 5% of the fund

Company Name: Enhabit, Inc. (EHAB)

Market Cap: \$368M

Enhabit provides healthcare and hospice services in patients' homes. The company serves patients covered by Medicare, Medicare Advantage, private Insurance and Medicaid – with reimbursement rates declining in that order, from the higher levels paid by Medicare to the lower levels paid by Medicaid. Enhabit was spun out of Encompass Health in July 2022. Historically, the business earned high returns on capital and grew both organically and through acquisitions. The company has struggled since the spinoff,

with declining revenues and higher costs, which drove it to repeatedly seek covenant relief from its lenders. Enhabit currently trades at an attractive upside-to-downside ratio.

Company Name: Frontdoor, Inc. (FTDR)

Market Cap: \$2.9B

Frontdoor sells home service plans to homeowners. The company contracts with HVAC and other contractors and dispatches them when customers have problems with one of their major home appliances and systems (furnace, air conditioning, refrigerator, electrical system, etc). Frontdoor spun out of ServiceMaster in October 2018. Frontdoor serves about 2% of U.S. homes, and uses its free cash flow to grow organically, pay down debt, repurchase shares, and acquire complementary businesses.

Company Name: V.F. Corporation (VFC)

Market Cap: \$4.2B

VF Corp manages apparel brands, including Dickies, The North Face, Timberland, and Vans. Under its prior CEO, the company's poor capital allocation (including overpaying for Supreme and maintaining a too-high dividend after spinning out Kontoor) forced it to pause its model of using excess free cash flow to acquire good brands and manage them well. The company has now cut its dividend (twice) to a reasonable level and brought on a new CEO who has a track record of successfully turning around businesses. I believe that the company has good brands, the skills to manage them well, and a management team that is righting the ship. VF Corp currently trades at an attractive upside-to-downside ratio.

Fund Name: Alluvial Capital Management

[https://mcusercontent.com/b5aa12c5c889b46c0f8288f6d/files/64c352d9-15c9-05f6-7081-a8cd80ee12ed/Alluvial Capital Management Q1 2025 Letter to Partners.pdf](https://mcusercontent.com/b5aa12c5c889b46c0f8288f6d/files/64c352d9-15c9-05f6-7081-a8cd80ee12ed/Alluvial%20Capital%20Management%20Q1%202025%20Letter%20to%20Partners.pdf)

Company Name: Net Lease Office Properties (NLOP)

Market Cap: \$423M

The real estate companies in our portfolio continue to execute well in the face of continued pessimism and neglect. Net Lease Office Properties is marketing multiple buildings for sale, including the iconic "Binoculars Building" in Los Angeles, which is leased to Google through 2030. Net Lease will soon be able to begin distributing cash to shareholders, having paid down nearly all recourse debt through property sales. Unlike Net Lease, which is pursuing a liquidation strategy, Peakstone Realty ([PKST](#)) is seeking to

reduce the stigma of office ownership by diversifying into niche industrial properties. The market has yet to give them credit for selling off lower-quality office buildings and buying industrial outdoor storage assets, but I expect the market to reassess once industrial properties account for more than 50% of rents and net operating income. Malls may be even more out of favor than offices, but mall owner CBL properties is improving its portfolio and reducing risk by selling marginal assets, paying down debt, and reinvesting in its strongest and healthiest mall properties. Net Lease shares change hands at a 38% discount to my estimate of net asset value. Both Peakstone and CBL properties offer cash flow yields north of 20%. In recent weeks, the rising 10-year yield has put pressure on the real estate sector. This is a real issue for the folks who bought apartment buildings at 5% cash flow yields, but merely an annoyance for us. The high cash flow yield offered by our real estate holdings reduces the impact the interest rate changes have on their value.

Fund Name: Donville Kent Asset Management

<https://donvillekent.com/wp-content/uploads/2025/04/DKAM-April-2025-Monthly-Commentary.pdf>

Company Name: goeasy Ltd. (EHMEF)

Market Cap: \$1.8B

Company Name: Propel Holdings Inc. (PRLPF)

Market Cap: \$918M

Propel & GoEasy are in the same boat as the stocks have sold off on macro economic headlines, but the business fundamentals remain strong. We have seen past declines in these stocks as people make assumptions about lenders in a slowing economy. The fundamental flaw in that assumption is that as banks tighten their lending standards due to uncertainty, the result of that is the quality of loan books for Goeasy and Propel actually increase. People selling only know these businesses at a high level and don't understand the resiliency of the client and the short-term lending model of the business. This is an example of an opportunity born out of the market uncertainty.

Company Name: Zedcor Inc. (ZDCAF)

Market Cap: \$320M

This is the first quarter where Zedcor split out the financials of its Canada and US divisions. This is very helpful because you can see how profitable the business is at scale. The Zedcor business in Canada is more mature with six established branches. The Canadian business grew revenue 15% in Q4 2024 with 53% EBITDA margins and +35% operating margins. As Zedcor scales out their US business division, their profit margins will grow considerably which will boost the overall consolidated margins of the business.

Their US business is seeing significant growth, and many existing customers are pulling them into new geographies like Vegas, Phoenix, Jacksonville, and Tennessee. After seeing their recent results and sitting down with management, we might still be conservative on how fast and for how long they can grow at this elevated pace. The initial success of their new Z-Box product, continued growth in Canada, and geographic expansion with customers in-hand, leads us to a larger addressable market calculation than originally assumed. The ROI per tower is significant, the runway for growth is massive and management execution has been great. We've continued to be buyers of any pullback in the stock.

Company Name: Vitalhub Corp. (VHIBF)

Market Cap: \$465M

We would suggest and we own companies that have zero exposure to the US. Companies like VitalHub have no exposure to the US, and like they just said on their recent conference call, "we see no impact of tariffs on our business." This business is also recession reliant with their focus on healthcare and selling into Canadian, UK, & Australian health departments.

VitalHub just reported a very attractive acquisition. In normal markets, we would have expected the stock to be up significantly on the back of this news. The acquisition grows VHI revenue by ~30% and they paid less than 1x revenue while VHI trades at ~6x revenue. They should also be able to improve margins quickly like they have done many times in the past.

In addition to further acquisitive growth, organic growth should remain high. For example, Ontario is increasing healthcare data reporting requirements and VitalHub owns 2 of the 4 software providers that are compliant with these new regulations. Again, we view this stock correction as an opportunity as we see VitalHub continuing to grow and being worth significantly more in the short, medium, and long- term.

Company Name: Cipher Pharmaceuticals Inc. (CPHRF)

Market Cap: \$284M

We expect licensing revenue of Absorbica in the US to return to growth as they transitioned their sales strategy late in 2024, which resulted in overlapping costs and a temporary slowdown in sales. Late 2025 and into 2026, Cipher should begin to announce

out-licensing deals for Natroba. We also expect them to acquire complementary products to add to the inventory of products their established salesforce can sell.

Company Name: VerticalScope Holdings Inc. (VFORF)

Market Cap: \$101M

As you can see from their results, VerticalScope reported strong growth, margins, and earnings. They have paid back a majority of their debt, are aggressively buying back stock, and returning to their acquisition strategy. That being said, they recently announced that the most recent Google algorithm update is putting negative pressure on organic growth and margins. Google typically updates their search algorithm 3-4 times per year. For the most part, VerticalScope has benefitted from these updates as Google prioritizes authentic content, like user generated content in forums. This time, FORA has seen some of their search result ranks drop from 1st to 2nd or 3rd. It is obviously a negative for the company in the immediate term. Google is now fairly open with their algorithm and FORA's SEO team is now working on altering the strategy and mitigating the impact.

VerticalScope doesn't simply rely on Google for traffic since they own their forums and control authenticated emails of their users. From an organic perspective, they are working on AI summaries of posts within their communities as well as implementing AI translations which allows their content to travel internationally as well as opening up international markets for M&A as they can translate that content across the globe.

Based on capital deployed this year for M&A (should end up in the ballpark of \$20m USD), plus the buyback, the stock is most likely trading on less than 3x 2026 earnings. ⁴ At that valuation, plus upside from growth initiatives and LLM data licensing deals, we feel confident that the stock will end up being materially higher from here.

Company Name: MDA Space Ltd. (MDALF)

Market Cap: \$2.9B

After the quarter, MDA announced that their backlog increased from \$4.4B to now over \$5B. Net profit margins continue to increase with scale and the pace of growth within the sector appears to be growing, supplying a strong tailwind to the business.

Fund Name: Laughing Water Capital

<https://static1.squarespace.com/static/5d93ed0b59166652b0d66427/t/6809179427d7007a16fa4416/1745426324435/LWC+Q1%2725+Letter.pdf>

Company Name: Xponential Fitness, Inc. (XPOF)

Market Cap: \$361M

Xponential fitness, a franchisor of boutique fitness concepts, was first introduced in our [1H'24 letter](#). The thesis was simple: Xponential's crown jewel, Club Pilates, was likely more valuable than the enterprise value of the entire company, essentially giving no value to the company's other fitness concepts. Shares were mispriced due to a short report – much of which was ill-founded – that led to the removal of the company's founder and CEO, and a regulatory review. Future growth is very likely because several years' worth of franchise development agreements have already been sold. A new – and highly experienced – management team was brought in to right the ship, and with time the regulatory issues would be cleared, and business would return to “normal.”

Our investment started as a small position, and the thesis was playing out well as the new management team began to detail the changes that needed to be made (essentially professionalizing systems and processes) and the regulatory clouds began to clear, first with the California Department of Financial Protection and Innovation closing their inquiry with a slap on the wrist, and next with hints that an SEC investigation would resolve similarly.[ii] The stock had moved up in price quite a bit, but in my view the situation had also been de-risked materially, so I increased our position size considerably, and made XPOF a top 5 position in Q1.

Status as a top 5 position, however, was very short-lived as when XPOF reported earnings in mid-March they indicated store openings were below expectations and provided disappointing guidance going forward. Shares were quickly cut in half from where they were trading just a few weeks before.

Despite these negatives, all is not lost. Club Pilates continues to execute well, and management has shown an increasing interest in disposing of subscale brands. Further, the company will be hosting an investor day in May, which rarely happens unless a company has good news to share, so it seems possible that this was a “kitchen sink” quarter for a new management team. Nevertheless, it was a mistake to aggressively upsize the position based on positive regulatory developments while not also seeing positive operational developments.

Company Name: Lifecore Biomedical, Inc. (LFCR)

Market Cap: \$234M

Lifecore, our fill-finish CDMO, remains an ugly duckling. However, new leadership has fixed up under-managed CDMOs in the past, and is making progress. The balance sheet has been strengthened, the sales force has been improved, and new customer wins are being announced. As management continues to execute, capacity utilization will improve, and with it will come tremendous operating leverage and ultimately free cash flow. A recent filing from the company indicates that internally they believe there is an 80%

chance the business will be sold within the next 3 years. There is an argument that Lifecore deserves a higher multiple than what Avid Bioservices was recently purchased for, but if Lifecore were to trade at the same multiple as the Avid transaction, shares would be in the low to mid double digits today. Theoretically, Lifecore should be a beneficiary of tariffs.

Company Name: NextNav Inc. (NN)

Market Cap: \$1.4B

NextNav, our next generation GPS / wireless spectrum investment is our largest position, and was the largest drag on our performance over the last few months. This is not overly surprising, as I mentioned in our [YE'24 letter](#) that I believed that two different venture capital funds that owned NextNav stock – one a 2005 vintage, and one a 2012 vintage – had reached the end of their fund lives, and were thus aggressively selling shares. Likely also contributing to the recent weakness is the fact that NextNav's GAAP financials give no indication of the value of the Company's spectrum licenses. In fact, the GAAP financials are a mess, and likely cause NextNav to appear on any quantitative screen meant to identify candidates for short selling. Given recent market turmoil, I suspect quite a few of those screens are being run. This type of selling – and the resulting stock price weakness – should not concern us.

Rather, we should stay focused on NextNav's relationship with the Federal Communications Commission, and the Company's efforts to change the rules that govern the 900 MHz spectrum band. On that front, recent developments have been undeniably positive, and in my view, the odds that NextNav's petition for rule making is approved have gone up considerably.

First, in early March, newly appointed FCC Chairman Brendan Carr published a blog post called "Boosting GPS and 911 for the USA" that detailed plans to explore alternatives to GPS and improve the accuracy of the 911 system by strengthening the vertical location accuracy requirements. While Nextnav was not mentioned by name, Nextnav is the only company whose technology focuses on these two things. Carr also noted that there is bi-partisan support for these measures and indicated that a Notice of Inquiry (NOI) would be voted on in the March FCC meeting.

Nextnav is mentioned specifically by name in that NOI, and support at the meeting from the FCC commissioners was unanimous, with each of them noting the need for a "system of systems" to address the United States' GPS problem. While not unique to NextNav, this is the same term that the company uses, and it clearly indicates that this is a problem without a sole source solution. In other words, NextNav does not have to "win" all alone at the expense of other options. They only need to be part of a solution that may also include other options. This increases the odds of success for NextNav.

Importantly, following the meeting, Chairman Carr posted on "X" / twitter that he intended to "move on Trump Time" to implement his agenda. In my view, the NOI and the

reference to “Trump Time” are both extremely important, because historically, the big risk when dealing with the FCC has been that perhaps your proposal winds up stuck in a drawer for five years. That is clearly not the case here.

In fact, the timing of the NOI suggests that Carr put this process in motion during his first week on the job: this is a clear priority for him. My best guess going forward is that inclusive of the time required for the NOI process and drafting a Notice of Proposed Rule Making (NPRM), we could see a NPRM by early fall of this year. However, if we are really on Trump Time, it is possible that the NPRM process could run concurrent to the NOI process and accelerate the timeline significantly. I would not be surprised to see NextNav shares double or more on the filing of an NPRM, as this would be a clear sign that NextNav will be well positioned to monetize its spectrum in the not-too-distant future. There is reason to believe that this spectrum could be worth anywhere from 3-5x where NN stock is valued.

Second, in mid-March NextNav announced they had re-financed their debt with a \$190M 5% convertible note and related warrants that would allow them to repay their existing \$70M 10% notes due in December of 2026. Quite frankly, I was surprised by the timing of this transaction as in theory an NPRM should drop with plenty of time to complete a refinancing before the maturity of the existing debt. At the same time, this extra capital provides NextNav with a war chest which can be used to deal with any opposition to their spectrum goals: effectively by paying the opposition to go away. This too theoretically accelerates the timeline.

Additionally, the investors that participated – including insiders – are very strong strategic investors that bring more to this transaction than just capital. For example, consider M-Corp, Michael Milken’s family office, which is led by Josh Lobel, who was recently named to Trump’s National Intelligence Advisory Board. The national security and economic case for using NextNav’s technology to improve the United States’ GPS system is clear by itself, but it can only help to have someone in Trump’s inner circle as part of the NextNav ecosystem.

In sum, our investment in NextNav is responsible for a large portion of our year-to-date decline. However, the fundamental developments here have been undeniably positive, and have set us on an accelerated timeline toward success. It is also worth noting that this investment has very little attachment to the real economy, and over time should prove to be completely uncorrelated to the stock market. Those are attractive qualities during times of uncertainty.

Company Name: PAR Technology Corporation (PAR)

Market Cap: \$2.3B

PAR, our restaurant software business had a strong year with annual recurring revenue ([ARR](#)) and the number of customer doors both doubling or more during the year. This level of growth is unlikely to be repeated, but management has a high level of visibility

into their pipeline, and the company has indicated that ~20% organic growth should continue in the near term. This is in part due to past MCA which has recently seen the company expand their TAM into convenience stores and international markets, and management has further indicated that the MCA pipeline is more full now than it has ever been. Importantly, revenue has been growing significantly faster than expenses for some time now, and the operating leverage is becoming apparent.

Company Name: Cantaloupe, Inc. (CTLP)

Market Cap: \$558M

Cantaloupe, our software / payments business focused on vending machines and other unattended retail has traded down, likely due to general small cap weakness, and more specifically fears that a slowing economy will hurt payment processing names as payments are a volume business. That being said, vending machines and “snacks” more broadly have historically proven to be resilient as people still need to eat, even if the economy slows.

More interestingly, however, Reuters has reported that the company is running a sale process.[iv] Quite frankly, I am not convinced that now is the right time to sell as the company only recently began gaining operating leverage on their costs, which is leading free cash flow to rocket higher. That being said, insider alignment is strong here, and if we can get paid today for a bright future that has not yet been fully baked, there is nothing wrong with that. Historically, verticalized software / payments players have sold for 4-6x revenue, while presently CTLP stock trades for less than 3x revenue. At the midpoint of this range, shares would be worth approximately double where they trade today, suggesting plenty of upside should a sale be finalized. If a sale does not materialize in the near term, the company has reached a scale that allows them to realize leverage on their costs, and the free cash flow generating ability of this formerly money losing business will be increasingly difficult for the market to ignore.

Company Name: Hilton Grand Vacations Inc. (HGV)

Market Cap: \$3.1B

HGV, our Hilton branded time share business continues to trade at 4 to 5x free cash flow, and nobody cares. Nobody except management that is. The company recently announced they would be increasing their buyback authorization by 50%, bringing it to \$600M per year. Importantly, they have proven that they are not afraid to use this authorization, and at this pace I expect that the company will be able to retire nearly half of its shares over the next 3 years. It is hard to think that the stock won't benefit if that happens. Importantly, historically this business has been recession resilient, and in fact grew through every recession prior to the financial crisis.

Company Name: Thryv Holdings, Inc. (THRY)

Market Cap: \$527M

Thryv, our SMB software business that is also running off its legacy Yellow Pages business, had a great year in 2024, with highlights being: grew SaaS revenue 25%, reached rule of 40 status, added new centers, increased the number of customers using multiple centers, brought net dollar retention to 100%, and made the business majority SaaS. This last item should lead to the stock shortly being reclassified from “marketing” to “software” under the GICS system, which in theory should make it visible to a new universe of investors.

However, all of these positives have not prevented the market from punishing Thryv recently, likely due to its perceived economic sensitivity. A slowing of the economy will not be great for Thryv’s small business customers, but ultimately the pending retirement of baby-boomer business owners will be what really matters, as the next generation of business owners is likely to embrace software in ways that their predecessors did not.

At present, the business trades at ~1.8x 2025 SaaS revenue guidance, and 12.5x 2025 SaaS EBITDA guidance. This is before giving any credit for the ~\$275 million in cash the company believes the legacy business will kick off between now and 2030. Meanwhile, larger peers command double-digit sales multiples and EBITDA multiples north of 50x. During the quarter, the Chairman-CEO, President, and lead independent director all bought shares.

Fund Name: Giverny Capital Asset Management

<https://static1.squarespace.com/static/5e8f1f2a9432801293f6439e/t/6807db187af50c7d4fe06a90/1745345305056/2025Q1D.pdf>

Company Name: Five Below, Inc. (FIVE)

Market Cap: \$4B

We also exited Five Below ([FIVE](#)), our lamented value retailer. Five Below has one of the better retail store models I have ever seen. Unfortunately, prior management decided to move away from a successful value proposition where all merchandise in the store was priced below \$5, and to introduce higher-priced items. I wasn’t skeptical enough of this move. Customers walk into Five Below expecting to find fun and interesting low-priced

items, not \$20 roll-aboard suitcases. On a simple level, when you sell trendy \$2 and \$3 items to kids, there is not much competition. When you start selling \$15 and \$20 items to adults, you find yourself competing with Walmart and Target. That's a harder game to play.

Five Below was also hurt by shoplifting losses after some cities stopped policing petty crime. CEO Joel Anderson left abruptly last summer and I waited to see who would replace him. Unfortunately, the new CEO previously led two retailers that ended up in bankruptcy shortly after her departure. In our research, she did not garner strong reviews from former colleagues. On top of this, it was clear to us that Five Below would be hurt by plans to heavily tax Chinese-made imports. We did not foresee the extreme level of tariffs that were announced, but we did suspect China would be hit hard. We exited at a terrible price but not as terrible as the current price: about \$86 vs. recent quotes in the mid-\$60s.

Company Name: TWFG, Inc. (TWFG)

Market Cap: \$1.8B

In December and into the first quarter, we bought a small position in TWFG ([TWFG](#)), which essentially is a technology and business support platform for independent insurance agents. The position is small mainly because TWFG itself is small and illiquid, as founder CEO Richard F. "Gordy" Bunch owns about 60% of the stock.

Bunch himself is a former insurance agent who saw an opportunity to create a platform where independent insurance agents selling personal lines (mostly auto and homeowners) could easily access quotes from dozens of insurers and receive back-office support, in exchange for 20% of their commissions. If the platform works well, the agent becomes more than 20% more productive while offering clients better coverage options.

Fund Name: Third Avenue Small Cap Value Fund

Company Name: ProAssurance Corporation (PRA)

Market Cap: \$1.1B

Performance during the quarter was led by positive contributions from a wide range of individual businesses and idiosyncratic developments. In March, specialty insurance provider ProAssurance ([PRA](#)) announced that it has agreed to a takeover offer from The Doctor's Company. At \$25 per share, the purchase price represents an approximate 60% premium to the pre-offer trading price, highlighting the value that was embedded within the shares and leading to ProAssurance generating the single largest contribution to quarterly Fund performance.

Company Name: Atlanta Braves Holdings, Inc. (BATRA)

Market Cap: \$2.5B

The sizeable transaction proceeds further fortified the company's balance sheet and liquidity for further development activity. With regard to Atlanta Braves Holdings, the company reported several pieces of positive news during the quarter relating to both its real estate development assets as well as multiple new media and streaming rights agreements. Entities controlled by John Malone, Atlanta Braves Holding's controlling shareholder, could also be seen consistently buying shares throughout the quarter.

Company Name: Tidewater Inc. (TDW)

Market Cap: \$1.7B

Tidewater represents an interesting case study. In recent quarters, the company has been a poor performer and one of the larger drags on Fund performance. As recently as a year ago, the company had been a star performer for the Fund and was benefiting from a strong tightening of the supply and demand balance for global offshore support vessels. In that environment, with a favorable outlook and far higher share prices, the Fund sold a material portion of its Tidewater shares. It is notable that several growth-oriented funds filed as significant new shareholders around the time of the Fund's sales. As an investment approach, we tend to buy grey clouds and sell sunshine and that period was starting to look like sunshine in the sense that the share price was increasingly reflective of the very positive near-term outlook.

However, outlooks change and, to the extent one has purchased an investment at prices reflective of a very favorable outlook, a deterioration of that outlook can be very painful. Since the second half of 2024, several large offshore projects have been temporarily delayed, limiting the immediate demand for more offshore service assets. While the current consensus forecast for Tidewater's 2025 operating performance is roughly flat compared to 2024, the share price has seen a considerable decline.

We continue to believe that the long-term industry dynamics - marked by virtually no new supply of offshore service vessels for the foreseeable future, gradually declining supply of the existing global vessel fleet through aging and attrition, along with increasing long-term demand - are very much intact. Our job, as we see it, is to estimate the value of businesses, across a range of scenarios, and with a good bit of conservatism baked in, and then try to seize opportunities to buy them at significant discounts to those estimated values. Our view is that Tidewater's share price decline represents a large overreaction to the softening of its near-term outlook and the Fund has once again begun to grow its Tidewater holdings.

