



**SNOWBALL  
RESEARCH**

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# **Snowball Research Notes**

- + Idea Generation Report**
- + Activism**
- + Significant Events**



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# Bloomin' Brands (BLMN): Deeply undervalued; solid FCF; announcement of strategic alternatives for Brazilian business after settlement agreement with Starboard; trading below the purchase cost of Starboard

## I. RESEARCH

### 1. Basics

- Outback Steakhouse: Outback Steakhouse is a casual steakhouse restaurant concept.
- Carrabba's Italian Grill: Offering authentic Italian cuisine.
- Bonefish Grill: Bonefish Grill specializes in fish from around the world.
- Fleming's Prime Steakhouse & Wine Bar: A classic American steakhouse.

### 2. Declining US restaurant count

- All four U.S. restaurant store counts declined when compared to the FY 2016 count.
- Restaurant count

(\$, mm)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024	Decline
Outback Steakhouse	755	740	733	724	706	694	693	688	669	-11%
Carrabba's Italian Grill	244	228	227	225	220	219	218	217	210	-14%
Bonefish Grill	210	201	197	197	187	185	180	176	166	-21%
Fleming's Prime Steakhouse & Wine Bar	68	69	70	68	63	64	65	64	64	-6%

### 3. Stagnant financials

- While the company experienced a decline in revenue from FY 2014 to FY 2019, followed by a significant drop in FY 2020, it showed a strong recovery in the subsequent years.
- The LTM March 2024 figure of \$4,621 million shows a slight decrease from FY 2023 but is still above the pre-pandemic levels.
- Q1 2024: Despite the revenue decline in Q1 2024 compared to Q1 2023, it's important to note that Q1 2024 did not include the high-volume week of December 26th through December 31st, which was part of Q1 2023.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
Net sales	4443	4378	4261	4223	4126	4139	3171	4122	4417	4671	4621
Operating income	192	231	124	139	145	191	-175	309	330	325	281
Net Income	96	132	44	104	110	134	-159	223	109	254	243

#### 4. Excellent FCF

- In the last 10 years (2014-2023), the company generated a cumulative FCF of \$1.47 billion.

(\$, mm)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
CFO	352	395	341	409	288	318	139	402	391	532	416
Capex	238	210	261	261	208	162	88	123	220	324	325
FCF	114	185	80	148	80	156	51	279	171	208	91

## II. RECENT CHANGES

### 1. Settlement agreement with Starboard

- On January 2, 2024, the company entered into a settlement agreement with Starboard. Pursuant to the agreement, two nominees of Starboard, Messrs. George and Sagal, were appointed by the Board.

### 2. Operating committee:

- The company's board formed an Operating Committee consisting of Messrs. George (Chair), Mahoney, Mohan, and Sagal. Two of the four members are Starboard representatives.

### 3. Recent management changes

- In April 2024, the company appointed a new CFO.
- Within a month, in May 2024, the company's CEO announced his intention to retire.
- We expect the revamped board, which includes Starboard nominees, to appoint a new CEO with an excellent track record of creating shareholder value.

### 4. Strategic alternatives of Brazilian business

- In May 2024, the company announced that it is exploring and evaluating strategic alternatives for its Brazil operations, including, but not limited to, a possible sale of the operations.

## III. COMMENTS

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### 1. Trading at depressed valuation

#### Current valuation

- M.Cap: \$1.66 billion
- Debt: \$0.95 billion
- Cash: \$0.132 billion
- EV: \$2.48 billion
- Average free cash flow for the past 10 years: \$147 million
- Average free cash flow for the past three years: \$219 million
- FCF (3-year avg and 10-year avg) / EV: 6% to 8.8%

#### Most shorted stock

Hazeltree's Shortside Crowdedness Report is a monthly listing of the top 10 shorted securities. As per the report, Bloomin' Brands is among the three most shorted stocks in US Small-Cap stocks. [Hazeltree Shortside Report - May 2024](#) and [PDF Report](#).

## a) Comparable valuation

(\$, billion)	M.Cap	Debt	Cash	EV	Revenue	EV/Revenue
Darden Restaurants (DRI)	18.27	1.53	0.244	19.6	11.2	1.75X
Texas Roadhouse (TXRH)	11.46	Nil	0.213	11.2	4.78	2.35X
Bloomin' Brands (BLMN)	1.6	1.0	0.1	2.4	4.6	0.5X

## b) Recent M&A

### i) Acquisition of Chain Fogo de

- In September 2023, Bain Capital acquired the Brazilian steakhouse chain Fogo de Chao for \$1.1 billion.
- Fogo operates in 76 locations.
- FY 2022: Revenue: \$546M; Net income: \$30.3M
- EV/Revenue: 2X
- <https://www.reuters.com/markets/deals/bain-capital-buys-brazilian-steakhouse-chain-fogo-de-cho-11-bln-deal-2023-08-15/>

### ii) Acquisition of Ruth's hospitality

- Ruth's hospitality's revenue grew from \$278M in 2020 to \$506M in 2022.
- Darden acquired Ruth's hospitality for \$815M.
- EV/Revenue: 1.6X

Overall –

Comparable companies are trading at 1.75X to 2.35X revenue, and comparable M&A transactions ranged between 1.6X to 2X revenue. The company is currently trading at 0.5X revenue.

## 2. Valuation after adjusting for the valuation of Brazilian operation

Since the company announced that it is exploring strategic alternatives for its Brazilian operations, we think the best course of action is to sell the company.

If we value Bloomin's Brazilian restaurant chain at the recent takeover multiple of 1.6X to 2X revenue, it could be worth roughly \$850 million to \$1 billion (Revenue: \$532 million).

At the same time, this Brazilian restaurant chain could fetch a good price. Why?

### 1. Bloomin's international business generates higher margins.

Adjusted restaurant-level operating margin	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
U.S.	15%	14.5%	14.2%	14.2%	9.8%	17.1%	15.4%	15.4%	13.8%
International	18.8%	20.6%	18.8%	20.3%	8.3%	12.7%	18.5%	20.5%	15.8%

### 2. Bloomin's Brazilian Outback business has a huge fan following. Please see the articles below about its popularity.

- <https://www.washingtonpost.com/world/2023/06/20/brazil-outback-steakhouse-popular/>
- <https://www.cnn.com/2023/09/12/how-outback-success-in-brazil-keeps-australian-style-bbq-chain-alive.html>

- <https://www.thetakeout.com/why-outback-steakhouse-brazil-locations-are-so-popular-1850842364/>

3. The Brazilian Outback business is rapidly expanding.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
No of Outback Steakhouse location- Brazil	83	87	92	99	109	122	139	155	159

### Debt repayment

The best-case scenario is to repay the entire debt from the proceeds.

#### Revised EV

Revenue (after excluding Brazilian operation): \$4 billion

M.Cap: \$1.66 billion

Debt: Nil (Assuming the company repays the entire \$950M debt from the proceeds and free cash flow)

Cash: \$0.132 billion

EV: \$1.5 billion

Revised EV/Revenue: 0.38X

#### Base case scenario

Even though peer group and recent takeover multiple is 1.7X and above, if we still value Bloomin's Brand at 1X revenue, the value of the business (except Brazil operation) is \$4 billion.

Potential upside: 140%

#### Best case scenario

If we value the remaining business at 2X revenue, the value of business is \$8 billion.

Potential upside: 300%

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### 3. Additional thoughts: Texas Roadhouse Vs Bloomin' Brands

As of now, Texas Roadhouse and Bloomin' Brands are similar restaurants.

#### Revenue

- Texas Roadhouse: \$4.78 billion
- Bloomin's Brands: \$4.62 billion

## Cash flow

- Bloomin's Brands

\$, mm	FY 2021	FY 2022	FY 2023
CFO	402	391	532
Capex	123	220	324
FCF	279	171	208

- Texas Roadhouse

(\$, mm)	2021	2022	2023
CFO	469	512	565
Capex	200	246	347
FCF	269	266	218

## EV/Revenue

- Texas Roadhouse: 2.4X
- Bloomin's Brands: 0.5X

Unlike Bloomin' Brands, Texas Roadhouse's revenue grew from \$1.6 billion in FY 2014 to \$4.8 billion in LTM March 2024. Moreover, Texas Roadhouse is debt-free.

So, there is no doubt that Texas Roadhouse should demand a higher multiple. At the same time, Texas Roadhouse's EV is \$11 billion. In contrast, Bloomin' Brands' EV is \$2.4 billion. This minuscule valuation doesn't make sense given the solid FCF generating capability of Bloomin' Brands, which is similar to that of Texas Roadhouse.

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### **4. Company is trading below the purchase cost of Starboard**

When Starboard disclosed its active stake, its average purchase cost was \$25.8 per share. The current stock price is \$18.56, trading 28% below Starboard's purchase cost. Starboard has two nominees on the board. Within six months after the settlement agreement, the company's CEO announced his resignation, the company hired a new CFO, and the company is exploring strategic alternatives for its Brazilian operations. It is clear that the nominees are rolling up their sleeves to make changes.

Bloomin' Brands is the 10th largest position of Starboard, accounting for roughly 5% of its portfolio. What does this mean? This simply means Starboard has a solid skin in the game to win. Given the fact that the stock is trading below its purchase cost, it would take all actions to unlock the value.

We expect Starboard to replicate the success it had with Darden and Papa John's.

The presentation by Starboard below is a MUST read.

[https://www.starboardvalue.com/wp-content/uploads/2023\\_C4K\\_Conference\\_Presentation - Bloomin Brands Inc.pdf](https://www.starboardvalue.com/wp-content/uploads/2023_C4K_Conference_Presentation_-_Bloomin_Brands_Inc.pdf)

# The Children's Place (PLCE): Recent changes; Trading below Mithaq's purchase cost

## I. BACKGROUND

Some quick background about Children's place-

Over the past 14 years, the company's revenue has remained relatively flat and has generated annual net income ranging from \$53 million to \$187 million, with only a few years of reported losses. During this same period, the company produced annual free cash flows between \$69 million and \$140 million, most of which were used for share buybacks. Since FY2009, the company has repurchased \$1.598 billion worth of shares and distributed \$135 million in cash dividends. This strategy reduced the share count from 29.5 million to 12.6 million shares, a net reduction of 57.3%, even after accounting for shares issued as stock-based compensation to management.

### **Mithaq acquiring controlled stake**

In February 2024, **Mithaq** had acquired more than 50% of the company's o/s shares of common stock and became a controlling shareholder of the Company. As of now, it owns 56.1%. Four out of five current board of directors are nominees of Mithaq.

### **Background of Mithaq Capital**

Mithaq Capital is owned by the Saudi Al-Rajhi family and directed by Turki Saleh al-Rajhi and Muhammad Asif Seemab.

Al-Rajhis are Saudi Arabia's richest non-royals. The Al-Rajhi family also owns Al-Rajhi Bank, which is considered the world's largest Islamic financial institute with more than 600 branches worldwide.

Mithaq Capital abides by Shariah compliance. Shariah compliance refers to adhering to Islamic law (Shariah) in financial and business practices. Shariah compliance prohibits collecting or paying interest on debt.

Almost all of the networth of Turki Saleh al-Rajhi, and a significant portion of Asif is invested in Mithaq.

On a different note, in May 2024, Mithaq has nominated nominees for the election to the Board of Directors of Aimia (TSX: AIM) <https://www.newswire.ca/news-releases/mithaq-announces-nominees-for-election-to-the-board-of-directors-of-aimia-882229929.html>

## II. RECENT CHANGES

### **1. Interest-free loan from Mithaq**

Since February, 2024, the Company has received \$168.6 million in funding from Mithaq, composed of the \$90 million New Mithaq Term Loan and the previously

announced \$78.6 million in interest-free, unsecured and subordinated term loan funding

## **2. Management changes**

In May 2024, the company's long-term CEO resigned and the company appointed Umair as an Interim CEO. Umair was one of four nominees of Mithaq who joined the board. He has finance background.

## **3. Operational insights/discussions from the Chairman letter**

In a May 2024 letter to shareholders, board chairman Turki AlRajhi, who is also chairman and CEO of Mithaq, outlined his thoughts on various aspects of the business, capital allocation, and operational improvement. It is an excellent letter that can be accessed here - <https://corporate.childrensplace.com/static/2023-2024%20Chairman%E2%80%99s%20Letter%20to%20TCP%E2%80%99s%20Shareholders.pdf>

The attention to detail is commendable. Here are a few "operational" discussions-

- **Expanding & automating SEDC for cost savings and efficiency:** The chairman says that the company has 120 acres of land in Fort Payne, Alabama. The South East Distribution Center (SEDC) occupies 16 acres, with the rest used for parking or left unused. The company handles over 53 million units annually, with 20 million units stored at the SEDC, 11.8 million units at a third-party fulfillment center, and the rest in seven offsite warehouses. The company pays about \$15 million annually for renting these offsite locations. The SEDC is mostly automated, but the labor-intensive picking process requires employees to walk an average of 7 miles daily. Fulfillment costs at third-party locations are higher than at the SEDC, and storing inventory at multiple sites leads to inefficiencies like duplicate inventory and split shipments. To address these issues, management will seek proposals to expand and automate the SEDC, aiming to save costs and enhance overall operational efficiency.
- **Minimum order size for free shipping to save cost:** The chairman says that the company has always offered free shipping without a minimum order size, but this led to significant losses on low-value orders. Most competitors require a minimum order size of \$35 to \$50 for free shipping. In February 2024, the company set a \$20 minimum order size for free shipping, with a free option still available through the buy-online-ship-to-store (BOSS) method. Data shows that orders between \$20 and \$39.99 often result in a loss or only a small profit, covered only by a sufficient gross margin. Therefore, increasing the minimum order size further while staying competitive is being carefully considered by management.
- **Reduction in corporate team?** The chairman says that the increase in staff at the headquarters can create excessive bureaucracy and complexity. Since most of the company's revenue comes from e-commerce (54% of retail revenue is generated from e-commerce), the number of staff should be adjusted to reflect this focus.
- **Zero-based budgeting:** The chairman says that they will implement a zero-based budgeting approach across all departments to identify further opportunities for efficiency. Additionally, they will apply technology-led optimization initiatives to automate repetitive tasks, reduce costs, and improve logistics and operations.
- **No earnings call/guidance:** The chairman said that moving forward, the company will not hold quarterly earnings calls or provide quarterly guidance to the market

## **Selected excerpts from the Chairman letter**

My father, who is also my role model, Saleh A. AlRajhi (1921 – 2011), had no inherited wealth. Mithaq's wealth, by and large, is the fruit of my father's toil. Therefore, considering our fiduciary responsibilities and care to immediate family members who have committed large portions of their net worth in Mithaq, our first job is wealth preservation and, second, to generate a better-than average risk-adjusted return to compound total equity value over the longest time possible.

We aim to provide you with the information we would desire if our roles were reversed, and to treat you the way we would want to be treated. We also value intellectual honesty and are open-minded to changing our beliefs when proven wrong.

As your Chairman, I will waive all and any form of future fees and/or salary and/or compensation. I do not need any financial motivation other than to enhance the per-share intrinsic value of TCP. Mithaq owns a meaningful equity stake and has also provided unsecured loans to TCP on TCP-favorable terms. If this level of exposure and commitment does not motivate us to turn TCP back to profitability and govern it reliably, nothing else will.

Our priority would be to invest in business growth and use free cash flows to reduce and ultimately eliminate debt over time. Once TCP is debt-free, we will consider the best use of capital depending on the opportunities at that time. Being debt-averse, wherever it is possible and economically viable, we will be prioritizing paying back the debt.

TCP under our governance will take, if it makes sense, some unconventional steps, i.e., aversion to debt, replacing unnecessary complexity with simplicity, not unnecessarily relying on advisors and consultants, no quarterly calls/guidance, a decentralized management style and lean management structure, long-term focus, proper compensation structure to align the interests of management with shareholders, and stewardship of capital.

## **III. COMMENTS**

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First and foremost, when evaluating a controlling company, it's crucial to trust its controlling shareholder(s). Without trust, researching the company is pointless. Mithaq controls the company and has the power to act at their discretion. The recent letter from the Chairman highlights their commitment and trustworthiness.

### **//Trading below the purchase cost of Mithaq**

Mithaq acquired 7 million shares for a total purchase price of \$97.8 million, approximately \$13.97 per share. With the current stock price at \$8.14, the investment is down by 42%. Additionally, Mithaq has lent \$168.6 million to the company.

Overall, Mithaq has invested over \$250 million and is motivated to increase the company's shareholder value.

# Boyd Group Services (BYDGF): Consolidator; Excellent FCF

## I. BASICS

- Boyd, a Canadian corporation, is one of the largest operators of non-franchised collision repair centers in North America in terms of the number of locations and sales.
- Brand names: The company currently operates locations in Canada under the trade names Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. The company is also a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority, and Autoglassonly.com.
- BGS shares trade on the Toronto Stock Exchange under the symbol BYD.TO.

## II. Competitive advantages

### Economies of scale

- Number of locations: US: 823 and Canada: 129
- The company's extensive footprint allows for economies of scale.
- The company requires parts, materials, and paint to complete repairs, sourced from both domestic and overseas vendors. The company's large network helps to foster better relationships with suppliers, potentially resulting in bulk purchasing discounts and more favorable terms. Centralized procurement helps in negotiating better deals, reducing administrative costs, and ensuring consistent quality and availability of parts and materials.
- The economies of scale extend to marketing, technology investments, training programs, and administrative functions, spreading these costs over a broader base and improving overall cost efficiency.
- Consistent branding across a vast network helps build a strong brand presence and reputation, making the brand a trusted name in the industry.

### (b) Limited pool of qualified technicians

- The collision repair industry is experiencing significant competition for talent, and, in particular, a limited pool of qualified technicians and estimators. This is resulting in a shortage of qualified employees as well as ongoing wage pressure. As such, the threat of new entrants is limited.
- A 2021 study by the TechForce Foundation reported that the number of technicians working in collision repair has decreased from 160,000 in 2016 to 153,000 in 2020.
- When compared to mom-and-pop centers, a large company with many locations offers more career growth opportunities and stability, making it an attractive employer.

## III. Market share/Market position/Resilience

- Boyd is one of the top three in the U.S. market.
- The top three consolidators represent a 22.5% share of collision repair revenue in 2022 compared to 18.4% in 2021 and only 1.7% in 2006.
- The company is the third-largest retail auto glass operator in the U.S.
- Recession-resilient industry.
- Multi-shop collision repair operators, commonly called MSOs, account for 36% of the total industry. The top three consolidators account for 50% of the MSO share.

## IV. Solid financial performance

- Revenue grew by 3.5X from \$844M in FY 2014 to \$2.9 billion in FY 2023.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Sales	844	1,174	1,387	1,569	1,865	2,283	1,561	1,872	2,432	2,945
Earnings before income taxes	-4	-2	57	77	102	94	59	32	59	120
Adjusted EBITDA	69	102	124	146	173	320	220	220	273	368
Adj. EBITDA margin	8.2%	8.7%	8.9%	9.3%	9.3%	14.0%	14.1%	11.8%	11.2%	12.5%

- **Solid FCF**

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
CFO	51	82	91	120	191	296	231	197	264	358
Equipment purchases and facility improvements	6	9	11	23	26	34	24	31	33	57
Software purchases and licensing	0.3	0.3	1	0.4	1	2	2	5	0.2	2
Capex	6.3	9.3	12	23.4	27	36	26	36	33.2	59
FCF	44.7	72.7	79	96.6	164	260	205	161	230.8	299

## V. Growth strategy

The company grows through: a) Greenfield/Brownfield location additions, and b) acquisitions.

- **Incremental number of collision locations**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Incremental locations	29	58	105	81	108	54	127	40	106	20

- **Acquisitions:** In recent years (2014 to 2023), the company acquired businesses worth \$1.49 billion. Out of 106 total additional locations in 2023, 78 locations were added through acquisitions, i.e., acquisitions accounted for 74% of the total additions.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Acquisition and development of businesses	101	43	106	240	130	247	58	317	72	180

## OUR COMMENTS

Accidents on the road, whether due to adverse weather, technical malfunctions, or driver error, are an unavoidable reality. The collision repair sector is largely unaffected by economic downturns and online competition. On top of this, today's cars are more complicated to repair than those of the past.

According to the U.S. Bureau of Labor Statistics, there are over 40,000 collision repair shops in the United States. The top five consolidators collectively own less than 4,000 locations, roughly 10% of the "number of shops." To be clear, this doesn't refer to revenue or market share. The point is that there is a massive runway for acquisitions.

The challenge is that the collision repair industry has attracted plenty of private equity investments, and many of the top competitors are also competing for deals.

The top five consolidators include a) Caliber, b) Boyd, c) Service King, d) Classic Collision, and e) Joe Hudson. According to the article linked below, roughly 50% of the collision industry M&A deal volume is controlled by these top five companies: [FenderBender Article](#).