Company Name: BlueLinx Holdings Inc. (BXC)

Market Cap: \$585M

BlueLinx Holdings Inc. (“BlueLinx”), is a distribution business, acting as an intermediary between the manufacturers of finished residential and commercial building products - such as siding, millwork, and specialty lumber panels - and product retailers and professional contractors in local markets. The company's key assets enabling its distribution capabilities are a nationwide footprint of 65 warehouses, storage facilities, and logistics assets. The company has seen its stock decline meaningfully in recent quarters in anticipation of a perceived slowdown in U.S. housing and potential disruptions to the supply of imported building products.

Although the company has narrow operating margins typical of many distribution businesses, BlueLinx has a strong track record of generating attractive free cash flow as a public company. Further, the company maintains a net cash balance sheet that puts it in the enviable position of having substantial financial wherewithal and flexibility, potentially enabling the company to identify value enhancing opportunities in a tumultuous environment. Fund management was able to build a position in BlueLinx at prices near tangible book value as housing sentiment continues to be depressed.

We see multiple paths for BlueLinx to return significant value to shareholders. In particular, the company has an opportunity to enhance operating margins closer to those of industry peers through internal initiatives that have been laid out and which seem attainable. The business is also one that embeds fixed cost leverage that can yield a dramatic amplification of return on invested capital during periods of higher distribution volumes or ones in which lumber prices are upward sloping.

Should BlueLinx successfully execute its growth initiatives, the company could garner the attention of numerous industry consolidators. The recently announced acquisition of Beacon Roofing ([BECN](#)) by QXO ([QXO](#)) is one example within the industry. There are also many private equity sponsors who are presently active in the industry improving the probabilities of a transaction and at a favorable price.

Fund Name: ClearBridge Canadian Small Cap Strategy

Company Name: North American Construction Group Ltd. (NOA)

Market Cap: \$424M

NOA is a mining services and civil construction company that provides mine services to the Canadian oil sands (25% of revenue), Australian coal and copper mines (55%) and various civil projects, with a long history of steady, profitable growth. We believe the equity is trading at an attractive discount to intrinsic value based on unfounded concerns around contract structure in the oil sands and idle Canadian assets, which we believe can be profitably redeployed to their newly acquired Australian business.

Company Name: Osisko Gold Royalties Ltd (OR)

Market Cap: \$4B

In the case of Osisko Royalties, we have followed the name for a long time and now view the governance issues that had previously kept us on the sidelines to be behind the company. In addition, the valuation was attractive as it had materially lagged the small/mid cap gold royalties, creating a compelling entry point.

Fund Name: Longleaf Partners Global Fund

https://info.southeasternasset.com/hubfs/LLGF%20Q1%202025%20Final%20updated%202.pdf?utm_campaign=General%20Investor%20Communications&utm_medium=email&hsenc=p2ANqtz--HrTA4psNcRjsq5Ata11nRCfcAUoN8GOGMroauxkr8maf1CLEmVcPrEf9PJa1a67iIlgkF3x0S9rnz6IxHjKCCvaCCw&hsmi=356360269&utm_content=356360269&utm_source=hs_email

Company Name: IAC Inc. (IAC)

Market Cap: \$2.8B

IAC ([IAC](#)) – Digital holding company IAC was another solid contributor for the quarter. In January, the company announced that former CEO Joey Levin would be shifting his focus to become Executive Chairman at IAC portfolio business Angi. Barry Diller is taking on a larger role at IAC while continuing to be its Chairman. Initially, the market reacted cautiously, but as the quarter went on, the potential benefits became clearer, especially in conjunction with the recently completed spin-off of Angi. During the quarter, we published our first [Research Perspectives](#) note that provides more details on our investment case for IAC.

Fund Name: Longleaf Partners Small-Cap Fund

https://info.southeasternasset.com/hubfs/LLSC%20Q1%202025%20Final%20Update%202.pdf?utm_campaign=General%20Investor%20Communications&utm_medium=email&hsenc=p2ANqtz-9G0hRqMdrhYggTU_7VV4FcL1A-

[TQGaFuHEZ0BGx1U5Ej1heNEGt0sUZDFFztf9fHAelqp9QYUHizo24CzoHM2m3KCw& hs mi=356360269&utm_content=356360269&utm_source=hs_email](https://www.snowballresearch.com/idea-generation-report-2024-03-20?utm_content=356360269&utm_source=hs_email)

Company Name: Graham Holdings Company (GHC)

Market Cap: \$3.9B

Graham Holdings ([GHC](#)) – Diversified education, healthcare and media company Graham Holdings contributed for the quarter. The company reported a solid quarter of low-mid single-digit percentage value growth and continues to position itself well for tougher times with its net cash balance sheet. For a deeper dive into Graham, please listen to our [podcast](#) with CEO Tim O’Shaughnessy that we recorded in March.

Company Name: PotlatchDeltic Corporation (PCH)

Market Cap: \$3B

Timberland and mill company PotlatchDeltic was a contributor for the quarter. The company performed fine in the quarter even though housing demand remains below trend. We slightly trimmed our position as the company was viewed as a potential tariff winner. While not the most exciting company, PotlatchDeltic remains an undervalued, reliable dividend payer with a disciplined management team.

Company Name: The Boston Beer Company, Inc. (SAM)

Market Cap: \$2.7B

Boston Beer Company ([SAM](#)) – US beverage company Boston Beer detracted in the quarter. The stock price has been under pressure due to macro concerns around declining alcohol consumption trends, combined with concerns on the Truly brand’s continued declines and overall company margins. Both we and the company believe these headwinds can be overcome, and the company has multiple drivers to grow in the next twelve months. Management is taking action to increase value per share in the meantime by being one of our larger share repurchasers in the portfolio currently. Expectations for growth have been reset to a flattish level, and from this lower base, we remain optimistic in the long-term opportunity.

Company Name: CNX Resources Corporation (CNX)

Market Cap: \$4.5B

CNX Resources ([CNX](#)) – Natural gas company CNX Resources was a detractor for the quarter. While CNX was one of our stronger performers in 2024, the company started the year with a disappointing outcome regarding government incentives for its coal mine methane gas capture program. The incentives were below our unrisksed upside case that could have helped our value by \$10-20+/share. While this was a disappointing few

dollars per share hit to our risked value, the silver lining to the market's overreaction to this news is that both we and CNX were able to buy more shares at a price that, in our view, does not fully appreciate all the other good things going on at the company. CNX remains focused on what is within its control, leveraging its low-cost structure and disciplined hedging strategy to generate free cash flow (FCF) in a variety of price environments.

Company Name: Park Hotels & Resorts Inc. (PK)

Market Cap: \$1.9B

Hotel owner and operator Park Hotels was a detractor for the quarter. As a stock that is sensitive to the macroeconomic environment, it traded lower as travel demand slowed even though the company reported solid results with 3%+ revenue per available room (RevPAR) growth. Park remains in a much better financial position than in recent years and will soon see debt related to former assets in San Francisco come off the books. The other positive is that we are finally beginning to see an uptick in hotel transaction activity, and we believe Park could be a compelling target.

Company Name: Anywhere Real Estate Inc. (HOUS)

Market Cap: \$339M

At Anywhere, our investment case changed as the company struggled with its leverage and multiple industry headwinds, so we ended up exiting and booking a loss.

Fund Name: Conventum-Alluvium Global Fund

https://alluvium-am.com/wp-content/uploads/2025-03-Report-Conventum-AGF.pdf?utm_campaign=March+2025+-+Quarterly+Report&utm_medium=email&utm_source=newsletter

Company Name: Robert Half Inc. (RHI)

Market Cap: \$5B

Robert Half, the recruitment and out placement specialist, was down 21.8%. Its fourth quarter results were disappointing (but it was expected). On a brighter note, at the time of reporting management did note a pick up in business confidence late last year and into the early part of this year. Client discussions had turned turning decidedly more positive. However there is no doubt that with the increased uncertainty and the decline in business sentiment since, that information is now obsolete. This business is in an earnings trough, and it is fair to say that we misjudged its cyclicity. And now with this

hit to confidence, the bottom of the cycle is continuing for far longer than management (and us) expected. We reviewed (and lowered) our margin assumptions and hence our valuation. Whereas previously it traded at a slight premium to it, it now trades in-line. The Fund's position is now 2.4%. With its current low price, we are prepared to bide (more) time on this one.

Company Name: THOR Industries, Inc. (THO)

Market Cap: \$3.6B

Thor Industries, the recreational vehicle producer, (down 20.4 %) provided a quarterly update. Just like Robert Half, management commented that it had seen indications of rising dealer optimism and strengthening consumer confidence late last year and early this year. However, by mid March it reported that confidence had declined to such an extent that it expects will impact its full year results (to July 2025). The revised guidance was down around 20% at the EPS level. We are again talking about a cyclical business, with a longer downturn than expected, which clearly disappointed the market.

Adding to the uncertainty are the looming tariff implications, as some of Thor's domestic production uses imported chassis, and some domestic suppliers may pass through price increases. All up - a highly uncertain and totally unpredictable environment which is reflected in the share price. When we look at "through the cycle" earnings, the business still screens cheap (at about 8 times), and generates a very healthy level of cash. At its current price, we intend to maintain the Fund's small position of 1.7%.

Company Name: Linamar Corporation (LIMAF)

Market Cap: \$2B

Linamar, the industrial manufacturer (down 11.8%) was particularly hard hit by the tariffs that were announced during the quarter. Little did we know what was to come. It reported full year results and 2025 outlook, and with the exception of a writedown of its European operations, there were no surprises. On a positive note, management hinted of acquisition opportunities and noted an increase in requests from customers to supply parts. It guided toward double margin expansion (stemming from new launches and cost improvements), double digit earnings growth, and continued strong cash flow.

With what's happened since, we are not so sure that will be achieved. It stated that it is committed to Canadian rather than US production for efficiency reasons. We made minor tweaks to our valuation that resulted in an immaterial increase. With the share price at a rather distressed level, we are comfortable in maintaining the Fund's 2.8% position.

Fund Name: Heartland Value Fund

Company Name: Columbus McKinnon Corporation (CMCO)

Market Cap: \$370M

Recently, we've been willing to add to positions in companies where the fundamentals make sense and with promising levels of insider buying to confirm our views. A good example is **Columbus McKinnon Corp. (CMCO)**, which we initially added to our Strategy in the fourth quarter. The company designs, manufactures, and distributes materials, handling products, and systems used in a variety of industrial applications, including lifting, precision conveyance, and linear motion.

Historically, CMCO's growth has been largely driven by changes in manufacturing activity. A new CEO joined the business in June 2020 with the goal of higher growth and margin applications while increasing the recurring revenue mix. CMCO, however, reported a softer recent quarter due to slowing industrial demand driven by U.S. policy uncertainty. The company also announced a \$2.7 billion acquisition of competitor Kito Crosby, which sent the stock plummeting 41% due to uncertainty around execution and an increased leverage profile of 4.8x upon closing.

We believe Columbus McKinnon offers investors a compelling risk/reward case and a strong catalyst as it seeks to reduce leverage and improve the growth and margin profile of the consolidated business. Management, which has been aggressively purchasing the stock in the open market during the recent sell-off, is targeting mid-20% EBITDA margins upon integration. That's up from an estimated 15.5% in FY25 pre-acquisition. At the end of the quarter, the stock was trading at about \$17 a share. Our current target price target of \$54 would imply a valuation of 10.5 times Enterprise Value to EBITDA. Upon execution of the acquisition, however, we believe CMCO should be treated similarly to its industrial peers trading an average of 12x EV/EBITDA.

Company Name: PotlatchDeltic Corporation (PCH)

Market Cap: \$3B

While Columbus McKinnon is an example of a stock that was negatively impacted by policy uncertainty (at least temporarily), **PotlatchDeltic (PCH)** is a company that could benefit from recent policy changes.

Potlatch, a timber REIT that focuses on harvesting sawlogs and producing wood products, has been in our portfolios for quite some time. When we first entered this position, it stood out as a domestic provider of homebuilding materials. That remains a highly

relevant point, given the supply gap of housing in the United States and tariffs established by the Trump administration on Canadian timber products.

The new levies, on top of those already in place, brings the total tax on Canadian lumber to over 50%. As PCH is **the only American wood products company that manufactures entirely in the U.S.**, it is likely to be a primary beneficiary of the rising cost of imported timber. Potlatch's harvest volume is mostly comprised of Southern Yellow Pine, which may not be a perfect substitute in terms of quality compared to trees historically imported from Canada but will likely be preferred by the market in terms of cost. We value PCH, which is currently trading at around \$45 per share, with a target price of \$54.

Company Name: Delek US Holdings, Inc. (DK)

Market Cap: \$772M

Potlatch and Columbus both demonstrate that fundamentals aren't enough. Our 10 Principles of Value Investing™ demand there be a strong catalyst for recognition to justify holding a stock. Last quarter, we highlighted Delek ([DK](#)), an oil refiner that produces petroleum products for the transportation and industrial industry.

In the first quarter, we exited the stock. The risk-reward on Delek still looks compelling, but we're not confident that the catalyst is still there. Management attempted to unlock the sum of the parts of the combined company, but then took a significant write-down of assets. Also, DK's earnings outlook continues to deteriorate. Given this, we decided to use the proceeds of exiting the stock to add to positions in which we have greater conviction.

On a positive note, as the Trump administration's policies and global jitters rattled the markets, investors flocked to precious metals. Gold closed the quarter at a record high of around \$3,150 per ounce while silver and copper advanced around 20% for the period. In a dollar-debasing environment, owning physical gold and other metals is receiving increased interest from central banks worldwide as well as an increasingly wide range of investors, both young and old.

Company Name: New Gold Inc. (NGD)

Market Cap: \$2.8B

For some time we have been supportive of holding hard asset producers such as well financed, profitable miners and their allied providers. A standout performer has been a Canadian producer, **New Gold (NGD)**, owner of the Rainy River gold mine and New Afton copper/gold mines.

The stock has more than doubled this past year, buoyed by increased production, higher grades and reserves, plus lower costs providing a substantial increase in free cash flow. With all-in sustaining costs (AISC) less than \$1,400 per ounce, NGD is positioned to

prosper. However, now priced in excess net asset value, NAV, we have taken advantage of increased interest and higher prices by trimming holdings. The proceeds were utilized to increase our holdings in two other miners which our research indicates are priced at 50% discounts to their NAV's.

Fund Name: Vulcan Value Partners

<https://vulcanvaluepartners.com/core/uploads/2025/04/VVP-First-Quarter-03.31.2025.pdf>

Company Name: Ituran Location and Control Ltd. (ITRN)

Market Cap: \$653M

Ituran is an Israel-based company that provides stolen vehicle recovery services. Its largest market is Israel, followed by Brazil. They offer a subscription service that allows customers' vehicles to be tracked using RF technology. Customers typically receive a discount on their auto insurance when they subscribe to Ituran's service. Ituran's revenue model produces strong free cash flow and stable margins. The company is performing well, and we believe remains discounted despite the recent increase in share price.

Company Name: PROG Holdings, Inc. (PRG)

Market Cap: \$1B

PROG Holdings provides lease-to-own financing solutions for non-prime borrowers through a national retailer partner network. In the second half of 2024, one of its largest customers, Big Lots, declared bankruptcy and agreed to be bought by a private equity firm. In December, the sale was cancelled, forcing Big Lots to move forward with liquidation. We believe PROG's stock price decline was far greater than the impact on origination volumes by Big Lots' closure. Further, we expect the company will be able to offset these lost volumes with share gains at existing retailer partnerships and new customer wins.

Fund Name: ClearBridge Mid Cap Strategy

Company Name: Ashland Inc. (ASH)

Market Cap: \$2.3B

We exited our position in chemical manufacturer Ashland ([ASH](#)). While we were optimistic about the end of destocking trends and a rebound in demand, the company continues to face sluggish end markets without signs of improvement.

Fund Name: Maran Capital Management

[https://mcusercontent.com/4522df4fcbfa5be002117f260/files/1af8dac8-5a91-9e39-2f4a-2803e0d76122/Maran Partners Fund LP 2025 1Q Letter.pdf](https://mcusercontent.com/4522df4fcbfa5be002117f260/files/1af8dac8-5a91-9e39-2f4a-2803e0d76122/Maran_Partners_Fund_LP_2025_1Q_Letter.pdf)

Company Name: Horizon Kinetics Holding Corporation (HKHC)

Market Cap: \$652M

Horizon Kinetics reported record annual [results](#) in 2024, earning over \$5 per share. This includes contributions from both performance fees and appreciation of the company's balance sheet assets, so it isn't a recurring earnings number. That said, it is an example of the types of earnings that were possible in a year in which things went Horizon's way. You can listen to a [recording](#) of the earnings call if you are interested in learning more about Horizon's philosophy and approach.

Fund Name: Cedar Creek Partners

<https://static1.squarespace.com/static/5ea6570a0ba57d406203e048/t/67fec056b0caef38da222d85/1744748631604/Q1+2025+Results+for+Cedar+Creek+Partners.pdf>

Company Name: Western Capital Resources, Inc. (WCRS)

Market Cap: \$126M

We continued to increase our position in **Western Capital Resources** ([OTC:WCRS](#)) which we discussed in our 2024 year-end letter. Just before the end of the quarter, Western Capital announced a tender offer for 666,667 shares or roughly 11% of the company at \$15 per share, or a total price of \$10 million. The tender price was at a meaningful premium to previous trades. Included in the tender documents were 2024 results. 2024 net income was \$6.7 million or \$1.12 per share based on year-end share count. If we add back intangible amortization, cash earnings were about \$9.1 million, or \$1.52 per share based on year-end share count. Net cash was nearly \$6 per share. The share price rose in the quarter from \$9.00 to \$15.00 per share. Earnings for 2024 were negatively impacted by their acquisition of Northern Brewer which accounting rules

required them to consolidate for the full year. WCRS purchased the business and appears to have relocated it to one of their existing operations to reduce facility and potentially fulfillment costs.

Company Name: Propel Media, Inc. (PROM)

Market Cap: \$214M

At the beginning of the year, Propel, which does not report financial results to shareholders, was valued at \$0.603 per share, based on the fund manager’s decision to use a 6% dividend discount model. At quarter end, it was valued at \$0.85 per share. That valuation matched the last sales price, as well as management’s 6% dividend discount model based on their April 2 dividend announcement. The most recent bid price was \$0.85 per share while ask was \$1.00 per share.

Update on Propel Media

Propel Media – has not publicly reported financials since 2019. We are completely left on our own to figure out revenue and profitability. We do know that there are 252 million shares outstanding. We also know that in 2022 they had agreed to be acquired by **IQVIA Holdings (IQV)** for between \$700 and \$800 million (\$2.75 to \$3.15 per share); however, in early 2024 the deal was blocked by the FTC and both Propel and IQVIA decided to walk away rather than fight. In June 2023, prior to the deal being blocked, we were able to purchase shares for \$0.24 per share after becoming aware of the deal in published reports.

We purchased the stock in hopes of the deal going through. If it did, we expected a ridiculous 10-12x return. If it didn’t, we believed we were still likely getting a bargain. We doubted that the next best liquidity event would value the company at 1/10 of the potential merger price with IQVIA. We still believe that and are willing to wait.

Unexpectedly, Propel began paying a quarterly dividend in August 2023. In February of this year we received a dividend of just over \$0.02 per share, nearly double the dividend of the year ago quarter and the previous quarter. In total we have received nearly \$0.076 per share in dividends, or 33% of our purchase price in just over 20 months, and will receive another \$0.01 per share in April (see chart below).[4]

Propel Dividend Payments			
days	Record Date	Amount	ttm
8/7/2023		\$0.013760	\$0.0138

105	11/20/2023	\$0.005290	\$0.0191
81 2/9/2024		\$0.011092	\$0.0301
94	5/13/2024	\$0.005090	\$0.0352
93 8/14/2024		\$0.010024	\$0.0315
93	11/15/2024	\$0.009978	\$0.0362
95 2/18/2025		\$0.020672	\$0.0458
52	4/11/2025	\$0.010363	\$0.0510
total		\$0.08627	

The April 2025 dividend is very interesting. The per-share amount is twice the May 2024 dividend (\$0.01 versus \$0.005) yet covers only 52 days versus 94 days. It seems reasonable to assume the improvement in the business as reflected in the increased dividend in February is continuing. Why Propel shortened the timeframe between dividends is a mystery to us.

Another interesting data point we track is Propel's level of borrowing and its loan capacity. Propel's main business, DeepIntent, has an asset-based loan (ABL) facility with a publicly reporting company, **SLR Investment Corp** ([SLRC](#)). SLR lists all their loans each quarter and also their unfunded commitments. This allows us to track the level of debt owed by DeepIntent but also gives us a good idea of their current revenue run rate. It is our understanding that most lenders limit borrowing capacity to 85 to 90% of a company's accounts receivable. It seems reasonable to assume DeepIntent grants 60 to 75 day payment terms on its accounts receivables.

estimated annual revenue run rate							
DeepIntent borrowings from SLR Investment				60 days	60 days	75 days	75 days
Date	Borrowed	Unfunded	Total	85%	90%	85%	90%
12/31/22	16,951	3,049	20,000	119,654	113,007	95,723	90,405
03/31/23	16,883	3,117	20,000	119,174	112,553	95,339	90,043
06/30/23	18,075	1,925	20,000	127,588	120,500	102,071	96,400

09/30/23	-	-	-	-	-	-	-
12/31/23	21,067	3,933	25,000	148,708	140,447	118,967	112,357
03/31/24	23,115	6,885	30,000	163,165	154,100	130,532	123,280
06/30/24	25,172	4,828	30,000	177,685	167,813	142,148	134,251
09/30/24	26,527	3,473	30,000	187,249	176,847	149,800	141,477
12/31/24	37,746	7,254	45,000	266,442	251,640	213,154	201,312

Based on this we can estimate DeepIntent’s revenue run rate. It would be the current ABL loan amount (borrowed column below) divided by 85 to 90% to give us total receivables, and then multiplied by six (to annualize the sixty days of receivables to 365 days) to give us approximate annualized revenue run rate (ranges shown in four columns of chart below).

Numbers in 000’s. DeepIntent either paid off the loan at 09/23 or there was a reporting error.

What we learn is that annualized revenue was likely between \$90 and \$120 million at the end of 2022 (first line of chart). That revenue appears to have risen to between \$112 and \$150 million as of the end of 2023, an increase of nearly 25%. By the end of 2024 the revenue run rate appears to have been between \$200 and \$266 million, or an increase of nearly 80% from a year earlier (last line of the chart). This would be consistent with the increased dividend (the trailing twelve-month dividend has risen 45% in the last year). To say we are eagerly waiting to read SLR’s first quarter filing is an understatement.

Company Name: Citizens Bancshares Corporation (CZBS)

Market Cap: \$90M

Citizens Bancshares (OTCPK:CZBS) - is an Atlanta, Georgia based bank that received \$95.7 million of additional capital via the US Treasury’s Emergency Capital Investment Program (ECIP) at the end of June 2022. The bid price decreased from \$51.15 per share at the beginning of the year to \$51.00 per share at the end of the first quarter. During the quarter, they paid a \$1.10 per share dividend. Citizens has reduced its share count by 10% over the last two years, from 2.0 million shares to 1.8 million shares. Earnings for the first nine months of 2024 were \$4.55 per share versus \$4.23 per share in the first nine months of 2023. Results in both years were negatively impacted by \$3 million loan loss provisions on the same loan that has now been fully reserved. Citizens has not officially released 2024 results although call reports show Q4 2024 results were in line with the prior year.

Due to the ECIP funds Citizens is one of the most over capitalized banks in the US. Annualized earnings run rate after preferred stock expense is roughly \$7.50 per share. The stock is an incredible bargain at seven times earnings for a massively overcapitalized bank that is shareholder friendly. We expect them to either make an acquisition or increase organic growth, all the while continuing to return capital to shareholders via dividends and share repurchases.

Company Name: CrossingBridge Advisors, LLC (ENDI)

Market Cap: \$107M

ENDI Corp (OTCQB:ENDI) – we profiled ENDI in our 2024 first quarter [letter](#). The share price rose during the first quarter from \$11.43 per share to \$12.00 per share. ENDI owns CrossingBridge Advisors which manages fixed income mutual funds and a few managed accounts. Assets under management (AUM) for CrossingBridge grew over 30% in 2024, from \$2.6 billion at the beginning of 2024, adjusted for the acquisition of the RiverPark Short Term High Yield Fund, to \$3.4 billion at the end of 2024.

According to their website, as of the end of March 2025, AUM was \$3.8 billion, an increase of 10% in the first quarter alone. We think the current interest rate environment is attractive for short-term bonds.

ENDI's third and fourth quarter operating margins were 32% but that is misleading. ENDI incurs significant amortization charges related to its acquisition of CrossingBridge and other investment management contracts. Adjusted operating margin was 47 to 48%. Fourth quarter cash earnings were \$0.35 per share, or \$1.40 per share annualized.[5] Net cash and investments at the end of 2024 were approximately \$2.50 per share, meaning the stock was trading at just seven times earnings, net of cash, at quarter end.

Our fair value estimate just keeps rising as the company continues to execute. We wrote in our 2024 year-end letter that, based on their recent growth, a valuation of 12 to 15 times cash earnings plus net cash seems more reasonable. Using 12 to 15 times the current run rate of cash earnings plus net cash would result in a value between \$19.30 and \$23.50 per share.[6]

Subsequent to quarter end, ENDI [announced](#) a cash investment in CrossingBridge in exchange for 25% membership interest. The price was \$25.9 million. The fund, and other entities affiliated with the fund manager, participated in the transaction. We think it is a win-win deal. It shows the value of CrossingBridge and provides additional capital to good capital allocators to grow assets under management.

Company Name: Skyline Bankshares, Inc. (SLBK)

Market Cap: \$70M

During the quarter we built up a new position in the fund, **Skyline Bankshares** ([OTCQX:SLBK](#)), a community bank in rural Virginia and Tennessee. The bank has 5,557,000 shares outstanding at roughly \$12.50 per share for a market cap of \$70 million. The bank earned \$1.34 per share in 2024, down from \$1.74 in 2023. At first glance, things appear to be moving in the wrong direction. That is a big decrease in earnings. In 2024, Skyline acquired a bank in Tennessee. That resulted in merger related expenses, and amortization of core deposit intangibles.

In 2023, Skyline earned \$12 million before taxes, and \$9.7 million after tax. In 2024, it earned \$9.3 million before tax and \$7.4 million after tax. Skyline incurred \$2.5 million in merger related expenses and increased core deposit intangibles. Absent those expenses, earnings would have been nearly flat. If we look just at the fourth quarter of 2024, the first full quarter after the acquisition, adjusted pre-tax earnings would have been \$4.26 million or \$3.41 million after tax, which would be \$0.61 per share. Annualized that would come to \$2.45 per share.

We also think additional cost savings may be possible that did not show up in the first full quarter since the merger. We were able to purchase shares at \$12.50 per share, or just over five times earnings. Current dividend yield is a solid 4%. We believe that Skyline should trade closer to ten times earnings, or \$25 per share.

Fund Name: Miller Deep Value Select

Company Name: Gray Media, Inc. (GTN)

Market Cap: \$356M

During the quarter, the strategy's largest positive contributor was Gray Media ([GTN](#)), with shares up +37%. Gray significantly lagged the strategy during the back half of 2024. While the company's political advertising led the overall market, it fell below market expectations. Gray continues to generate strong free cash flow and successfully paid down more than \$500M of debt during the past year. While the company has significant debt leverage, Gray has a much smaller amount of debt maturities over the next two years. Marketplace expectations for Gray's future retransmission revenues remain very low, providing a nice ongoing variant as management focuses on improving long-term retransmission agreements. Near-term risks include an advertising recession; auto advertising may be weaker over the coming months; however, local advertising has so far remained resilient. Gray has the potential to deliver strong free cashflow next year and \$2B+ over the coming 5 to 6 years. Ongoing debt reduction should accrue to the equity over time. We see long-term upside potential multiples of the current share price.

Company Name: Gannett Co., Inc. (GCI)

Market Cap: \$406M

Gannett has had ongoing success with its long-term transformation to a digital media company. Digital revenues (subscriptions, advertising, media services, partnerships, and e-commerce) are expected to become half of Gannett's revenue later this year as the company focuses on monetizing its 200M monthly audience reach. The secular headwinds of the traditional newspaper business remain as the most obvious near-term risk. While this portion of the business may continue to decline, Gannett has ongoing cost reduction opportunities to drive greater operating efficiencies. Gannett shares remain significantly mispriced in our opinion at only .17x revenue and >50% normalized free cash flow yield. New York Times ([NYT](#)), which went through a similar digital transformation ten years ago, has a much higher valuation level, with price to sales at 3x and Enterprise Value to EBITDA ("EV/EBITDA") greater than 15x. In addition, Gannett's anti-trust suit versus Google is very similar to the DOJ anti-trust suit against the company. Kellogg Hansen, a firm that specializes in anti-trust cases, with successful historical awards and appeals of more than \$1B, is representing Gannett. The law firm agreed to success-based compensation for their services. Winning the anti-trust case would accelerate Gannett's transformation and accrue significant value to shareholders. We believe the current share price reflects limited value for the long-term prospects of the transformation plan and the significant chance of prevailing in the anti-trust case.

Company Name: JELD-WEN Holding, Inc. (JELD)

Market Cap: \$441M

During the quarter, we made a new investment in an attractively priced building supplier. JELD-WEN ([JELD](#)) is a leading North American and European manufacturer and distributor of interior and exterior doors and windows to new construction and remodeling sectors. JELD-WEN share price has been under significant pressure, 73% below its 52-week high as the company has experienced revenue and profit weakness. The company is undertaking a multi-year transformation, bringing in automation and system enhancements to enhance their manufacturing and warehouse footprint. Since 2023, new senior management has removed \$350M from their cost structure and management expects \$100M/year in further productivity savings. As they rationalize their infrastructure over the next five years there is significant capital efficiency improvement potential. In addition, like our investments in Quad Graphics ([QUAD](#)) and United Natural Foods ([UNFI](#)), JELD-WEN owns real estate, which provides a significant margin of safety for the transformation plan. While the company expects margins and profits at historical trough levels in the early part of 2025, a new cost reduction program should support margin and profit improvement later in the year. Near-term risk is a

weaker housing and remodeling marketplace, causing greater near-term revenue weakness and a slower recovery in company margins. Long-term positive supply and demand dynamics (favorable demographics and limited supply) should shorten the current downturn. In addition, there was a recent market transaction that bolsters our view JELD-WEN's significant embedded value proposition. Owens Corning acquired Masonite International (interior/exterior doors) in May 2024 at 8.6x EV/EBITDA. JELD-WEN should be a beneficiary of any housing recovery, with 25-30% incremental margins on a future volume improvement. Long-term upside potential from their transformation plan supports the goal of achieving double digit normalized EBITDA margins and could realistically support a share price multiples the current price level.

Fund Name: Upslope Capital

<https://static1.squarespace.com/static/58f7798829687f53ff30baf8/t/67fced409a265e0dfe282cc4/1744629057584/Upslope+-+2025Q1+Letter.pdf>

Company Name: V.F. Corporation (VFC)

Market Cap: \$4.3M

VF Corp ([VFC](#), parent company of North Face, Vans, and other brands) – I began selling VF in Q1 because as markets corrected it became clear that other more straight-forward investment opportunities were emerging (vs. VF's somewhat high-wire turnaround). The announcement of potentially aggressive tariffs in early April solidified this view.

Fund Name: Kingdom Capital Advisors

Company Name: Superior Industries International, Inc. (SUP)

Market Cap: \$66M

The most acute pressure point remaining in our portfolio is Superior Industries International (SUP). As expected, they forecasted \$160-180m of FY25 EBITDA in their March earnings release, despite anticipated declines in light vehicle production. Tariffs on U.S. autos are unsustainable in their current form. The new levies on Canada, Mexico, China, steel, aluminum, and finished vehicles would drastically raise prices and eliminate automaker profits. Analysis from the firm Wedbush noted this week that **moving 10% of the current auto supply chain to the US would take three years and cost over \$100B**. But what company will undertake even a portion of that move when messaging changes weekly, daily, and hourly? I'm staying with Superior for a few reasons:

- This administration has been adamant about lowering costs for consumers, which can be accomplished in the auto industry through deregulation and production increases. As

they stand, the auto tariffs accomplish the opposite, so I anticipate tariff adjustments, exemptions, etc.

- The US's primary geopolitical opponent is China (not Canada or Mexico, I think?), and Superior is well-positioned to take market share as wheel demand moves from China to North America. Mexico was spared any further impacts on "liberation day" and will be a needed partner if we're going to pull production out of Asia.
- Protectionism in the EU is killing wheel demand from China (via Morocco), and Superior stands to benefit at their Polish facility.
- Current tariffs aim to move finished vehicle production to the U.S., not necessarily USMCA-complaint parts. I significantly doubt Superior will face increased competition from suppliers moving inside the US.

If vehicle production drops sharply, Superior will need lender cooperation to amend leverage covenants. Admittedly, continuing to hold this position requires the belief that this administration will not push the auto industry into a multi-year winter. SUP mentioned "advanced negotiations" with TPG to settle their preferred stock on the March earnings call, and I expect this settlement will yield a pleasant surprise for investors. I hope this can be announced in time for Superior to be added to passive indexes on "rank day" (end of April), providing additional flexibility to deal with their debt. The ideal timeline would see Superior settle with TPG, run a sales process, and exit the public markets. Given the employment agreement updates in February, I expect that's what they're trying to do.

Company Name: Net Lease Office Properties (NLOP)

Market Cap: \$418M

Our other positions are less sensitive to tariff impacts. Fortunately for Net Lease Office Properties (NLOP), you can't import suburban office buildings. NLOP is marketing their best asset (on a \$/sq ft basis) in Venice Beach, which was announced days before the end of Q1. I expect the Google office to sell for \$50m or so, which will be enough to begin distributions to shareholders. NLOP also extended a lease with JP Morgan in Tampa that was previously set to expire, once again extending the runway of assets that were priced with no terminal value. One of the stated goals from recent interviews with Secretary Bessent is to reduce interest rates and deregulate small banks, which we hope will provide the juice NLOP needs to attract new buyers & financing for their remaining buildings.

Company Name: United Natural Foods, Inc. (UNFI)

Market Cap: \$1.4B

We love the counter-cyclical exposure of United Natural Foods ([UNFI](#)) to grocery trade-down from restaurants. There are two potential tailwinds we believe the market is missing. One is proposed restrictions on SNAP spending on "junk" food, pushing \$8B of monthly government assistance towards UNFI's categories. The other is a looming

contract expiration KeHe has with Sprouts Farmers Market, which covers about \$2B of annual revenue. UNFI is the backup supplier and could stand to benefit from increased volumes if they can win more of the renewal. Even without these possible catalysts, UNFI is growing volumes and showing their turnaround is gaining steam. As they currently stand, tariffs on food imports and packaging will accelerate food inflation, which is beneficial for UNFI.

Company Name: Magnera Corporation (MAGN)

Market Cap: \$539M

In our last letter, we noted Magnera ([MAGN](#)) could potentially benefit from tariffs. We were pleased with their February report, after which insiders stepped up and bought shares in the open market, including a \$500k purchase from the new CEO. I consider Magnera a well-managed industry leader trading for an attractive valuation in a defensive category, trading for a trough multiple on trough earnings. We were very happy with their rollout as a public company, and we were not alone, as many notable funds have filed ownership of the stock on their latest 13F reports. Of note, we did buy some puts on the XLP ETF tied to this position, as it contains many of Magnera's end customers. If those businesses weaken, we will have some protection.

Company Name: a.k.a. Brands Holding Corp. (AKA)

Market Cap: \$95M

Another tariff-exposed position is a.k.a. Brands ([AKA](#)), which sources most of their products from China. They issued guidance after initial Chinese tariffs were implemented (20% increase in duties on their products), and they could continue to be vulnerable to trade policy further escalating with China. What isn't directly subject to trade policy is the continued demand for their trendy products, and even with some headwinds in Australia, they are expecting another year of double-digit US sales growth as they roll out more US stores. Every data feed I've checked shows continued acceleration in consumer demand despite fears about consumers at large. We're planning to visit their flagship store in Vegas this month, so if you see me or Mike sporting some new streetwear in the next few months, you'll know what happened.

Company Name: Warrior Met Coal, Inc. (HCC)

Market Cap: \$2.4B

While not an easy decision, we ultimately decided to sell Warrior Met Coal ([HCC](#)) during Q1 while we wait for the trade war to die down. China has already directly targeted US coal in their retaliatory tariffs, and with Warrior being 99% export exposed, we think there's a decent chance met exports get worse before they get better. The US has proposed retaliatory charges on Chinese vessels, in the latest escalation of the direct impacts. Warrior remains the lowest-cost US producer, and we think they weather the

storm, and respect how well Management has protected their balance sheet through the development of their new Blue Creek mine. I hope we get a chance to buy back these assets in the future with greater confidence. I think the latest round of tariff announcements will be devastating for the coal industry (as written) and want to wait before adding exposure.

Company Name: Unit Corporation (UNTC)

Market Cap: \$261M

We also reentered Unit Corporation ([OTCQX:UNTC](#)), with the price finally dropping back to levels we targeted. This was coupled with a strong increase in natural gas prices, with the curve now fluctuating around the \$4 mark. Unit has continued to impress us with their disciplined management of their liquidation, selling forward much of their expected gas production for the year above \$4 near the peak of pricing in March. Their drilling rigs continue to generate hefty cash flow, and we estimate the ultimate liquidation value if the business remains around \$400m, versus the current ~\$200m enterprise value. Tariffs and recession fears have sent oil prices lower, but we're happy to own a cashed up, sleepy Oklahoma operator with locked-in cash flows.

Fund Name: Argosy Investors

Source: <https://seekingalpha.com/article/4773041-argosy-investors-q4-2024-letter>

Company Name: Allient Inc. (ALNT)

Market Cap: \$342M

Allient ([ALNT](#)) has been punished in the stock market far more than its own business has been. The cash flow generated by the business is significant relative to the enterprise value of the business, at a 15%+ FCF yield, and I believe ongoing plant consolidation efforts will result in higher future margins when the business emerges from a post-COVID slump. Many of its customers benefitted from the pandemic, whether it was industrial automation manufacturers or medical pump manufacturers who helped keep people alive on respirators. Like many businesses in the post-COVID world, there has been a noted slowdown even among best-in-class operators. Allient is yet another casualty of this phenomenon, but management's expectation is revenue and profit growth will resume later in 2025. I remain excited about this investment and management team, as they integrate many recent acquisitions and will come out the other side a stronger company. I trimmed CSWI and TOITF during 4Q primarily due to valuation concerns.

These are two of the most successful serial acquirers of businesses in recent memory, and while they both have strong long-term growth prospects, I became concerned by the

absolute levels of valuation, which were in the 40-50x range. Interestingly, I actually gained even more confidence in CSWI's capital allocation skills through this period, as they raised capital through an equity offering at an attractive cost of capital, and while they used some of that capital on an accretive acquisition, because their stock price has since retreated, they are now pursuing stock buybacks at more attractive levels. I am interested in rebuilding these positions over time and as valuations allow, but I felt it prudent to sell when the valuations were extended.

Fund Name: Merion Road Capital

https://www.merionroadcapital.com/files/ugd/f6ee8c_859b58ad177d4405a4b1587865e42036.pdf

Company Name: Bassett Furniture Industries, Incorporated (BSET)

Market Cap: \$133M

The Small Cap Fund increased 4.9% during the quarter. One timely position to discuss is Bassett Furniture ([BSET](#)). BSET is a 120-year-old manufacturer, wholesaler, and retailer of upper-middle / upper-end furniture. This is an asset heavy company. On the back-end they own and operate 2 wood manufacturing facilities in Virginia, 2 upholstery facilities in North Carolina and Alabama, and 3 warehouses. They own and operate 8 retail locations that cover more than 200k sq feet of retail space; and they operate another 49 owned stores that are leased. Additional distribution comes from 31 Bassett branded retail stores operated by 3rd parties, as well as wholesale sales into other retailers. Up until 2022 BSET had an internal distribution (trucking) company; this was sold to J.B. Hunt for \$87mm with part of the proceeds used for a special dividend.

BSET has historically generated a 4-5% EBIT margin across its wholesale and retail business. Right now they are slightly loss making as the industry works through a glut in supply. LTM revenue is at \$390mm which is right around where the company used to run pre-covid. Of course sales could dip further as retailers de-stock and demand lags given higher interest rates and slower home sales. But long-term I think it is fair to assume that this company could generate something like \$20mm of EBIT.

The current situation is not lost on management. In their most recent quarterly press release, BSET discussed plans the impetus to return to profitability and specifically noted a plan to reduce warehouse and delivery costs by 2% points. This will be accomplished through the consolidation of retail distribution facilities and improved capacity utilization. For each 1% increase to margins, the company would generate an incremental \$4mm of EBIT. They also have a plan in place to improve their wholesale sales by showcasing their best products (custom upholstered furniture) with a slimmed down version of their store-in-store presence.

The risk-reward here seems compelling. From a downside protection perspective, BSET is currently trading at a price of \$13.50 but has tangible book value of over \$19. Cash accounts for a large part of their book (\$70mm or \$8/share) and their real estate is not properly marked. For instance, the reported value of their 8 owned retail stores is just \$24mm or \$119/sq foot. My review of listings near these storefronts shows that most are offered at over \$300/sqft. Assuming this low-end price, their retail properties are worth \$36mm more than they are recorded at on the books (+4.19/share). Should BSET achieve \$25mm of EBIT, a 5x multiple would put their enterprise value at \$125mm and market value at \$195mm or over \$22/share (66% upside). This stock truly flies under the radar as it has just \$120mm market capitalization and does not host conference calls.

Fund Name: Palm Valley Capital

Company Name: Forrester Research, Inc. (FORR)

Market Cap: \$180M

Forrester Research provides advice and research to help business and technology leaders make better decisions. The firm was founded in 1983 by George Colony, who remains CEO and owns over 40% of the company. The core Research business is a subscription-based model paid in advance by customers and has 90% renewal rates, leading to high cash generation. Forrester is a very distant number two player in the space, after Gartner. While Forrester is usually mentioned in the same breath as Gartner when discussing leaders in technology research, Forrester's economics pale in comparison. Gartner is the dominant provider of advice on back-office technology to big companies making major purchase decisions. Forrester focuses more on the front office, including marketing roles.

Unlike Gartner, which has experienced consistent growth, Forrester's earnings have been volatile. We believe this has been partly self-inflicted, as management has frequently made strategic changes that have method of packaging its created disruption, such as with the sales force or services. Results peaked during COVID as companies sought advice on how to best shift to remote work and expedite the digitalization of their operations. Since then, Forrester's Consulting segment has been weak and its Research business has stagnated from forcing clients to transition to a new product platform that bundles research, access to experts, conferences, etc. Trailing profit margins are the lowest in many years, along with the stock price. Shares were \$60 four years ago, and now they're below \$10. Forrester has a substantial amount of net cash. We believe the company's business model is inherently attractive and that Forrester can recover from recent stumbles. If so, the valuation is compelling.

Company Name: Reynolds Consumer Products Inc. (REYN)

Market Cap: \$4.8B

Reynolds Consumer Products owns the iconic Reynolds Wrap and Hefty brands. Its cooking, cleanup, and storage products are present in 95% of U.S. households and generally hold the #1 or #2 market share.

Consistent demand leads to stable results, although raw materials costs create some volatility. We view Reynolds as a high- quality business that rarely has traded for a reasonable valuation. Due to the business's stability, it can accommodate leverage. We believe the company's borrowings are very manageable in comparison to its cash flow. Like any authentic money manager, we eat our own cooking, and with a stake in Reynolds, stocking up on supplies for our tin foil hats serves a dual purpose!

Company Name: Monro, Inc. (MNRO)

Market Cap: \$465M

During the quarter we repurchased Monro, a leading operator of retail tire and automotive repair stores in the United States. In fiscal year 2024, Monro operated 1,288 stores in 32 states and serviced 4.7 million vehicles. Monro's automotive repair business has benefited from the rising average age of vehicles and the record number of vehicles on the road.

However, even with these tailwinds, revenue and earnings have recently been under pressure. Many of Monro's customers have been suffering from the rising cost of living, and as a result, have been delaying automotive repairs and trading down to lower-priced tires. These trends contributed to Monro posting low to mid-single digit same-store sales declines over the past year, sending shares to multiyear lows.

Although trends appear to be stabilizing, for Monro to achieve its double-digit operating margin goal, further improvements in same-store sales will be needed, along with the return of higher-margin tire sales. This will take time.

However, given the necessity of auto repairs and tire replacement, we expect operating results will eventually recover. Despite recent challenges, Monro has continued to generate meaningful free cash flow, which has been used to reduce debt, pay dividends (7.6% current yield), and buy back stock.

Company Name: Flowers Foods, Inc. (FLO)

Market Cap: \$3.8B

Flowers Foods is the second- largest producer of bread and bakery foods in the United States. Founded in 1919, the company's brands include Nature's Own, Dave's Killer Bread, and Wonder. Flowers Foods has a long history of generating consistent sales and profit growth. As the company integrates its recent Simple Mills acquisition, earnings are expected to be flat in 2025.

Nevertheless, we believe Flowers will continue to generate abundant free cash flow, sufficiently funding its dividend (5.0% current yield) and its plan to reduce debt. With Flower's stock trading at a five-year low, its valuation has improved considerably.

Company Name: Kelly Services, Inc. (KELYA)

Market Cap: \$411M

Kelly Services' stock price has performed as poorly as many other public staffing companies even though the firm's operating performance has been extremely solid, bucking industry trends.

Company Name: Resources Connection, Inc. (RGP)

Market Cap: \$169M

RGP has not bucked painful staffing sector trends, but the company has a sterling balance sheet, and we believe results are well below normalized.

Company Name: Heartland Express, Inc. (HTLD)

Market Cap: \$655M

We increased our exposure to Heartland Express on share price weakness. The business continues to generate free cash flow, and [we believe the trucking industry will recover](#) from its cyclical trough.

Company Name: Carter's, Inc. (CRI)

Market Cap: \$1.3B

While Carter's fourth quarter earnings were above the company's guidance, profits are expected to decline in 2025. The company believes it will earn \$3.20-\$3.80 in EPS this year, which was below our expected range of \$4.00-\$5.00 per share. Management blamed continued promotional pricing in their Retail division and rising costs. In addition to higher freight and product costs, Carter's plans to restore its variable compensation program, adding to its labor expense. We expect the operating environment to remain challenging in the near term due to sluggish consumer discretionary spending and elevated promotions. As a result, we reduced our low-end operating margin assumption from 9% to 7% and cut our valuation. Carter's remains at a discount to our updated fair value. The company's balance sheet improved in 2024, and Carter's currently holds over \$400 million in cash. We expect cash generation in 2025 will be more than sufficient to fund Carter's dividend, which presents a current yield of 7.8%.