As per this article, in the last five months, private equity firms have invested more than \$9 billion in capital into the industry: [Coatings World Article](#).

Other suggested articles:

- <https://www.bodyshopbusiness.com/focus-advisors-offers-2022-consolidation-year-in-review/>
- <https://www.repairerdrivennews.com/2024/05/24/focus-advisors-investors-continue-to-flock-to-collision-industry-many-with-deeper-pockets/>
- <https://www.aftermarketmatters.com/national-news/2022-year-in-review-collision-repair-consolidation-continues-with-diversification-playing-key-role/>
- <https://www.aftermarketmatters.com/national-news/consolidation-2023-the-big-consolidators-and-the-fast-track-msos-chasing-them/>
- <https://www.dmagazine.com/publications/d-ceo/2017/march/how-caliber-collision-is-dominating-the-industry/>

# Chegg (CHGG): Depressed valuation; Excellent FCF; Chegg AI has carved out its niche in the market

## I. BASICS

- Subscription Services
  - The company generates roughly 90% of its revenue from subscription services.
  - This encompasses Chegg Study Pack, Chegg Study, Chegg Writing, Chegg Math, and Busuu offerings that can be accessed internationally through its websites and on mobile devices.
- Skills:
  - This segment accounts for roughly 10% of total revenue.
  - Services include Chegg Skills, advertising services, print textbooks, and eTextbooks offerings.

## II. RESEARCH

Chegg Study is a subscription service that offers millions of expert solutions, step-by-step textbook guides, and easy-to-understand explanations with diagrams and videos. To put it simply, it is an always-available tutor, ready to provide students with detailed solutions to their problems.

### Market share

- According to recent data, 18.1 million students are enrolled in postsecondary institutions in the US. <https://www.bestcolleges.com/research/college-enrollment-statistics/>
- In 2023, 7.7 million students subscribed to the company's services, with 85% of revenue from the US, indicating roughly 6.5 million US subscribers.
- Given the above data, the company enjoys 36% market share. This is massive.

### Key financials

(\$, mm)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
Revenue	301.3	254	255	321	410.9	644.3	776.2	766.8	716.2	702.9
Operating Income	-57.7	-40.1	-18.9	-6.2	17.8	56.7	78.1	8.9	-67.7	-65.7

### FCF

(\$, mm)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
CFO	-0.1	24.2	51.5	75.1	113.4	236.4	273.2	255.7	246.1	226.3
Capex	40.4	25.5	26.1	31.2	42.3	139.8	105.0	106.8	83.0	128.1
FCF	-40.5	-1.3	25.4	43.9	71.1	96.6	168.2	148.9	163.1	98.2

The company enjoyed solid revenue growth, with revenue increasing from \$245 million in 2016 to \$776 million in FY 2021. Even though the company's revenue was growing

pre-COVID, the pandemic accelerated this growth. As you can see below, the company added a whopping 2.7 million and 1.2 million additional subscribers in 2020 and 2021, respectively.

	2017	2018	2019	2020	2021	2022	2023
Subscribers count (millions)	2.2	3.1	3.9	6.6	7.8	8.2	7.7
<i>Growth</i>		41%	26%	69%	18%	5%	-6%
Incremental no. of subscribers (millions)		0.9	0.8	2.7	1.2	0.4	-0.5

## Chatgpt

In the Q1 2023 earnings call, former CEO Dan Rosensweig pointed out that ChatGPT is hurting the company's growth. On this news, the company's stock price tanked. In 2023, the company's subscriber count reduced by 6%—nearly half a million customers.

The company's response? In less than a year, it developed its own large language models, launched automated answering, and built proprietary algorithms to optimize the quality and accuracy of its exclusive content. As per the Q4 2023 earnings call, the company's 250 employees were working on the AI platform.

## **OUR COMMENTS**

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### **AI Struggles**

Let's face it: the biggest concern for many is the potential for ChatGPT or other AI tools to disrupt and potentially harm Chegg.

You can get support for subjects like Math, Physics, Biology, and writing skills, among others. However, let's take Math as an example. Numerous articles highlight ChatGPT's significant struggles and inaccuracies when it comes to solving basic math problems.

- <https://www.wsj.com/articles/chatgpt-openai-math-artificial-intelligence-8aba83f0> (you need subscription)
- <https://www.retable.io/blog/why-is-chatgpt-bad-at-math>
- <https://edsources.org/2024/what-i-learned-from-chatgpts-math-mistakes/703527>
- [https://www.reddit.com/r/ChatGPT/comments/1dn5vfn/is\\_it\\_normal\\_for\\_chatgpt\\_to\\_make\\_basic\\_math/](https://www.reddit.com/r/ChatGPT/comments/1dn5vfn/is_it_normal_for_chatgpt_to_make_basic_math/)
- [https://www.reddit.com/r/ChatGPT/comments/18lbc2u/chatgpt\\_got\\_a\\_simple\\_math\\_problem\\_wrong/](https://www.reddit.com/r/ChatGPT/comments/18lbc2u/chatgpt_got_a_simple_math_problem_wrong/)
- [https://www.reddit.com/r/OpenAI/comments/11ny8z2/chatgpt\\_is\\_terrible\\_at\\_math/](https://www.reddit.com/r/OpenAI/comments/11ny8z2/chatgpt_is_terrible_at_math/)

While ChatGPT excels in providing explanations and concepts, it may not always guarantee precise numerical answers due to its inherent limitations. This is why it's important to double-check mathematical results, especially for complex calculations or when accuracy is critical.

It doesn't stop with math – here is a critical review about ChatGPT's performance on Physics questions: <https://bigthink.com/the-present/chatgpt-physics/>

Students cannot afford to have incorrect answers.

Chegg is a valuable study resource. Many students use it to verify their answers for practice questions in the back of the textbook. They cannot rely on an AI that makes mistakes.

This explains why the company is able to retain 95% of its subscribers.

### // Importance of data and flywheel effect

It is a common assumption that AI will get better at mathematics and other subjects in the long run. If this is the case, will a future version of AI kill Chegg?

For niche users, people will prefer AIs trained in a particular subject matter. For example, an AI tool that can read and understand financial statements and "financial language" would be more useful for a fund manager than a platform like ChatGPT. Similarly, an AI that is trained to answer academic questions would be more valuable than a generalist AI like ChatGPT.

How do you build specialized AI? For that, you need data.

Chegg has an existing database of 100 million-plus questions and content, i.e., expert answers for questions. The company is building its own AI by training it with these 100 million questions. This is hard for any firm to replicate. It doesn't stop there. Chegg enjoys a flywheel effect by attracting more customers who ask new questions, which are then added to their database. As these new questions get indexed and found by other students searching online, it brings even more students to Chegg, continuously growing the company's knowledge base and user base.

Think about this: every time a professor comes up with a complex question, there is a high chance that a student would ask Chegg. The math questions don't come from just one college or university; they pour in from all over the world. Which firm has the network to gather all these questions, regularly and cheaply?

Students are not only paying subscription fees, but they are also feeding Chegg's AI.

For ChatGPT or any firm that uses AI to compete against Chegg, it needs to be trained with hundreds of millions of "questions and answers." Chegg has that 100 million Q&A data and it is growing daily.

Everybody can build a machine (read "AI"), but Chegg has the fuel.

On top of this, Chegg has 150K subject matter experts.

This is the crux of the argument. This argument requires more thinking and conviction. You can talk to AI experts.

On a different note, in the Q4 2023 earnings call, the CEO mentioned that the cost to answer a new question using the company's AI models is already more than 75% less expensive, and he expects the cost to decline over time.

### // Trading at a depressed valuation

The current valuation presents a most gloomy outlook—as though the company would get wiped out by AI. This doesn't seem to be the case, as seen in the above arguments.

M.Cap: \$323 million

Cash: \$391 million

Long term investments (corporate debt/US treasury): \$221 million

Debt: \$600 million

EV: \$311 million

A few financial websites have excluded “long-term investments” from the EV calculation.

A company that has generated \$700+ million of cumulative free cash flow since 2017 and is targeting to generate \$100 million of free cash flow by 2025 is trading at an enterprise value of \$311 million. It doesn't make sense.

### //Challenges and opportunities

Unlike subscriptions like Netflix, the company's customers leave on a regular basis. Students stop paying for the subscription after they graduate, so the company has to find the next batch of students/subscribers.

The biggest concern is “saturation.” In the US, the student population is not growing at double digits. It has declined in the past and is now growing in the lower single digits. So, the company's primary target market (US) is stagnant. The pandemic introduced several new millions of students to the Chegg platform, and it appears that Chegg has achieved its maximum peak number of subscribers in the US.

The new CEO is targeting the international market. In his recent letter, he mentioned that the company has identified six countries for the initial target. CEO letter:

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1364954/000136495424000066/chgg-20240617.htm>

At the same time, there are plenty of opportunities for “inorganic” growth. The company generates excellent free cash flow and can use this to acquire revenue-generating assets in the education industry.

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Others

a) Bearcave's short report

<https://thebearcave.substack.com/p/problems-at-chegg-chgg>

b) The company got a bad reputation that the subscription is model is helping students to cheat. In 2021, Forbes ran a critical article about the company.

<https://www.forbes.com/sites/susanadams/2021/01/28/this-12-billion-company-is-getting-rich-off-students-cheating-their-way-through-covid/>

c) There is a recent post on Reddit where a few students have expressed displeasure with Chegg's AI responses to questions.

[https://www.reddit.com/r/CollegeRant/comments/1bnpef0/chegg\\_is\\_awesome\\_since\\_the\\_ai\\_update\\_any/?rdt=51054](https://www.reddit.com/r/CollegeRant/comments/1bnpef0/chegg_is_awesome_since_the_ai_update_any/?rdt=51054)

# H&E Equipment Services (HEES): Solid FCF; Changes under the new CEO

## I. BASICS

### • Equipment rentals

- This segment accounts for roughly 81% of total revenue and gross profit.
- Rental equipment includes aerial work platforms, earthmoving, material handling, and other general and specialty lines.
- Rental fleet consists of roughly 61,044 pieces of equipment.

### • Sale of rental equipments

- This segment accounts for roughly 11% of revenue.
- The company sells used equipment primarily from its rental fleet.

### • Industry focus: The company generates the majority of its revenue from non-residential and industrial construction projects. According to 2022 data, these two sectors accounted for 75% of its total revenues in 2022.

## II. SIGNS OF COMPETITIVE ADVANTAGES

### • Extensive infrastructure

- The company's network includes 137 branch facilities located in 30 states throughout the US. The company has 613 service technicians and an aggregate of 332 salespeople in its sales force.

### • Hard to replicate

- The company provides maintenance and repair services to its own rental fleet and for customers' owned equipment.
- The company has a solid team of trained technical service employees.
- The company has built a service infrastructure that it believes would be difficult for companies without the requisite resources and lead time to effectively replicate.

### • Purchasing power

- The company has longstanding relationships with nationally recognized equipment suppliers, including JLG Industries, Gehl, Genie Industries (Terex), Komatsu, Takeuchi, JCB, John Deere, Yanmar, Skyjack, Sany, and Case. These relationships help the company purchase parts at wholesale costs.

## III. RECENT CHANGES

Bradley W. Barber has been CEO of the company since January 1, 2019. Most of the changes listed below were undertaken under his leadership.

### 1. Transitioning to pure-play Rental Company

- Since 2021, the company has made efforts to transition to a pure-play rental company by completing strategic divestitures of its distribution channels.

Sep-21	Little Rock, Arkansas and Springdale, Arkansas owned-branches
Oct-21	Crane business
Dec-22	Komatsu distribution rights in Louisiana

### 2. Acquisitions

- In 2006 and 2007, the company acquired two businesses. After a 10-year hiatus with no acquisitions, the company acquired two businesses worth approximately \$200 million in 2018 (prior to the appointment of the current CEO) and added eight branches. Under the current CEO's watch, the company has resumed making selective acquisitions in the past three years.

Date	Company	(\$, mm)	Number of branches/locations
Jan-18	Contractors Equipment Center	132.4	3
Apr-18	Rental	68.6	5
Feb-19	Cobra Equipment Rentals	108	6
Oct-22	One Source Equipment Rentals	136.7	10
Nov-23	Mel Giffin	31.3	3
Jan-24	Precision Rentals	123.9	2

### 3. Branch/location growth

- Prior to 2018, there was negligible branch location growth.
- Since 2017, the company's branch count has increased by a staggering 80% with the addition of 62 branches, 29 of which came from acquisitions. The company plans to grow its branch locations by 12 to 15 in 2024.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
Number of locations	77	78	78	83	96	93	97	102	120	137	140
Growth		1%	0%	6%	16%	-3%	4%	5%	18%	14%	2%

### IV. COMMENTS

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Record investment in rental equipment is masking the company's true free cash flow.

From 2014 to 2020 (7 years), the company spent \$1.8 billion on the purchase of rental equipment. However, in the last three years (2021 to 2023), the company invested \$1.54 billion in rental equipment. Yes, this is a record investment in the purchase of rental equipment.

In fact, in 2022, the company announced that it reduced its investment due to the failure of certain manufacturers to meet their commitments.

The company's cash from operations (CFO) increased by 2.8 times, from \$158 million in 2014 to \$445 million in the current LTM March 2024.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024	3M March 2023	3M March 2024
CFO	158	207	177	226	247	319	286	260	313	405	445	43	83
Purchases of property and equipment	-33	-27	-23	-23	-35	-43	-19	-35	-51	-84	-111	-12	-39
Purchases of rental equipment	-368	-179	-180	-234	-417	-310	-116	-418	-464	-662	-616	-77	-31
Proceeds from sales of property and equipment	4	4	4	8	9	6	15	12	24	4	6	0.8	2
Proceeds from sales of rental equipment	101	100	84	96	112	128	142	134	84	164	180	32	48
FCF	-138	105	62	72	-83	100	307	-47	-95	-173	-96	-13	63

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The management observed that the industry has experienced remarkable growth over the past two years, driven by a surge in nonresidential and industrial construction projects. This growth has been further fueled by federal initiatives supporting reshoring efforts, green energy projects, and infrastructure improvements, creating a prolonged period of strong industry fundamentals. While the business environment remains favorable, it seems to be shifting towards more stable growth levels compared to the exceptional expansion witnessed in recent years.

Despite the continued health of nonresidential and industrial project backlogs, the pace of new project starts has slowed in early 2024.

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The company's major competitor, United Rentals, has grown predominantly through acquisitions. If H&E Equipment Services also continues to pursue its selective acquisition strategy, this could increase shareholder value.

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#### United Rental

M.Cap: \$41.9 billion; Debt: \$12.4 billion; Cash: \$0.43 billion; EV: \$53.9 billion.

OEC: \$20.6 billion

EV/OEC: 2.6X

As of the recent quarterly report, United Rentals' total original equipment cost (OEC) was \$20.6 billion. United Rentals is trading at 2.6 times its OEC.

#### H&E Equipment Services

M.Cap: \$1.58 billion

Debt: \$1.5 billion

Cash: Negligible

EV: \$3.08 billion

OEC: \$2.8 billion

EV/OEC: 1.1X

In contrast to United Rentals, which trades at 2.6 times its OEC, H&E Equipment is trading at only 1.1 times its OEC. This suggests that investors are valuing the company just above the cost of its original equipment, reflecting a modest premium and indicating a more conservative market assessment compared to United Rentals.

(\$, billion)	2017	2018	2019	2020	2021	2022	2023	QE March 2024
HESS - OEC	1.4	1.8	1.9	1.8	1.9	2.4	2.8	2.8

# Climb Global Solutions (CLMB): Changes under the new CEO

## I. BASICS

- The Company is a value added information technology distribution and solutions company.
  - Distribution segment: This segment generates 92% of total revenue and 83% of total gross profit. The company distributes technology products from software developers, software vendors, or OEMs to resellers and system integrators worldwide.
  - Solutions segment: This segment accounted for approximately 8% of net sales and 17% of gross profit. Products in this segment are acquired directly from OEMs, software developers, or distributors and sold to end users. The company provides customer service, billing, sales, and marketing support in this segment and offers extended payment terms to facilitate sales.

### How does Climb global compete/win?

- The company focuses on specialized technology sectors, such as data management, security, and virtualization, providing in-depth knowledge and expertise that differentiate it from broader distributors. See the below IR slide.



- The company offers a variety of value-added services, including technical support, training, and marketing assistance, which help its resellers and partners succeed in their markets.
- As the IR slide below explains, the company does not target volume distribution for products that sell themselves, such as those from HP, Microsoft, and Dell. Instead, the company targets disruptive technology vendors and partners with them early, which helps drive strong organic growth.

<p>These Products Sell Themselves</p>	<p>These Products Do Not</p>	<p>We find disruptive technology vendors and partner with them early, enabling strong organic growth for years ahead.</p>
		<p>We are highly focused on our core vendors and can actively sell their products, in comparison to volume distributors that focus on products that sell themselves.</p>
<p>Sold By Volume Distributors</p>	<p>Sold By Product Specialists</p>	
		

**II. SIGNIFICANT CHANGES**

New management team

- Dale Foster joined the company in January 2018 as EVP and was promoted as CEO in January 2020.
- As per the recent management strategy, the company’s growth initiatives fall into 3 buckets: (a) driving organic growth with existing vendors and customers, (b) adding new emerging vendors to its line card and (c) acquisitions.

**1. Vendor selection**

- The company made fundamental changes in 2018 that positioned the company as a sales-focused organization. The company added emerging technology vendors to its offerings across both core and new market segments. The company placed a strong emphasis on targeting brands with products that complement its current offerings.
- The company evaluates hundreds of emerging vendors each year, and is very thoughtful in selecting the right partners to add to its line card. For example - in Q1 2024, the company evaluated 32 vendors and signed agreement with only four.
- In 2019, the company enhanced its sales model to better incentivize teams nationwide, aligning its structure and compensation with vendor and customer go-to-market strategies.

Shift in Company Vision

Executive management team with decades of IT distribution experience focused on becoming the leading emerging technology distributor.

Enacted a sales culture to scale partners in the IT channel through purpose driven strategies and expertise.

Implemented a new vendor recruitment plan.

Freed-up cash on balance sheet to improve capital allocation opportunities.

Climb completed its 4<sup>th</sup> accretive acquisition in 2023, following three prior transactions (one in 2022 & two in 2020).<sup>2</sup>

**2. Acquisitions**

- Before the current CEO was appointed, the company had never pursued any acquisitions in the recent history.
- In Q4 2019 conference call, the CEO mentioned that the company would explore M&A to accelerate growth. Subsequently, in the last four years (2020 to 2023), the company has acquired four businesses for roughly \$50 million.

Company	Date	Acquisition cost (\$, mm)
Data Solutions Holdings	October 6, 2023	15.9
Spinnakar	August 18, 2022	11.8
Interwork Technologies	April 30, 2020	3.6
CDF Group	November 6, 2020	17.4

### 3. Financial growth

- The company's revenue grew by \$44 million over the four years from 2016 to 2019.
- After the appointment of the new CEO in 2019, the company's revenue increased by \$143 million over the subsequent five years (2019 to 2023).

\$, mm	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
Net sales	165	160	181	209	252	283	304	352	359
Operating income	9	8	4	8	5	12	17	16	16
Net Income	6	5	4	7	4	9	12	12	12

#### • Cash flow

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
CFO	6	8	-0.5	-2	14	3	38	5	5	42	12
Capex	0.3	0.2	1	0.3	0.2	0.1	0.02	0.3	3	5	5
FCF	5.7	7.8	-1.5	-2.3	13.8	2.9	37.9	4.7	2	37	7

- The lowest free cash flow period is predominantly attributed to the timing of receivable collections and vendor payments.

#### • Accounting rule changes and its impact

- Effective January 1, 2018, the company adopted new accounting rule (ASC 606) and recasting its historical financial information. The biggest change is deciding if the company is a principal or an agent in selling third-party software and services. Before, sales were recorded at full value. Now, for some third-party sales where the vendor has control, the company acts as an agent and records sales on a net basis.
- Impact? The change to net basis accounting reduced the company's reported revenue significantly, but it didn't affect gross profit, EBIT, or net income. For example (see below table), in 2016, revenue was cut by 61%, but profit figures stayed the same.
- Takeaway? A few past years have been recast, but not the entire historical record. As such, if you look at the financials from the past 10-15 years, you may notice lumpy revenue due to accounting changes.

(\$, mm)	Previous method	New method
Revenue	418.1	164
Gross profit	27.3	27.3
EBIT	8.6	8.6
Net income	5.9	5.9

Why does the business exist?

Let's consider a new security software product company that aims to grow rapidly. For such a company, the natural choice would be to distribute through niche distributors like Climb Global. Why? Climb Global has a well-established and extensive distribution

network that enables it to reach a broad customer base efficiently. This strategic partnership allows the security software company to leverage Climb Global's market presence, expertise, and resources, accelerating its growth and expanding its market reach far more quickly than it could achieve independently.