Company Name: TrueBlue, Inc. (TBI)

Market Cap: \$145M

TrueBlue's Q4 earnings exceeded guidance, but its first quarter outlook was softer than anticipated. Temporary labor's percentage of the total U.S. workforce is near prior recessionary troughs, and TrueBlue's short-term, day labor focus continues to face disproportionate pressure. Due to its shrinking profile, reductions in working capital have helped cash flow exceed earnings results. We're watching this stock carefully because the balance sheet has deteriorated during the downturn, and this may be exacerbated by a recent acquisition. However, the shares trade at a deep discount to tangible book value, and if industry demand can stabilize, we believe TrueBlue can meaningfully improve profitability.

Fund Name: ClearBridge Small Cap Growth Strategy

Company Name: Glaukos Corporation (GKOS)

Market Cap: \$4.8B

Glaukos is a medical device company focused primarily on treating ophthalmological conditions such as glaucoma and corneal health. With several commercialized products and an innovative track record, the company is in the process of launching a potential blockbuster product, iDose, which is a drug-device combination with a variety of administration/efficacy advantages in treating glaucoma.

Company Name: Karman Holdings Inc. (KRMN)

Market Cap: \$3.7B

Karman Holdings is a defense company providing key systems to customers in the areas of hypersonics, missile defense and space. Given its small initial allocation and its over 55% appreciation following the IPO, we took profits and exited the position.

Company Name: Archrock, Inc. (AROC)

Market Cap: \$3.7B

Archrock is a production-driven compression service provider supporting natural gas production. There are multiple catalysts driving a secularly positive trajectory for natural gas demand and Archrock operates in a consolidated, capacity-constrained market providing critical services supporting production.

Company Name: Geron Corporation (GERN)

Market Cap: \$898M

Geron is a biotechnology company with a commercialized drug launching to treat blood cancer. Its product is newly entering a sizable market with broad applicability for patients who cycle through a variety of treatments throughout the course of the disease, allowing for a potentially larger revenue opportunity than currently appreciated by the market.

Fund Name: Headwaters Capital

<https://headwaterscapmgmt.com/wp-content/uploads/2025/04/HCM-Q1-25-Investor-Letter-FINAL.pdf>

Company Name: Transcat, Inc. (TRNS)

Market Cap: \$712M

Top Detractor: Transcat (TRNS) – 30%. TRNS delivered a disappointing quarter as results from their 2021 Nexa acquisition materially missed expectations. As a reminder, TRNS provides inspection and calibration services for test and measurement instruments in the life sciences and industrial industries. These calibration and testing services are highly regulated by governing bodies (FDA, etc) and are required to be performed on a regular schedule. NEXA provides more project-based consulting services and this part of NEXA's business saw a material decline in performance. Management appears to have ring fenced the issue and more importantly, the core calibration business for TRNS continues to perform well. Given the critical nature of Transcat's services, the continued trend toward outsourcing these services and ample M&A opportunities, I continue to believe in the long-term thesis for TRNS.

Company Name: CBIZ, Inc. (CBZ)

Market Cap: \$4B

During the quarter, two new positions were added. The first new company added was CBIZ ([CBZ](#)), a provider of accounting, tax and advisory services to small and midsize businesses. The addition of CBIZ was funded with proceeds from the partial sale of BRO, which had grown to be the largest position in the portfolio. BRO has been a core holding in the HCM portfolio since launch and has been a meaningful outperformer (+170% gain, or a 26% IRR) thanks to a hard market in P&C pricing and disciplined capital deployment

through accretive M&A. BRO's multiple has expanded in conjunction with these strong results, which has also contributed to stock price performance. Today, BRO is trading at an all-time high multiple and it's hard for me to envision a stronger P&C pricing market than what we just experienced. Additionally, given BRO's current size, tuck-in acquisitions no longer contribute as significantly to earnings growth. Larger M&A transactions are more competitive and carry higher multiples, which mutes EPS accretion and comes with increased execution risk. Given that BRO was also the beneficiary of a "risk-off" trade during Q1, it was an opportunistic time to reallocate proceeds into CBZ, which was temporarily caught up in the small cap sell-off.

When looking at CBZ, I see a lot of similarities to BRO 4 years ago. Similar to BRO's P&C brokerage services, accounting and tax services are essential and required in any economic environment. High customer retention, ongoing new business wins and moderate pricing increases provide visibility into future revenue growth. CBZ also generates strong free cash flow, which will be utilized for M&A that can contribute more materially to results than for BRO. Valuation was also attractive with the stock trading down to a level not seen since July of 2019. CBZ's multiple compression was driven by a soft earnings report at the end of February when the company forecast lower revenue than expected from Marcum, its most recent acquisition. The sell-off was exacerbated by broader equity market weakness the following week, creating a temporary dislocation that HCM capitalized on. Speaking with management after the earnings call, I gained comfort in the outlook for the acquired Marcum business and increased conviction that the expense synergies associated with the deal are likely to exceed street expectations. Assuming the stock recovers back to its 14x EBITDA multiple, my price target of \$114 on 2027 estimates represents +72% upside from our purchase price, or a +22% IRR. For a business that shares many of the same characteristics as BRO (CBZ even has a small P&C brokerage business), this significant upside warranted a re-allocation of funds.

Fund Name: Black Bear Value Partners

https://www.blackbearfund.com/files/ugd/6c9cac_3fd155473083492ba039528cbe0432f5.pdf?utm_campaign=0ac60827-bb5c-4169-8763-11fad6927e6a&utm_source=so&utm_medium=mail&cid=acdea1aa-3dba-4961-9f57-a689bb93c79d

Company Name: Asbury Automotive Group, Inc. (ABG)

Market Cap: \$4.5B

Asbury Group operates auto dealerships across the United States. The strength of the model comes from the back of the house in parts and services where more than 50% of the profits come from.

Tariffs will increase the cost of an automobile, reducing the affordability for both new and used cars (holding all else equal). Some of this will be mitigated by a highly variable component to ABG's wage expense. Some damage may also be mitigated by increased activity in the Parts & Service division. Most dealers currently have 1-2 months of used inventory and 2-3 months of new inventory on their lots. The impact of tariffs could take some time to be felt and its uncertain if there will be tax credits/interest deductibility to lessen the pain on American consumers.

ABG should be able to earn \$20-\$30 in free-cash flow per share in a "normal" year. I have reduced some of my estimates given the uncertain nature of the environment. At quarter-end pricing, that implies a 9-14% annual yield.

Company Name: Core Natural Resources, Inc. (CNR)

Market Cap: \$3.7B

Core is the result of the merger between Consol and Arch Resources. As a combined entity, they are one of the leading producers of metallurgical coal (steel) and thermal coal (energy). The Company is heavily dependent on exports, so retaliatory tariffs would be damaging. At the same time, there has been a reduction in global capacity, so many countries may not have much choice, especially if they need higher quality coal.

Met coal demand is projected to climb for the next 25 years, driven by the economic development and urbanization in India and the rest of Southeast Asia. ~60% of the world's population lives in Asia, where met coal demand is centered and where local sources are limited. Over the coming years demand will likely outstrip supply, leading to higher prices. There has been a severe lack of investment in met coal due to ESG concerns with investment peaking in 2014.

I will disclose my updated valuation thoughts at a later date, as I find the investment extremely compelling, and I am hoping the Company can buy back ever cheaper stock. As a reminder, this is a Company with a fortress balance sheet and is one of the cheapest producers in the market. While short-term pain hurts all Companies, they can be major long-term beneficiaries.

Company Name: Warrior Met Coal, Inc. (HCC)

Market Cap: \$2.3B

Please reference the met coal discussion above, as it applies to Warrior Met Coal. Currently, the bulk of HCC's FCF is being invested in a capital project that will be concluding this year. Once the business winds down their investment period, they will gush cash.

I will disclose my updated valuation at a later date. I am travelling to Alabama next week to meet with management and should learn a lot more about their prospects. This is one

of the most compelling ideas in our portfolio. As a reminder, this is a Company with a fortress balance sheet and is one of the cheapest producers in the market. While short-term pain hurts all Companies, they can be major long-term beneficiaries.

Company Name: Flagstar Financial, Inc. (FLG)

Market Cap: \$4.5B

Flagstar Financial is the former New York Community Bank (a mashup of Flagstar Bank, New York Community Bank and assets from Signature Bank). Like our SHORT investments in Silicon Valley Bank and First Republic, FLG had a hole in their balance sheet (from soured multifamily and office real estate vs. long-duration securities). That is where the similarities end.

FLG raised over \$1BB in additional capital, led by former Treasury Secretary Steven Mnuchin. They revamped the management team and brought in a superstar CEO in Joseph Otting who successfully turned around OneWest Bank post GFC (formerly known as IndyMac Bank). In 12 months, the management team has accomplished more than most teams can do in 2+ years. They have reviewed nearly all the loans on the books, sold off non-core assets raising additional capital and are focused on delivering a narrowly-focused, well-capitalized boring regional bank. In this case, boring is good. Importantly, they have taken a conservative view of their loan book and a large credit reserve. This contrasts with several bank/private credit lenders we are short who have taken minimal reserves. Mr. Otting and his team are my kind of managers – they are plain-spoken, hardworking and plan for the worst while hoping for the best.

At quarter-end, the bank was trading at ~67% of a conservatively marked balance sheet. This is in contrast with similar banks (who are NOT conservatively marked) trading at 140-160% of their tangible book value. FLG should complete working thru the bulk of their issues by the end of 2025 and approach “normal” during 2026. Given the conservative nature of the management team, I wouldn’t be surprised if it happened sooner. At these prices the downside seems minimal and could see this business up 50-150% over the next 1-3 years as it is more appropriately valued.

Fund Name: ClearBridge Global Infrastructure Income Strategy

Company Name: Gibson Energy Inc. (GBNXF)

Market Cap: \$2.4B

Gibson Energy is an oil midstream logistics provider in Western Canada and the U.S. We exited our position in Gibson as the company has lost key leadership personnel whom we regarded highly. The company’s longer-term growth aspirations under the newly

appointed CEO also involve an M&A growth strategy outside their traditional liquids storage business; we find it difficult to underwrite this without a track record.

Company Name: XPLR Infrastructure, LP (XIFR)

Market Cap: \$804M

XPLR Infrastructure LP, formerly NextEra Energy Partners LP, is a growth-oriented contracted renewables company formed by its sponsor and general partner NextEra Energy ([NEE](#)) to own, operate and acquire contracted renewable energy generation assets located in North America. The company's share price fell due to a capital restructuring that was viewed as disappointing by the market. We exited our position.

Fund Name: LVS Advisory

<https://lvsadvisory.com/wp-content/uploads/2025/04/LVS-Advisory-Letter-Q1-2025.pdf>

Company Name: Howard Hughes Holdings Inc. (HHH)

Market Cap: \$3.7B

Event-Driven Portfolio: Selling Howard Hughes

Howard Hughes Corp ([HHH](#)) is a real estate holding company that owns several master planned communities ("MPCs") across the United States. Master planned communities are large-scale residential developments designed to integrate commercial spaces (stores, offices) and recreational facilities (parks, golf courses). In other words, MPCs are mini-cities within cities that cater to upper-middle class families. The flagship MPC in Howard Hughes's portfolio is The Woodlands located in Houston, Texas.

Source: HHH Investor Presentation.

I became interested in Howard Hughes last summer after the company divested the South Street Seaport. The Seaport had been a disaster project for the company, incinerating cash, and made the rest of the business difficult for analysts to value. After conducting research on the remaining assets, we learned that the MPC portfolio consisted of high-quality real estate assets and we believed that the stock implied a significant discount to the net asset value. Furthermore, the stock was poised to be re-valued higher as the financials improve post-Seaport spin-off. We purchased shares of Howard Hughes in August 2024 for ~\$74.55 per share.

Around the same time we became Howard Hughes shareholders, Bill Ackman announced his interest in potentially acquiring the rest of the company he didn't own. I viewed Ackman's involvement as win/win. If Ackman wanted to pay fair value for the company,

we could earn a quick 30%+ return. If Ackman withdrew his offer, we would be left with a discounted stock that could still be catalyzed higher by the Seaport spin-off.

After several months of radio silence, Ackman came back with an offer in January 2025 to buy a minority interest in the company and then take control of the management team and board, making himself the Chairman and CEO. The puzzling thing about the offer was that not only would Howard Hughes stay public but Ackman's hedge fund would charge 1.5% management fees based on the size of the market cap as compensation for reinvesting the company's cash. I viewed this as a non-starter that would surely get rejected by the Board and potentially the starting point towards negotiating a full take private.

Unfortunately, Ackman came back in February 2025 with an even worse offer. Instead of buying out some minority shareholders at a premium, he was now offering to infuse cash directly into the company, take control of the board and management, and pay his hedge fund the 1.5% management fee based on the market cap. What really broke my resolve to hold on for a better offer was that Ackman was now threatening to force this deal upon the company without a shareholder vote. Given Ackman's outsized ownership in the stock and history of activism, it now started to feel like Ackman would get his way even if it was to the detriment of the rest of the investor base. We sold our shares of Howard Hughes in February 2025 for ~\$76.80 per share for a slight profit over what we initially paid.

It is quite possible that Bill Ackman will transform Howard Hughes into a successful investment firm that gets diversified beyond real estate. However, this was not what we signed up for when we bought the stock.

Furthermore, Ackman is not ingratiating himself by taking control of the company without a vote or paying existing shareholders. Clearly, he is only looking out for himself.

The bottom line is that when our thesis changes or we can no longer trust the leadership of the company, we will immediately sell our position and move on.

SHAREHOLDER ACTIVISM/13D

Trium Capital Rejects Acelyrin (SLRN)-Alumis Merger, Urges Liquidation Instead

Key Summary: On April 29, 2025, Trium Capital opposes the Acelyrin-Alumis merger, citing undervaluation, flawed process, ignored alternatives, and conflicts of interest. They believe liquidation offers better value and urge a vote against the deal.

Market Cap: \$247 million| Acelyrin, Inc., a clinical biopharma company, focuses on identifying, acquiring, and accelerating the development and commercialization of transformative medicines.

On April 29, 2025, Trium Capital LLP stated that it opposes the Acelyrin-Alumis merger, calling it value-destructive as it offers shareholders less than Acelyrin's cash value. They argue liquidation would yield higher returns, criticize the biased and flawed deal process, highlight conflicts of interest, and note better offers were dismissed. Trium urges shareholders to vote against the merger. [Source](#)

Engaged Capital reaches agreement with Portillo's Inc (PTLO)

Key Summary: On August 15, 2024, Engaged Capital (9.9%) announced ongoing talks with the Board to unlock value through optimizing restaurant performance, improving cash returns, enhancing governance, and exploring a potential sale. On February 28, 2025, they proposed nominating directors with recent restaurant operations and marketing expertise at the upcoming annual meeting. On March 3, 2025, Engaged Capital (8.6%) nominated two independent candidates. On April 28, 2025, Engaged Capital entered into a Cooperation Agreement with the company to appoint a new director possessing relevant restaurant industry experience following the company's 2025 Annual Meeting

Market Cap: \$669 million| Portillo's Inc. owns and operates fast casual restaurants in the United States.

- On August 15, 2024, Engaged Capital (9.9%) announced its ongoing communication with the Board and management to unlock the business's intrinsic value. This includes optimizing restaurant performance, improving cash returns at the restaurant level, enhancing corporate governance, and possibly exploring a company sale. [Source](#)

- On February 28, 2025, Engaged Capital stated its belief that the company and its stockholders would benefit from adding directors with recent restaurant operations and marketing expertise. They plan to nominate such candidates for election to the Board at the upcoming annual meeting. [Source](#)
- On March 3, 2025, Engaged Capital (8.6%) nominated two independent candidates, Charlie Morrison and Nicole Portwood, for election to the Board at the 2025 Annual Meeting. Morrison, former CEO of Wingstop, delivered a ~760% return for shareholders, while Portwood, a former CMO of Tito's Handmade Vodka, brings extensive marketing expertise. [Source](#)
- On April 28, 2025, Engaged Capital entered into a Cooperation Agreement with the company to appoint a new director possessing relevant restaurant industry experience following the company's 2025 Annual Meeting. [Source](#)

Engine Capital Nominates Directors to Push for Change at Lyft (LYFT)

Key Summary: On April 16, 2025, Engine Capital, owning ~1%, nominated Alan L. Bazaar and Daniel B. Silvers for election to the board

Market Cap: \$4.6 billion | Lyft, Inc. operates a peer-to-peer marketplace for on-demand ridesharing in the United States and Canada.

- On April 16, 2025, Engine Capital, owning ~1%, nominated Alan L. Bazaar and Daniel B. Silvers for election to the board, citing years of value destruction, weak governance, and underperformance versus Uber. Engine criticized the board's founder control, shareholder dilution, and poor capital allocation, and said private engagement failed as the board refused to consider its nominees. It is now pursuing a proxy contest to drive shareholder-led change. [Source](#)
- On April 29, 2025, Engine Capital, owning ~1% of Lyft, released a [presentation](#) urging boardroom changes due to poor governance and capital allocation, including a dual-class structure, staggered board, excessive dilution, and an underutilized \$831M cash position. It recommends a \$750M share buyback, elimination of the dual-class setup, and de-staggering the board. Engine nominated Alan L. Bazaar and Daniel B. Silvers to replace Sean Aggarwal and Betsey Stevenson, citing the nominees' strong board experience and value creation track records.

Impactive Capital Plans to Vote Against Three Directors at WEX Inc (WEX)

Key Summary: On March 6, 2025, Impactive Capital (6.7%) announced it has started discussions with the board and management regarding the company's performance and governance, including adding a shareholder representative to the Board. On May 2, 2025, Impactive Capital announced it will vote against three directors

Market Cap: \$4.2 billion | WEX Inc. operates a commerce platform in the United States and internationally.

- On March 6, 2025, Impactive Capital (6.7%) stated that it has initiated discussions with the board and management concerning the company's operational and share price performance, along with specific corporate governance issues such as appointing a shareholder representative to the Board. [Source](#)
- On May 2, 2025, Impactive Capital announced it will vote against three directors—Jack VanWoerkom, Melissa Smith, and James Neary—at the 2025 annual meeting, citing long-term underperformance, lack of accountability, and the Board's refusal to add shareholder representation. Impactive criticized WEX's strategic oversight and widening gap in performance compared to peer Corpay, despite having similar starting points. [Source](#)

H Partners Releases Presentation Outlining Urgent Need for Leadership Change at Harley-Davidson (HOG)

Key Summary: H Partners Management disclosed an 8% stake in Harley-Davidson in December 2021, raising concerns about executive compensation, governance, and Board composition, which led to a cooperation agreement in February 2022 and the appointment of H Partners' Jared Dourdeville to the Board and key committees. However, on April 5, 2025, Dourdeville resigned, citing serious concerns over leadership and performance, following a letter urging the resignation of the CEO, Chairman, and a Director due to sustained underperformance and a call for new leadership to regain stakeholder trust and drive value.

Market Cap: \$2.7 billion | Harley-Davidson, Inc. manufactures and sells custom, cruiser, and touring motorcycles.

H Partners Management

- On December 16, 2021, H Partners Management disclosed a 8% active stake in the company and expressed its concerns regarding certain features of the company's executive compensation structure, corporate governance practices and Board composition. To address these concerns, H Partners has recently engaged, and expect to continue to engage, in discussions with the Board regarding suggestions aimed at improvements to align the company with the best interests of shareholders, including the addition of a representative to the Board. [Source](#)
- On February 3, 2022, the company entered into a [cooperation agreement](#) with H Partners Management (8.2%) and pursuant to it, Jared Dourdeville, a Partner at H Partners, has joined the Harley-Davidson Board of Directors. Mr Dourdeville has also been appointed to the Human Resources Committee and the Nominating and Corporate Governance Committee

- On April 5, 2025, Jared Dourdeville, a Partner at H Partners submitted his resignation, citing serious concerns about the company’s leadership and performance. The move follows an April 1, 2025 letter urging the resignations of CEO Jochen Zeitz, Chairman Tom Linebarger, and Director Sara Levinson due to continued underperformance versus the S&P 500 and peers. Though once supportive of Zeitz’s vision, the resigning member now calls for new leadership to restore stakeholder trust and unlock value.
[Source](#)
- On April 16, 2025, H Partners (9.1%) issued an open [letter](#) urging shareholders to vote *WITHHOLD* on the re-election of CEO and Chairman Jochen Zeitz, Presiding Director Thomas Linebarger, and long-tenured director Sara Levinson at the 2025 annual meeting. Citing poor performance, absentee leadership, and entrenched governance, H Partners called for Zeitz’s immediate removal, board reconstitution, and the appointment of an external CEO. They launched www.FreeTheEagle.com to mobilize support and provide campaign updates.
- On April 23, 2025, H Partners issued an investor [presentation](#) titled “Free The Eagle: The Urgent Need for Leadership Change at Harley-Davidson,” urging leadership change at Harley-Davidson. They criticized CEO and Chairman Jochen Zeitz, Presiding Director Thomas Linebarger, and long-tenured director Sara Levinson for shareholder value destruction, weak execution, and poor governance. H Partners called on shareholders to vote “WITHHOLD” on these directors at the May 14, 2025 Annual Meeting, advocating for new leadership and an external CEO to revitalize the company. H Partners projects significant upside, suggesting Harley could recapture past valuations, targeting a \$150+ share price (7x current levels), referencing its 2006 market cap of \$19.2 billion versus \$2.6 billion in 2024.
- On April 29, 2025, H Partners released a rebuttal [presentation](#) titled “Free the Eagle” to counter Harley-Davidson’s April 25 presentation, accusing the company of misleading shareholders and downplaying financial underperformance under CEO Jochen Zeitz, Presiding Director Thomas Linebarger, and long-serving director Sara Levinson. As a 9.1% shareholder, H Partners urges investors to vote “WITHHOLD” on the BLUE proxy card to unseat the three directors at the May 14, 2025 annual meeting and restore performance and accountability.

Impala Asset Management

- On March 18, 2010, Impala Asset Management (2%) announced that it has filed preliminary proxy materials in connection with its nomination of two director candidates for election to the Board at the 2020 annual meeting of shareholders.
[Source](#)

- On March 27, 2020, the company entered into a [settlement agreement](#) with Impala. The agreement provides that one new director will be appointed to the Board after the 2020 Annual Meeting.

SAIF Partners Seeks Board Overhaul via Special Shareholders' Meeting at Sinovac Biotech Ltd (SVA)

Key Summary: On March 18, 2025, SAIF Partners IV L.P. (15%) submitted a requisition to remove certain directors and elect nine new nominees, including Shan Fu, Vivo Capital's designee since 2018. Vivo Capital, aligned with SAIF's requisition, plans to vote in favor and take action to reinstate Mr. Fu after his exclusion from the company's new board announced on February 28, 2025. On March 25, 2025, Advantech Capital (8.14%) stated that it intends to vote in favor of SAIF Partners' proposals at any scheduled meeting. On April 23, 2025, Vivo Capital announced lawsuits against Sinovac's 1Globe-controlled Board for actions including resisting shareholder meetings, threatening to cancel 16% of stock (including Vivo's), appointing 1Globe affiliates, and excluding Vivo's board representative. On April 28, 2025, SAIF Partners IV L.P., through Cede & Co., requisitioned a special shareholders' meeting to remove three directors

Market Cap: \$642 million | Sinovac Biotech Ltd. is a China-based leading biopharmaceutical company that focuses on the research, development, production, and commercialization of vaccines that protect against human infectious diseases..