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The company has solid balance sheet

- Debt: \$1.2 million – Negligible
- Cash: \$43.6 million

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M.Cap: \$288 million  
Debt: \$1.1 million  
Cash: \$43.6 million  
EV: \$246 million

In the last 10 years, the company generated cumulative free cash flow of \$109 million.

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Even though the company does not have any proprietary software products, it claims that a significant portion of its sales comes from annual renewals of software maintenance and subscriptions.

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Successful acquisitions

- In 2020, the company acquired CDF, which grew by 17% in 2021 and contributed \$10 million to the company's total gross profit.
- In Q1 2024, the company's gross billing increased by 16% to \$355.3 million compared to \$306.7 million in the same period the previous year. Of this \$48.6 million increase, the acquisition of DataSolutions accounted for approximately \$29 million, representing 60% of the incremental gross margin.

This demonstrates that the company's acquisitions are significantly contributing to its growth and profitability, validating its acquisition strategy.

Overall – we can expect the CEO to grow the company.

### **Others**

- Proxy settlement: In Q1 2020, the company entered into a settlement agreement with North & Webster group (N&W) and repurchased 5.8% of its common shares outstanding from their group at a price of \$13.19 per share.

# Brady Corporation (BRC): Interesting Company worth tracking; Excellent FCF

## I. RESEARCH

### 1. Basics

Brady is a global manufacturer and supplier of identification solutions and workplace safety products that identify and protect premises, products and people.

- Product identification: RFID and bar code scanners, printing systems
- Facility safety and identification: safety signs, floor-marking tape, pipe markers, labeling systems
- Wire identification: wire markers, sleeves, tags, hand-held printers
- People identification: name tags, badges, lanyards, rigid card printing systems, and access control software
- Patient identification: wristbands, labels, printing systems, and products used in hospital, laboratories.

### 2. Controlled company; Non-voting shares

- All of the company's publicly traded shares (Class A) are non-voting.
- Substantially all of the company voting stock (Class B) is controlled by Elizabeth P. Bruno, one of the company's directors, and William H. Brady III, both of whom are descendants of the Company's founder.
- Since the Class A shares have no voting rights, the company does not conduct an Annual General Meeting (AGM)
- No related party transactions

## II. WHAT WE LIKE

### 1. Improving profitability

- As shown below, the company's profitability has consistently improved regardless of revenue performance, except for FY 2020.

\$, mm	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
Net sales	1121	1113	1174	1161	1081	1145	1302	1332	1344
Operating income	118	131	153	162	138	167	193	225	239
Net Income	80	96	91	131	112	130	150	175	192

### 2. Excellent FCF

- Moreover, the company generates consistent free cash flow, and its FCF has improved significantly in recent periods.

(\$, mm)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	LTM March 2024
CFO	93	93	139	144	143	162	141	206	118	209	250
Capex	43	27	17	15	22	33	27	27	43	19	75
FCF	50	66	122	129	121	129	114	179	75	190	175

### 3. Improving efficiency in expense management

- As shown below, over the past eight years, the company experienced revenue declines in three years and moderate growth in another three years. Despite these fluctuations, the company successfully reduced its SG&A expenses as a percentage of revenue from 36% in FY 2016 to 28% in FY 2023. This achievement is truly commendable.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue (\$,mm)	1121	1113	1174	1161	1081	1145	1302	1332
Growth		-1%	5%	-1%	-7%	6%	14%	2%
SG&A (\$,mm)	405	388	390	371	336	350	380	371
SG&A as a % of revenue	36.1%	34.9%	33.2%	32.0%	31.1%	30.6%	29.2%	27.9%

### 4. Stock buyback

- Since 2020, the company has consistently engaged in stock buybacks, repurchasing shares worth \$324 million.

2015	0.0
2016	23.6
2017	0.0
2018	1.5
2019	3.2
2020	64.5
2021	3.6
2022	109.2
2023	74.9
9M ended April 2024	72.2

### 5. Acquisition

- In the last 10 years, the company made acquisitions only in 2021, acquiring three companies that year.

Company	Value (\$, mm)
Magicard	57
Nordic ID Oyj	10
Code Corp	173
Total	240

## III. COMMENTS

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Despite being a controlled company, the board and management are treating the non-voting shareholders fairly. For instance:

- Since FY 2020, the company has repurchased 7.4% of its outstanding shares
- FY 2024 marked the 38th consecutive annual increase in the company's dividend.

These actions demonstrate a commitment to enhancing shareholder value and ensuring equitable treatment of all shareholders, regardless of their voting status.

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The company's improved profitability and declining costs, regardless of whether revenue performance is declining, stagnant, or growing, provide a strong indication that the company is operating with high efficiency.

In the Q4 2024 conference call, the CEO discussed an increase in hiring. He emphasized that the company evaluates the effectiveness of its sales team by ensuring that each new hire continues to deliver marginal returns. He illustrated this point by explaining that if they have already hired two salespeople in Texas, they must carefully assess whether hiring a third would yield a significant return on investment. This approach underscores an important aspect of the company's culture—they do not hire indiscriminately. Each addition to the team is carefully considered. This deliberate hiring strategy likely contributes to the company's consistent profitability and effective cost control.

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M.Cap: \$3.2 billion

Cash: \$161 million

Debt: \$64 million

EV: \$3.1 billion

The current FCF/EV is 5.7%.

# MiMedx Group (MDXG): Recent changes after the appointment of new CEO; The newly appointed CEO has a track record of leading the sale of multiple companies

## I. BASICS

MIMEDX develops and distributes placental tissue allografts that are manufactured using patent-protected, proprietary processes for multiple sectors of healthcare. Today, our product portfolio is made up entirely of human placental allografts, which are human tissues that are derived from one person (the donor) and used to produce products that treat multiple people (the recipients). MIMEDX has supplied roughly three million allografts, through all shipments, filling direct orders and consignment orders, through December 31, 2023.

## II. RECENT SIGNIFICANT CHANGES

In January 2023, the company appointed Joseph H. Capper as the Company's CEO.

### Track record of new CEO

- Most recently he served as the CEO of BioTelemetry, where he guided the company through a significant turn-around, taking BioTelemetry from a micro-cap company and culminating with its acquisition by Royal Philips for \$2.8 billion.
- Prior to BioTelemetry, Joe served as President and CEO of both Home Diagnostics and CCS Medical, which were also acquired at substantial premiums from Mr. Capper's entry.

### **Recent changes**

#### 1. Suspension of knee osteoarthritis ("KOA") development project & disbandment of Regenerative Medicine

- In June 2023, the company announced a strategic realignment to focus its resources on accelerating the growth of its Wound & Surgical business, driving profitability, and enhancing cash flow generation. As part of this realignment, the company decided to suspend all current activities associated with its Knee Osteoarthritis (KOA) program and disband its Regenerative Medicine business unit.
- On a pro forma basis, assuming the realignment had occurred on January 1, 2023, the company expected that it would have added approximately \$25 million of Adjusted EBITDA for the full year 2023.

#### Acquisition of Series B Preferred stock.

- In October 2023, the company repurchased 5,000 of its 100,000 outstanding shares of Series B Preferred Stock from Hayfin for a lump sum cash payment of \$9.5 million, equating to \$6.13 per common share on an as-converted basis.

#### 3. Conversion of Series B convertible preferred stock; Eliminates dividend accrual

- In December 2023, the company announced the automatic conversion of its Series B Convertible Preferred Stock into 30 million shares of common stock, triggered by its strong performance which led to its stock price trading at a level high enough to trigger an automatic conversion.
- Benefit? This transaction leads to simplifying the balance sheet and the conversion ends the dividend accrual associated with the preferred stock.

#### 4. Refinancing: Reduced interest expense

- In January 2024, the company announced that it enhanced its capital structure by refinancing its existing indebtedness and obtaining additional borrowing capacity.
- The CEO mentioned that the combined benefit of interest received on much higher cash deposits and the lower rate to service the new facility has nearly eliminated an annual cash outlay of over \$6.5 million of net interest expense that the company was burdened with during 2023.

#### 5. Improved profitability

##### • Revenue growth:

- QE Dec 2022: 10.3%
- QE Mar 2023: 21.7%
- QE June 2023: 21.5%
- QE Sep 2023: 20.7%
- QE Dec 2023: 17%
- QE Mar 2024: 18%

##### • Improvement in profitability

Quarter	QE Mar 2023	QE Mar 2024
Adjusted EBITDA (\$, mm)	5.5	18.7
Quarter	QE Dec 2022	QE Dec 2023
Adjusted EBITDA (\$, mm)	7	21.2
Quarter	QE Sep 2022	QE Sep 2023
Adjusted EBITDA (\$, mm)	2.4	17.6
Quarter	QE June 2022	QE June 2023
Adjusted EBITDA (\$, mm)	-0.96	14.1
Quarter	QE Mar 2022	QE Mar 2023
Adjusted EBITDA (\$, mm)	-1.7	5.5

##### • The company turned profitable in FY 2023

	2021	2022	2023
Revenue	202.4	219.5	266.8
EBIT	-7.05	-14.7	37.1

#### 6. New products:

- Over the last 18 months, the company has introduced three new allografts: AMNIOEFFECT and AXIOFILL, geared toward the surgical market, and EPIEFFECT, intended for private office use. All three products have been met with widespread market acceptance

#### 7. Acquisition of assets from TELA Bio

- In March 2024, the company acquired certain assets from TELA Bio for exclusive rights to its manufacturing and supply agreement with Regenity Biosciences, allowing the company to add xenograft products to its Advanced Wound Care and Surgical Solutions portfolio. As consideration for the sale, MIMEDX paid \$5 million and agreed to pay up to \$7 million based on net sales.

#### 8. Management changes

- Jan 2023: CEO
- July 2023: CFO
- Jan 2023: COO

## JELD-WEN Holding (JELD): Additional notes

Last month, we wrote about JELD-WEN Holding (JELD).

The crux of the thesis is this:

In March 2024, PGT Innovations was acquired for \$3.1 billion (EV/Revenue: 2X).

In May 2024, Owens Corning acquired Masonite International Corporation for \$3.9 billion (EV/Revenue: 1.4X).

In contrast, JELD-WEN is trading at 0.5X revenue.

JELD-WEN's total revenue (\$4.3 billion) equals the combined revenue of Masonite (\$2.8 billion) and PGT Innovations (\$1.5 billion). The combined value (EV) of Masonite and PGT is \$7 billion, whereas JELD-WEN is trading at an EV of \$2.25 billion.

JELD-WEN is trading below the recent takeover multiples due to poor operating margins compared to the other two companies. The new CEO is addressing these issues.

Why are we writing about this again?

In June 2024, Nucor Corporation announced that it has entered into an agreement to acquire Ryttec Corporation, a manufacturer of high-speed, high-performance commercial doors, for \$565 million, which is 12.5X Ryttec's estimated 2024 EBITDA. It appears that the door manufacturing industry is attracting plenty of M&A activity.

## Semler Scientific (SMLR): Bitcoin is its primary treasury reserve asset

On May 28, 2024, the company announced that its board of directors has adopted bitcoin as its primary treasury reserve asset. In addition, the company has purchased 581 bitcoins for an aggregate amount of \$40 million.

In June 2024, the company bought 247 more bitcoins for \$17 million in cash.

Our bitcoin treasury strategy and purchase of bitcoin underscore our belief that bitcoin is a reliable store of value and a compelling investment,” said Eric Semler, Semler Scientific’s chairman. “Bitcoin is now a major asset class with more than \$1 trillion of market value. We believe it has unique characteristics as a scarce and finite asset that can serve as a reasonable inflation hedge and safe haven amid global instability. We also believe its digital, architectural resilience makes it preferable to gold, which has a market value of approximately 10 times that of bitcoin. Given the gap in value between gold and bitcoin, we believe that bitcoin has the potential to generate outsize returns as it gains increasing acceptance as digital gold.

“Furthermore, we are energized by the growing global acceptance and ‘institutionalization’ of bitcoin -- reflected most recently by the Securities and Exchange Commission’s January 2024 approval of 11 bitcoin exchange-traded funds. These funds have reported more than \$13 billion of net inflows, with investments from nearly 1,000 institutions, including global banks, pensions, endowments and registered investment advisors. It is estimated that more than 10% of all bitcoins are now held by institutions,” added Mr. Semler.

### COMMENT

If you are an investor or plan to invest in the stock, you should be comfortable with this decision.

Is it a temporary investment or is it a significant strategic shift by integrating Bitcoin into its corporate strategy? We don’t know.

MicroStrategy is another company that buys bitcoin.

# Short Notes on Y Combinator-Backed Bedrock AI / Hudson Lab

Y Combinator is a major player in the tech industry, having invested in over 5,000 companies since 2005 with a combined valuation exceeding \$600 billion.

I was curious and looked into which equity research startups they've funded. It turns out Hudson Lab, the creator of "Bedrock AI," is the only one (Am I missing anyone else?)

Considering Y Combinator's acceptance rate is less than or equal to 2%, Hudson Lab's success in getting funding from Y Combinator is quite impressive. It is a big thing in the startup circle.

Founded by Kris Bennatti and Suhas Pai, they launched the Bedrock AI product in 2021.

Three things-

1)

I strongly believe that AI can drastically improve the idea-generation process - both long and short. So, I urge you to explore the platform. I have not tried it and I have no relationship with the firm. Nevertheless, it is worth giving a shot.

2)

Their blog is quite engaging. One notable article discusses how Hudson Labs' AI analyzes management biographies in proxy statements (DEF 14A) to identify executives with past bankruptcies. That's brilliant. You can read more about it here:

<https://www.hudson-labs.com/post/management-teams-with-past-exposure-to-a-short-report-or-bankruptcy-hudson-labs-datasets>

3) Other interesting articles

+ <https://www.hudson-labs.com/post/free-and-low-cost-alternatives-to-bloomberg>

+ <https://www.hudson-labs.com/post/companies-with-high-customer-dependence-highlights-from-our-recent-data-pull>

## CORPORATE EVENTS

Divestment			
Company Name (Ticker)	Mcap (\$, M)	Business	Event notes
Fortrea Holdings Inc. (FTRE)	2449	Biopharma and medical device development services.	Fortrea completed the divestiture of its Endpoint Clinical and Fortrea Patient Access businesses to Arsenal Capital Partners. Net proceeds from the divestiture will be used to repay a portion of Fortrea's outstanding debt. <a href="#">Source</a>
John Wiley & Sons, Inc. (WLY)	2241	Operates as a global research and education company.	Closed sales of Wiley University Services and Wiley Edge (except India operations). Sale of CrossKnowledge expected in FY25 Q2. <a href="#">Source</a>
Verint Systems Inc (VRNT)	2228	Global customer engagement and compliance solutions.	Verint completed the divestiture of its quality managed services business on January 31, 2024. <a href="#">Source</a>
WaFd Inc (WAFD)	2144	Operates as the bank holding company for Washington Federal Bank, offering lending, depository, insurance, and other banking services in the U.S.	Sale of Multi-Family Loans: WaFd Bank completed the sale of approximately \$2.8 billion in multi-family commercial real estate loans to Bank of America, with funds managed by PIMCO. <a href="#">Source</a>
Global Net Lease, Inc. (GNL)	1688	Publicly traded real estate investment trust listed on the NYSE.	Sold a portfolio of nine cold storage properties for \$170 million. Proceeds to be used to reduce outstanding debt and lower leverage. <a href="#">Source</a>
REV Group, Inc. (REVG)	1456	Specialty vehicle design, manufacturing, and distribution.	Completed the sale of Collins Bus Corporation to Forest River Bus, LLC for \$308.2 million. Sold operating assets of the Fire Regional Technical Center in Florida. Repurchased 8,000,000 shares for \$126.1 million. <a href="#">Source</a>
Advantage Solutions Inc. (ADV)	953	Provides business solutions to consumer goods manufacturers and retailers globally.	Advantage Solutions has agreed to sell its digital advertising platform, Jun Group, to Verve Group SE for approximately \$185 million. The payment structure includes \$130 million in cash at closing, with additional installments to be paid 12 and 18 months post-close. The majority of the initial proceeds will be used to repay debt and reinvest in the business. <a href="#">Source</a>
Viad Corp (VVI)	729	Global hospitality, leisure, and live events services.	Kadant Inc. announced the sale of its Kadant Black Clawson LLC subsidiary for \$36 million in cash. <a href="#">Source</a>
Ambac Financial Group Inc (AMBC)	621	Financial services holding company.	Ambac signed an agreement to sell its legacy financial guarantee businesses, Ambac Assurance Corporation (AAC) and Ambac UK (AUK), to Oaktree Capital Management for \$420 million in cash. Also to acquire a 60% controlling stake in Beat Capital Partners for approximately \$282 million. Purchase includes cash and shares of Ambac common stock. <a href="#">Source</a>
i3 Verticals, Inc. (IIIV)	463	Provides integrated payment and software solutions primarily to the public sector and healthcare markets in the U.S.	Sale of merchant of record payments business to Payroc for \$440 million. Proceeds from the sale will go towards paying down debt, potentially all of the 2023 Senior Secured Credit Facility. <a href="#">Source</a>
Calavo Growers	444	Markets avocados and	Classified the fresh cut business as held for sale

Inc (CVGW)		perishable foods globally	and discontinued operations. <a href="#">Source</a>
Esperion Therapeutics, Inc. (ESPR)	420	Develops and commercializes medicines for treating elevated low-density lipoprotein cholesterol (LDL-C).	Esperion sold 100% interest in European royalty on bempedoic acid products to OMERS Life Sciences. Esperion used the \$304.7 million from OMERS Life Sciences to pay off and terminate the Oberland Capital revenue interest facility early and at a discount. <a href="#">Source</a>
American Software Inc (AMSWA)	343	Computer business application software development and support.	Divested non-core information technology staffing firm, The Proven Method, included in discontinued operations. <a href="#">Source</a>
Emergent BioSolutions Inc. (EBS)	341	Provides preparedness and response solutions for public health threats in the U.S.	Emergent BioSolutions is selling its Baltimore-Camden manufacturing facility to Bora Pharmaceuticals for approximately \$30 million, including the transfer of about 350 employees to Bora. This transaction is part of Emergent's multi-year plan to create a leaner, more flexible organization and raise capital to reduce debt. <a href="#">Source</a>
TPI Composites Inc (TPIC)	231	Manufactures and sells composite wind blades and related systems for OEMs globally	Divestiture of automotive business unit to Clear Creek Investments, LLC. <a href="#">Source</a>
Coherus BioSciences, Inc. (CHRS)	200	Focuses on researching, developing, and commercializing cancer treatments in the U.S.	Sold YUSIMRY (adalimumab-aqvh) to Hong Kong King-Friend Industrial Co. Ltd. for \$40 million in an all-cash transaction. <a href="#">Source</a>
2seventy bio, Inc. (TSVT)	193	Focuses on researching, developing, and commercializing cell and gene therapies for cancer in the U.S	Sale of Hemophilia A program and in vivo gene editing technology to Novo Nordisk for up to \$40 million. <a href="#">Source</a>
Entravision Communications Corp (EVC)	163	Operates as a global advertising solutions, media, and technology company.	Entravision announced the sale of its digital advertising representation business to Aleph Group. <a href="#">Source</a>
American Strategic Investment Co. (NYC)	24	Externally managed company owning a portfolio of commercial real estate primarily in Manhattan, New York City.	Agreed to sell 9 Times Square property for \$63.5 million, expected to close within 120 days. Proceeds from the sale will be used to repay a portion of the loan on 9 Times Square. <a href="#">Source</a>

Acquisition/ Merger			
Company Name (Ticker)	Mcap (\$, M)	Business	Event notes
Select Medical Holdings Corp (SEM)	4552	Operates critical illness recovery hospitals, rehabilitation hospitals, outpatient rehabilitation clinics, and occupational health centers in the U.S.	In connection with Select's plan to pursue a separation of Concentra, Concentra Escrow Issuer Corporation will merge with and into Concentra Health Services, Inc. <a href="#">Source</a>
Cleanspark, Inc. (CLSK)	4174	Operates as a bitcoin miner in the Americas.	CleanSpark acquired five bitcoin mining facilities in Georgia for \$25.8 million. <a href="#">Source</a>
H.B. Fuller	4156	Formulates,	Acquired ND Industries, Inc. <a href="#">Source</a>

Company (FUL)		manufactures, and markets adhesives, sealants, coatings, polymers, tapes, encapsulants, additives, and specialty chemical products.	
JFrog Ltd (FROG)	3774	Provides end-to-end hybrid software supply chain platform globally.	JFrog announced a definitive agreement to acquire Qwak AI Ltd., expanding its platform to include advanced MLOps capabilities. <a href="#">Source</a>
Simply Good Foods Co (SMPL)	3600	Operates as a consumer-packaged food and beverage company in North America and internationally.	Completed acquisition of Only What You Need (OWYN) for \$280 million. <a href="#">Source</a>
Primo Water Corp (PRMW)	3559	Provides pure-play water solutions for residential and commercial customers.	Triton Water Parent, Inc., Triton US HoldCo, Inc., and Primo Water Corporation have entered into a merger agreement in which Holdings will acquire all issued and outstanding shares of Primo Water Corporation. <a href="#">Source</a>
Kadant Inc (KAI)	3276	Global supplier of technologies and engineered systems.	Kadant Inc. acquired Dynamic Sealing Technologies LLC (DSTI) for approximately \$55 million in cash. DSTI will be integrated into Kadant's Flow Control segment. <a href="#">Source</a>
GMS Inc. (GMS)	3244	Distributes wallboard, ceilings, steel framing, and complementary construction products in the U.S. and Canada.	The company completed the acquisition of Kamco Supply Corporation, expanding its presence in New York City. Additionally, it announced an agreement to acquire Yvon Building Supply, Inc. and affiliated companies in Ontario, Canada, for up to CAD\$196.5 million. <a href="#">Source</a>
Resideo Technologies, Inc. (REZI)	2886	Develops, manufactures, and sells comfort, energy management, and safety and security solutions for commercial and residential markets globally.	The acquisition of Snap One has been completed for \$10.75 per share, amounting to a total of approximately \$1.4 billion. <a href="#">Source</a>
Golub Capital BDC, Inc. (GBDC)	2748	Externally managed business development and investment company.	Golub Capital BDC, Inc. (GBDC) completed its merger with Golub Capital BDC 3, Inc. (GBDC 3), with GBDC as the surviving entity. The merger is expected to be 2.1% accretive to GBDC's net asset value per share. <a href="#">Source</a>
Six Flags Entertainment Corp (SIX)	2695	Owns and operates regional theme and water parks under the Six Flags name	Cedar Fair and Six Flags have announced a merger, expected to close on July 1, 2024. Post-merger, the combined company will be named "Six Flags Entertainment Corporation" and will trade under the ticker symbol "FUN." Additionally, Six Flags has declared a special dividend of \$1.53 per share, payable on July 1, 2024, contingent on the merger's closing. <a href="#">Source</a>
Cedar Fair L P (FUN)	2659	Owns and operates amusement and water parks, and resort	Cedar Fair and Six Flags announced the anticipated closing date of their merger as July 1, 2024.

		facilities.	Upon merger completion, the combined entity will be named "Six Flags Entertainment Corporation" and trade under the ticker "FUN." <a href="#">Source</a>
Agilysys Inc (AGYS)	2553	Global software solutions for the hospitality industry.	Acquired ResortSuite, enhancing its hospitality software offerings. <a href="#">Source</a>
AssetMark Financial Holdings, Inc. (AMK)	2546	Provides a wealth management platform in the U.S.	AssetMark, Inc. to acquire approximately \$12 billion in assets from Morningstar Wealth's Turnkey Asset Management Platform (TAMP). <a href="#">Source</a>
Vista Outdoor Inc. (VSTO)	2025	Vista Outdoor Inc. designs, manufactures, and markets outdoor recreation and shooting sports products globally.	Vista Outdoor Inc. amends merger agreement with Czechoslovak Group (CSG), increasing the purchase price to \$2 billion. Cash consideration for stockholders rises to \$18 per share, a 12.5% increase. <a href="#">Source</a>
Life360, Inc. (LIFX)	1971	Global tech platform for locating people, pets, and things.	Nextracker Inc. acquired HX Tracker Holdings for \$78 million in cash and 3.3 million Nextracker shares. <a href="#">Source</a>
Addus HomeCare Corp (ADUS)	1912	Personal care services for elderly and disabled in the U.S.	Announced definitive agreement to acquire the personal care operations of Gentiva for approximately \$350 million. <a href="#">Source</a>
Diamond Offshore Drilling, Inc. (DO)	1580	Provides contract drilling services to the global energy industry.	Noble Corporation to acquire Diamond Offshore Drilling in a stock and cash transaction valued at \$1.59 billion. Diamond shareholders to receive 0.2316 Noble shares plus \$5.65 per share in cash. <a href="#">Source</a>
Ani Pharmaceuticals Inc (ANIP)	1317	ANI Pharmaceuticals, Inc. develops, manufactures, and markets branded and generic prescription drugs in the U.S. and Canada.	ANI Pharmaceuticals to acquire Alimera Sciences for \$5.50 per share in cash and a contingent value right (CVR) of up to \$0.50 per share, valuing the transaction at approximately \$381 million. ANI will repay \$72.5 million of Alimera's debt. <a href="#">Source</a>
Quanex Building Products Corp (NX)	1000	Global fenestration components supplier.	Announced acquisition of Tyman plc for approximately \$1.1 billion, expected to close in the second half of 2024. <a href="#">Source</a>
Simulations Plus, Inc. (SLP)	984	Develops drug discovery and development software using AI and machine learning globally.	Acquired Pro-ficiency Holdings, Inc. and subsidiaries for about \$100 million cash, doubling market reach. Integrated their immersive learning, data insights, and medical communication platforms, tapping into a \$4 billion market alongside their existing \$4 billion biosimulation market presence. <a href="#">Source</a>
MidCap Financial Investment Corp (MFIC)	980	MidCap Financial Investment Corporation is a business development company and a closed-end, externally managed, non-diversified management investment company.	Approval of Mergers: Stockholders of Apollo Senior Floating Rate Fund Inc. (AFT) and Apollo Tactical Income Fund Inc. (AIF) approved the proposals for merging with MidCap Financial Investment Corporation (MFIC). <a href="#">Source</a>
ProPetro Holding Corp. (PUMP)	954	Integrated oilfield services company.	ProPetro Holding Corp. acquired Aqua Prop LLC for \$35.6M in cash. The acquisition enhances

			ProPetro's integrated and industrial solutions for the Permian Basin. <a href="#">Source</a>
Kelly Services Inc (KELYA)	773	Workforce solutions provider for various industries.	Kelly completed the acquisition of Motion Recruitment Partners (MRP) for \$425 million, with an additional earn-out of up to \$60 million based on performance. <a href="#">Source</a>
Haynes International Inc (HAYN)	750	Develops, manufactures, markets, and distributes nickel and cobalt-based alloys in sheet, coil, and plate forms globally.	Obtained CFIUS approval for merger with North American Stainless, Inc. The merger is still subject to regulatory approvals in the UK and Austria. Expected to close in Q4 2024. <a href="#">Source</a>
Viad Corp (VVI)	710	Provides hospitality, leisure activities, experiential marketing, and live events globally.	Acquiring Jasper SkyTram in Jasper National Park for \$25 million CAD (approx. \$18 million USD). <a href="#">Source</a>
TXO Partners, L.P. (TXO)	678	Focuses on acquiring, developing, optimizing, and exploiting conventional oil, natural gas, and natural gas liquid reserves in North America.	TXO Partners entered into purchase agreements to acquire assets in the Elm Coulee field (Montana) and Russian Creek field (North Dakota) for \$243 million and 2.5 million common units of TXO. <a href="#">Source</a>
Yext, Inc. (YEXT)	635	Organizes business facts for consumer questions globally.	Yext to acquire Hearsay Systems for \$125 million, plus up to an additional \$95 million if performance targets are achieved. <a href="#">Source</a>
Oil-Dri Corp of America (ODC)	604	Global developer and manufacturer of sorbent products.	Acquired Ultra Pet Company, Inc. for \$46 million, enhancing their presence in the crystal cat litter market. <a href="#">Source</a>
Mesa Laboratories Inc (MLAB)	590	Global life sciences tools and quality control solutions provider.	Closed acquisition of GKE China entity on December 31, 2023. <a href="#">Source</a>
Equity Bancshares Inc (EQBK)	504	Operates as the holding company for Equity Bank, offering banking, mortgage banking, and financial services.	In Q2 2024, the merger with KansasLand Bank was announced following the successful completion of the merger with Bank of Kirksville in Q1 2024. <a href="#">Source</a>
America's Car-Mart, Inc. (CRMT)	369	Operates as an automotive retailer in the United States.	Acquired Texas Auto Center (TAC), operating in Austin and San Marcos, Texas. This is the largest acquisition for the company to date. <a href="#">Source</a>
Vanda Pharmaceuticals Inc. (VNDA)	365	Global developer of therapies for high unmet medical needs.	Vanda Pharmaceuticals received an unsolicited, non-binding indication of interest from Cycle Group Holdings Ltd. to acquire the company for \$8.00 per share in cash. <a href="#">Source</a>
Alimera Sciences Inc (ALIM)	290	Alimera Sciences, Inc. develops and markets prescription drugs for retinal eye conditions.	ANI Pharmaceuticals to acquire Alimera Sciences for \$5.50 per share in cash and a contingent value right (CVR) of up to \$0.50 per share, valuing the transaction at approximately \$381 million. <a href="#">Source</a>
National Bankshares Inc (NKSH)	171	Bank holding company for retail and commercial banking services.	National Bankshares, Inc. completed the acquisition of Frontier Community Bank for approximately \$16.07 million. Frontier merged into National Bank effective June 1, 2024. <a href="#">Source</a>
Lakeland Industries Inc (LAKE)	152	Global manufacturer of industrial protective clothing and accessories.	Announced the signing of an agreement to acquire the fire and rescue business of LHD Group. <a href="#">Source</a>

#### Buyback / Dividend

Company Name	Mcap	Business	Event notes
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(Ticker)	(\$, M)		
Academy Sports & Outdoors, Inc. (ASO)	3814	Sporting goods and outdoor recreational retailer in the U.S.	Repurchased \$123.5 million in stock in Q1 2024. <a href="#">Source</a>
Korn Ferry (KFY)	3653	Provides organizational consulting services globally.	Repurchased 365,000 shares for \$22.9 million in Q4, totaling 930,000 shares for \$52.5 million in FY24. Increased regular quarterly dividend to \$0.37 per share, payable on July 31, 2024. <a href="#">Source</a>
Asana, Inc. (ASAN)	2990	Operates a work management platform for individuals, team leads, and executives globally.	Asana announced a \$150 million stock repurchase program, authorized to repurchase Class A common stock through June 30, 2025. <a href="#">Source</a>
Worthington Enterprises, Inc. (WOR)	2515	Operates as an industrial manufacturing company.	Worthington Enterprises declared a quarterly dividend of \$0.17 per share, a 6.25% increase from the previous quarter. <a href="#">Source</a>
John Wiley & Sons, Inc. (WLY)	2241	Operates as a global research and education company.	\$45 million spent on share repurchases; raised dividend for the 30th consecutive year. <a href="#">Source</a>
Progress Software Corp (PRGS)	2105	Develops, deploys, and manages business applications globally.	Repurchased \$44.6 million in common stock. <a href="#">Source</a>
Enerpac Tool Group Corp (EPAC)	2094	Enerpac Tool Group Corp. manufactures and sells industrial products and solutions worldwide.	Repurchased 71,536 shares for \$2.6 million in Q3 2024. <a href="#">Source</a>
Dave & Buster's Entertainment, Inc. (PLAY)	2034	Owns and operates entertainment and dining venues for adults and families in North America.	Repurchased \$50 million of shares, representing 2.4% of outstanding shares. \$150 million remains on the share repurchase authorization. <a href="#">Source</a>
Diamond Offshore Drilling, Inc. (DO)	1580	Provides contract drilling services to the global energy industry.	Board of Directors has approved a 25% increase in its quarterly dividend to \$0.50 per share. <a href="#">Source</a>
LA-Z-BOY INC (LZB)	1454	Manufactures, markets, imports, exports, distributes, and retails upholstery furniture products globally.	Returned \$85 million to shareholders through share repurchases and dividends. Increased quarterly dividend by 10% to \$0.20 in Q3. <a href="#">Source</a>
Lindsay Corp (LNN)	1434	Provides water management and road infrastructure products and services globally.	Completed \$17.9 million in share repurchases during the quarter. <a href="#">Source</a>
Apogee Enterprises, Inc. (APOG)	1415	Provides architectural products and services for enclosing buildings, and glass and acrylic products for preservation, protection, and enhanced viewing in the U.S., Canada, and Brazil.	Repurchased \$15.1 million of stock during the quarter. Increased quarterly dividend by 4.2% to \$0.25 per share. <a href="#">Source</a>
Shoals Technologies Group, Inc. (SHLS)	1270	Provides EBOS solutions and components for solar, battery energy,	Authorized a \$150 million share repurchase program through December 31, 2025. <a href="#">Source</a>

		and EV charging globally.	
Conduent Inc (CNDT)	720	Provides digital business solutions for commercial, government, and transportation sectors globally.	Repurchased all shares of common stock held by Carl C. Icahn and affiliates for approximately \$132 million at \$3.47 per share. <a href="#">Source</a>
Smith & Wesson Brands, Inc. (SWBI)	645	Designs, manufactures, and sells firearms globally.	Authorized an 8.3% increase in the quarterly dividend, now \$0.13 per share. <a href="#">Source</a>
Ennis, Inc. (EBF)	563	Manufactures and sells business forms and other business products in the U.S.	Buyback or Repurchase: Repurchased 91,883 shares at \$19.79 per share. <a href="#">Source</a>
biote Corp. (BTMD)	452	Operates in the hormone optimization practice-building business.	\$60 Million Repurchase Agreement: Biote signed a term sheet to repurchase 8.3 million shares and cancel approximately 4.0 million earnout shares from Marci M. Donovan for \$60 million. <a href="#">Source</a>
Sezzle Inc. (SEZL)	450	Sezzle Inc. is a technology-enabled payments company operating mainly in the U.S. and Canada.	Sezzle Inc. authorizes a new \$15 million stock repurchase program. <a href="#">Source</a>
Zumiez Inc (ZUMZ)	391	Specialty retailer of apparel and accessories for young men and women.	Approved a \$25M stock repurchase program, set to continue through June 30, 2025. <a href="#">Source</a>
Bark, Inc. (BARK)	264	Dog-centric provider of products, services, and content.	Bark's Board of Directors authorized a \$15M share repurchase program. <a href="#">Source</a>
1stdibs.com, Inc. (DIBS)	216	Operates an online marketplace for luxury design products globally.	The company completed a \$25.2 million share repurchase program, repurchasing approximately 4.9 million shares at an average price of \$5.12 per share. <a href="#">Source</a>
Kaltura Inc (KLTR)	167	Provides SaaS and PaaS products and solutions globally.	Kaltura's Board authorized a stock repurchase program up to \$5 million. <a href="#">Source</a>
Western New England Bancorp, Inc. (WNEB)	139	Holding company for Westfield Bank, offering commercial and retail banking services.	The company completed the 2022 Repurchase Plan, repurchasing shares at an average price of \$7.34 per share. Additionally, on May 21, 2024, the company authorized a new 2024 Repurchase Plan. <a href="#">Source</a>
American Outdoor Brands, Inc. (AOUT)	116	Provides outdoor products and accessories for rugged outdoor enthusiasts globally.	During fiscal 2024, we repurchased roughly 689,000 shares of common stock at an average price of \$8.75 per share and at year end, we still have roughly \$7.3 million of availability remaining on our \$10 million share repurchase program, which runs through September 2024. <a href="#">Source</a>
Synchronoss Technologies Inc (SNCR)	100	Provides cloud, messaging, digital, and network management solutions globally.	Repurchased all outstanding Series B Preferred for \$52.6 million, reducing cost of capital. <a href="#">Source</a>
Live Ventures Inc (LIVE)	80	Flooring, steel manufacturing, and	Live Ventures authorized a \$10M share repurchase program. <a href="#">Source</a>

		retail businesses in the U.S.	
Debt Financing/ Repricing			
Company Name (Ticker)	Mcap (\$, M)	Business	Event notes
Brinks CO (BCO)	4566	Global secure transportation and cash management services.	Closed \$400 million 5-year senior notes at 6.500% and \$400 million 8-year senior notes at 6.750%, using proceeds to redeem \$400 million of 5.500% senior notes due 2025 and repay part of the revolving credit facility. <a href="#">Source</a>
Select Medical Holdings Corp (SEM)	4552	Operates critical illness recovery hospitals, rehabilitation hospitals, outpatient rehabilitation clinics, and occupational health centers in the U.S.	Issued \$650 million of 6.875% senior notes due 2032. Proceeds to be used partly for general corporate purposes and a dividend to Select Medical Corporation. <a href="#">Source</a>
Main Street Capital Corp (MAIN)	4328	Specializes in providing equity capital to lower middle market companies.	Increased revolving credit facility from \$995 million to \$1.110 billion. Maturity dates extended to June 2029 for \$1.035 billion and August 2027 for \$75 million. <a href="#">Source</a>
Simply Good Foods Co (SMPL)	3614	Operates as a consumer-packaged food and beverage company in North America and internationally.	Incremental borrowing of \$250 million under the credit facility for the OWYN acquisition. Interest rate: SOFR plus a credit spread adjustment, subject to a floor of 0.50%, plus 2.50% margin. <a href="#">Source</a>
Cogent Communications Holdings, Inc. (CCOI)	2780	Global high-speed internet, private network, and colocation services.	Cogent Communications announced a \$300 million notes offering to prepay an existing indefeasible right-of-use agreement and for general corporate purposes or dividends. <a href="#">Source</a>
Newmark Group, Inc. (NMRK)	2438	Provides commercial real estate services in the U.S., U.K., and globally.	The company launched an exchange offer for up to \$475 million of its 7.500% Senior Notes due 2029. This offer aims to exchange outstanding notes issued in January 2024 for new registered notes with the same terms, fulfilling registration rights and not constituting a new financing transaction. <a href="#">Source</a>
Solaredge Technologies, Inc. (SEDG)	1499	Designs, develops, manufactures, and sells DC optimized inverter systems for solar PV installations globally.	SolarEdge to offer \$300 million of Convertible Senior Notes due 2029 in a private offering. Net proceeds will redeem part of the 0.000% Convertible Notes due 2025 and for general corporate purposes. <a href="#">Source</a>
Hut 8 Corp. (HUT)	1322	Operates as a vertically integrated operator of energy infrastructure and Bitcoin miners in North America.	Hut 8 enters into a \$150 million convertible note agreement with Coatue. The note bears an 8% annual interest rate, payable in cash or in-kind. <a href="#">Source</a>
Dime Community Bancshares, Inc. (DCOM)	799	Operates as the holding company for Dime Community Bank, providing various commercial banking and financial services.	Issued \$65 million of 9.000% fixed-to-floating rate subordinated notes due 2034. Interest initially at 9.000% per annum, resetting quarterly to a floating rate based on Three-Month Term SOFR plus 495.1 basis points after July 15, 2029. <a href="#">Source</a>
PennantPark Floating Rate Capital Ltd. (PFLT)	759	Business development, secondary direct, debt, equity, and loan	The credit facility was upsized to \$611 million from \$436 million with unchanged pricing at SOFR plus 236 basis points. <a href="#">Source</a>

		investments.	
B&G Foods, Inc. (BGS)	662	Manufactures, sells, and distributes shelf-stable and frozen foods, and household products in the U.S., Canada, and Puerto Rico.	B&G Foods plans to amend and extend the maturity date of its existing tranche B term facility under its senior secured credit facility, while also increasing its size. The proceeds will be used to refinance the current tranche B term loans and repay a portion of existing revolving loans. Additionally, the company intends to decrease the size of the revolving credit facility and extend its maturity date. <a href="#">Source</a>
Hawaiian Holdings Inc (HA)	635	Engages in scheduled air transportation of passengers and cargo through its subsidiary, Hawaiian Airlines, Inc.	Hawaiian Airlines launches an offer to exchange any and all of its outstanding 5.750% Senior Secured Notes due 2026 for new 11.000% Senior Secured Notes due 2029 and cash. Holders of existing notes will receive \$825 in new notes and \$175 in cash per \$1,000 principal amount if exchanged by July 9, 2024. After this date, the cash amount decreases to \$125. <a href="#">Source</a>
loanDepot, Inc. (LDI)	584	Originates, finances, sells, and services residential mortgage loans in the U.S.	loanDepot successfully exchanged 96% of its 6.500% Senior Notes due 2025 for new 8.750% Senior Secured Notes due 2027. This refinancing extends the debt maturity and reduces leverage, aligning with their Vision 2025 Strategic Plan. <a href="#">Source</a>
Fuelcell Energy Inc (FCEL)	486	Manufactures and sells stationary fuel cell and electrolysis platforms for decarbonizing power and producing hydrogen.	The company closed on project debt financing for two fuel cell projects in Derby, Connecticut, securing a total of \$13 million, with net funding of \$11.5 million. The senior debt is fixed at 7.25%, and the subordinated debt is fixed at 8%. <a href="#">Source</a>
CPI Card Group Inc. (PMTS)	306	Designs, produces, personalizes, packages, and fulfills financial payment cards.	CPI Card Group Inc. announces a private offering of \$285 million in senior secured notes due 2029. Proceeds will redeem all of CPI's outstanding 8.625% senior secured notes due 2026. <a href="#">Source</a>
Office Properties Income Trust (OPI)	108	National REIT focused on high-quality office and mixed-use properties in growth-oriented U.S. markets.	The company entered into a Support Agreement with certain noteholders for private exchange offers of existing senior unsecured notes for new 9.000% Senior Secured Notes due 2029. This exchange involves notes due in 2025, 2026, 2027, and 2031, with the expiration date for the exchange offers extended to June 17, 2024. <a href="#">Source</a>
QXO, Inc. (QXO)	89	Operates as a business application, technology, and consulting company in North America.	The company entered into purchase agreements with certain institutional and accredited investors for a \$3.5 billion private placement financing. <a href="#">Source</a>