- On March 18, 2025, SAIF Partners IV L.P. (15%) submitted a requisition to the board requesting a special shareholders' meeting to (i) remove directors David Guowei Wang, Pengfei Li, and Jianzeng Cao, along with any others appointed without shareholder approval after February 8, 2025, and (ii) elect nine new nominees to the board. [Source](#)
- On February 28, 2025, the company announced a new Board of Directors that excluded Mr. Shan Fu, Vivo Capital's (8.2%) designee since 2018, despite requests for his inclusion. Vivo Capital intends to take action to reinstate Mr. Fu and has aligned with SAIF Partners IV L.P.'s March 18, 2025 requisition to remove certain directors and elect new nominees, including Mr. Fu. Vivo Capital plans to vote in favor of SAIF's proposals and continue collaborating with other shareholders to influence the management, board, and corporate structure. [Source](#)
- On March 25, 2025, Advantech Capital (8.14%) stated that it intends to vote in favor of SAIF Partners' proposals at any scheduled meeting. [Source](#)
- On April 1, 2025, the company suggested that the new Board may challenge the validity of the Advantech Capital's shares and exclude them from a planned cash dividend. In response, the Advantech Capital took steps to protect their rights, including requesting on April 9, 2025, to join an arbitration filed by Vivo Capital in

March 2025 at the Hong Kong International Arbitration Centre, seeking confirmation of their entitlements. [Source](#)

- On April 23, 2025, Vivo Capital issued a [press release](#) announcing it has filed multiple lawsuits against the current Board, controlled by activist investor 1Globe Capital, alleging value-destructive actions including resisting shareholder meetings, threatening to cancel 16% of common stock held since 2018 (including Vivo's stake), appointing 1Globe affiliates, and excluding Vivo's board representative. These actions triggered the resignation of Sinovac's independent auditor Grant Thornton, citing unreliable board resolutions, delaying Sinovac's NASDAQ relisting (halted since 2019) and risking compliance with U.S. securities laws. Vivo seeks to replace the board via a shareholder meeting and has initiated legal proceedings to challenge the board's actions and uphold shareholder interests.
- On April 28, 2025, SAIF Partners IV L.P., through Cede & Co., requisitioned a special shareholders' meeting to remove three directors—David Guowei Wang, Pengfei Li, and Sven H. Borho—and any others appointed after February 8, 2025 without shareholder approval, and to elect 10 new nominees to the board. [Source](#)

ADAR1 Demands Keros Therapeutics (KROS) Reopen Board Nominations, Citing Governance Breaches

Key Summary: On April 11, 2025, ADAR1 Capital called Keros undervalued but questioned the viability of KER-012 and KER-065, urging strategic actions like buybacks, cuts, asset sales, or liquidation, estimating value at \$40–\$50 per share. They are in talks with management and may revise their investment. On April 17, 2025, Pontifax Management entered into a Letter Agreement with the company, under which the Board agreed to nominate Mr. Nussbaum, Mary Ann Gray, and Alpna Seth for election at the 2025 Annual Meeting. On April 24, 2025, ADAR1 Capital demanded Keros Therapeutics' Board waive the nomination deadline, accusing directors of breaching fiduciary duties through actions including launching a strategic review after poor trial results, adopting a poison pill, and signing a restrictive agreement with Pontifax.

Market Cap: \$579 million | Keros Therapeutics, Inc., a clinical-stage biopharmaceutical company, develops and commercializes novel therapeutics for patients with disorders that are linked to dysfunctional signaling of the transforming growth factor-beta family of proteins in the United States.

- On April 11, 2025, ADAR1 Capital Management (13.3%) stated its belief that Keros shares are undervalued but raised concerns about the viability of KER-012 and KER-065. They urged the company to consider strategic options, including a buyback, workforce cuts, asset sales, or liquidation, estimating potential value of \$40–\$50 per share. They are engaging with management and may alter their investment based on developments. [Source](#)

- On April 17, 2025, Pontifax Management (11.8%) entered into a Letter Agreement with the company, under which the Board agreed to nominate Mr. Nussbaum, Mary Ann Gray, and Alpna Seth for election at the 2025 Annual Meeting. [Source](#)
- On April 24, 2025, ADAR1 Capital Management demanded that the Board waive or amend the expired nomination deadline, citing recent board actions as breaches of fiduciary duties intended to entrench current directors. Specifically, ADAR1 highlighted the Board's initiation of a strategic review potentially leading to a sale, adoption of a poison pill, and execution of a standstill agreement with Pontifax restricting alternative board nominations. ADAR1 threatened litigation or a "vote no" campaign against certain directors if the Board fails to provide at least a ten-day window for alternative nominations and to cease enforcing the standstill provisions. [Source](#)

Special Opportunities Fund Files Proxy Materials for 2025 Tejon Ranch Co. (TRC) Annual Meeting

Key Summary: On March 28, 2025, Special Opportunities Fund, Inc. filed proxy materials soliciting votes for four proposals: electing independent directors, ratifying Deloitte & Touche LLP as Tejon's auditor for 2025, abstaining on executive compensation approval, and supporting a shareholder proposal for 10% shareholders to call a special meeting. On April 18, 2024, Nitor Capital Management expressed concerns about Tejon Ranch's performance and management. They aim to reform leadership, compensation, and capital allocation for shareholder value. Tejon Ranch's assets are valued at \$1.2 billion, far above the stock price. At the May 14, 2024 AGM, shareholders re-elected all current directors to the Board. Directors opposed by Nitor Capital received approximately 30% withheld votes.

Market Cap: \$431 million | Tejon Ranch Co., together with its subsidiaries, operates as a diversified real estate development and agribusiness company

Special Opportunities Fund, Inc.

- On March 28, 2025, Special Opportunities Fund, Inc. filed proxy materials soliciting votes for four proposals: electing independent directors Andrew Dakos, Phillip Goldstein, and Aaron T. Morris, ratifying Deloitte & Touche LLP as Tejon's auditor for 2025, abstaining on executive compensation approval, and supporting a shareholder proposal to allow holders of 10% of shares to call a special meeting. [Source](#)
- On April 8, 2025, Special Opportunities Fund, Inc. criticized the company for decades of poor stock performance, arguing management's promises have failed to deliver value to shareholders. They proposed electing three independent directors to improve capital allocation, executive pay alignment, transparency, and expense

control—aiming to close the gap between TRC’s stock price and its intrinsic value.

[Source](#)

- On May 1, 2025, Special Opportunities Fund, Inc stated that it seeks to elect three new board members, arguing the stock significantly undervalues intrinsic value. Bulldog criticizes current management's planned \$3.35 million spending to retain their positions, calling for immediate action on capital allocation, executive compensation, transparency, and cost control to boost earnings, cash flow, and close the valuation gap. [Source](#)

Nitor Capital Management

- On April 18, 2024, Nitor Capital Management LLC (1.75%) issued a [letter](#) to the shareholders, expressing concerns about the company's underperformance and management practices. Despite owning approximately 1.75% of Tejon Ranch's shares, they felt the company's assets were undervalued and management had failed to deliver returns to stockholders. They criticized the board's lack of action and misaligned compensation incentives for executives. Nitor intended to withhold votes for certain board members and opposed executive compensation approval at the upcoming Annual Meeting. They emphasized the need for changes in leadership, compensation structure, and capital allocation to unlock the company's potential and deliver value to stockholders.

Valuation insight

Tejon Ranch's valuable income-producing assets and industrial development rights generate over \$100 million in recurring annual revenues and \$30 million in annual cash flows. Nitor Capital Management estimates these assets to be worth \$700 million, or \$26 per share. When factoring in additional assets like land, water, and farmland, they believe the total value exceeds \$1.2 billion, nearly three times the current stock price.

- At the May 14, 2024 [AGM](#), shareholders re-elected all current directors to the Board. Directors opposed by Nitor Capital received approximately 30% withheld votes.

Value Base Ltd Opposes Poison Pill, Citing Shareholder Harm at Perion Network Ltd (PERI)

Key Summary: On April 21, 2025, Value Base Ltd (5.85%) opposed the Board's adoption of a Poison Pill, alleging harm to shareholders

Market Cap: \$1.5 billion| Perion Network Ltd. provides digital advertising solutions to brands, agencies, and retailers in the United States and internationally.

On April 21, 2025, Value Base Ltd (5.85%) sent a letter to the Board opposing the recent adoption of a Poison Pill, alleging it was harmful to shareholders, illegally implemented, and tainted by board conflicts of interest; they demanded its rescission or submission to a shareholder vote within seven business days. Value Base Ltd is also considering additional actions, such as calling a shareholder meeting or engaging with management and stakeholders, to challenge the Poison Pill. [Source](#)

Galloway Opposes WW International, Inc (WW) Rumored Bankruptcy, Urges Debt Restructuring

Key Summary: On April 25, 2025, Galloway Capital Partners (2.87%) opposed the company's rumored Chapter 11, citing strong performance and no near-term debt maturities, urging debt restructuring instead and threatening to form an Equity Committee if bankruptcy proceeds.

Market Cap: \$31 million | WW International, Inc. provides weight management products and services in the United States, Germany, and internationally.

On April 25, 2025, Galloway Capital Partners (2.87%) opposed rumored Chapter 11 plans, arguing the company's debt isn't due until 2028-2029 and its strong Q4 results, growing clinical business, and large membership base suggest viability. Galloway warned that bankruptcy would severely harm shareholders and breach fiduciary duties, recommending instead a debt restructuring similar to Regis Corporation's, which led to an 8x stock increase. Galloway cited the recent stock drop (from \$1.40 to \$0.14) due to bankruptcy rumors and threatened to form an Equity Committee if Chapter 11 proceeds. [Source](#)

Starboard Value reaches agreement with Autodesk Inc (ADSK)

Key Summary: Starboard Value LP, holding over \$500 million in Autodesk, has raised concerns over misleading billing practices and poor governance, filing a lawsuit to delay Autodesk's 2024 Annual Meeting. They advocate for improved growth, profitability, and shareholder-friendly policies. On March 18, 2025, Starboard Value announced its intent to nominate director candidates for election to the Board at the upcoming AGM. On March 26, 2025, Starboard Value nominated three directors for the 2025 Annual Meeting. On April 24, 2025, the company announced that it will appoint Jeff Epstein and Christie Simons to its Board in connection with a cooperation agreement with Starboard Value.

Market Cap: \$58 billion | Autodesk, Inc. provides 3D design, engineering, and entertainment technology solutions worldwide.

- On June 17, 2024, Starboard Value LP, holding over \$500 million in Autodesk stock, has raised significant concerns regarding Autodesk's operations, governance, and financial disclosures. An internal investigation revealed misleading billing practices and artificially inflated free cash flow, impacting executive compensation and not

disclosed to shareholders timely. Starboard has filed a lawsuit to delay Autodesk's 2024 Annual Meeting and reopen the nomination window for directors. They advocate for improved growth, profitability, shareholder-friendly policies, and enhanced board oversight to rebuild investor confidence and drive long-term value.

[Source](#)

- On June 25, 2024, Starboard Value issued a [letter](#) to the Board expressing concerns about the company's operations, governance, and accountability. They highlighted disappointment with the company's inadequate response to governance issues and misleading disclosures uncovered by an Audit Committee Investigation. Starboard emphasized shareholder dissatisfaction and outlined opportunities for Autodesk to improve its financial performance and governance. They criticized management for intentionally misleading investors about billing practices to inflate free cash flow, leading to investigations and shareholder losses. Starboard urged transparency, accountability, and significant changes at Autodesk to restore shareholder trust and enhance company performance.
- On August 6, 2024, Starboard Value issued a [presentation](#) criticizing the leadership, particularly CEO Andrew Anagnost, for significant underperformance over the last seven years. Key issues included share price underperformance, missed financial targets, misleading disclosures, poor capital allocation, and problematic compensation practices. Starboard called for substantial changes, including reevaluating the CEO, improving cost structure, budgeting discipline, and overhauling compensation practices. They believed Autodesk could achieve higher operating margins and EBITDA by FY2027 through these reforms
- On March 19, 2025, Starboard Value expressed concerns about the company's underperformance despite its high-quality business model. They cite issues such as subpar profitability, missed Investor Day targets, misleading disclosures, and poor governance. Starboard believes Autodesk's management has failed to improve financial results, with recent actions like a workforce reduction raising more questions than answers. They contend that Autodesk can improve its margins by targeting a 45% adjusted operating margin by FY2028 through cost savings and better incremental margins. Starboard plans to nominate directors at the 2025 Annual Meeting to push for accountability and governance changes. [Source](#)
- On March 26, 2025, Starboard Value nominated three directors for the 2025 Annual Meeting, citing the company's long-term financial underperformance and misleading claims about TSR and Investor Day targets. Starboard criticized Autodesk's lack of management accountability and stressed the need for a well-functioning Board to drive value creation. They believe Autodesk could achieve non-GAAP operating margins of 41-42% by FY2028 with proper governance and oversight. [Source](#)
- On April 24, 2025, the company [announced](#) that it will appoint Jeff Epstein and Christie Simons to its Board in connection with a cooperation agreement with Starboard Value.

Past

On November 4, 2015, Sachem Head Capital Management disclosed a 5.7% stake in the company and intended to engage with management on various business aspects. On November 13, 2015, Eminence Capital and Sachem Head, holding a combined 11.5%, agreed to coordinate efforts regarding their investment. On March 10, 2016, the company entered a settlement agreement with both firms, expanding the board and appointing three new directors.

Ranbir Singh entered into a cooperation agreement with Navitas Semiconductor Corp (NVTX)

Key Summary: On February 27, 2025, Ranbir Singh (13.45%), a key stockholder since the 2022 GeneSiC acquisition, raised concerns over the company's declining performance. He served as Executive VP until November 2024 and has been a Board member since. On February 20, 2025, he began discussions with fellow Board members to address leadership and governance issues. On April 23, 2025, Ranbir Singh and the company entered into a cooperation agreement with the company.

Market Cap: \$390 million | Navitas Semiconductor Corporation designs, develops, and markets gallium nitride power integrated circuits, silicon carbide, associated high-speed silicon system controllers, and digital isolators used in power conversion and charging.

- On February 27, 2025, Ranbir Singh (13.4%), a significant stockholder since the company's acquisition of GeneSiC Semiconductor in 2022, has expressed growing concerns over the company's declining performance. He served as Executive VP until November 2024 and has been a Board member since then. On February 20, 2025, Dr. Singh began engaging with fellow Board members to discuss improving leadership and corporate governance, hoping to resolve his concerns through ongoing dialogue. [Source](#)
- On April 23, 2025, Ranbir Singh and the company entered into a [cooperation agreement](#) under which Gene Sheridan resigned as Chairman, replaced by Richard J. Hendrix, and Daniel Kinzer agreed to resign as CTO, COO, and director by May 1, 2025, pending the appointment of a new director recommended by Dr. Singh. The company will support the election of Dr. Singh and the new director at the 2025 annual meeting. Additionally, an Executive Steering Committee, chaired by Dr. Singh and including Hendrix and David Moxam, will oversee strategic matters such as capital allocation, expenses, senior hiring, and succession planning.

GAMCO Presses for Transparency in Paramount (PARA)-NAI Deal After Court Finds Credible Basis for Wrongdoing

Key Summary: On October 25, 2024, GAMCO (11.82%) issued a press release urging Paramount's board to review Project Rise Partners' higher offer. On April 23, 2025, GAMCO Investors (GAMI) reaffirmed its pursuit of Operation Fishbowl, alleging NAI secured extra compensation in the Skydance deal not offered to other shareholders.

Market Cap: \$8.1 billion | Paramount Global operates as a media, streaming, and entertainment company worldwide.

- On October 25, 2024, GAMCO (11.82%) issued a [press release](#) urging Paramount's board to review Project Rise Partners' higher offer, despite the "Go Shop" period ending on August 21, 2024, and demanded an explanation if the offer is not considered.
- On April 23, 2025, GAMCO Investors (GAMI), stated that it is pursuing Operation Fishbowl to ensure transparency over what National Amusements (NAI), controlled by Shari Redstone, will receive for its voting shares. GAMI alleges NAI secured additional compensation in the Skydance transaction not offered to other shareholders. The Delaware Chancery Court found GAMI's Gabelli Value 25 Fund presented a credible basis to suspect wrongdoing by Paramount. GAMI contends NAI's shares are valued higher than the \$23 per share offered to minority shareholders and will continue efforts to ensure equitable treatment. [Source](#)

Land & Buildings nominated two candidates to the Board National Health Investors, Inc (NHI)

Key Summary: On April 18, 2024, Land & Buildings Investment Management, LLC voiced concerns about undervaluation and governance, particularly regarding the lease renewal with National HealthCare Corporation (NHC). They plan to vote against directors Robert Webb and Charlotte Swafford at the next Annual Meeting for boardroom change. On February 19, 2025, Land & Buildings announced that it has nominated two candidates for election to the Board

Market Cap: \$3.5 billion | National Health Investors, Inc is a real estate investment trust specializing in sale, leasebacks, joint-ventures, senior housing operating partnerships, and mortgage and mezzanine financing of need-driven and discretionary senior housing and medical investments.

- On April 18, 2024, Land & Buildings Investment Management, LLC issued a [presentation](#) to shareholders expressing concerns about undervaluation and poor corporate governance at the company. They specifically criticized the Board's management of critical issues, such as the lease renewal with National HealthCare Corporation (NHC). L&B plans to vote against current directors Robert Webb and Charlotte Swafford at the upcoming Annual Meeting, advocating for boardroom change.
- On May 8, 2024, Land & Buildings criticized the company's recent actions as insufficient in addressing governance concerns. Land & Buildings urged full destaggering of the Board and collaboration with shareholders to appoint an independent director. They planned to vote against incumbent directors Webb and Swafford at the upcoming Annual Meeting. [Source](#)
- On May 15, 2024, Land & Buildings issued a [presentation](#) on National Health Investors reiterating their concerns.

- On February 19, 2025, Land & Buildings [announced](#) that it has nominated two experienced and independent candidates for election to the Board at the upcoming 2025 Annual Meeting of Stockholders.
- On March 24, 2025, Land & Buildings filed proxy materials seeking support for its nominees.
- On April 24, 2025, Land & Buildings issued an investor [presentation](#) titled “National Health Investors (NHI): A Governance Cure for a Healthier Future,” reiterating their concerns.

JANA Notifies Rapid7, Inc (RPD) of Kevin Galligan’s Board Appointment

Key Summary: On September 27, 2024, JANA Partners and Cannae Holdings disclosed a 6.4% stake and reported discussions with the Board and management about operational issues, governance, and a potential company sale. On March 11, 2025, JANA (5.8%) signed Nominee Agreements with Michael Joseph Burns and Chad Kinzelberg, who agreed to join JANA's slate of nominees for election as directors at the 2025 Annual Meeting. On March 21, 2025, JANA entered into a cooperation agreement with the company

Market Cap: \$1.9 billion| Rapid7, Inc. provides cybersecurity solutions under the Rapid7, Nexpose, and Metasploit brand names.

- On September 27, 2024, JANA Partners and Cannae Holdings disclosed 6.4% and stated that they had engaged in constructive discussions with the Board and management regarding operational challenges, management and compensation issues, corporate governance, evaluating the potential sale of the company. [Source](#)
- On March 11, 2025, JANA (5.8%) entered into Nominee Agreements with each of Michael Joseph Burns and Chad Kinzelberg pursuant to which each Nominee has agreed, upon the election of JANA, to become members of a slate of nominees and to stand for election as directors of the company at the 2025 Annual Meeting. [Source](#)
- On March 21, 2025, JANA entered into a [cooperation agreement](#) with the company pursuant to which Kevin Galligan, a Partner and Director of Research at JANA, Michael Burns and Wael Mohamed will be appointed to the Board.
- On April 20, 2025, under the Cooperation Agreement, JANA notified the company to appoint Kevin Galligan to the Board effective April 22, 2025. [Source](#)

Ortelius Nominates Six Highly Qualified and Independent Candidates for Election to the Board of Brookdale Senior Living Inc. (BKD)

Key Summary: Ortelius Advisors, on March 5, 2025, nominated six new board candidates for Brookdale, citing concerns over underperformance, including declining occupancy rates, margins, and free cash flow. Glenview Capital Management entered a support agreement with Brookdale in 2019, backing the board's nominees and leadership changes. Land and Buildings Investment Management, in 2018 and 2019, criticized

Brookdale's failure to monetize its real estate and called for shareholder-friendly governance, also nominating board candidates and releasing a valuation report showing significant upside potential.

M.Cap: \$1.3 billion | Brookdale Senior Living Inc. owns and operates senior living communities in the United States. It operates through five segments: Retirement Centers, Assisted Living, CCRCs Rental, Brookdale Ancillary Services, and Management Services.

Ortelius Advisors

- On March 5, 2025, Ortelius Advisors, L.P. issued a [letter](#) to the stockholders nominating six new board candidates. They cite concerns over declining occupancy rates, NOI margins, EBITDA margins, and free cash flow, underscoring a substantial drop in tangible book value per share and stock price underperformance relative to benchmarks over seven years.
- On April 24, 2025, Ortelius Advisors issued a [letter](#) to Brookdale Senior Living shareholders criticizing years of poor performance under the prior CEO and Board, highlighting stock declines, falling occupancy, and negative cash flow. With Cindy Baier's recent departure as CEO, Ortelius nominated six directors to drive strategic changes, including monetizing underperforming assets, reducing debt, exiting leases, and unlocking real estate value. Ortelius believes these actions could significantly increase shareholder value and urged stockholders to support its nominees for Board refreshment and long-term value creation.

Glenview Capital Management

On September 27, 2019, the company announced that it has entered into a support agreement with Glenview Capital Management (11.71%). Pursuant to the agreement, Glenview will vote all of its shares in favor of both the Company's Class II director nominees, Victoria Freed and Guy Sansone, and with the Board's recommendations on the other proposals at the 2019 Annual Meeting. In connection with the agreement, Brookdale also announced that if both Ms. Freed and Mr. Sansone are elected to the Board, Mr. Sansone will be appointed Non-Executive Chairman, effective January 1, 2020.

[Source](#)

Land and Buildings Investment Management

- On September 12, 2018, Land and Buildings Investment Management issued an open [letter](#) to shareholders expressing concerns that the Board has failed to announce plans to materially monetize company's real estate. It expressed its disappointment that the board has not accelerated the de-staggering of board elections so that all directors up for election are elected to one-year terms. It stated that in the absence of any changes to more shareholder-friendly governance policies, it intends to vote against the three directors up for election at Brookdale's AGM.
- At the [AGM](#) held on October 4, 2018, the incumbent nominees were elected by the shareholders.
- On July 16, 2019, Land and Buildings Investment Management issued an open [letter](#) to shareholders nominating two candidates for election to the Board at the 2019 annual

meeting of shareholders. It stated that it has engaged Green Street Advisors to independently value company and its real estate, leading to a net asset value estimate substantially above share price . Green Street Advisors believes there may be viable opco/propco reit structures, that could lead to a material higher share price –

- On July 30, 2019, Land and Buildings Investment Management issued an open [letter](#) to shareholders highlighting persistent operational failures, poor capital allocation and balance sheet mismanagement and reiterated that it nominates two candidates for election to the Board at the 2019 annual meeting of shareholders

Valuation Insight

Had the Company simply performed in-line with the Healthcare REIT peers, our estimated net asset value for Brookdale would be more than 50% higher.