### Debt repayment

Company Name (Ticker)	Mcap (\$, M)	Business	Event notes
UGI Corp (UGI)	4790	Distributes, stores, transports, and markets energy products and services globally.	AmeriGas Partners and AmeriGas Finance Corp. have commenced a cash tender offer to purchase up to \$450 million of their 5.500% Senior Notes due 2025. <a href="#">Source</a>
Simply Good	3600	Operates as a consumer-	Plans to repay part of \$490 million term loan

Foods Co (SMPL)		packaged food and beverage company in North America and internationally.	debt by fiscal year-end 2024. <a href="#">Source</a>
Cushman & Wakefield plc (CWK)	2450	Provides commercial real estate services under the Cushman & Wakefield brand globally.	The company repriced its \$1 billion Term Loan due 2030, lowering the interest rate from Term SOFR plus 3.25% to 3.00%, with no changes to other terms. It also prepaid an additional \$45 million of the Term Loan due 2025, totaling \$100 million in debt repayment this year, resulting in expected annual cash interest savings of \$14 million. <a href="#">Source</a>
Addus HomeCare Corp (ADUS)	2075	Provides personal care services to elderly, chronically ill, disabled individuals, and those at risk of hospitalization or institutionalization in the U.S.	Approximately \$81.4 million from the offering will repay outstanding indebtedness under its credit facility. <a href="#">Source</a>
MasterBrand, Inc. (MBC)	1894	Manufactures and sells residential cabinets in the U.S. and Canada.	The company is issuing \$700 million of 7.00% Senior Notes due 2032 to fund the acquisition of Supreme Cabinetry Brands, Inc. and to refinance its existing revolving credit facility and Term Loan A credit facility. <a href="#">Source</a>
Oxford Industries Inc (OXM)	1596	Designs, sources, markets, and distributes lifestyle apparel brands worldwide.	Reduced debt by \$76 million since Q1 2023. <a href="#">Source</a>
Veris Residential, Inc. (VRE)	1500	Environmentally and socially conscious REIT focused on Class A multifamily properties with a sustainability emphasis.	Potential use of proceeds for the repayment of \$157 million in mortgage debt if the acquisition does not proceed. <a href="#">Source</a>
Apogee Enterprises, Inc. (APOG)	1415	Provides architectural products and services for enclosing buildings, and glass and acrylic products for preservation, protection, and enhanced viewing in the U.S., Canada, and Brazil.	Interest expense decreased to \$0.5 million from \$2.0 million, driven by lower average debt levels. <a href="#">Source</a>
BrightView Holdings, Inc. (BV)	1257	Provides commercial landscaping services in the United States.	Approximately \$75 million of debt under the facility repaid. <a href="#">Source</a>
Hertz Global Holdings, Inc (HTZ)	1245	Operates as a vehicle rental company	Hertz Corp. plans to offer \$500 million in First Lien Senior Secured Notes due 2029 and \$250 million in Exchangeable Senior Second-Lien Secured PIK Notes due 2029. The proceeds will be used to repay a portion of the \$2.0 billion revolving credit facility. <a href="#">Source</a>
B&G Foods, Inc. (BGS)	638	Manufactures, sells, and distributes shelf-stable and frozen foods, and household products in	Proceeds from the offering will repay a portion of B&G Foods' revolving credit loans and tranche B term loans under its senior secured credit agreement. Issuing additional \$250 million senior

		the U.S., Canada, and Puerto Rico.	secured notes at 8.000% due 2028 at a price of 100.5%. <a href="#">Source</a>
Gray Television Inc (GTN)	582	Owns and operates U.S. TV stations and digital assets.	The net proceeds from the notes, along with other funds, will be used to pre-pay Gray's \$1.2 billion tranche E term loan and repurchase its 5.875% senior notes. <a href="#">Source</a>
J. Jill Inc (JILL)	408	Omnichannel retailer of women's apparel under the J.Jill brand in the U.S.	J.Jill, Inc paid down approximately \$60 million of debt. <a href="#">Source</a>
Regional Management Corp. (RM)	274	Provides installment loan products to customers with limited access to credit in the U.S.	Completed a \$187.3 million asset-backed securitization (RMIT 2024-1) with a 6.19% weighted-average coupon, improving by 132 bps. Secured by \$215.7 million in receivables with a 3-year revolving period, it fortifies the balance sheet, diversifies funding, and reduces interest rate risk. Fixed-rate debt now makes up 87% of total debt with a 4.1% weighted-average coupon. <a href="#">Source</a>
Mama's Creations, Inc. (MAMA)	269	Manufactures and markets fresh deli-prepared foods in the U.S.	The company repaid \$388,000 toward a term loan. <a href="#">Source</a>
Motorcar Parts of America Inc (MPAA)	93	Manufactures, remanufactures, and distributes replacement parts for heavy-duty trucks, industrial, marine, and agricultural applications in the U.S.	Reduced net bank debt by \$32.5 million to \$114.0 million. <a href="#">Source</a>

#### Acquisition offer – received/rejected

Company Name (Ticker)	Mcap (\$, M)	Business	Event notes
Silk Road Medical Inc (SILK)	1068	Operates as a medical device company in the U.S.	Boston Scientific Corporation has agreed to acquire Silk Road Medical for \$27.50 per share in cash, with the total equity value of the transaction amounting to approximately \$1.26 billion. <a href="#">Source</a>
Target Hospitality Corp. (TH)	860	Target Hospitality Corp. operates as a specialty rental and hospitality services company in North America.	Special Committee evaluating unsolicited proposal from Arrow Holdings S.à.r.l. to acquire outstanding shares at \$10.80 per share. <a href="#">Source</a>
Vanda Pharmaceuticals Inc. (VNDA)	351	Develops and commercializes therapies for high unmet medical	Vanda received unsolicited takeover proposals from Cycle Group Holdings Ltd and Future Pak, LLC. The Board rejected these proposals, valuing the company at \$8.00 and \$8.50-\$9.00 per share, respectively, as they undervalue Vanda. <a href="#">Source</a>

#### Others

Company Name (Ticker)	Mcap (\$, M)	Biz	Event notes
Alight, Inc (ALIT)	4165	Provides cloud-based integrated digital human capital and business solutions globally.	Alight has entered into a \$75 million accelerated share repurchase (ASR) agreement with Barclays Bank PLC as part of its existing program, which had \$168 million remaining as of June 14, 2024.

			The initial payment of \$75 million will be for shares valued at 80% of the prepayment amount, with final settlement expected in Q3 2024. <a href="#">Source</a>
Axsome Therapeutics, Inc (AXSM)	3544	Biopharma company developing CNS disorder therapies in the U.S.	Settled patent litigation with Unichem Laboratories over Sunosi® (solriamfetol). Unichem to sell generic Sunosi from June 30, 2042, or earlier under specific conditions. Settlement to be reviewed by the U.S. Federal Trade Commission and Department of Justice. <a href="#">Source</a>
Mercury Systems Inc (MRCY)	1650	Manufactures and sells components, products, modules, and subsystems for aerospace and defense industries globally.	Identified cost reductions and efficiencies of approximately \$15 million. <a href="#">Source</a>
Core Scientific, Inc. (CORZ)	1396	North American digital asset mining and hosting services.	Core Scientific received and rejected an unsolicited non-binding proposal from CoreWeave to acquire the company for \$5.75 per share in cash. <a href="#">Source</a>
Verano Holdings Corp. (VRNOF)	1191	Operates as a vertically integrated multi-state cannabis operator in the U.S.	Verano filed a Notice of Application with the Supreme Court of British Columbia to dismiss Goodness Growth's request for a summary determination in their ongoing litigation. Verano seeks a full trial to address the lawsuit thoroughly, citing concerns over Goodness Growth's damages claims and report. <a href="#">Source</a>
Sharecare, Inc. (SHCR)	496	Operates as a digital healthcare platform company.	Sharecare entered into a definitive agreement to be acquired by Altaris, LLC. Transaction Details: Sharecare shareholders to receive \$1.43 per share in cash, representing an 85% premium over the prior closing price. <a href="#">Source</a>
AMC Networks Inc. (AMCX)	432	Owns and operates a suite of video entertainment products for audiences, distributors, and advertisers globally.	AMC Networks announced the pricing of \$125 million aggregate principal amount of 4.25% convertible senior notes due 2029, with an option for initial buyers to purchase an additional \$18.75 million. The offering is expected to close on June 21, 2024, subject to customary conditions. <a href="#">Source</a>
Stitch Fix, Inc. (SFIX)	431	Online apparel, shoes, and accessories retailer for all ages.	Stitch Fix ceased operations of its UK business, reporting it as a discontinued operation in their financial statements. <a href="#">Source</a>

# SHAREHOLDER ACTIVISM

Company name (Ticker)	Mcap (\$, M)	Heading
<b>INITIATED</b>		
Hibbett Inc (HIBB)	1040	<a href="#">Bronte Capital Management Opposes Proposed Merger of Hibbett, Inc (HIBB) with JD Sports Fashion</a>
Cognyte Software Ltd. (CGNT)	547	<a href="#">Value Base Ltd proposed a director candidate to the Board of Cognyte Software Ltd (CGNT)</a>
Destination Xl Group, Inc. (DXLG)	206	<a href="#">Fund 1 Investments to Engage in Strategic Discussions with Destination XL Group (DXLG)</a>
Vera Bradley, Inc. (VRA)	179	<a href="#">Fund 1 Investments to Engage in Strategic Discussions with Vera Bradley, Inc (VRA)</a>
Heliogen, Inc. (HLGN)	13	<a href="#">Galloway Capital Partners expressed its concerns on Heliogen (HLGN)</a>
Xwell, Inc. (XWEL)	10	<a href="#">CPC Pain &amp; Wellness SPV, LLC Calls for Board Changes at XWELL, Inc (XWEL)</a>
Brenmiller Energy Ltd. (BNRG)	3	<a href="#">Alpha Capital Anstalt Seeks Leadership Changes at Brenmiller Energy Ltd (BNRG) Amid Management Dissatisfaction</a>
<b>BOARD SEATS/AGM RESULTS</b>		
Norfolk Southern Corp (NSC)	52066	<a href="#">Norfolk Southern (NSC) announces shareholders have elected 10 of the company's director nominees and 3 Ancora's nominees</a>
Crown Castle Inc. (CCI)	43000	<a href="#">Crown Castle (CCI) shareholders elect company's entire slate of nominees to board</a>
Twilio Inc (TWLO)	9900	<a href="#">Twilio (TWLO) Stockholders Reject Proposal to Declassify Board of Directors at AGM</a>
Gildan Activewear Inc. (GIL)	6280	<a href="#">Browning West Announces Successful Replacement of Gildan Activewear's (GIL) Entire Board of Directors with Full Eight-Member Slate</a>
Vestis Corp (VSTS)	1555	<a href="#">Corvex Management secured a Board seat in Vestis Corp (VSTS)</a>

Whitestone REIT (WSR)	625	<a href="#">Whitestone REIT (WSR) Announces Preliminary Results of 2024 Annual Meeting of Shareholders</a>
Graftech International Ltd (EAF)	429	<a href="#">Nilesh Undavia was not elected to the Board of GrafTech International (EAF)</a>
Ashford Hospitality Trust Inc (AHT)	60	<a href="#">Seven out of nine Directors Elected at Ashford Hospitality Trust, Inc.'s (AHT) 2024 AGM</a>
Spruce Power Holding Corp (SPRU)	60	<a href="#">Clayton Capital Appreciation Fund reaches agreement with Spruce Power Holding Corporation (SPRU)</a>
Culp Inc (CULP)	54	<a href="#">22NW Fund reaches cooperation agreement with Culp Inc (CULP)</a>
Ameriserv Financial Inc (ASRV)	42	<a href="#">AmeriServ Financial (ASRV) Announces Cooperation and Settlement Agreement with Driver Management</a>
Parks! America, Inc (PRKA)	31	<a href="#">All of Focused Compounding's Nominees were Elected at Parks! America, Inc (PRKA)</a>
Forte Biosciences, Inc. (FBRX)	20	<a href="#">Camac Fund, ATG Capital Management and McIntyre Capital (together 7.6%) entered into a settlement agreement with Forte Biosciences (FBRX)</a>
<b>ONGOING</b>		
Autodesk, Inc. (ADSK)	52000	<a href="#">Starboard Value issued a letter to the shareholders of Autodesk Inc (ADSK)</a>
Masimo Corp (MASI)	7200	<a href="#">Politan Capital urged shareholders to support for its nominees at Masimo Corp (MASI)</a>
National Health Investors Inc (NHI)	2890	<a href="#">Land &amp; Buildings Advocates for Change at National Health Investors, Inc (NHI)</a>
Novavax Inc (NVAX)	2077	<a href="#">Shah Capital withdrew its campaign at Novavax (NVAX)</a>
Wisdomtree, Inc. (WT)	1505	<a href="#">ETFS Capital Calls for Governance Reform and Strategic Review at WisdomTree, Inc. (WT)</a>
Bitfarms Ltd (BITF)	1107	<a href="#">Riot Calls for Special Meeting of Bitfarms (BITF) Shareholders, Nominates Three Board Candidates</a>

Silverbow Resources, Inc. (SBOW)	962	<a href="#">Kimmeridge Withdraws Independent Nominees to SilverBow's (SBOW) Board Following Company's Definitive Agreement with Crescent Energy</a>
Arbutus Biopharma Corp (ABUS)	555	<a href="#">Whitefort Capital Management urges Arbutus Biopharma Corporation (ABUS) to explore Strategic actions</a>
Nano Dimension Ltd (NNDM)	482	<a href="#">Murchinson Sends Open Letter to Nano Dimension (NNDM) Shareholders Regarding the Latest Questionable Actions Taken by CEO and the Board</a>
Enhabit, Inc. (EHAB)	429	<a href="#">AREX Capital Releases Presentation Detailing Its Nominees' Comprehensive Plan to Deliver Enduring Value for Enhabit (EHAB) Stockholders</a>
Xperi Inc. (XPER )	352	<a href="#">Rubric Capital's Concerns Following Xperi Inc.'s (XPER) Board Election and Stock Performance</a>
Seanergy Maritime Holdings Corp. (SHIP)	253	<a href="#">George Economou and Sphinx Investment Corp. Issued Statement on Seanergy Maritime Holdings Corp (SHIP)</a>
Braemar Hotels & Resorts Inc. (BHR)	210	<a href="#">Campbell Capital Management Speaks Out in Support of Blackwells' Campaign for Change at Braemar Hotels &amp; Resorts (BHR)</a>
Medallion Financial Corp (MFIN)	193	<a href="#">ZimCal Asset Management Launches Campaign to Restore Shareholder Value at Medallion Financial (MFIN)</a>
Lifecore Biomedical, Inc. \DE\ (LFCR)	172	<a href="#">22NW Fund Nominates Directors at Lifecore Biomedical Inc (LFCR)</a>
Identiv, Inc. (INVE)	98	<a href="#">Bleichroeder L.P. Opposes Re-election of Gary Kremen to Identiv, Inc. (INVE) Board</a>
Tortoise Energy Independence Fund, Inc. (NDP)	55	<a href="#">ATG Capital Management nominated Board candidates to Tortoise Energy Independence Fund (NDP)</a>
LL Flooring Holdings, Inc. (LL)	43	<a href="#">LL Flooring Holdings (LL) Reveals Liquidity Concerns and Plans to Sell Sandston Distribution Center; F9 Investments Shows Interest</a>
<b>OTHERS</b>		

ICC Holdings, Inc. (ICCH)	69	<a href="#">ICC Holdings' (ICCH) Announces Merger Agreement and Stilwell Withdraws Board Nominee</a>
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## INITIATED

### **Bronte Capital Management Opposes Proposed Merger of Hibbett, Inc (HIBB)with JD Sports Fashion plc**

Key Summary: Bronte Capital Management opposed the Company's proposed merger with JD Sports Fashion plc, citing its significant undervaluation of the Company.

Market Cap: \$1 billion | Hibbett, Inc. and its subsidiaries operate in the retail sector, specializing in athletic-inspired fashion products across the United States.

On June 13, 2024, Bronte Capital Management (5.1%) opposed the Company's proposed merger with JD Sports Fashion plc, stating it significantly undervalued the Company. They believed the then-current offer, which valued the Company at about 10 times earnings, did not reflect the Company's historical growth or its projected future growth. As a result, Bronte Capital Management planned to vote against the JD Sports Merger and intended to initiate discussions with management, the Board of Directors, shareholders, and other stakeholders regarding their opposition to the merger. [Source](#)

### **Value Base Ltd proposed a director candidate to the Board of Cognyte Software Ltd (CGNT)**

Key Summary: On June 26,2024, Value Base Ltd (9.41%) proposed that the Company nominate Mr. Yaacobi, Managing Partner of Value Base Ltd, as a director. On August 8, 2022, Neuberger Berman Group (6%) acknowledged the company's operational challenges and disappointing financial results since its IPO but believes in its potential for shareholder value restoration. They suggest raising incremental equity capital and adding skilled management and directors to enhance turnaround efforts, and have identified executives who can help, intending to discuss steps with the Board, management, stockholders, and third parties.

Market Cap: \$547 million | Cognyte Software Ltd. provides an investigative analytics software to governments and enterprises worldwide.

On June 26,2024, Value Base Ltd (9.41%) proposed that the Company nominate Mr. Yaacobi, Managing Partner of Value Base Ltd, as a director. [Source](#)

Past

On August 8, 2022, Neuberger Berman Group (6%) stated its belief that although the company has encountered operational challenges since its IPO and has recently reported disappointing financial results, it has a solid foundation from which shareholder value can be restored . Neuberger Berman Group further believes that the ability of the management to successfully execute a turnaround of the business would be materially enhanced by raising incremental equity capital and adding members of management and directors with skills that complement those of the existing members of management and the Board of Directors. In that connection, Neuberger Berman Group sent a [letter](#) to the Board informing that it has identified executives who can help improve the company's execution. Also, it intends to speak with members of the Board and management, other stockholders and third parties regarding steps that can be taken by the company, its Board and management team to turnaround the business and alternatives available to the company to raise additional equity capital.

## **Fund 1 Investments to Engage in Strategic Discussions with Destination XL Group (DXLG)**

**Key Summary:** On June 26, 2024, Fund 1 Investments (9.8%) announced plans to discuss operational and strategic opportunities with the board to enhance stockholder value. On May 7, 2018, Cannell Capital nominated four board candidates; one was appointed on June 11, 2018. Cannell proposed the resignation of three members in January 2020 and reduced its stake to 4.51% by July 29, 2020. In January 2014, Willem T. Mesdag of Red Mountain Capital Partners secured a board seat with a 9.5% stake, which increased to 16.5% on April 6, 2018.

**Market Cap:** \$206 million | Destination XL Group, Inc., together with its subsidiaries, operates as a specialty retailer of big and tall men's clothing and shoes in the United States.

### **Fund 1 Investments**

On June 26, 2024, Fund 1 Investments (9.8%) stated that it intends to engage in discussions with the board and management team regarding operational and strategic opportunities for the company to enhance stockholder value. [Source](#)

### **Cannell Capital**

On May 7, 2018, Cannell Capital nominated four candidates for the board at the 2018 Annual Meeting. On June 11, 2018, the company agreed to appoint one of Cannell's nominees to the board, leading Cannell to withdraw its nominations and support the company's proposals. On January 29, 2020, Cannell criticized the board and proposed the resignation of three members, intending to withhold votes if they remained. By July 29, 2020, Cannell decreased its stake to 4.51%.

### **Red Mountain Capital Partners**

In January 2014, Willem T. Mesdag, Managing Partner of Red Mountain Capital Partners, secured a board seat through a mutual agreement, representing a 9.5% stake. On April 6, 2018, Red Mountain Capital Partners increased its stake to 16.5%.

## **Fund 1 Investments to Engage in Strategic Discussions with Vera Bradley, Inc (VRA)**

**Key Summary:** On June 26, 2024, Fund 1 Investments (9.8%) announced plans to discuss operational and strategic opportunities with the board to enhance stockholder value.

**Market Cap:** \$179 million | Vera Bradley, Inc., together with its subsidiaries, designs, manufactures, and sells women's handbags, luggage and travel items, fashion and home accessories, and gifts.

On June 26, 2024, Fund 1 Investments (9.8%) stated that it intends to engage in discussions with the board and management team regarding operational and strategic opportunities for the company to enhance stockholder value. [Source](#)

## **Galloway Capital Partners expressed its concerns on Heliogen (HLGN)**

**Key Summary:** On May 23, 2024, Galloway Capital Partners (6.41%) sent a letter to the Chairperson of the Board and CEO of the company expressing disappointment with the stock performance and undervaluation since its SPAC merger. On February 13, 2023, Prime Movers Lab Fund criticized Bill Gross's termination and Christiana Obiaya's CEO appointment. Bill Gross

disagreed with his removal. CRI proposed an acquisition on April 13 but withdrew on July 5. Prime Movers reiterated concerns on July 6.

Market Cap: \$13 million | Heliogen, Inc., a renewable energy technology company, operates in decarbonizing industry with concentrated sunlight.

On May 23, 2024, Galloway Capital Partners (6.41%) sent a [letter](#) to the Chairperson of the Board and CEO of the company expressing disappointment with the stock performance and undervaluation since its SPAC merger. They highlighted the company's advancements in AI-assisted solar technology and clean hydrogen, supported retaining an advisor for strategic joint ventures, and suggested utilizing a \$500 million net operating loss carryforward. They offered their expertise to enhance shareholder value and requested a meeting to discuss further actions.

#### Past

- On February 13, 2023, Prime Movers Lab Fund (12.5%) expressed its disappointment that the company's Founder, Chairman and CEO, Bill Gross, was terminated by the board and that the board had appointed the company's then-serving CFO, Christiana Obiaya, as the CEO despite her not having any prior CEO experience. They believe that shareholder representation is desperately needed in the boardroom following Mr. Gross's departure and they have been engaging in discussions with the board about such representation. [Source](#)
- On February 16, 2023, William Gross, Idealab, Idealab Holdings and Continuum Renewables, Inc., a Delaware corporation ("**CRI**") (13.4%) stated that effective February 5, 2023, he no longer serves as the CEO of the company and as a member of the Board. He expressed his disagreement with the decision of the board with respect to certain changes in management of the company. [Source](#)
- On April 13, 2023, CRI delivered a [letter](#) to the Board setting forth a proposal to acquire the company for a purchase price of \$0.40 per share of Common Stock in cash.
- On April 13, 2023, Prime Movers Lab Fund stated that it may be deemed to have formed a "group," with CRI. [Source](#)
- On July 5, 2023, CRI announced that it would no longer proceed with its plan to acquire the company's outstanding capital stock, including the Proposal outlined in their letter to the Board on April 13, 2023.
- On July 6, 2023, Prime Movers Lab Fund (8.6%) expressed its concerns with the appointment of Christiana Obiaya, as the company's CEO despite Ms. Obiaya not having any prior CEO experience. Further, it engaged in discussions with the Board about shareholder representation in the boardroom. [Source](#)

#### **CPC Pain & Wellness SPV, LLC Calls for Board Changes at XWELL, Inc (XWEL)**

Key Summary: On June 17, 2024, CPC Pain & Wellness SPV, LLC (9.42%) expressed concerns over the company's long-term underperformance, advocating for Board representation and a change in its composition to enhance governance, capital allocation, operations, and explore strategic alternatives.

Market Cap: \$10 million | XWELL, Inc. provides health and wellness services in airport and off airport marketplaces in the United States and internationally.

On June 17, 2024, CPC Pain & Wellness SPV, LLC (9.42%) stated that they were concerned with the company's long-term underperformance and believed that shareholder representation on the Board and a change in the composition of the Board were necessary to drive significant

improvements to the company's governance, capital allocation, and operations, and to explore strategic alternatives. [Source](#)

### **Alpha Capital Anstalt Seeks Leadership Changes at Brenmiller Energy Ltd (BNRG) Amid Management Dissatisfaction**

**Key Summary:** On June 10, 2024, Alpha Capital Anstalt (22%) stated that it was dissatisfied with the management and aimed to bring in independent, responsible, and effective leadership to improve management.

**Market Cap:** \$3 million | Brenmiller Energy Ltd. develops, produces, markets, and sells thermal energy storage (TES) systems using its proprietary patented technology, facilitating electrification and decarbonization.

On June 10, 2024, Alpha Capital Anstalt (22%) stated that it was dissatisfied with the management and aimed to bring in independent, responsible, and effective leadership to improve management. [Source](#)

### **BOARD SEATS/AGM RESULTS**

#### **Norfolk Southern (NSC) announces shareholders have elected 10 of the company's director nominees and 3 Ancora's nominees**

**Key Summary:** On February 20, 2024, Ancora Advisors nominated eight board candidates alongside a presentation criticizing Norfolk Southern's leadership. They expressed concerns over CEO Alan Shaw's performance on February 22 and released proxy materials on February 28. Ancora issued an open letter to the board on March 1, highlighting concerns over CEO pay and management decisions. On April 26, The Brotherhood of Locomotive Engineers and Trainmen endorsed Ancora's slate, followed by support from Cleveland-Cliffs CEO on April 27. On April 29, Glass Lewis supported six of Ancora's nominees for the Norfolk Southern board. The next day, ISS suggested shareholders back five of Ancora's seven nominees and seven of Norfolk Southern's nominees. Then, on May 2, Egan-Jones advised shareholders to elect all seven of Ancora's nominees. At the AGM held on May 9, 2024, shareholders elected 10 of company's director nominees and 3 Ancora's nominees to the Board.

**Market Cap:** \$52 billion | Norfolk Southern Corporation, together with its subsidiaries, engages in the rail transportation of raw materials, intermediate products, and finished goods in the United States.

- On February 20, 2024, Ancora Advisors announced the nomination of eight candidates for election to the Board at the 2024 AGM. Also, it issued an Investor [Presentation](#) titled "The Case for Leadership, Safety and Strategy Changes at Norfolk Southern"
- On February 22, 2024, Ancora Advisors issued a [press release](#) expressing concerns over CEO Alan Shaw's performance and criticized the company's lobbying efforts to protect his position as a top-paid executive.
- On February 28, 2024, Ancora Advisors posted its proxy materials to its campaign website at [www.movenscforward.com](http://www.movenscforward.com).
- On March 1, 2024, Ancora Advisors issued an open [letter](#) to the Chairman of the Board expressing concerns over decisions to increase CEO pay and conduct what they perceived as

a negative campaign. The letter questioned the board's allegiance to the CEO and urged them to focus on constructive dialogue and value creation. Ancora also highlighted their nomination of director candidates and a proposed management team. They criticized the board's compensation decisions and accused them of engaging in smear tactics. The letter emphasized the importance of a fair and fact-based election contest and invited the board to consider constructive alternatives.

- On March 20, 2024, Ancora Advisors criticized the company for hiring COO Mr. Orr in a \$25 million deal, arguing it benefited competitors and harmed shareholders. They condemned the lack of a thorough search and shareholder input, highlighting Orr's inexperience and the overlooked candidacy of Jamie Boychuk. Ancora called for leadership changes, accusing the board and CEO of prioritizing self-interest over shareholder value. [Source](#)
- On March 28, 2024, Ancora Advisors posted its proxy materials to its campaign website at [www.movenscforward.com](http://www.movenscforward.com).
- On April 26, 2024, The Brotherhood of Locomotive Engineers and Trainmen, affiliated with the International Brotherhood of Teamsters, endorses Ancora's full slate of directors and proposed management team for the company. [Source](#)
- On April 27, 2024, Lourenco Goncalves, Chairman, President, and CEO of Cleveland-Cliffs Inc., expressed support for Fred DiSanto and James Chadwick of Ancora in their proxy fight with the company. Goncalves emphasized that while Cleveland-Cliffs is a major customer of Norfolk Southern, the outcome of the proxy battle will not affect their business relationship. He cited Cleveland-Cliffs' past success with shareholder activism and believes in Ancora's plan. Goncalves assured continued collaboration with both Ancora and Norfolk Southern regardless of the proxy battle's outcome. [Source](#)
- On April 29, 2024, Glass Lewis has endorsed six of activist investor Ancora's nominees including CEO pick Barber for the company. [Source](#)
- On April 30, 2024, ISS recommended that shareholders support five of Ancora's seven nominees and seven Norfolk Southern nominees. But the proxy advisory firm recommended that shareholders withhold support from incumbent board chair Amy Miles. Also, ISS endorsed current CEO Alan Shaw's re-election. [Source](#)
- On May 2, 2024, Egan-Jones recommended that shareholders elect all seven of Ancora's nominees to the Board.
- On May 6, 2024, Ancora Advisors sent a [letter](#) to the Chairman of the Board expressing concerns about Director Claude Mongeau's suitability due to his involvement with companies facing regulatory issues. It highlighted his tenure on the boards of SNC-Lavalin Group Inc. and TD Bank, both facing significant compliance problems. Given Norfolk Southern's heightened regulatory scrutiny, the letter suggested Mongeau's resignation in light of ongoing investigations and regulatory concerns.
- At the [AGM](#) held on May 9, 2024, shareholders elected 10 of company's director nominees and 3 Ancora's nominees to the Board.

### **Crown Castle (CCI) shareholders elect company's entire slate of nominees to board**

Key Summary: On Feb 20, 2024, Ted Miller, Crown Castle co-founder, suggested the company to sell its fiber assets for up to \$15B and sought a new CEO after Jay Brown's departure. Also he nominated four candidates to the Board. On May 22, 2024, the company announced that shareholders elected entire slate of 12 nominees to the Board at the 2024 AGM.

Market Cap: \$43 billion | Crown Castle owns, operates and leases more than 40,000 cell towers and approximately 90,000 route miles of fiber supporting small cells and fiber solutions across every major U.S. market.

- On February 20, 2024, Ted Miller, co-founder of Crown Castle (CCI.N), and President of Boots Capital Management, stated that the company could sell its fiber assets for up to \$15

billion if he and his partners joined its board. He estimated that his plan supports 2026 Ebitda that takes Crown Castle shares to \$150 to \$160. Miller believed they were best positioned to find buyers and help Crown Castle upgrade its tower assets. He had nominated himself as executive chairman and adding three partners to the board. Miller had asserted that Crown Castle could benefit from his expertise in selling the fiber business, reducing debt, and improving operational efficiency. He criticized Crown Castle's leadership and its pact with Elliott Investment Management, urging for shareholder voting on the agreement. Crown Castle was currently seeking a new CEO after the departure of Jay Brown. [Source](#)

- On February 28, 2024, Ted Miller, representing Boots Capital Management, LLC, and other stakeholders, released a press statement contesting the company's cooperation agreement with Elliott Investment Management, L.P. Miller filed a lawsuit alleging the agreement, which appointed two Elliott-affiliated directors to the board without requiring Elliott to maintain equity, undermined shareholder interests. Miller urged for a shareholder vote to nullify the agreement, citing concerns over governance and shareholder disenfranchisement. Additionally, Miller had nominated a slate of experienced director candidates and presented plans to optimize the company's assets and operations, including facilitating a sale of its fiber assets.
- On March 4, 2024, Boots Capital Management, LLC criticized the company's revised cooperation agreement with Elliott Management, alleging Board misconduct. They claim the agreement doesn't address past issues and demand new independent directors to restore shareholder value.
- On March 7, 2024, Boots Capital Management, LLC issued a [presentation](#) relating to the company
- On March 13, 2024, Boots Capital Management, LLC issued an open [letter](#) urging immediate action to restore leadership and enhance shareholder value. Miller proposed a detailed plan including the sale of the fiber business to refocus Crown Castle as a premier tower company. He emphasized the need for experienced tower professionals on the board and highlighted concerns about the current board's lack of operational expertise. Additionally, Miller stressed the importance of maintaining a sustainable dividend and restoring operational excellence to drive long-term success.
- On March 28, 2024, Boots Capital Management filed proxy materials nominating four directors to address governance concerns. They criticized the Board for failures in CEO succession planning, dealings with Elliott Management, and lack of transparency. They aim to restore shareholder value by focusing on core assets and implementing a new strategy. [Source](#)
- On April 10, 2024, Boots Capital Management filed proxy materials urging shareholders to vote for their nominees to restore confidence and steer Crown Castle towards excellence. [Source](#)
- On April 16, 2024, the Delaware Court of Chancery granted expedited discovery to Boots Capital Management who accused the board of improperly increasing its seats during a proxy contest. A preliminary injunction hearing is set for early May. Boots Capital criticized the board for not reducing the number after appointing a new CEO, which ignored prior court directives. [Source](#)
- On April 19, 2024, Boots Capital Management filed proxy materials urging shareholders to vote for their nominees.
- On April 22, 2024, Boots Capital Management addressed fellow shareholders expressing dissatisfaction with the company's performance under the current Board. They highlighted a significant decline in shareholder value over the past decade, contrasting Crown Castle's performance unfavorably with its competitors. Boots Capital proposed a detailed plan to turn around Crown Castle, including accelerating the sale of the fiber business, rebooting the company as a pure-play tower business, and revamping leadership. Also, Boots Capital launched its website [www.RebootCrownCastle.com](http://www.RebootCrownCastle.com) [Source](#)

- On May 1, 2024, representatives of Boots Capital gave a [presentation](#) to representatives of ISS regarding Crown Castle.
- On May 6, 2024, Boots Capital filed supplemental [slides](#) in response to the Investor [Presentation](#) filed by the Corporation on May 3, 2024.
- On May 14, 2024, Boots Capital Management, LLC announced that Glass Lewis & Co. recommended Crown Castle shareholders to vote for Boots Capital nominees Ted B. Miller and Charles C. Green over the incumbent directors Cindy Christy and Ari Fitzgerald. Boots Capital urges shareholders to vote for their nominees and withhold votes for all Crown Castle nominees. [Source](#)
- On May 22, 2024, the company announced that shareholders elected entire slate of 12 nominees to the Board at the 2024 AGM. [Source](#)

### **Twilio (TWLO) Stockholders Reject Proposal to Declassify Board of Directors at AGM**

Key Summary: Legion Partners urged strategic alternatives and buybacks; Anson Funds critiqued governance and stock performance, emphasizing board dysfunction and rejecting proposals. At the June 6, 2024 AGM, the declassification proposal was rejected.

Market Cap: \$9.9 billion | Twilio Inc., together with its subsidiaries, provides customer engagement platform solutions in the United States and internationally.

- On February 26, 2024, Legion Partners Asset Management sent a [letter](#) to the Board encouraging it to announce a strategic alternative process to sell the Segment business and immediately expand its stock buyback program by at least an additional \$3 billion. Legion Partners stated its belief that these steps should unlock the fair value of Twilio's stock, which we conservatively estimate is greater than \$90 per share.
- On April 4, 2024, Anson Funds commented on recent actions taken by the Board, including the departure of director Byron Deeter and a proposal to declassify the Board, claiming that these changes were made based on their recommendations. Despite incremental positive changes, Anson Funds believed more action was necessary to address governance issues and underperformance. They highlighted Twilio's repeated rejection of their proposals and emphasized the dysfunction within Twilio's boardroom. They specifically mentioned preventing related-party transactions involving Bessemer Venture Partners, which they believed had been detrimental to Twilio stockholders. [Source](#)
- At the AGM held on June 6, 2024, the proposal to amend the Company's Certificate of Incorporation to declassify the Board of Directors did not garner approval from the stockholders. [Source](#)

### **Browning West Announces Successful Replacement of Gildan Activewear's (GIL) Entire Board of Directors with Full Eight-Member Slate**

Key Summary: Browning West (5%) is concerned about CEO's abrupt termination and board's choices. They demand CEO reinstatement and may call a Special Meeting for changes. On Jan 23, 2024, Browning West voiced concern over Board's actions, citing value destruction, entrenchment tactics, and delay of Special Meeting, vowing to improve governance. On Jan 31, 2024, Browning West decided to nominate eight qualified candidates for the Board. On May 23, 2024, the entire Board and CEO Vince Tyra resigned, allowing Browning West's nominees to take over. Co-founder Glenn Chamandy was reinstated as CEO and director, following strong shareholder support for Browning West's candidates.

Market Cap: \$6.3 billion | Gildan Activewear Inc. manufactures and sells various apparel products in the United States, North America, Europe, Asia-Pacific, and Latin America.

- On January 8, 2024, Browning West (5%) stated its concerns about the abrupt termination of CEO Glenn Chamandy and the appointment of Vince Tyra as his replacement by the company's board. It issued public letters ([Dec 14, 2023](#), [Dec 20, 2023](#), [Dec 29, 2023](#)) expressing its concerns and demands, including reinstating Chamandy, removing the board chair, and appointing a shareholder representative. Further, it stated that if the board continues to ignore its feedback, shareholders plan to requisition a Special Meeting to vote on removing directors and appointing its five candidates, which would potentially lead to changes in leadership. [Source](#)

#### Valuation insight

Browning West, in its letter dated December 14, 2023, opined that under Mr. Chamandy's leadership, Gildan's share price was poised to be worth \$60 to \$80 USD over the next two years, which represents an approximately 80% to 140% increase from the current price, which assumes that Mr. Chamandy delivers \$4 of earnings per share and the stock re-rates to its historical valuation range.

- On January 9, 2024, Browning West (5%) delivered a [letter](#) to the company to requisition a Special Meeting of Shareholders, seeking shareholder support at the upcoming Special Meeting to, (i) Remove eight of the incumbent directors, (ii) Appoint eight highly qualified director candidates to the Board.
- On January 23, 2024, Browning West (5%) highlighted its concern regarding the Board's actions. It mentioned the requisition of a Special Meeting to vote on the reconstitution of the Board due to perceived value destruction and questionable leadership decisions. The Board was accused of resorting to entrenchment maneuvers, including seeking to invalidate Browning West's requisition based on antitrust allegations. The letter also criticized the Board's conduct, misinformation campaigns, and attempts to delay the Special Meeting. Browning West expressed determination to protect its investment and improve corporate governance at the company. [Source](#)
- On January 29, 2024, the Company called an Annual and Special Meeting of Shareholders for May 28, 2024, in response to a requisition by Browning West seeking the removal and replacement of eight directors. In response, Browning West expressed disappointment in the Board's delay in setting the Meeting date and its legal actions. They emphasized that the delay seemed to protect an apparently unqualified CEO and criticized the distraction caused by the legal action.
- On January 31, 2024, Browning West decided to nominate eight qualified candidates for the Board at the AGM rather than through a Special Meeting due to the Board's actions. They believe this approach simplifies the voting process, eliminates the need for legal tactics, and gives shareholders a chance to reject the CEO Vincent Tyra's record of value destruction.
- On April 1, 2024, Browning West (5%) released an investor [presentation](#) outlining its plan to boost shareholder value and increase the company's share price to over \$60 by 2025 and exceeding \$100 within the next five years. The presentation aimed to showcase the company's potential under a new Board, featuring Browning West's director nominees, such as Michael Kneeland as Chair and Glenn Chamandy as CEO, in contrast to the potentially undervalued outcome of the company's sale process. Browning West also issued a [press release](#) and launched a website for shareholders to access the presentation and related materials.
- On April 22, 2024, the company announced a board refreshment strategy, appointing five new directors while five incumbents step down, effective May 1, 2024. The Board also

indicated no further updates on the potential sale process before the Annual Meeting. In response, Browning West issued a [press release](#) critiquing the move as a defensive measure to avoid accountability and maintain Vince Tyra as CEO. They emphasized the Board's failure to reinstate Glenn Chamandy as CEO despite shareholder demand. Browning West questioned the qualifications of the new directors and reiterated support for their own slate, advocating for Glenn's return as CEO

- On May 23, 2024, the company announced that its entire Board had resigned en masse, accompanied by the resignation of CEO and President Vince Tyra, paving the way for (i) Browning West's entire eight-member slate of nominees to be appointed as the full Board and (ii) the reinstatement of co-founder Glenn Chamandy as the CEO and as a director. This sweeping leadership change at the company follows shareholders' overwhelming votes in favor of Browning West's director candidates. [Source](#)

### **Corvex Management secured a Board seat in Vestis Corp (VSTS)**

**Key Summary:** On June 18, 2024, the company entered into a letter agreement with Corvex Management and pursuant to it, Corvex Management secured a Board seat.

Market Cap: \$1.5 billion | Vestis Corporation provides uniform rentals and workplace supplies in the United States and Canada.