- On August 13, 2019, Land & Buildings issued an open letter to shareholders releasing Green Street Advisors' Report Valuing Brookdale at \$13.60 per share. It stated that Green Street's findings are view, suggesting ~70% upside to the current share price

Key findings from the Green Street report include:

- **PropCo/OpCo Combined Value of \$13.60 per share, a ~70% increase over current share price**
- Owned real estate value of \$5.6 billion at a 6.9% cap rate
- Operator equity market cap of \$616 million at a ~10x EBITDA multiple

Key assumptions from the Green Street analysis, which was prepared using Brookdale's public disclosure, include:

- Brookdale PropCo valued at \$10.30 per share
 - Green Street believes it could trade at a 15% premium to NAV compared to 23% for comparable publicly traded healthcare REITs
 - 0% forward NOI growth
 - Owned senior housing assets are 100% in RIDEA structure
 - Equity offering at creation of REIT of \$1.5 billion at a 5% discount to fair value, equity
 - Net leverage similar to comparable publicly traded healthcare REITs
 - Leased assets remain in PropCo
- OpCo valued at \$3.30 per share
 - Asset-lite pure operator with no corporate debt
 - Earns fee from managing PropCo assets under a RIDEA structure, leaving OpCo with no lease obligations
 - Health Care Services in OpCo
 - Positioned as dominant manager in senior housing sector

- On October 8, 2019, Land & Buildings determined to withdraw its nominee for election to the Board of Directors at the Annual Meeting and issued a [press release](#) in connection therewith. Accordingly, Land & Buildings has terminated its proxy solicitation and will not vote any proxies received from stockholders of the Company on the BLUE proxy card at the Annual Meeting.

Kent Lake Partners nominated Board candidates to Quanterix (QTRX)

Key Summary: On February 13, 2025, Kent Lake Partners opposed Quanterix's proposed acquisition of Akoya Biosciences, stating it is not in stockholders' best interests. On February 28, 2025, Kent Lake Partners (6.9%) delivered a letter to the company nominating a slate of three director candidates

Market Cap: \$200 million | Quanterix Corporation, a life sciences company, engages in development and marketing of digital immunoassay platforms.

- On February 13, 2025, Kent Lake Partners delivered a [letter](#) to stockholders, expressing its belief that Quanterix's proposed acquisition of Akoya Biosciences, Inc. is not in the best interests of stockholders. Kent Lake Partners stated that if the Quanterix Board proceeds with the merger, it is prepared to take decisive action, including mobilizing shareholders to vote against the deal and nominating directors for the Quanterix Board at the 2025 Annual Meeting.
- On February 28, 2025, Kent Lake Partners (6.9%) delivered a letter to the company nominating a slate of three director candidates, Dr. Dickinson, Mr. Felt and Dr. Sakul, for election to the Board at the 2025 annual meeting of stockholders. The firm criticizes the incumbent Board for approving and pursuing a dilutive merger with Akoya Biosciences, which Kent Lake believes risks capital misallocation and distracts from Quanterix's core growth opportunities, especially in Alzheimer's testing. Kent Lake urges shareholders to vote against the merger and elect its nominees to ensure financial discipline, accountability, and a focus on organic growth to unlock long-term value. [Source](#)
- On March 11, 2025, Kent Lake Partners issued the following press release and [Investor Presentation](#). The presentation highlighted concerns over Quanterix bidding against itself for Akoya, unnecessary risks from Akoya's financial instability, and potential conflicts within Quanterix's board. Kent Lake urged shareholders to vote against the merger, emphasizing the company's strong standalone potential, particularly in Alzheimer's diagnostics, and has nominated three independent board candidates for the 2025 Annual Meeting.
- On April 7, 2025, Kent Lake Partners issued a [press release](#) opposing the company's \$30 million bridge financing to Akoya Biosciences, seeing it as shareholder-unfriendly. Kent Lake criticized the lack of transparency and fairness opinions on the loan terms, questioning its impact on Quanterix's valuation of Akoya. It urges shareholders to vote against the merger, deeming it not in their best interests.
- On April 17, 2025, Kent Lake Partners sent a [letter](#) urging shareholders to vote **against** the proposed merger with Akoya, calling it a value-destructive bailout that

benefits Akoya at Quanterix shareholders' expense. The firm criticized the deal process and alleged board conflicts, directing shareholders to vote using the GOLD proxy card ahead of the May 13 special meeting.

- On April 21, 2025, Kent Lake Partners issued a [presentation](#) reiterating its concerns and urges shareholders to vote **AGAINST** the proposed merger with Akoya Biosciences

Whetstone Capital Advisors Withdraws Board Nominees Following OptimizeRx Corporation (OPRX) Board Refreshment Plans

Key Summary: On March 6, 2025, Whetstone Capital Advisors (8.2%) provided written notice to the company of its intent to nominate Board candidates at 2025 AGM. On April 18, 2025, Whetstone Capital Advisors conditionally withdrew its notice to nominate two candidates for the 2025 annual meeting. On March 6, 2017, Wolverine Asset Management disclosed a 7.3% stake, urging the Board to explore a strategic sale. By May 8, 2018, with a 7.7% stake, it recommended a sale, citing potential growth and risk resolution, while reducing its stake to 4.98% by June 7, 2019.

M.Cap: \$79mm | OptimizeRx Corporation is a technology solutions company. The Company focuses on the healthcare industry. The Company connects patients, physicians and pharmaceutical manufacturers through technology.

Whetstone Capital Advisors

- On March 6, 2025, Whetstone Capital Advisors (8.2%) provided written notice to the company of its intent to nominate each of Messrs. Andrew Carlson and John Fein for election to the Board at the 2025 annual meeting of stockholders. [Source](#)
- On April 18, 2025, Whetstone Capital Advisors conditionally withdrew its notice to nominate two candidates for the 2025 annual meeting after discussions with the company, effective upon the company's announcement of plans to appoint a new independent director by the end of 2025, alongside other board refreshment and strategic initiatives. [Source](#)

Wolverine Asset Management

- On March 6, 2017, Wolverine Asset Management disclosed a 7.3% stake and expressed concerns over the company's performance, urging the Board to form a strategic alternatives committee to explore selling a majority stake or the company outright, and to hire an investment bank for the process. On May 8, 2018, holding 7.7%, Wolverine praised the company's operational performance, highlighting a 91% revenue increase and a 210% stock price rise since February 2017. It recommended a strategic sale, citing potential revenue growth and risk resolution, including issues with operational scale and stock liquidity.

It stated its belief that the company could potentially be sold during 2018 for about \$4.50 per share whereas its expected trading value will likely be capped at around \$2.50 for the next two years.

- On June 7, 2019, Wolverine Asset Management reduced its stake to 4.98%.

BML Investment Partners Urges ESSA Pharma (EPIX) to Liquidate and Return Cash to Shareholders

Key Summary: On April 15, 2025, Soleus Capital (5.1%) urged ESSA Pharma to wind down operations and return cash to shareholders, citing macro pressures and the stock trading below cash per share following the halted EPI-7386 trials. On April 24, 2025, BML Investment Partners (9.5%) urged the Board to pursue an orderly winddown, liquidation, and capital return, citing shareholders' best interests.

Market Cap: \$79 million | ESSA Pharma Inc., a clinical stage pharmaceutical company, focuses the development of small molecule drugs for the treatment of prostate cancer.

- On April 15, 2025, Soleus Capital (5.1%) sent a [letter](#) to the Board commending ESSA Pharma's historical execution and transparency but urged a wind-down of operations and return of capital to shareholders, citing macroeconomic pressures and the stock trading below cash per share (~\$2.40 vs. \$1.60), following the termination of EPI-7386 trials.
- On April 24, 2025, BML Investment Partners (9.5%) sent a [letter](#) to the Board expressing its belief that an orderly winddown, liquidation, and capital return is in the best interests of the shareholders of the company.

Beaver Hollow Wellness Responds to Servotronics' (SVT) Escalating Proxy Tactics

Key Summary: On January 9, 2025, Beaver Hollow Wellness, led by CEO Paul L. Snyder, nominated four director candidates for Servotronics' 2025 annual meeting. On February 16, 2023, Brent D. Baird (10.9%) signed a Cooperation Agreement with the Company, which agreed to appoint him to the board until the 2023 AGM. On March 26, 2025, Beaver Hollow Wellness, LLC, criticized Servotronics for denying its request to inspect corporate records, raising concerns about transparency and governance during the strategic review. In 2022, Star Equity Fund launched a campaign against Servotronics, criticizing the board for poor governance, supporting an unprofitable division, and failing to address CEO misconduct. The fund's efforts led to several board changes, including a new CEO and independent directors. Despite a rejected merger proposal, Star continued advocating for board changes and strategic alternatives. In 2023, Star nominated director candidates, criticized the board's lack of expertise, and emphasized the need for the company to explore strategic alternatives for all its assets. Star later withdrew its nominations ahead of the 2023 AGM. On March 25, 2025, Star Equity Fund (6%) commented on Servotronics' strategic alternatives review.

Market Cap: \$27 million | Servotronics, Inc. designs, manufactures, and markets control components and consumer products in the United States and internationally.

Beaver Hollow Wellness, LLC

- On January 9, 2025, Beaver Hollow Wellness, led by CEO Paul L. Snyder, nominated four director candidates for Servotronics' 2025 annual meeting. On January 17, Snyder highlighted the need for board change to address Servotronics' financial struggles, following executive departures and the sale of Ontario Knife Co. [Source](#)
- On January 30, 2025, Beaver Hollow Wellness issued a formal demand to the Board for an internal investigation into potential unjust enrichment and breaches of fiduciary duties. Concerns arise from excessive CEO and Board compensation totaling over \$3,000,000 amidst substantial financial losses exceeding \$13,000,000 and a sharp decline in unrestricted cash reserves. [Source](#)
- On February 5, 2025, Beaver Hollow Wellness urged immediate action to address critical financial instability threatening the company. Despite previous offers of support being declined by the Board and CEO, they proposed the S.A.V.E. (Shareholder Action for Value and Employees) plan to enhance manufacturing capabilities, restore customer and employee confidence, and reverse the decline in shareholder value. They criticized current leadership for enriching themselves at the company's expense and proposed a new slate of expert directors to execute this plan effectively. [Source](#)
- On March 26, 2025, Beaver Hollow Wellness, LLC criticized the company's denial of its request to inspect corporate records. Servotronics rejected the request, citing insufficient purpose, which Beaver Hollow disputes, raising concerns about transparency and governance, especially during the ongoing strategic review. Beaver Hollow plans to pursue legal action to ensure accountability. [Source](#)
- On April 23, 2025, Beaver Hollow Wellness criticized the company's amended proxy statement for including "change of control" provisions aimed at protecting executive payouts if directors are replaced. Beaver Hollow accused the board of prioritizing executive compensation over shareholder value and reaffirmed its commitment to operational reform and responsible governance. Beaver Hollow urged shareholders to reject these tactics and vote for its four nominees. [Source](#)

Star Equity Fund

Update:

On March 25, 2025, Star Equity Fund (6%) commented on Servotronics' strategic alternatives review. While supportive of the review, Star Equity Fund believes it should have occurred earlier and stresses the need for significant progress to unlock the company's full value. [Source](#)

Background:

- On March 2, 2022, Star Equity Fund filed proxy materials soliciting votes for the election of its director nominees at 2022 AGM. It stated that under the incumbent board's watch, the Company's previous CEO abused his authority and perpetuated a culture of harassment at the expense of employees and shareholders (as alleged by a lawsuit filed by a former employee on June 7, 2021), with an internal investigation

finding that he committed willful malfeasance in violation of his employment agreement with the Company. In addition, the incumbent board has overseen and continued to support the Company's unprofitable Consumer Products Group without having taken meaningful action to maximize shareholder value. In addition, the incumbent board has a track record of poor corporate governance. Proxy advisory firms ISS and Glass Lewis have cited numerous issues with Servotronics's board of directors and the Company's corporate governance, including in its report on the Company's 2021 annual meeting. [Source](#)

- On April 8, 2022, Star Equity Fund filed [proxy materials](#) urging the company to schedule 2022 AGM.
- On May 13, 2022, Star Equity Fund stated that it was pleased to announce that its campaign at Servotronics, including the nomination of director candidates and advocacy for various improvements in the Company's corporate governance, caused the Company to take several positive steps it likely would not have taken independently. The Fund stated that under pressure from its campaign, the company recently announced several Board composition and governance changes including, (i) the appointment of a new CEO, (ii) the addition of Karen Howard and shareholder representative Evan Wax to the Board, (iii) the naming of independent director Christopher Marks as Chairman of the Board, (iv) the resignation of Jason Bear from the Board, (v) the termination of its poison pill, and (vi) the reconfirmation that Kenneth Trbovich would not be nominated for election at its 2022 annual meeting. Further, Star Equity Fund stated that it was pleased with the two new additions to the Board and plan to withdraw its nomination for this year's annual meeting. [Source](#)
- On October 20, 2022, Star Equity Holdings presented a non-binding indication of interest to explore a potential combination with the company. On November 2, 2022, after refusing to even engage in conversations with Star Equity Holdings regarding details of a proposal, the Board responded to Star Equity Holdings that a transaction is not in the best interests of the shareholders.
- On November 14, 2022, Star Equity Fund (5.6%) issued a [press release](#) noting the Board's rejection of Star Equity Holdings' proposal without genuinely engaging, and strongly questioning the incumbent directors' commitment to the shareholders. Star Equity Fund also asserted, the Board's actions make clear that further change to the Board's composition needs to occur.
- On February 9, 2023, Star Equity Fund (5.4%) delivered a letter to the company nominating six director candidates for election to the Board at the 2023 AGM. [Source](#)
- On February 14, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On February 24, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On March 29, 2023, Star Equity Fund withdrew the nomination of four candidates and issued a [press release](#) announcing that it would be proceeding with the nomination of two candidates for election to the Board at the 2023 AGM.
- On April 17, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.

- On May 1, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On May 19, 2023, Star Equity Fund issued an investor [presentation](#) titled “Our Plan for Change at Servotronics, Inc.”
- On May 19, 2023, Star Equity Fund filed proxy materials urging all stockholders to vote the **WHITE** proxy card to elect G. Mark Pomeroy and Richard K. Coleman, Jr. to the board at the company's 2023 AGM. [Source](#)
- On May 31, 2023, Star Equity Fund issued in a press release where it reiterated its belief that the incumbent Board, specifically, Edward Cosgrove, Christopher Marks, and William Farrell lacks the necessary experience and expertise to change the trajectory at the company. Star Equity Fund also emphasized that although the company announced its intent to sell its Consumer Products Group after pressure from Star Equity Fund's campaign, intent does not drive shareholder value, but rather execution drives value. Star Equity Holdings further stated its belief that the long-suffering shareholders would be better served by the company exploring strategic alternatives with strategic buyers for ALL its assets, which includes both its Consumer Products Group and Aerospace segments, in addition to real estate assets.
- On June 1, 2023, Star Equity Fund withdrew its nomination of Messrs. Coleman and Pomeroy for election to the Board at the annual meeting. [Source](#)

Brent D. Baird

On February 16, 2023, Brent D. Baird (10.9%) entered into a [Cooperation Agreement](#) with the Company. Pursuant to the Cooperation Agreement, the Company agreed to appoint him to the board, effective as of February 16, 2023, with a term expiring at the company's 2023 AGM.

The Founders Group, comprising Ransom and Valerie Wuller, Luis Dussan, and Pamela Bauer nominated Board candidates to AEye, Inc (LIDR)

Key Summary: On April 11, 2025, the Founders Group, comprising Ransom and Valerie Wuller, Luis Dussan, and Pamela Bauer nominated Board candidates.

Market Cap: \$12 million | AEye, Inc., together with its subsidiaries, provides lidar systems for vehicle autonomy, advanced driver-assistance systems, and robotic vision applications in the United States and Europe.

- On April 11, 2025, the Founders Group, comprising Ransom and Valerie Wuller, Luis Dussan, and Pamela Bauer, collectively holding 474,214 shares in AEye, Inc., seeks significant changes to the company's board due to severe underperformance, including a 99% stock price decline over three years, massive dilution exceeding 70%, and excessive compensation to directors and the CEO. They propose electing two independent nominees, Pamela Bauer and Ransom P. Wuller, aiming to bring genuine oversight and enhance shareholder value. Additionally, Luis Dussan has introduced a proposal (Proposal 6) to limit authorized common shares to 125% of the fully diluted shares outstanding. Shareholders are encouraged to vote via the GREEN proxy card to support these initiatives at the May 15, 2025, Annual Meeting. [Source](#)

- On April 21, 2025, the Founders Group filed proxy materials seeking support for its nominees.

AJP and Orbic filed complaint against Sonim Technologies Board Seats

Key Summary: On March 21, 2025, AJP Holding and Orbic North America announced plans to nominate five candidates for the Board at the 2025 Annual Meeting. On April 10, 2025, AJP Holding and Orbic, representing over 1.9 million shares, rejected Sonim Technologies' claim that their board nomination notice was deficient, calling it a tactic to entrench the current board. On April 24, 2025, AJP and Orbic filed a complaint in the Delaware Court of Chancery against the company and its Board, seeking to block actions preventing director nominations

Market Cap: \$10 million | Sonim Technologies, Inc. provides ruggedized mobile phones and accessories for task workers.

- On March 21, 2025, AJP Holding and Orbic North America announced plans to nominate five candidates for the Board at the 2025 Annual Meeting. They criticized Sonim's Board for resisting strategic discussions, which they believe have harmed stockholder value, and aim to bring operational and financial improvements through their nominees. [Source](#)
- On April 10, 2025, AJP Holding and Orbic North America strongly objected to Sonim Technologies' April 7, 2025 rejection of their board nomination notice, calling it a baseless and improper attempt to entrench the current board. They argue the notice fully met disclosure requirements, detailing the nominees' extensive qualifications. Citing legal precedents, stock underperformance, governance concerns, and recent financial losses, they accuse the board of violating fiduciary duties. AJP demanded the rejection be reversed and warned they would pursue all legal options if the board persists in blocking shareholder rights. [Source](#)
- On April 16, 2025, AJP and Orbic filed a preliminary proxy statement with the SEC to solicit votes for their director nominees to the board at the 2025 annual meeting.
- On April 24, 2025, AJP and Orbic filed a complaint in the Delaware Court of Chancery against the company and its Board, seeking to block actions preventing director nominations per the company's bylaws and alleging fiduciary breaches by the directors. [Source](#)

Starboard nominated Peter A. Feld to the Board of Qorvo, Inc (QRVO)

Key Summary: On April 14, 2025, Starboard nominated Peter A. Feld to the Board.

Market Cap: \$5.5 billion | Qorvo, Inc. engages in development and commercialization of technologies and products for wireless, wired, and power markets worldwide.

On April 14, 2025, Starboard (8.9%) delivered a letter to the company nominating Peter A. Feld, Managing Member, Portfolio Manager and Head of Research of Starboard, for election to the Board at the 2025 AGM. [Source](#)

Ocho Publishes Presentation to the Board of Digimarc Corp (DMRC)

Key Summary: On April 14, 2025, Ocho Investments (5.2%) urged Digimarc's Board to replace the CEO, citing poor performance, layoffs, and delayed disclosure of key customer loss. They criticized the CEO's misaligned pay and projected that new leadership could drive ARR up to \$3.9B and lift the stock price to as high as \$2,129.

Market Cap: \$257 million | Digimarc Corporation, together with its subsidiaries, provides digital watermarking solutions in the United States and internationally.

On April 14, 2025, Ocho Investments (5.2%) delivered a [presentation](#) to the Board urging the independent directors to replace the CEO, citing declining revenues, weakened cash position, a 60% stock drop, and significant layoffs, including key R&D staff. Ocho criticized the CEO for delayed disclosure of major customer loss—potentially constituting securities fraud—and a compensation structure misaligned with shareholder interests. It believes new leadership could unlock significant growth and long-term value (\$3B+ ARR potential), offering support in CEO selection and potential financing. They illustrated potential future success with revenue projections ranging from \$130 million to \$3.9 billion, which could translate to a stock price between \$28 and \$2,129

Palogic Value Fund Urges OpenLending (LPRO) to Explore Strategic Alternatives

Key Summary: On April 14, 2025, Palogic Value Fund (5.8%) expressed concerns about OpenLending's executive turnover, limited market opportunity, stock price decline, and board composition. The fund urged the board to explore strategic alternatives, consider a sale, pay off the term loan, and protect cash if no buyer is found.

Market Cap: \$110 million | Open Lending Corporation provides lending enablement and risk analytics solutions to credit unions, regional banks, finance companies, and captive finance companies of automakers in the United States.

On April 14, 2025, Palogic Value Fund (5.8%) expressed concern over the company's recent performance and strategic direction. Despite being impressed by its ecosystem, Palogic raised issues with executive turnover, noting the appointment of a third CEO in over a year, and questions why an external candidate wasn't chosen. The fund also critiqued the limited market opportunity for OpenLending's LPP product, which now mainly relies on credit unions rather than OEMs. Furthermore, Palogic highlighted concerns about the company's cyclicity, recent drastic stock price declines, and board composition, questioning the involvement of private equity-backed board members in a low-value public company. Palogic urged the board to consider strategic alternatives, including a potential sale, pay off the term loan, and protect cash if no buyer is found, while working to improve business operations and shareholder value. [Source](#)

BML Capital Calls for Liquidation and Cash Return at Elevation Oncology (ELEV)

Key Summary: On April 16, 2025, BML Capital Management sent a letter to the Board expressing its belief that an orderly winddown, liquidation, and capital return is in the best interest of the shareholders of the company

Market Cap: \$19 million | Elevation Oncology, Inc., an oncology company, focuses on the discovery and development of cancer therapies to treat patients across a range of solid tumors with significant unmet medical needs.

On April 16, 2025, BML Capital Management, a 9.9% shareholder of Elevation Oncology, sent a [letter](#) commending the company's decision to halt EO-3021 development and preserve cash. Given market conditions and poor reverse merger outcomes, BML advocated for a full winddown and estimated a potential return of up to \$0.60 per share. It warned it would oppose any reverse merger not accompanied by a significant cash distribution.

Pontifax Management entered into a Letter Agreement with Keros Therapeutics, Inc (KROS)

Key Summary: On April 11, 2025, ADAR1 Capital called Keros undervalued but questioned the viability of KER-012 and KER-065, urging strategic actions like buybacks, cuts, asset sales, or liquidation, estimating value at \$40–\$50 per share. They are in talks with management and may revise their investment. On April 17, 2025, Pontifax Management entered into a Letter Agreement with the company, under which the Board agreed to nominate Mr. Nussbaum, Mary Ann Gray, and Alpna Seth for election at the 2025 Annual Meeting

Market Cap: \$570 million | Keros Therapeutics, Inc., a clinical-stage biopharmaceutical company, develops and commercializes novel therapeutics for patients with disorders that are linked to dysfunctional signaling of the transforming growth factor-beta family of proteins in the United States.

- On April 11, 2025, ADAR1 Capital Management (13.3%) stated its belief that Keros shares are undervalued but raised concerns about the viability of KER-012 and KER-065. They urged the company to consider strategic options, including a buyback, workforce cuts, asset sales, or liquidation, estimating potential value of \$40–\$50 per share. They are engaging with management and may alter their investment based on developments. [Source](#)
- On April 17, 2025, Pontifax Management (11.8%) entered into a Letter Agreement with the company, under which the Board agreed to nominate Mr. Nussbaum, Mary Ann Gray, and Alpna Seth for election at the 2025 Annual Meeting. [Source](#)

Radoff reaches agreement with Atea Pharmaceuticals, Inc (AVIR)

Key Summary: BML Investment Partners (8.1%) urged the Board on December 13, 2024, to seek a strategic partner or explore alternatives. On March 4, 2025, Bradley L. Radoff and JEC Associates (5.1%) expressed concerns over the Board's ability to lead a strategic review and planned to nominate a competing slate. On March 20, 2025, Radoff formally nominated Howard H. Berman, James P. Flynn, and Michael Torok for election at the 2025

annual meeting. On April 16, 2025, the Radoff/JEC Group and the company entered into an agreement under which Howard H. Berman, Ph.D. will join the Board as a Class III director after the 2025 annual meeting

Market Cap: \$273 million | Atea Pharmaceuticals, Inc., a clinical-stage biopharmaceutical company, discovers, develops, and commercializes antiviral therapeutics for patients with viral infections.

- On December 13, 2024, BML Investment Partners (8.1%) sent a [letter](#) to the Board indicating its belief that the company needs to find a strategic partner or explore other strategic alternatives.
- On March 4, 2025, Bradley L. Radoff and JEC Associates (together 5.1%) announced that they have engaged, and plan to continue engaging, with the Board and management to enhance shareholder value. While they supported the company's retention of Evercore for a strategic review, they do not believe the current Board is qualified to lead this process effectively. Radoff intends to nominate a competing slate of candidates at the upcoming annual meeting and will share these views with the company, its shareholders, and other market participants. [Source](#)
- On March 20, 2025, Mr. Radoff delivered a letter to the company nominating Howard H. Berman, James P. Flynn and Michael Torok for election to the board at the 2025 annual meeting of stockholders. [Source](#)
- On March 26, 2025, the Radoff-JEC Group criticized Atea Pharmaceuticals' stock performance, governance, and capital allocation, highlighting undervaluation, rejected buyouts, insider sales, and entrenched leadership. They called for board changes and nominated candidates to address these issues and enhance shareholder value. [Source](#)
- On April 16, 2025, the Radoff/JEC Group and the company entered into an agreement under which Howard H. Berman, Ph.D. will join the Board as a Class III director after the 2025 annual meeting and serve until the 2026 meeting; he will also serve as a Board observer in the interim. Franklin Berger will not seek reelection in 2027, and the Issuer approved a \$25 million share repurchase program. [Source](#)

Ancora Advisors reached agreement with Green Plains (GPRE)

Key Summary: On April 11, 2025, Ancora Holdings (6.7%) and the company entered a cooperation agreement under which the Board will expand from eight to ten members and appoint three Ancora-backed directors

Market Cap: \$234 million | Green Plains Inc. produces, markets, and distributes ethanol in the United States and internationally.

On April 11, 2025, Ancora Holdings (6.7%) and the company entered a [cooperation agreement](#) under which the Board will expand from eight to ten members and appoint

three Ancora-backed directors—Patrick Sweeney, Carl Grassi, and Steve Furcich—while two long-serving directors will retire after the 2025 AGM. A Strategic Planning Committee will be formed, including two of the new directors, and Mr. Grassi will join the Nominating and Governance Committee. Ancora agreed to support the Board’s recommendations in most votes and abide by standstill provisions, while the Issuer agreed not to expand the Board beyond ten (or eleven post-CEO hire) without Ancora’s consent.

Past

- On November 17, 2021, Ancora Advisors (7.1%) stated that it was encouraged by the company’s recent efforts to improve its corporate governance and refresh its Board however, Ancora Advisors believes these actions only address a portion of the myriad of corporate governance issues plaguing the company. Ancora Advisors expressed its concerns as follows: (i) their belief that the Board, as presently constituted, may not possess the requisite experience and skill sets necessary to lead the company at this critical juncture and successfully implement its transformation strategy; (ii) their belief that the interests of the Board may not be appropriately aligned with the interests of stockholders, particularly in light of the company’s recent capital raise and ongoing capital investment strategy, and given the recent and significant sales by insiders and the lack of stockholder representation on the Board; and (iii) their belief that the recent, long overdue corporate governance changes appear reactionary in nature and, importantly, fail to address certain key items such as the classification of the Board and the lack of an independent Chairman. In light of its concerns, Ancora Advisors are considering certain alternatives, including seeking Board representation and/or submitting a shareholder proposal for consideration by stockholders at the 2022 AGM. [Source](#)
- On January 31, 2023, Ancora Advisors (7.1%) issued a press release and sent an open [letter](#) to the Board detailing its view that the Board should commence a review of value-maximizing strategic alternatives. Ancora Advisors believes the Board should commence a robust strategic review process in an effort to maximize value for all shareholders.
- On February 6, 2024, Ancora Advisors entered into a [cooperation agreement](#) with the company. Pursuant to this agreement, the company will publicly announce a formal review by its Board of Directors to explore strategic alternatives aimed at maximizing shareholder value no later than the disclosure of its financial results for the period ending December 31, 2023.

Woodbridge Nominates Two Directors to Replace Retiring Thomson Reuters (TRI) Board Member

Key Summary: On April 16, 2025, Woodbridge nominated Michael Friisdahl and Paul Sagan to replace retiring director W. Edmund Clark at Thomson Reuters' June 4 AGM.

Market Cap: \$81 billion | Thomson Reuters Corporation operates as a content and technology company in the Americas, Europe, the Middle East, Africa, and the Asia Pacific.

On April 16, 2025, Woodbridge (67%) announced the nomination of Michael Friisdahl and Paul Sagan to the Thomson Reuters board, replacing W. Edmund Clark, who will retire at the June 4, 2025 AGM after serving since 2015. [Source](#)

Deep Track Capital Submits Director Nominations for Dynavax Technologies Corporation's (DVAX) 2025 Annual Meeting

Key Summary: On September 16, 2024, Deep Track Capital (9.6%) announced plans to discuss the company's performance, governance, and cash usage with management. On February 18, 2025, Deep Track (13.5%) submitted a notice to propose a stockholder proposal and nominate Brett A. Erkman, Jeffrey S. Farrow, Michael Mullette, and Donald J. Santel for election as directors at the 2025 Annual Meeting.

Market Cap: \$1.6 billion | Dynavax Technologies Corporation, a commercial stage biopharmaceutical company, focuses on developing and commercializing vaccines in the United States.

- On September 16, 2024, Deep Track Capital (9.6%) announced its intention to discuss with the management and board several issues, including the company's performance, business operations, strategic opportunities, governance (particularly Board composition), and the optimal use of excess cash. [Source](#)
- On February 18, 2025, Deep Track Capital (13.5%) submitted a formal notice under the company's Bylaws to propose a stockholder proposal and nominate directors for the 2025 Annual Meeting. The notice includes the intention to nominate Brett A. Erkman, Jeffrey S. Farrow, Michael Mullette, and Donald J. Santel as director nominees. [Source](#)
- On March 10, 2025, Deep Track Capital sent a [letter](#) to the Board criticizing its capital allocation strategy and governance, particularly regarding its recent issuance of expensive convertible notes. Deep Track reiterated its nomination of four highly qualified candidates for the 2025 Annual Meeting, clarifying that its goal is not to take control but to ensure better shareholder representation.
- On April 7, 2025, Deep Track Capital filed proxy materials seeking support for its nominees.
- On April 16, 2025, Deep Track Capital criticized the board for rejecting its recent settlement proposal to appoint two nominees and rebalance board classes. Deep Track accused the board of entrenchment and ignoring shareholder interests, reiterating its call for investor-driven change and expressing commitment to pursuing board representation through the upcoming 2025 annual meeting.

Marlton Partners nominated Board candidates to 180 Degree Capital Corporation (TURN)

Key Summary: On December 17, 2024, Marlton Partners criticized TURN's -37.3% NAV decline since 2017 and a 26% NAV discount, urging governance changes and nominating three directors to prioritize shareholder value at the Annual Meeting. On January 27, 2025, Marlton Partners, holding 4.6% of 180 Degree Capital (TURN), urged the Board to engage with Source Capital's merger offer, stressing the need to address TURN's underperformance and discount to net asset value. On February 11, 2025, Marlton Partners nominated three independent candidates for the TURN Board. On April 15, 2025, Marlton Partners nominated Messrs. Elbaor, Gliksberg, and Morris for election to the Board at the 2025 annual meeting, which is not yet scheduled

Market Cap: \$36 million | 180 Degree Capital Corp. is a publicly owned corporate pension plan sponsor.

- On December 17, 2024, Marlton Partners issued an open letter to shareholders highlighting the company's underperformance under CEO Kevin Rendino, with a -37.3% decline in NAV since 2017 compared to significant gains in its benchmarks. The fund's persistent 26% discount to NAV represented over \$12.5M in unrealized shareholder value, and Marlton's proposal for a Discount Management Program, including a Conditionally Triggered Tender Offer, was dismissed by TURN's leadership. Marlton criticized TURN's governance, citing lack of accountability, absentee oversight, and management's failure to return capital to shareholders despite facilitating NAV exits for other investors. Marlton nominated three independent director candidates to drive change, narrow the NAV discount, and prioritize shareholder-focused governance, urging TURN shareholders to act at the upcoming Annual General Meeting. [Source](#)
- On January 27, 2025, Marlton Partners and its affiliates urged the Board of 180 Degree Capital Corporation (NASDAQ: TURN) to engage with Source Capital (NYSE: SOR) regarding its proposed merger, citing a market valuation that exceeds TURN's current stock price and market capitalization. Marlton, owning approximately 4.6% of TURN's outstanding stock, emphasized shareholder desire to eliminate the trading discount shown by Source's offer valuing TURN at 101% of its net asset value per share. Marlton reiterated their nomination of three director candidates for TURN's Board, stressing the need for the Board to maximize shareholder value amidst TURN's underperformance and significant discount to NAV. [Source](#)
- On February 11, 2025, Marlton Partners, holding criticized the Board's proposed merger with Mount Logan and rejection of a higher offer from Source Capital. Marlton raised concerns about the loss of investor protections and the lack of shareholder options to tender at NAV. They called for transparency, accountability, and for the Board to prioritize shareholder interests. Marlton also nominated three independent candidates for the TURN Board. [Source](#)
- On April 15, 2025, Marlton Partners nominated Messrs. Elbaor, Gliksberg, and Morris for election to the Board at the 2025 annual meeting, which is not yet scheduled. [Source](#)

Ned L. Sherwood submitted a slate of five director nominees to Barnwell Industries' (BRN)

Key Summary: On January 27, 2021, Barnwell settled with MRMP to re-nominate board representatives. MRMP planned a proxy contest in 2022, and in January 2023, Barnwell agreed to nominate new directors. On January 21, 2025, MRMP terminated the agreement due to a breach and plans to file a proxy statement for new board nominations. On January 28, 2025, Ned L. Sherwood (30%) condemned the company's shareholder rights plan as a move to protect ineffective management and the Kinzler/Grossman family's interests. On February 14, 2025, Ned L. Sherwood submitted a slate of five director nominees for consideration at the company's 2025 Annual Meeting

Market Cap: \$14 million | Barnwell Industries, Inc. operates in four segments namely Oil and Natural Gas Segment, Land Investment Segment, Contract Drilling Segment and Residential Real Estate Segment

- On January 27, 2021, Barnwell entered into a settlement agreement with the shareholder group consisting of MRMP-Managers LLC, NLS Advisory Group, Inc., Ned L. Sherwood, and Bradley M. Tirpak. Pursuant to it, the company would re-nominate MRMP-Managers' three representatives to the board at 2021 AGM.
- With respect to the annual meeting of shareholders of the Company scheduled to be held on May 6, 2022, ISS and Glass, Lewis have each recommended that shareholders vote against the Company's Proposal No. 4, the proposal to amend the Company's certificate of incorporation to authorize blank-check preferred stock. Pursuant to the Cooperation and Support Agreement dated January 27, 2021 with the Company, as a result of the adverse recommendations released by ISS and Glass Lewis, Mr. Sherwood (18.3%) will vote his shares against the Company's Proposal No. 4. [Source](#)
- At the [AGM](#) held on May 6, 2022, the amendment to the Company's certificate of incorporation to authorize blank-check preferred stock was not approved.
- On October 27, 2022, MRMP-Managers LLC (20.1%) has announced that it plans to run a proxy contest for full board control at the company at its 2023 AGM. Ned L. Sherwood of MRMP commented: "We believe change is long overdue at Barnwell. We have grown tired of poison pills, millions of dollars spent on anti-takeover lawyers, and constant roadblocks placed in the way of success for the company. We plan to refocus Barnwell on making profits for shareholders instead of preserving jobs for the CEO and the board. We are confident that we can leave a better legacy than CEO Kinzler's \$42 million in net operating losses." [Source](#)
- On January 21, 2023, Barnwell entered into a settlement [agreement](#) with the shareholder group consisting of MRMP-Managers LLC and Ned L. Sherwood (together 19.6%) and pursuant to it, the Company agreed to nominate Messrs. Woodrum, Grossman and Kinzler, along with two new independent directors, Joshua Horowitz and Laurance Narbut, for election to the Board AGM and 2024 AGM.
- On January 21, 2025, MRMP-Managers LLC, the Ned L. Sherwood Revocable Trust, and Ned L. Sherwood terminated their Cooperation and Support Agreement with

Barnwell Industries due to a material breach by the Company involving a "Special Committee" that overstepped its authority. As a result, the shareholder group is free to purchase additional shares and plan to file a proxy statement to nominate directors at the next annual meeting if the Company rejects their proposals. Sherwood, frustrated by excessive compensation to management and resistance from the board, is now proposing a new slate of five directors to focus on value-building and fair treatment for all shareholders while removing Kinzler, Grossman, and their associates. [Source](#)

- On January 28, 2025, Ned L. Sherwood (30%) condemned the company's shareholder rights plan as a move to protect ineffective management and the Kinzler/Grossman family's interests. He criticized excessive legal fees and executive compensation, especially amid poor performance. Sherwood urged shareholders to support his efforts for change, stating he had backing from at least 40% of shares and called for both sides to use personal funds for any legal battles. [Source](#)
- On February 5, 2025, Ned L. Sherwood, addressing shareholders, responded to inquiries regarding recent company actions and expenditures. He highlighted concerns over an \$18 million company retaining Skadden Arps for a proxy fight, questioned the rationale behind a newly formed "Special Committee," and urged for the prompt scheduling of the 2025 Annual Meeting to mitigate unnecessary expenses. [Source](#)
- On February 14, 2025, Ned L. Sherwood (30%) submitted a slate of five director nominees for consideration at the company's 2025 Annual Meeting, following unsuccessful attempts to agree on a board slate. The company reported a quarterly loss of \$1.9 million or \$0.19 per share, underscoring the urgency to elect his slate for a turnaround. The nominees, selected for their expertise in finance, oil and gas, mergers and acquisitions, investment, and private equity, aim to enhance shareholder value by optimizing oil assets, leveraging tax loss carryforwards, and reducing overhead costs. [Source](#)
- On March 14, 2025, Ned L. Sherwood sent a [letter](#) to shareholders soliciting consent to replace the current board. The Sherwood Group claims that the current board's leadership has resulted in a 53.5% decline in BRN's share price since 2002, arguing that their proposed board members, with over 172 years of collective experience, are better equipped to turn the company around. They urge shareholders to support the new slate by signing and returning the enclosed BLUE consent card.
- On April 3, 2025, Ned L. Sherwood issued an open [letter](#) to the shareholders reiterating his consent solicitation to replace the entire board with five nominees. The

proposed slate promises a strategic overhaul, emphasizing cost reduction, operational consolidation, and efficient use of tax assets to enhance shareholder value.

- On April 17, 2025, Ned L. Sherwood issued a [presentation](#) arguing that urgent change is needed at Barnwell Industries due to years of underperformance, poor capital allocation, and entrenched management under President & COO Alex Kinzler, whose tenure has seen declining market cap, wasted capital, and minimal returns to shareholders. Highlighting a looming financial crisis—with under \$2M in cash and expected losses in March 2025—they allege mismanagement, excessive executive pay, and shareholder disenfranchisement through tactics like bylaw changes and poison pill plans. To address this, Sherwood proposes replacing the board with five independent nominees, closing the Hawaii office, reducing overhead, leveraging tax assets, and focusing on disciplined, value-driven governance.

Meruelo Offers Board Role after Discussing Debt Plans with Bausch Health Companies (BHC)

Key Summary: On March 31, 2025, Mr. Meruelo (9.99%) discussed debt refinancing and future plans with CEO Thomas Appio and offered to join the Board and help find strategic additions. On February 11, 2021, Carl Icahn (7.83%) expressed his intention to discuss enhancing shareholder value, including possible board representation. On February 23, 2021, Icahn entered an agreement with the company to appoint Brett Icahn and Steven Miller as independent directors, with terms expiring at the 2021 AGM. By March 11, 2021, Icahn increased his stake to 9.59%.

Market Cap: \$1.9 billion | Bausch Health Companies Inc. develops, manufactures, and markets a range of pharmaceutical, medical device, and over-the-counter (OTC) products primarily in the therapeutic areas of eye health, gastroenterology, and dermatology.

Alex Meruelo

On March 31, 2025, Mr. Meruelo (9.99%) discussed the company's recent debt refinancing and future plans with CEO Thomas Appio, during which he offered to join the Board and help identify strategic additions. [Source](#)

Carl Icahn

- On February 11, 2021, Carl Icahn (7.83%) stated his intention to engage in discussions with representatives of the management and board regarding ways to enhance shareholder value, including the company's ongoing strategic review. These discussions may also involve possible board representation. [Source](#)
- On February 23, 2021, Carl Icahn (7.83%) entered into a Director Appointment and Nomination Agreement with the company. Under this agreement, Brett Icahn and Steven Miller (Icahn designees) will be appointed as new independent directors, effective mid-March 2021, each serving a term expiring at the company's 2021 annual

meeting. The company has also agreed to include Messrs. B. Icahn and Miller on its slate of nominees for election at the company's 2021 Annual Meeting, scheduled for April 27, 2021, and the Icahn Group has agreed to vote all of its shares in favor of each of the nominees on the Board's slate. [Source](#)

- On March 11, 2021, Carl Icahn increased his stake to 9.59%.

Elliott Launches "Streamline 66" Podcast to Promote Board Nominees and Vision for Phillips 66 (PSX)

Key Summary: On March 4, 2025, Elliott Investment Management (5.5%) nominated seven independent candidates for Phillips 66's 2025 Board election, aiming to simplify the portfolio, enhance operations, and improve management oversight. On March 25, 2025, Elliott Investment Management filed a lawsuit against the company seeking an order for four board seats to be up for election at the 2025 Annual Meeting.

Market Cap: \$44 billion | Phillips 66 operates as an energy manufacturing and logistics company in the United States, the United Kingdom, Germany, and internationally.

- On March 4, 2025, Elliott Investment Management(5.5%) has nominated seven independent candidates for election to the company's Board at the 2025 Annual Meeting. Elliott's proposal aims to simplify Phillips' portfolio, enhance operational reviews, and improve management oversight. [Source](#)
- On March 6, 2025, Elliott issued an Investor [Presentation](#) titled "Streamline66 Presentation for the Wolfe Refining Conference"
- On March 21, 2025, Elliott Investment Management filed proxy materials seeking support for its nominees.
- On March 25, 2025, Elliott Investment Management filed a lawsuit against the company seeking an order for four board seats to be up for election at the 2025 Annual Meeting. Elliott argues the company's decision to reduce board seats from 14 to 12 violates its governing documents. Despite requests for clarification, Phillips has not disclosed the number of seats or its nominees. Elliott plans to withdraw the lawsuit if Phillips confirms at least four seats will be up for election. Elliott also announced a slate of seven director candidates. [Source](#)
- On April 3, 2025, Elliott Investment Management issued a [letter](#) to the shareholders advocating for an upgraded Board due to the company's underperformance compared to peers like Valero and Marathon, with Phillips 66 shares underperforming by -138% and -188% over the past decade . Elliott believes their "Streamline 66" plan could boost shares to \$200 or more . Their key concerns include management's unwillingness to prioritize shareholder value, resistance to accountability, failure to address long-term underperformance, high operating expenses, and a lack of trust in leadership. Management has hindered Elliott's efforts by reneging on adding directors, appointing the CEO as Chairman, refusing to engage with independent directors, and opposing a proposal for annual board elections.

- On April 8, 2025, Elliott Investment Management launched the "Streamline 66" podcast to spotlight its director nominees and campaign at Phillips 66, where it is a top five shareholder. [Source](#)
- On April 9, 2025, Elliott announced support from veteran energy executive Gregory Goff for its "Streamline 66" campaign aimed at driving strategic, operational, and governance improvements. Goff, former CEO of Andeavor and a key figure in one of the sector's most successful transformations, brings decades of experience from roles at ConocoPhillips, Andeavor, and Exxon Mobil. [Source](#)

Ancora Announces Suspension of Campaign Following President Trump's Initiation of New CFIUS Review of U.S. Steel's (X) Sale to Nippon Steel

Key Summary: On January 27, 2025, Ancora Holdings has nominated a new Board slate with Alan Kestenbaum as CEO to replace U.S. Steel's leadership. On April 9, 2025, Ancora announced the withdrawal of its director nominations and suspension of its campaign at U.S. Steel's upcoming Annual Meeting

Market Cap: \$10 billion | United States Steel Corporation produces and sells flat-rolled and tubular steel products primarily in North America and Europe.

- On January 27, 2025, Ancora Holdings stated that it has nominated a majority slate of independent directors for the 2025 U.S. Steel Board, proposing industry veteran Alan Kestenbaum as CEO to replace David Burritt. Ancora criticizes the Board's decision to pursue a risky sale to Nippon Steel, which was blocked by a Presidential Executive Order, and argues that the Board's actions and Burritt's leadership have hindered U.S. Steel's financial health and performance. The slate's plan includes revamping leadership, halting unnecessary spending, and focusing on a public market turnaround. Ancora aims to restore U.S. Steel's operations, protect key facilities, and drive shareholder value without pursuing further sale talks. [Source](#)
- On February 10, 2025, Ancora Holdings issued a [letter](#) to U.S. Steel's Board, urging them to abandon efforts to resurrect the Nippon sale following President Trump's reaffirmation that the deal is dead. Ancora criticized CEO David Burritt for wasting time and resources on the failed merger, and called for the immediate collection of the \$565 million termination fee from Nippon. They proposed Alan Kestenbaum and an independent slate of directors to lead a revitalization of the company through a multibillion-dollar investment plan, emphasizing the importance of prioritizing shareholder interests and avoiding further losses from Burritt's failed leadership.
- On February 27, 2025, Ancora Holdings Group, LLC has urged the Board to postpone the 2025 AGM amidst ongoing uncertainty regarding litigation over the blocked sale to Nippon Steel Corporation. Emphasizing shareholder concerns and support for

delaying the meeting until clarity on the deal's future emerges, Ancora contends that proceeding with the election while promoting hopes of reviving the transaction would be seen as a move to entrench current leadership. [Source](#)

- On April 4, 2025, Ancora published certain materials on makeussteelgreatagain.com/
- On April 7, 2025, Ancora Holdings filed proxy materials seeking support for its nominees. Ancora advocates for pursuing a \$55 per share sale to Nippon Steel Corporation while also proposing an alternative five-point plan under CEO Alan Kestenbaum's leadership. This plan aims to reverse past board decisions, revitalize U.S. Steel's union plants, and deliver a \$19.25 per share special dividend, targeting a pro forma total stockholder return exceeding \$75. [Source](#)
- On April 7, 2025, Ancora urged the board to delay the May 6 annual meeting until after the new 45-day CFIUS review of the \$55 per share Nippon Steel deal, ordered by President Trump, is complete. Ancora supports the deal and believes the election contest would be unnecessary if it's approved but argues that shareholders deserve full clarity before voting. Ancora criticized the board for prioritizing their own retention and reiterated its nomination of nine directors to prepare the company for a standalone future amid ongoing uncertainty. [Source](#)
- On April 9, 2025, Ancora announced the withdrawal of its director nominations and suspension of its campaign at U.S. Steel's upcoming Annual Meeting, citing growing momentum for the \$55/share sale to Nippon Steel and productive dialogue between the parties and the Trump Administration amid a new CFIUS review. [Source](#)

Carronade Capital Nominates Four Directors and Proposes Changes to Boost Cannae Holdings (CNNE) Shareholder Value

Key Summary: On March 20, 2025, Carronade Capital announced it would nominate four director candidates for Cannae's 2025 Annual Meeting. Carronade criticized Cannae's underperformance and governance, proposing cost reductions, better capital allocation, and stronger governance to boost shareholder returns by at least 50%.