On June 18, 2024, the company entered into a letter agreement with Corvex Management (12.9%) and pursuant to it, the Board appointed Keith Meister, Corvex Management, as a director on the Board. [Source](#)

### **Whitestone REIT (WSR) Announces Preliminary Results of 2024 Annual Meeting of Shareholders**

**Key Summary:** In March 7, 2024, Erez Asset Management plans to nominate two Board candidates at Whitestone's 2024 annual meeting. They urge shareholders to question management on underperformance, rejected buyout offers, asset sales, high costs, excessive debt, and lack of board experience. KBS Strategic Opportunity REIT aimed to align interests in mid-2017, increasing stake to 9.36% by December 2017. Despite unsuccessful board nominations, their proposal to declassify the board passed in May 2018. On May 14, 2024, the company announced that based on the preliminary vote count at the Company's 2024 AGM, all six Whitestone's nominees have been re-elected to the Board

Market Cap: \$625 million | Whitestone REIT is a community-centered real estate investment trust (REIT) that acquires, owns, operates, and develops open-air, retail centers located in some of the fastest growing markets in the country: Phoenix, Austin, Dallas-Fort Worth, Houston and San Antonio.

- On March 7, 2024, Erez Asset Management stated its plans to nominate two candidates for the Board at the 2024 annual meeting. They highlighted Whitestone's underperformance and urged shareholders to question management during a conference call, focusing on issues like rejecting a premium buyout offer, value-destructive asset sales, high public company costs, excessive debt levels, and the board's lack of relevant experience. [Source](#)
- On March 19, 2024, Erez Asset Management nominated two candidates for election to the Board at the 2024 AGM.
- On April 2, 2024, Erez Asset Management filed proxy materials seeking support for its nominees.
- On April 9, 2024, Erez Asset Management filed proxy materials urging shareholders to vote for their nominees and withhold votes from current trustees Taylor and Berry.

- On April 22, 2024, Erez Asset Management issued the Investor [Presentation](#) titled “Change is Needed at Whitestone: Erez Offers a Path to Restoring Value for Shareholders.”
- On April 26, 2024, Erez Asset Management filed proxy materials urging shareholders to vote for their nominees. It sent a [letter](#) to the shareholders highlighting the company's underperformance compared to peers, inefficient operations, and questionable governance practices.
- On April 30, 2024, ISS supports Erez's nominees, Bruce Schanzer and Catherine Clark, for the board of directors, while advising shareholders to withhold support from Whitestone's nominees, David Taylor and Nandita Berry. [Source](#)
- On May 6, 2024, Erez Asset Management reiterated the need for change at Whitestone REIT and rebutted accusations made by Whitestone regarding a potential acquisition offer. Erez clarified it wasn't pursuing an acquisition and criticized Whitestone's misleading allegations. [Source](#)
- On May 14, 2024, the company announced that based on the preliminary vote count at the Company's 2024 AGM, all six Whitestone's nominees have been re-elected to the Board. [Source](#)

#### Past

In mid-2017, KBS Strategic Opportunity REIT disclosed a 7.1% stake and aimed to align management and shareholder interests by discussing changes to compensation. By December 2017, their stake rose to 9.36%, prompting a notice to nominate trustees and propose declassifying the Board. They filed proxy materials in March and April 2018, urging support for their nominees and proposals. Despite ISS's recommendation, their candidates weren't elected at the May 2018 AGM, but the proposal to declassify the Board passed. By December 2018, KBS reduced its stake to 4.99%.

#### **Nilesh Undavia was not elected to the Board of GrafTech International (EAF)**

Key Summary: Nilesh Undavia, an experienced investor, sought collaborative dialogue with GrafTech's board but faced rejection. Dissatisfied with board decisions, he proposed adding new members and warned of a "denial of quorum" campaign. Undavia criticized the company's performance, CEO selection process, and governance in open letters to shareholders, seeking support for himself at the AGM. While ISS recommended the incumbent board's nominees, Glass Lewis supported Undavia's election, reflecting differing perspectives on the best path forward for GrafTech. At the [AGM](#) held on May 9, 2024, Nilesh Undavia was not elected to the Board.

Market Cap: \$326 million | GrafTech International Ltd. research, develops, manufactures, and sells graphite and carbon-based solutions worldwide.

- On February 23, 2024, Nilesh Undavia, an investor (5.7%) with extensive experience in cyclical industries, invested significantly in the company's stock based on thorough research indicating its strong market position. Mr. Undavia initially approached the incumbent Board with a humble and collaborative demeanor, aiming to work together in selecting a new CEO. Seeking to represent all shareholders' interests, he requested only one Board seat. However, the incumbent Board rejected this request, indicating potential entrenchment and prioritization of their own interests over shareholders'. Despite further attempts at engagement, Undavia's efforts for constructive dialogue were largely rebuffed or overlooked by the Board. Despite attempts at collaboration, he found serious errors by the incumbent Board and sought to nominate two candidates to address governance issues. If denied, he might have resorted to a "denial of quorum" campaign, aiming to prompt change for shareholder benefit. [Source](#)

- On February 27, 2024, Nilesh Undavia stated that he plans to nominate candidates for the company's board. Despite seeking collaboration with the incumbent board, his efforts were rebuffed, prompting him to propose adding two new members to ensure an appropriate CEO selection. If the incumbent board obstructs the nomination process, Undavia may consider a "denial of quorum" campaign to push for change.
- On March 12, 2024, Nilesh Undavia expressed dissatisfaction with the company's performance in an open [letter](#) to fellow shareholders. Undavia highlighted concerns regarding the CEO search process, lack of board oversight, and substantial shareholder value destruction. He pointed out a decline in financial performance and criticized the board's composition and governance practices. Undavia proposed adding a shareholder representative to the board and emphasized the importance of appointing a CEO with industry expertise. He concluded by urging shareholders to evaluate the company's leadership and collaborate to improve its prospects.
- On March 15, 2024, Nilesh Undavia filed proxy materials seeking support for himself at the AGM.
- On March 26, 2024, Nilesh Undavia filed proxy materials seeking support for himself at the AGM.
- On March 26, 2024, the company [announced](#) the appointment of Timothy K. Flanagan as its CEO and President, and has elected Mr. Flanagan to the Board, all effective March 26, 2024.
- On April 2, 2024, Nilesh Undavia filed proxy materials seeking support for himself at the AGM.
- On April 3, 2024, Nilesh Undavia issued a [letter](#) to the shareholders, criticizing the then-current leadership for a series of mistakes, including CEO turnover, damaged customer relationships, environmental mismanagement, and director compensation increases despite poor performance. Undavia opposed the recent appointment of Timothy Flanagan as CEO, citing his lack of relevant experience and the decline in shareholder value during his tenure. Undavia contrasted his substantial ownership stake in GrafTech with the minimal ownership of the company's nominee, Anthony Taccone, questioning Taccone's commitment to shareholder interests. Undavia urged shareholders to vote for change by supporting him on the Blue Proxy Card.
- On April 12, 2024, Nilesh Undavia issued an investor [presentation](#) titled "Revive GrafTech International: Case For Nilesh Undavia As A Director For GrafTech"
- On April 22, 2024, Nilesh Undavia issued an investor [presentation](#) titled "Revive GrafTech International: Nilesh Undavia's Response to Management Setting the Record Straight"
- On April 30, 2024, ISS recommended that stockholders vote "FOR" the nominees recommended by GrafTech's Board of Directors. [Source](#)
- On May 1, 2024, Glass Lewis recommended that shareholders vote **FOR** the election of Nilesh Undavia to the Company's board of directors. [Source](#)
- At the [AGM](#) held on May 9, 2024, Nilesh Undavia was not elected to the Board.

### **Seven Directors Elected, Two Miss Majority Vote at Ashford Hospitality Trust, Inc.'s (AHT) 2024 Annual Meeting**

Key Summary: On May 2, 2024, Blackwells Capital urged "AGAINST" votes for board nominees at the May 14, 2024 AGM. In 2020, company faced Cygnus Capital's opposition to exchange offers, resulting in legal disputes and director nominations, later withdrawn in February 2021 due to litigation costs. At the AGM on May 14, 2024, seven out of nine director nominees were elected, while two nominees failed to secure a majority of votes for their election.

Market Cap: \$60 million| Ashford Hospitality Trust is a real estate investment trust (REIT) focused on investing predominantly in upper upscale, full-service hotels.

- On May 2, 2024, Blackwells Capital filed a definitive proxy statement in connection with its campaign urging stockholders to vote “AGAINST” the election of Monty J. Bennett, Amish Gupta, J. Robison Hays, III, Kamal Jafarnia, David W. Johnson, Frederick J. Kleisner, Sheri L. Pantermuehl, Davinder “Sonny” Sra and Alan L. Tallis to the Company’s Board of Directors at the Company’s 2024 AGM which is scheduled to be held on May 14, 2024. Source
- On May 8, 2024, Blackwells issued a presentation urging stockholders to vote “AGAINST” the election of incumbent directors to the Board at the Company’s 2024 annual meeting of stockholders which is scheduled to be held on May 14, 2024. In its presentation entitled “Meet the Shareholder Value Destroyers” Blackwells highlighted the Board's misalignment with shareholders and poor governance practices, attributing them to the significant value decline for Ashford stockholders.
- At the AGM on May 14, 2024, seven out of nine director nominees were elected, while two nominees failed to secure a majority of votes for their election.

### Past

In September 2020, the company initiated exchange offers for preferred stock, met with Cygnus Capital's opposition. Despite Cygnus's efforts, the company proceeded. Cygnus raised stake, requested ownership limit exception, faced waiver revocation, and nominated directors, leading to legal disputes. Cygnus withdrew director nominees in February 2021 due to litigation costs.

### **Clayton Capital Appreciation Fund reaches agreement with Spruce Power Holding Corporation (SPRU)**

Key Summary: On April 17, 2024, Clayton Capital Appreciation Fund urged shareholders to vote for the election of two nominees to the Board and “**WITHHOLD**” on the Company’s nominees. On June 21, 2024, Clayton Capital withdrew its board nominees for Spruce Power Holding Corporation and entered a Cooperation Agreement with the Company

Market Cap: \$60 million | Spruce Power Holding Corporation owns and operates distributed solar energy assets in the United States.

- On April 17, 2024, Clayton Capital Appreciation Fund filed proxy materials urging shareholders to vote for the election of two nominees to the Board and “WITHHOLD” on the Company’s nominees. Source
- On April 17, 2024, Clayton Capital Appreciation Fund issued a letter to the board expressing its concerns about the company's undervaluation and the lack of direction following the CEO's departure. They emphasized the need for a clear growth strategy and criticized the Board's failure to repurchase stock despite significant undervaluation. Clayton Partners nominated Jason Stankowski and Clara Nagy McBane for the Board and offered to engage with stakeholders to maximize value.
- On May 31, 2024, Clayton Capital Appreciation Fund filed proxy materials seeking support for its nominees.
- On June 21, 2024, Clayton Capital withdrew its board nominees for Spruce Power Holding Corporation and entered a Cooperation Agreement with the Company. The agreement expanded the Board from six to seven members and appointed Clara Nagy McBane, Clayton's nominees, as a Class B director.

### **22NW Fund reaches cooperation agreement with Culp Inc (CULP)**

Key Summary: On April 12, 2024, 22NW Fund announced its intention to discuss enhancing shareholder value and improving corporate governance with the management and Board,

including potential Board changes. On June 17, 2024, 22NW Fund entered into a cooperation agreement with the company and pursuant to it, it secured one Board seat.

Market Cap: \$54 million | Culp, Inc. manufactures, sources, markets, and sells mattress fabrics, sewn covers, and cut and sewn kits for use in mattresses, foundations, and other bedding products in the United States, North America, the Far East, Asia, and internationally.

- On April 12, 2024, 22NW Fund (9.9%) stated that it intends to engage in communications with the management team and Board regarding opportunities to enhance shareholder value and improve corporate governance, including through potential changes to the composition of the Board. [Source](#)
- On June 17, 2024, 22NW Fund (9.9%) entered into a [cooperation agreement](#) with the company and pursuant to it, the company increased the size of the board from eight to nine directors and appointed Alexander B. Jones, 22NW Fund's representative, to fill the resulting vacancy.

### **AmeriServ Financial (ASRV) Announces Cooperation and Settlement Agreement with Driver Management**

Key Summary: In January 2023, Driver Management nominated directors and faced legal disputes with AmeriServ. By May 2023, shareholders elected the company's candidates. In September 2023, Driver Management requested a special litigation committee and sought information on company bylaws. In December 2023, they raised concerns about insufficient legal proceedings disclosure. By January 2024, they highlighted their dispute with AmeriServ and called for a shareholder inquiry. On April 12, 2024, Driver Management filed a complaint against AmeriServ in the U.S. District Court for the Western District of Pennsylvania. On April 18, 2024, AmeriServ entered a Cooperation Agreement with SB Value Partners. On June 14, 2024, AmeriServ reached a settlement with Driver Management, leading to Driver withdrawing director nominations and shareholder proposals for the 2024 Annual Meeting.

Market Cap: \$42 million | AmeriServ Financial, Inc. operates as the bank holding company for AmeriServ Financial Bank that provides various consumer, mortgage, and commercial financial products.

- On January 17, 2023, Driver Management (8.6%) delivered a letter to the company nominating a slate of director candidates: J. Abbott R. Cooper, Julius D. Rudolph, and Mr. Simmons, for election to the Board at the 2023 AGM. [Source](#)
- On January 20, 2023, Driver Management delivered a [letter](#) to the CEO of the company stating that it is exercising its right to inspect certain books and records and demands to inspect certain documents.
- On March 15, 2023, the company disclosed that Driver management's notice of director candidate nominations is invalid. [Source](#)
- On March 16, 2023, Driver Management sent a [letter](#) to the counsel of the company regarding the unlawful attempt by the company to prevent Driver's nominees from serving as candidates for election to the board.
- On March 17, 2023, the Company filed a complaint against Driver Management and the Driver Nominees in the Court seeking declaratory judgment that (i) the Company properly rejected Driver Opportunity's notice of intent to nominate director candidates at the annual meeting, which was submitted on January 17, 2023, and (ii) because of such rejection, Driver has no right to nominate candidates for election to the Board and the defendants have no right to seek election to the board at the annual meeting. Driver reiterates its belief that there is no justification for the conclusions reached by the Company and is committed

to defending itself against what it views as, an attempt to prevent it from exercising its rights as a shareholder. [Source](#)

- On March 29, 2023, Driver Management filed a complaint in the Court against the Company and the Company's board of directors. [Source](#)
- On May 31, 2023, the company announced that shareholders voted to elect the company's three director candidates. [Source](#)
- On September 7, 2023, Driver Management delivered a [letter](#) to the Chairman of the board stating that it intends to nominate J. Abbott R. Cooper for election to the board at the company's 2024 AGM.
- On September 12, 2023, Driver Management delivered a [letter](#) to the Company's counsel regarding a demand made on August 1, 2023, for the company to appoint a special litigation committee (SLC) to investigate alleged breaches of fiduciary duties by current and former members of the board. The demand relates to ongoing litigation preventing shareholders from voting for certain director candidates. Driver Management seeks confirmation of the SLC's appointment, the estimated investigation completion date, and expresses concern about ongoing corporate waste.
- On September 19, 2023, Driver Management sent a [letter](#) to the Chairman of the Board, seeking confirmation that its request to inspect specific company records has been denied, as indicated in a previous Rejection Letter from the company.
- On September 25, 2023, Driver Management sent a [letter](#) to the Chairman of the Board, expressing frustration with the lack of response to its requests for information regarding company bylaws and director nominations. It highlights the importance of this information for its upcoming director nominations and question the Board's transparency and accountability in light of ongoing legal costs and underperformance.
- On December 12, 2023, Driver Management sent a [letter](#) to the Chairman of the Board highlighting concerns about insufficient disclosure of material legal proceedings in the company's recent Form 10-Q filings.
- On January 23, 2024, Jack Babich, former SVP & Chief HR Officer of AmeriServ Financial, contacted Abbott Cooper via LinkedIn. Babich disclosed concerns about his forced retirement due to his objection to how the company handled illegal misconduct by another senior officer. Driver Management Company LLC, represented by Cooper, demanded access to AmeriServ's records to verify Babich's claims but faced refusal and litigation from AmeriServ. In response, AmeriServ filed a complaint against Babich, alleging a violation of confidentiality provisions in his retirement agreement. On January 26, 2024, AmeriServ filed a claim against Cooper for "tortious interference." Driver views AmeriServ's actions as an attempt to distract shareholders and questions the company's financial decisions and motives behind its legal actions. They urge shareholders to seek answers from AmeriServ's board regarding these matters. [Source](#)
- On April 12, 2024, Driver Management filed a [complaint](#) in the United States District Court for the Western District of Pennsylvania against the Company and the Company's board of directors. The complaint details breaches of both Pennsylvania state law and federal securities laws, emphasizing the company's alleged efforts to stifle shareholder participation and maintain control.
- On April 18, 2024, the company entered into a [Cooperation Agreement](#) with SB Value Partners (7.7%) and pursuant to it, SB Value Partners agreed to vote in line with the Board's recommendations on all matters except those involving an Extraordinary Transaction.
- On June 14, 2024, the company has reached a cooperation and settlement [agreement](#) with Driver Management and pursuant to it, Driver has agreed to withdraw its notice of nomination of director candidates for election to the Company's Board of Directors (the "Board"), along with other shareholder proposals, at the 2024 Annual Meeting of Shareholders and to voluntarily dismiss all outstanding litigation against AmeriServ.

## All of Focused Compounding's Nominees were Elected at Parks! America, Inc (PRKA)

**Key Summary:** On December 22, 2023, Focused Compounding Fund demanded a special shareholder meeting, proposing five changes to the company's governance. These changes included reverting certain bylaws, removing board members, and electing new ones. Despite Focused Compounding's efforts, some proposals failed to pass due to specific voting requirements at the February 26, 2024, Special Meeting of Stockholders. On March 1, 2024, Focused Compounding Fund filed complaint against company's directors. At the AGM held on June 6, 2024, Focused Compounding nominees, Geoff Gannon, Andrew Kuhn, Jacob McDonough and Ralph Molina, were elected to the Board of Directors of the Company.

Market Cap: \$31 million | Parks! America, Inc., through its subsidiaries, engages in acquiring, developing, and operating local and regional theme parks and attractions in the United States.

### Focused Compounding Fund

- On January 28, 2020, Focused Compounding Fund disclosed 17.01% and sent a [letter](#) to the Board seeking discussions with the management, Board and representatives of the company.
- On December 22, 2023, Focused Compounding (38.5%) demanded a special shareholder meeting from the Company. The meeting will address five proposals: (i) Repealing certain provisions of the Bylaws to restore them to their 2012 form if amended before the proxy solicitation is complete, (ii) Removing all seven members of the Board as per Section 4.9(a) of the Bylaws, (iii) Amending Section 4.7 of the Bylaws regarding vacancies on the Board, (iv) Electing new Board members, Andrew Kuhn, Geoff Gannon, and James Ford, and (v) Authorizing Focused Compounding Fund to adjourn the meeting if needed for the proposed changes. [Source](#)
- On January 4, 2024, Focused Compounding filed proxy materials seeking support for its nominees.
- On January 18, 2024, Focused Compounding sent a [letter](#) to the Board insisting on holding a special election, criticizing the Board's legal maneuvers and reliance on Nevada law to maintain their positions. It accused the Board of avoiding direct shareholder communication and instead using legal strategies to remain in power. The letter emphasized the importance of democratic engagement and challenged the Board to run a genuine campaign to win over shareholders. It criticized the Board's lack of honor and integrity, questioning their reliance on technicalities rather than shareholder interests.
- On January 26, 2024, Focused Compounding filed proxy materials seeking support for its proposals.
- On January 29, 2024, Focused Compounding announced the nomination of Jacob McDonough to their board slate for the company. [Source](#)
- On February 26, 2024, the company announced that both independent proxy advisory firms, ISS and Glass Lewis each recommended that shareholders vote "AGAINST" all Focused Compounding Fund, LP proposals at the Special Meeting of Stockholders. [Source](#)
- On February 26, 2024, Parks! America, Inc. held a [Special Meeting](#) of Stockholders to vote on proposals by Focused Compounding Fund, LP. Shareholders considered five proposals, including repealing certain bylaws, removing specific board members, amending other bylaws, and electing new board members. While some proposals received majority approval, others failed to pass due to specific voting requirements.
- On February 28, 2024, Focused Compounding proposed to buy the company's Common Shares at a discounted price to support the company's capital needs. However, Focused Compounding expressed doubts about the necessity for additional capital based on the company's financial disclosures. Concerned about dilution of its voting power, Focused

Compounding filed a complaint against the company and its directors on March 1, 2024. The court granted a temporary restraining order on March 4, 2024, preventing the company from issuing stock without consulting Focused Compounding, amending certain bylaws related to shareholder voting, or changing the date of the Annual Meeting, until a hearing on March 15, 2024, to decide on a preliminary injunction. [Source](#)

- On April 2, 2024, Focused Compounding Fund, L.P. issued an open [letter](#) to the Board expressing concerns about the then-CEO Lisa Brady's lack of operational skills and remote management approach. They advocated for the appointment of experienced on-site operators to run the parks. Focused Compounding urged stockholders to vote for their nominated director candidates at the annual meeting to initiate change within the company.
- On April 16, 2024, Focused Compounding filed proxy materials seeking support for its nominees
- On April 30, 2024, Focused Compounding filed proxy materials seeking support for its nominees
- On May 8, 2024, Focused Compounding filed a contested proxy statement and proxy card for the election of its director nominees. They publicized their operating plan, focusing on returning capital to shareholders, improving investor relations, dividing capital allocation and operational responsibilities, and enhancing employee incentivization.
- On May 22, 2024, Focused Compounding (38.44%) issued a [letter](#) to shareholders urging votes at the Annual Meeting. They criticized the company's "poison pill" policy and proposed returning capital through stock buybacks or special dividends to provide liquidity for shareholders, contrasting it with the current board's resistance.
- At the [AGM](#) held on June 6, 2024, Focused Compounding nominees, Geoff Gannon, Andrew Kuhn, Jacob McDonough and Ralph Molina, were elected to the Board of Directors of the Company.