Market Cap: \$1 billion | Cannae Holdings, Inc. is a principal investment firm. The firm primarily invests in restaurants, technology enabled healthcare services, financial services and more.

- On March 20, 2025, Carronade Capital Management announced it would nominate four director candidates for election at 2025 Annual Meeting. Carronade criticized Cannae's underperformance and poor governance practices, citing persistent capital allocation issues and misalignment between management and shareholders. The firm proposed reducing overhead costs, improving capital allocation, unlocking portfolio value, and instituting stronger governance to increase shareholder returns by at least 50%. [Source](#)
- On April 7, 2025, Carronade issued a [press release](#) nominating four independent candidates for the Board. Carronade criticizes Cannae's recent actions as insufficient

to address chronic underperformance, poor governance, and excessive executive payouts. The firm believes the current Board's behavior undermines shareholder value and that new independent directors are needed to unlock potential and address ongoing issues.

Soleus Pressures Theratechnologies (THTX) to Consider Future Pak's \$3.51 Buyout Offer

Key Summary: Soleus Capital (10.5%) has pushed Theratechnologies since November 2023 to enhance shareholder value, including board changes and exploring strategic options. On April 11, 2025, it urged the Board to consider Future Pak's \$3.51 all-cash offer, criticizing management for ignoring buyers and acting in self-interest.

Market Cap: \$89 million | Theratechnologies Inc., a biopharmaceutical company, focuses on the development and commercialization of various therapies to address the unmet medical needs in the United States, Canada, and Europe.

- On November 28, 2023, Soleus Capital (10.5%) communicated with the Board and management about enhancing stockholder value, including the potential appointment of a designated candidate to the Board and engaging an investment bank for strategic transactions. [Source](#)
- On April 11, 2025, Soleus Capital urged Theratechnologies to engage with Future Pak's acquisition offer of at least \$3.51 per share—a 163% premium—criticizing management for not constructively engaging with potential buyers. Soleus warned that repeated rejections suggest management is acting in self-interest and urged the Board to fulfill its fiduciary duty by seriously considering and presenting the offer to shareholders.

Mina Sooch withdraws her slate of nominees at Opus Genetics, Inc (IRD)

Key Summary: On February 7, 2025, Mina Sooch, founder of Opus Genetics nominated Board candidates to the company. On April 9, 2025, Ms. Sooch determined to withdraw her slate of nominees for election to the Board at the Annual Meeting

Market Cap: \$42 million | Opus Genetics, Inc., a clinical-stage ophthalmic biopharmaceutical company, focuses on developing and commercializing therapies for the treatment of unmet needs of patients with refractive and retinal eye disorders.

- On February 7, 2025, Mina Sooch, founder of Opus Genetics, has nominated a seven-member "Restore Value Slate" for the Board, citing strategic, management, and capital allocation failures that led to an 80% stock decline over 22 months. The group, holding 4.1% of shares, aims to restore governance, curb unnecessary spending, and refocus on Ryzumvi™, a high-value FDA-approved asset, rather than the capital-intensive gene therapy pivot executed without shareholder approval. [Source](#)
- On March 21, 2025, Mina Sooch filed proxy materials seeking support for her nominees

- On April 1, 2025, the Restore Value Slate launched a website to communicate with the Company's stockholders. The website address is <https://restorevalueslate.com/>.
- On April 9, 2025, Ms. Sooch determined to withdraw her slate of nominees for election to the Board at the Annual Meeting. [Source](#)

[Allen Hartman Calls for Haddock's Removal Over Excessive Stock Grant at Silver Star Properties REIT \(SLVS\)](#)

Key Summary: In Oct 2023, Allen R. Hartman advocated for Silver Star's liquidation and criticized mismanagement, leading to legal disputes regarding annual meetings. In Dec 2023, Hartman was sued by Silver Star for alleged misconduct. In Jan 2024, the company is conducting a Consent Solicitation to re-elect directors, which Hartman opposes, citing board actions that thwart stockholder choices and violate the company's charter. On March 21, 2025, Allen R. Hartman delivered a letter to the company nominating a slate of three director candidates for election to the board at the 2025 Annual Meeting of Stockholders. On April 10, 2025, Al Hartman criticized Silver Star CEO Gerald Haddock for awarding himself 1 million shares, calling it excessive and a breach of duty.

Market Cap: \$23 million| Silver Star Properties REIT, Inc. is a self-managed real estate investment trust that is currently repositioning in an orderly manner into the self storage asset class.

- On October 17, 2023, Allen R. Hartman (15%) expressed his belief that Silver Star should pursue a liquidation strategy and return capital to investors due to perceived mismanagement. He argued that most stockholders would prefer their capital returned in a Texas commercial property REIT rather than risking it in a national self-storage strategy. Mr. Hartman attributed Silver Star's declining value to mismanagement by the Executive Committee, led by Gerald Haddock. He accused Silver Star of adopting a short-term liquidation approach with asset sales at discounted prices and overinvestment in self-storage ventures at high costs to investors. Silver Star hadn't held an annual stockholder meeting since 2013, leading Mr. Hartman to file a lawsuit for a 2023 meeting. In response, Silver Star changed its Bylaws to allow stockholders to act without a meeting, a move contested by Mr. Hartman as violating Maryland law. Additionally, he and vREIT requested access to Silver Star's stock ledger, which was denied, claiming a lack of a "legitimate purpose." [Source](#)
- On October 19, 2023, Mr. Hartman and vREIT filed a First Amended Complaint in the Maryland Litigation to compel a 2023 annual meeting, inspect the stock ledger, and declare the Purported Bylaw Amendment unlawful. [Source](#)
- On December 14, 2023, Allen R. Hartman issued a [press release](#) disclosing that he object to the ongoing consent solicitation and that he is going to vote "NO" to the proposal in the Consent Solicitation for the re-election of Jack I. Tompkins, Gerald W. Haddock and James S. Still to the Board.
- On December 14, 2023, Silver Star Properties REIT, Inc. initiated legal proceedings against Allen R. Hartman and related parties, alleging multiple charges including

fraud, conspiracy, slander of title, and breach of contract. The company contends that the Hartman Defendants engaged in self-dealing, misused company resources, breached fiduciary duties, and conducted fraudulent litigation, resulting in substantial damages. These legal actions seek to address the alleged misconduct and facilitate the recovery of damages. [Source](#)

- On January 8, 2024, Silver Star Properties REIT, Inc. stated that it is conducting a Consent Solicitation to re-elect incumbent directors while seeking to reduce the board's size, effectively removing Allen Hartman. Hartman, the largest stockholder, strongly opposes the re-election, alleging that the board is avoiding an annual meeting, violating the company's charter, and preventing meaningful stockholder choices. [Source](#)

Silver Star has not held an annual meeting of stockholders in a number of years. The Entrenched Directors have blocked all of Hartman's efforts to hold an annual meeting where stockholders could have a choice between re-electing the Entrenched Directors versus an alternative slate that has a different vision of the Company. This summer, Hartman reminded the Company of its obligations under law and its charter to hold an annual meeting for the purpose of electing directors and asked when one would be scheduled. Rather than schedule a meeting, the Board enacted a bylaw amendment in an attempt to avoid an annual meeting where stockholders would have a choice, and instead the bylaw amendment would permit directors to be elected by stockholder consent obtained through a consent solicitation. The Hartman Group believes the bylaw amendment was made in bad faith by the Entrenched Directors, is a blatant manipulation of the corporate machinery by them to remain in office, and violates Silver Star's charter and Maryland law. Hartman has been forced to resort to litigation, and has in fact sued the Company and the Entrenched Directors to declare the bylaw amendment invalid and to compel an annual meeting.

- On January 12, 2024, Allen Hartman and the Hartman Group sent an email to the shareholders, expressing frustration with the current Board and advocating for the liquidation of the company instead of pursuing a self-storage strategy. They proposed a new board focused on selling properties, paying down debt, and returning capital to shareholders. They cited an estimated conservative value of \$8.00 per share and urged investors to revoke their consent solicitation votes to push for liquidation. [Source](#)
- On January 18, 2024, Allen Hartman and the Hartman Group sent a [letter](#) to the shareholders countering Haddock's (CEO of the company) claims and the ongoing Consent Solicitation. Hartman denied using the company for personal gain, unlike Haddock, who took fees and awarded himself convertible units. He criticized Haddock's lack of experience and mismanagement, leading to poor company performance and auditor issues. Hartman emphasized the need for liquidation as per the company's charter, opposing the Board's new strategy. He called for a shareholder meeting to decide on asset sales and capital return, urging shareholders to revoke consent to the Board's current plans.

- On Feb 1, 2024, the company [announced](#) that its consent solicitation closed on January 29, 2024. A Maryland court granted a preliminary injunction preventing the Company from counting votes until further notice. The Company is evaluating its options, but existing directors, including the Executive Committee, will remain in place regardless of the vote outcome.
- On March 21, 2025, Allen R. Hartman (7.9%) delivered a letter to the company nominating a slate of three director candidates, Allen R. Hartman, Brent Longnecker and Benjamin Thomas, for election to the board at the 2025 Annual Meeting of Stockholders. [Source](#)
- On April 1, 2025, the Hartman Group issued a [letter](#) to the shareholders criticizing Silver Star Properties' leadership under Haddock, blaming them for destroying \$278 million in net asset value since 2022 through their failed "New Direction Plan." They disputed SSP's financial claims, highlighted past tenant satisfaction, and accused management of poor asset sales, mismanagement, and excessive compensation. The letter referenced a court order requiring a shareholder vote within six months to choose between liquidation and an alternative strategy, urging shareholders to consider replacing the board and holding management accountable.
- On April 10, 2025, Al Hartman issued a [letter](#) to Silver Star shareholders condemning CEO Gerald Haddock's award of 1 million shares to himself, calling it excessive and lacking endorsement from reputable compensation experts. Hartman said he spoke with 35 major shareholders representing nearly 20% of shares—97% of whom want Haddock removed. He accused Haddock of breaching fiduciary duty and prioritizing self-enrichment despite the company's poor performance, suggesting legal action may follow his removal.

Edge One Capital Management to Engage with BuzzFeed, Inc (BZFD)

Key Summary: On April 1, 2025, Edge One Capital Management (5.42%) announced plans to engage with BuzzFeed, Inc

Market Cap: \$82 million| BuzzFeed, Inc., a digital media company, distributes content across owned and operated, as well as third-party platforms.

On April 1, 2025, Edge One Capital Management (5.42%) announced plans to engage with the board, management, shareholders, and analysts on the business's operations, financial condition, governance, and strategy. [Source](#)

Anson Funds nominated Board candidates to Match Group (MTCH)

Key Summary: On March 11, 2025, Anson Funds announced plans to nominate directors to the board, pushing for changes in capital allocation, cost-cutting, and a review of the MG Asia business. On April 3, 2025, Anson Funds nominated Fumbi Chima, Laura Lee, and Kelley Morrell for election to the Board at the 2025 Annual Meeting. On July 15, 2024,

Starboard Value (6.6%) delivered a letter to Match Group expressing concerns about its underperformance and undervaluation, suggesting the Board explore all value creation options, including potential privatization. Starboard highlighted Match's significant discount compared to peers, trading at less than 8.5x 2024 free cash flow, and emphasized the need for operational improvements, particularly at Tinder, along with a more aggressive share repurchase program. They projected Match could generate \$5.50 or more of free cash flow per share by 2026.

Market Cap: \$7.8 billion | Match Group, Inc. engages in the provision of dating products.

Anson Funds

- On March 11, 2025, Anson Funds (0.6%) announced plans to nominate directors to Match Group Inc.'s board, pushing for changes in capital allocation, cost-cutting, and a review of the MG Asia business. Anson raised concerns over governance issues, including high executive turnover, and expressed dissatisfaction with the slow pace of reforms despite recent changes, such as an investor day and capital return commitments.
- On April 3, 2025, Anson Funds nominated Fumbi Chima, Laura Lee, and Kelley Morrell for election to the Board at the 2025 Annual Meeting, highlighting the urgent need for change due to the company's long-term underperformance. In a [letter](#) to stockholders, Anson Funds criticized Match's outdated and insular Board, which is poorly equipped to oversee a modern tech company, citing its continued underperformance despite four CEO changes in five years.

Starboard Value

On July 15, 2024, Starboard Value (6.6%) delivered a [letter](#) to the company expressing concerns about its underperformance and undervaluation. They suggested the Board explore all value creation options, including potential privatization. Starboard highlighted Match's declining share price and underperformance since its separation from IAC, noting it traded at a significant discount compared to peers. They emphasized the need for operational improvements, particularly at Tinder, and suggested a more aggressive share repurchase program to enhance shareholder value.

Valuation insight

Starboard stated, "Match is currently trading at less than 8.5x 2024 free cash flow, a level we believe dramatically undervalues the Company. At or around the current valuation, we believe Match should be using 75% or more of its free cash flow, plus some or all of the approximately \$900 million of available capacity under its 3.0x net leverage target, to repurchase shares. These buybacks would enable Match to shrink its share count, and, if coupled with the operational improvement opportunities outlined above, these buybacks can significantly accelerate free cash flow per share growth. We believe there is no better use of cash for Match than repurchasing its own shares at this level. We believe Match can generate \$5.50 or more of free cash flow per share in 2026."

Broadwood Partners Increases Stake to 25.4% and Backs New CEO of STAAR Surgical Company (STAA)

Key Summary: Broadwood Partners noted progress in STAAR Surgical Company. On Jan 10, 2024 (22.1%), despite a stock price dip, it believed in the company's growth and opposed undervalued acquisitions. It stressed corporate governance and planned to engage for more enhancements and value creation. On March 3, 2025, Broadwood Partners increased its stake to 24.2% and supported the new CEO, aiming for improved profitability and long-term shareholder value. On April 2, 2025, Broadwood Partners raised its stake to 25.4%, backed the new CEO and Interim CFO for their strong track records, and welcomed governance improvements, including separating the CEO and Chair roles and adding Asia-focused directors.

Market Cap: \$868 million | STAAR Surgical Company designs, develops, manufactures and sells implantable lenses for the eye and delivery systems used to deliver the lenses into the eye.

- On January 10, 2024, Broadwood Partners (22.1%) stated that despite the company's stock price having fallen since its last filing in November 2023, it believed the company had continued to grow and improve its financials. It opposed any acquisition offer at a price below its perceived long-term value. Broadwood Partners also emphasized the importance of corporate governance and shareholder alignment, noting past contributions and recent improvements. It planned to remain engaged in dialogue with the Board and other shareholders for further governance enhancements and value creation. [Source](#)
- On March 3, 2025, Broadwood Partners raised its stake to 24.2% and expressed support for the new CEO, expecting improved profitability and growth, while also engaging with the Board on governance and strategic issues to foster long-term shareholder value. [Source](#)
- On April 2, 2025, Broadwood Partners raised its stake to 25.4% and support the new CEO and Interim CFO, citing their track records, and welcome recent governance improvements, including the separation of CEO and Chair roles and the addition of Asia-focused directors.

Past

In 2015, Broadwood Partners disclosed a 2.3% stake and sought a board seat, while it increased its holdings from 17.3% to 21.6%, citing governance and alignment concerns and faith in management. In 2016, Broadwood's stake grew to 27%, recognizing governance improvements but maintaining alignment concerns, emphasizing the need for more progress. In August 2018, holding 24.7%, Broadwood Partners noted substantial company progress under improved management, better results, and increased recognition, acknowledging governance advancements and committing to ongoing dialogue for long-term value. In August 2020, with a 23.6% stake, it reaffirmed its belief in the company's progress, and on January 28, 2021, at 21.5%, expressed

satisfaction with ongoing corporate governance enhancements, crediting shareholder-oriented governance since 2014-2016 via shareholder-board dialogue.

Askeladden Capital Management Engages Management and Submits Director Nominations for 2025 Annual Meeting at AstroNova, Inc (ALOT)

Key Summary: On March 17, 2025, Askeladden Capital Management (9.3%) expressed disappointment in the company's performance and lack of transparency regarding shareholder value. They are engaging with management and the Board to explore ways to maximize value, including potential actions like nominating directors, recommending strategic changes, or seeking Board representation. On March 20, 2025, they submitted a formal notice for a stockholder proposal and director nominations for the 2025 Annual Meeting.

Market Cap: \$68 million | AstroNova, Inc. designs, develops, manufactures, and distributes specialty printers, and data acquisition and analysis systems in the United States, Europe, Asia, Canada, Central and South America, and internationally.

- On March 17, 2025, Askeladden Capital Management (9.3%) expressed disappointment in the company's performance and transparency regarding shareholder value. They are engaging with management and the Board to explore ways to maximize value and may take further actions, including engaging other shareholders, recommending strategic changes, or seeking Board representation and management changes. [Source](#)
- On March 27, 2025, Askeladden Capital Management stated that they are engaging with the management and Board to explore ways to enhance shareholder value, including potential actions like nominating directors, suggesting strategic changes, or seeking board representation. On March 20, 2025, Askeladden Capital submitted a formal notice to present a stockholder proposal and nominate candidates for the 2025 Annual Meeting. [Source](#)
- On April 3, 2025, Askeladden Capital Management issued a [letter](#) to the shareholders stating that the company has seen significant shareholder value destruction, losing nearly 50% of its share price since the May 2024 acquisition of MTEX, a decision that led to a 70% writedown and an event of default due to poor due diligence. Despite its recurring revenue base, AstroNova's stock has underperformed both small and micro-cap benchmarks, with severe profitability declines, including a nearly 40% reduction in expected EBITDA margins for FY 2026. Also Askeladden Capital nominated five candidates for election to the Board at the upcoming AGM.

Radoff-Torok Group Withdraws Board Nominee Slate for TETRA Technologies' (TTI) 2025 Annual Meeting

Key Summary: On March 24, 2025, the Radoff-Torok Group proposed four independent director candidates and criticize the current board's failure to address strategic, financial, and governance shortcomings, advocating for a focused, profitable business approach. On

April 2, 2025, the Radoff-Torok Group determined to withdraw its slate of nominees for election to the Board at the Annual Meeting.

Market Cap: \$399 million | TETRA Technologies, Inc., together with its subsidiaries, operates as an energy services and solutions company.

- On March 24, 2025, Bradley L. Radoff and Michael Torok ("the Radoff-Torok Group") plan to file a preliminary proxy statement with the SEC, to nominate their slate of directors for 2025 annual meeting. The group, holding over 4.9% cited long-standing underperformance and governance issues, urging board changes to enhance shareholder value. They proposed four independent director candidates and criticize the current board's failure to address strategic, financial, and governance shortcomings, advocating for a focused, profitable business approach. [Source](#)
- On April 2, 2025, the Radoff-Torok Group determined to withdraw its slate of nominees for election to the Board at the Annual Meeting. [Source](#)

CEO & CFO CHANGES

	M.Cap	Revenue	Industry	Difference (in months)
SPIRE INC (SR)	4466	2510	Utilities - Regulated Gas	5.3
National Vision Holdings, Inc. (EYE)	976	1820	Specialty Retail	2.1
COGNEX CORP (CGNX)	4624	915	Scientific & Technical Instruments	12.1
Sylvamo Corp (SLVM)	2422	3770	Paper & Paper Products	0
AVANOS MEDICAL, INC. (AVNS)	572	687.8	Medical Devices	0
Evolv Technologies Holdings, Inc. (EVLV)	512	89.22	Security & Protection Services	4.5
Mastech Digital, Inc. (MHH)	105	198.94	Staffing & Employment Services	3.6
MasterCraft Boat Holdings, Inc. (MCFT)	257	311.26	Recreational Vehicles	13.3
JACK IN THE BOX INC (JACK)	513	1550	Restaurants	4.6
Pactiv Evergreen Inc. (PTVE)	3253	5150	Packaging & Containers	0
DULUTH HOLDINGS INC. (DLTH)	64	627	Apparel Retail	14.5
RumbleOn, Inc. (RMBL)	105	1210	Auto & Truck Dealerships	2.5
MYERS INDUSTRIES INC (MYE)	471	836	Packaging & Containers	4.4
FRANKLIN ELECTRIC CO INC (FELE)	4206	2020	Specialty Industrial Machinery	10.8

NEW CEO APPOINTMENTS

8-K Date	Company Name	Ticker	M.cap	Revenue	CEO Name
4/25/2025	SPIRE INC	SR	4466	2510	Scott Doyle
4/29/2025	National Vision Holdings, Inc.	EYE	976	1820	Alex Wilkes
4/30/2025	COGNEX CORP	CGNX	4624	915	Matthew Moschner
5/1/2025	Vacasa, Inc.	VCSA	123	910	Steve Schwab
5/1/2025	KOHL'S Corp	KSS	803	16221	Michael J. Bender
5/1/2025	PROS Holdings, Inc.	PRO	805	330	Jeffrey (Jeff) B. Cotton
5/1/2025	RENASANT CORP	RNST	3072	710	Kevin D. Chapman
5/2/2025	Fat Brands, Inc	FAT	51	593	Taylor Wiederhorn
4/22/2025	PATTERSON COMPANIES, INC.	PDCO	2772	6510	Robert Rajalingam
4/24/2025	Integer Holdings Corp	ITGR	4238	1720	Payman Khales
4/14/2025	Brookdale Senior Living Inc.	BKD	1249	2980	Denise W. Warren
4/16/2025	Sylvamo Corp	SLVM	2422	3770	John V. Sims
4/7/2025	PRA GROUP INC	PRAA	709	1110	Martin Sjolund
4/10/2025	SmartRent, Inc.	SMRT	156	175	John Dorman
3/28/2025	Seritage Growth Properties	SRG	186	56	Adam Metz
3/31/2025	Open Lending Corp	LPRO	329	96	Jessica Buss
3/31/2025	Twin Hospitality Group Inc.	TWNP	342	354	Kenneth Kuick
3/31/2025	MONRO, INC.	MNRO	433	1210	Peter Fitzsimmons
3/31/2025	JACK IN THE BOX INC	JACK	513	1550	Lance Tucker
3/31/2025	TIMKEN CO	TKR	5043	4570	Richard G. Kyle
4/1/2025	InfuSystem Holdings, Inc	INFU	113	135	Carrie Lachance
4/1/2025	Phathom Pharmaceuticals, Inc.	PHAT	357	55	Steven Basta

4/1/2025	Pactiv Evergreen Inc.	PTVE	3253	5150	Stanley Bikulege
4/2/2025	DULUTH HOLDINGS INC.	DLTH	64	627	Stephanie L. Pugliese
4/2/2025	Enovis CORP	ENOV	2107	2110	Damien McDonald
4/3/2025	Emeren Group Ltd	SOL	81	92	Julia Xu