Past

#### Nicholas A. Parks

- On January 30, 2019, Nicholas A. Parks (12.06%) entered into discussions with a private equity firm to discuss strategic options involving the company's stock. Mr. Parks stated that he wishes to continue such discussions in hopes of the following:  
To purchase additional shares of the outstanding stock.  
To have an active role in company decisions in order to maximize shareholder value.  
[Source](#)
- On September 23, 2019, Nicholas A. Parks (6.28%) stated that he believes the company should,  
Acquire a scalable business in order to grow the company's revenue over time. If unable to identify appropriate acquisitions, to return capital to shareholders via a special dividend or by purchasing its own stock  
[Source](#)
- On January 28, 2020, Nicholas A. Parks entered into a Stock Purchase Agreement with Focused Compounding Fund, LP for the sale of 4,110,000 shares of Common Stock. As a result of the closing of the transactions, Nicholas A. Parks beneficially own approximately 2.00% of the outstanding Common Stock. [Source](#)

#### Marlton Wayne

- On December 17, 2018, Marlton Wayne (5.04%) sent a [letter](#) to the Board noting its concerns that the company's public equity trades below its intrinsic value and offering potential solutions to substantially increase stockholder value. In the letter, Marlton outlined a proposed change in capital allocation and corporate governance that they believe is needed to put the company on a path that will reward stockholders:

- Return of capital of \$1,500,000 through either a Special Dividend of \$0.0201 per share representing 13.8% of the market capitalization based on the current share price of \$0.1451 or a Modified Dutch Auction Tender.
- Forming a Special Committee of Independent Board Members to explore all strategic alternatives to maximize stockholder value, including the disbursement of a Special Dividend, Modified Dutch Auction Tender and/or the sale of the company.
- On January 14, 2019, Marlton Wayne (5.04%) sent a [letter](#) reiterating its concerns that the company's current capital allocation strategy and corporate governance are causing the company's equity to trade at a significant discount. to the Board.
- On July 22, 2019, Marlton Wayne (5.04%) delivered a [letter](#) to the company demanding the inspection of certain of the company's books and records.

### **Camac Fund, ATG Capital Management and McIntyre Capital (together 7.6%) entered into a settlement agreement with Forte Biosciences (FBRX)**

Key Summary: Various investment firms, including BML Investment Partners, Camac Fund, ATG Fund, McIntyre Capital, and Funicular Funds, expressed concerns, advocated for change, and recommended actions in relation to a company's management and governance. Camac Fund, ATG Fund, and McIntyre Capital (collectively 7.6%) settled with the company and its Board on June 11, 2024. This agreement resulted in the formation of a strategic alternatives committee, an expansion of the Board to nine seats with Camac-appointed directors

Market Cap: \$20 million | Forte Biosciences, Inc. operates as a clinical-stage biopharmaceutical company in the United States.

#### Camac Fund, ATG Fund and McIntyre Capital

- On August 4, 2022, ATG Fund (9.9%) stated that it has previously expressed dissatisfaction with the strategic direction of the company in connection with the company's introduction of its "poison pill." It is the current intention of ATG Fund to engage in discussions with the management, board, other representatives regarding potential alternatives and recommendations that ATG Fund believes would present the opportunity for more immediate and certain value creation for the stockholders. Such alternatives and recommendations may include, without limitation, liquidation of the company's assets and return of capital to the stockholders. [Source](#)
- On August 17, 2022, Camac Partners (7.1%) expressed concerns regarding the Company's sizable trading price discount relative to its cash on hand and the Board's decision to conduct a highly dilutive equity capital raise following the emergence of four separate Schedule 13D filers. [Source](#)
- On February 17, 2023, Camac Fund delivered a letter to the company nominating Michael G. Hacke and Chris McIntyre for election to the board at the 2023 AGM.
- On May 25, 2023, Camac Fund filed proxy materials seeking support for its nominees.
- On July 3, 2023, Camac Fund resubmitted its nomination of the Nominees for election to the Board at the annual meeting following the company's disclosure that the annual meeting will be held on September 19, 2023. [Source](#)
- On August 31, 2023, Camac Fund, LP, ATG Capital Management, LLC, and McIntyre Capital (collectively referred to as 'the Concerned FBRX Stockholders') formed a group and issued an Investor [Presentation](#) titled "The Case for Boardroom Change at Forte Biosciences".
- On September 6, 2023, the Concerned FBRX Stockholders addresses various misrepresentations by the company, highlighting that they are not advocating for liquidation but rather accountability and improved governance. They criticize Forte's recent

private placement, which they view as dilutive and done to entrench current leadership. They also question Forte's comparisons with other biotech transactions and point out that their concerns extend beyond management's performance to its misalignment with stockholders. The group urges stockholders to vote "FOR" their independent nominees at AGM on September 19, 2023. [Source](#)

- On September 14, 2023, ISS and Glass Lewis recommended stockholders support boardroom change at the company's upcoming AGM. [Source](#)
- On September 26, 2023, the company announced the voting results from the September 19, 2023, election, where shareholders re-elected the incumbent director nominees to the board. [Source](#)
- On June 11, 2024, Camac Fund, ATG Capital Management and McIntyre Capital (together 7.6%) entered into a settlement [agreement](#) with the company and its Board, leading to the formation of a strategic alternatives committee by the company. The Board was expanded to nine seats, involving the resignation of one director and the appointment of two Camac-selected directors from a list of five candidates.

### BML Investment Partners

- On May 24, 2022, Braden Leonard, BML Investment Partners (8.9%), sent an email to the company's Chairman & CEO, Paul Wagner, indicating that BML believes that the company should liquidate and return cash to shareholders. [Source](#)
- On July 6, 2022, Braden Leonard, BML Investment Partners (9.1%), sent a follow up email to the company's Chairman & CEO, Paul Wagner, indicating that BML believes that the company should liquidate and/or return cash to shareholders. [Source](#)
- On August 15, 2022, Braden Leonard, BML Investment Partners (7.2%) sent a follow up email to the Chairman & CEO, Paul Wagner, indicating that BML believes that the company is destroying shareholder value by issuing shares at the current price. Also, he reiterated that shareholders would be far better off if the Board had decided to liquidate. [Source](#)
- On September 15, 2023, BML Investment Partners announced its plans to vote its shares in favor of proposals put forth by Camac Partners and ATG Capital Management.
- On September 26, 2023, the company announced the voting results from the September 19, 2023, election, where shareholders re-elected the incumbent director nominees to the board. [Source](#)
- On January 11, 2024, BML Investment Partners disclosed that on October 28, 2023, the company filed a lawsuit against them, alleging they were part of an undisclosed group, violating SEC regulations. On November 20, 2023, a stipulation was agreed upon for defendants to respond by January 16, 2024. BML Investment Partners stated that they considered the lawsuit baseless and intended to vigorously defend themselves. They denied all allegations, including group membership and the need for additional disclosures. [Source](#)

### Funicular Funds

- On July 6, 2022, Funicular Funds disclosed a 7.5% active stake in the company and stated its belief that the Board could made an immediate value creation through a substantial buyback program, tender offer at a premium, or special dividend. Funicular Funds requested that the Board evaluate, in conjunction with the company's continued development program, a tender offer or other extraordinary transaction to return \$20 million (or such other amount deemed appropriate under the circumstances) and promptly report back to holders.
- On July 19, 2022, Funicular Funds (9.9%) expressed its concerns regarding the company's adoption of poison pill. [Source](#)

- On August 24, 2022, Funicular Funds sent a [letter](#) to the Board expressing its concern with the Board's failure to address the legitimate concerns previously raised by stockholders and its decision to embark on a value-destructive, scorched-earth path with a dilutive and unnecessary capital raise, without so much as an explanation for its actions. In the letter, the Fund urges the Board to immediately establish a special committee comprised solely of independent directors to: (i) thoroughly investigate recent actions taken in response to stockholder feedback, (ii) rectify the recent dilutive capital raise by formulating a plan to return capital to stockholders, (iii) consider and recommend a separation of the Chairman and CEO roles at the company, and (iv) exercise the Board's authority under the company's Bylaws to call a special meeting of stockholders to allow the owners of the company to determine its future direction.

## ONGOING

### Starboard Value issued a letter to the shareholders of 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.

Market Cap: \$52 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.

## 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.

### Politan Capital urged shareholders to support for its nominees at Masimo Corp (MASI)

Key Summary: In Sep 2022, Politan Capital (8.8%) sought board representation. Legal issues arose, leading to a May 2023 nomination of directors. Despite challenges, both nominees were elected in June 2023. In Mar 25, 2024, Politan (8.9%) nominated two candidates for the 2024 AGM, expressing dissatisfaction with governance and proposing independent directors.

Market Cap: \$7.2 billion| Masimo Corporation develops, manufactures, and markets noninvasive monitoring technologies and hospital automation solutions worldwide..

- In September 2022, Politan Capital Management (8.8%) initiated discussions regarding corporate governance and strategic initiatives with the CEO and Chairman, Joe Kiani, expressing interest in board representation. However, after the board approved a rights agreement and amended corporate bylaws, Politan raised legal concerns and requested a meeting with the full board, which was not scheduled. This led to a legal complaint filed by Politan in October 2022, seeking relief against the company and board members.
- In May 2023, Politan submitted formal notices of intent to present a stockholder proposal and nominated two director candidates for election to the board at the 2023 AGM. This was supported by recommendations from proxy advisory firms ISS and Glass Lewis. Despite the company's commitment to appoint one of Politan's nominees, Michelle Brennan, contingent upon stockholder approval of board expansion and reelection of incumbent directors, both of Politan's nominees, including Quentin Koffey, were elected to the board at the June 2023 annual meeting.
- On March 25, 2024, Politan Capital Management (8.9%) announced its nomination of two candidates for the Board at the 2024 AGM. Quentin Koffey, a then-current director, expressed dissatisfaction with the lack of transparency and governance under CEO Joe Kiani. Politan supported a strategic review but criticized the Board's oversight. They proposed Dr. Darlene Solomon and William "Bill" Jellison as independent directors to address governance issues and enhance expertise. Politan urged engagement with shareholders to resolve concerns. [Source](#)
- On May 8, 2024, Politan Capital Management submitted a demand letter to the company seeking access to records regarding the company's consumer business separation and undisclosed joint venture partner.
- On May 9, 2024, Quentin of Politan Capital Management responded to Craig Reynolds of Masimo Corporation regarding proposals to avoid a proxy contest. Politan questioned the effectiveness of Masimo's approach and suggested adding Darlene Solomon and Bill Jellison to the board to address governance issues, emphasizing the need for a majority of independent directors. [Source](#)
- On June 14, 2024, Politan Capital Management filed proxy materials seeking support for its nominees.
- On June 26, 2024, Politan Capital Management updated its website, [www.AdvanceMasimo.com](http://www.AdvanceMasimo.com) in connection with the solicitation of stockholders of Masimo Corporation. Also, it posted a [presentation](#), "Masimo Urgently Needs A Truly Independent Board" and released an open [letter](#) to the shareholders reiterating its concerns and urges shareholders to vote for its nominees.

### **Land & Buildings Advocates for Change at National Health Investors, Inc**

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.

Market Cap: \$2.9 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.

### **Shah Capital withdrew its campaign at Novavax (NVAX)**

Key Summary: On May 6, 2024, Shah Capital Management, Inc. launched a campaign urging stockholders to vote against the re-election of all Novavax directors at the 2024 Annual Meeting. On May 20, 2024, Shah Capital withdrew its campaign.

Market Cap: \$2 billion | Novavax, Inc., a biotechnology company, that promotes improved health by discovering, developing, and commercializing vaccines to protect against serious infectious diseases.

- On May 6, 2024, Shah Capital Management, Inc. launched a campaign urging stockholders to vote against the re-election of all Novavax directors at the 2024 Annual Meeting. They criticized the board and management for hindering the company's potential and advocated for fresh perspectives to restore investor confidence. Shah Capital filed a proxy statement to solicit votes against three Class II Directors and three other proposals, emphasizing the need for urgent change due to poor performance and unresponsiveness. [Source](#)
- On May 20, 2024, Shah Capital Management, Inc (7.9%) announced that in light of recent developments at the company, they have determined to withdraw their preliminary proxy statement and campaign against the re-election of the Class II directors at the upcoming annual meeting. [Source](#)

### **ETFs Capital Calls for Governance Reform and Strategic Review at WisdomTree, Inc. (WT)**

Key Summary: In March 2022, ETFs Capital and Lion Point Capital sought board changes, leading to nominee submissions and settlement by May 27, 2022. In April 2023, ETFs reiterated concerns, filed proxies, and gained ISS and Glass Lewis recommendations. Despite obstacles, one nominee was elected in June 2023. In March 2024, ETFs criticized WisdomTree's DeFi strategy, proposing a strategic review for shareholder value enhancement, intending to withhold votes at the next meeting.

Market Cap: \$1.5 billion | WisdomTree Investments, Inc., through its subsidiaries, operates as an exchange-traded funds (ETFs) sponsor and asset manager..

- In March 2022, ETFs Capital Limited and Lion Point Capital expressed desires for board and management changes at a company, leading to the nomination of three candidates for the

Board at the 2022 AGM. Settlement discussions ensued, resulting in an agreement on May 27, 2022, appointing two independent members. In April 2023, ETFS Capital reiterated concerns, launched a website, and issued open letters to shareholders. Proxy materials were filed seeking support for nominees, and ISS and Glass Lewis recommended ETFS Capital's candidates. Despite initial challenges, one of ETFS Capital's nominees was elected to the board in June 2023.

- On March 21, 2024, ETFS Capital Limited (10.2%) released a [letter](#) addressing concerns regarding the company's performance and governance. The letter criticized WisdomTree's strategy shift towards DeFi (Decentralized Finance), highlighting failures in core ETF management and unsuccessful DeFi initiatives. ETFS Capital proposed a strategic review process to maximize shareholder value, suggesting options like selling parts of the business, returning capital to shareholders, or restructuring the company's leadership. ETFS Capital intends to withhold votes from the Board at the upcoming shareholder meeting to signal dissatisfaction and encourages other shareholders to do the same.
- On April 17, 2024, ETFS Capital Limited urged shareholders to vote against specific directors to signal dissatisfaction and demand change. They emphasized the significance of shareholder votes and urged support for their proxy solicitation. [Source](#)
- On April 30, 2024, ETFS Capital Limited urged shareholders to vote against the re-election of certain board members, citing their support for the DeFi strategy. ETFS emphasized the importance of shareholder input and urged support for their efforts by returning the enclosed GOLD proxy card.
- On May 14, 2024, ETFS Capital Limited issued a [press release](#) urging the company to halt its conflict with stockholders and initiate a strategic review process. ETFS Capital believes WisdomTree's ETF business is undervalued and suggests strategic alternatives such as a sale of part or all of the business or significant restructuring. The press release encourages stockholders to vote against the re-election of Chairman Win Neuger, Director Anthony Bossone, and CEO and Director Jonathan Steinberg to push for a strategic review and value unlocking measures.
- On May 21, 2024, ETFS issued an Investor [Presentation](#) titled "Unlock Value at WisdomTree" and issued a [press release](#) emphasizing the significant undervaluation of WisdomTree and the necessity for an independent strategic review. They urge stockholders to vote against the re-election of Chairman Win Neuger, Director Anthony Bossone, and CEO Jonathan Steinberg.
- On May 28, 2024, ETFS issued a Rebuttal Investor [Presentation](#) titled "Setting the Record Straight" highlighting the Board's failure to address ETFS Capital's claims that the company's core ETF business is undervalued.

### **Riot Calls for Special Meeting of Bitfarms (BITF) Shareholders, Nominates Three Board Candidates**

Key Summary: On June 12, 2024, Riot Platforms (13.1%) criticized Bitfarms' adoption of a Poison Pill with a 15% trigger, below the customary 20%, as poor governance. Riot urged Bitfarms to consult large shareholders and called for Chairman Nicolas Bonta's resignation. On June 24, 2024, Riot Platforms nominated three board candidates.

Market Cap: \$1.1 billion | Bitfarms Ltd. engages in the mining of cryptocurrency coins and tokens in Canada, the United States, Paraguay, and Argentina.

- On June 12, 2024, Riot Platforms (13.1%) criticized the company's adoption of a shareholder rights plan (Poison Pill) with a 15% trigger, below the customary 20%, as disregarding good governance. Riot had urged the company to consult large shareholders and called for Chairman Nicolas Bonta's resignation to address governance concerns. [Source](#)

- On June 13, 2024, Riot Platforms increased its stake to 14% and stated that it intends to requisition a special shareholders' meeting to nominate new directors due to concerns over corporate governance. [Source](#)
- On June 24, 2024, Riot Platforms (14.9%) sent a [Requisition Letter](#) to the board of directors to call a special shareholders' meeting aimed at electing new independent Board members. Riot has nominated John Delaney, Amy Freedman, and Ralph Goehring as independent replacements to restore shareholder confidence and bring necessary experience to the board. The letter also stated the withdrawal of its previous acquisition proposal of US\$2.30 per share and announced plans to apply to the Ontario Capital Markets Tribunal to cease-trade the shareholder rights plan (Poison Pill) adopted on June 10, 2024.

### **Kimmeridge Withdraws Independent Nominees to SilverBow's (SBOW) Board Following Company's Definitive Agreement with Crescent Energy**

Key Summary: In Sep 2023, Riposte Capital (5.5%) criticized Board & Management for aggressive growth and discounted stock sale. In Nov 2023, discontent over dilutive acquisitions, calls for Board changes. On February 16, 2024, Kimmeridge Energy Management Company nominated three Board candidates. On March 13, 2024, it proposed merging with SilverBow Resources. On April 16, 2024, Kimmeridge announced that they are withdrawing their previous offer to merge KTG with the company. On May 16, 2024, Crescent Energy Company and SilverBow Resources, Inc. announced that they have entered into a definitive agreement pursuant to which Crescent will acquire SilverBow in a transaction valued at \$2.1 billion. Subsequently, Kimmeridge withdrew their nominees.

Market Cap: \$962 million | SilverBow Resources, Inc., an oil and gas company, engages in exploration, development, acquisition, and operation of oil and natural gas properties in the Eagle Ford shale and Austin Chalk located in South Texas.

- On February 16, 2024, Kimmeridge Energy Management Company (12.9%) stated its intention to nominate three individuals—Douglas E. Brooks, Carrie M. Fox and Katherine L. Minyard for election to the Board and to present a proposal to remove current director Christopher O. Majeske from the Board, each in connection with the 2024 AGM.
- On March 13, 2024, Kimmeridge proposed to merge its Kimmeridge Texas Gas ("KTG") assets with SilverBow Resources. KTG's equity value stands at \$1.1 billion, expected to reach \$1.4 billion upon the transaction's close. Kimmeridge plans to contribute KTG assets in exchange for 32.4 million shares of SilverBow at \$34 per share and inject \$500 million of fresh equity at the same price, obtaining 14.7 million shares. This would result in Kimmeridge and its affiliates owning a majority of CombineCo's outstanding shares, totaling 50.3 million. The proposal, accretive to SilverBow shareholders, offers a premium of 8.5% over the closing share price on March 11, 2024, and 21% over the 30-day volume-weighted average price. Kimmeridge is financially prepared to fund the \$500 million equity investment and intends to utilize the funds to reduce SilverBow's existing long-term debt. Highly confident letters from Barclays, RBC Capital Markets, and other lenders support Kimmeridge's ability to secure the necessary debt financing for the Transaction. [Source](#)
- On March 28, 2024, the company announced that Christoph O. Majeske has resigned from the Board.
- On March 29, 2024, Kimmeridge filed proxy materials seeking support for its nominees.
- On April 1, 2024, Kimmeridge issued an open [letter](#) to shareholders, expressing frustration over the company's lack of engagement following Kimmeridge's proposal to combine Kimmeridge Texas Gas (KTG) and SilverBow. Kimmeridge also filed preliminary proxy materials for the nomination of three independent directors to the Board.
- On April 12, 2024, Kimmeridge filed proxy materials seeking support for its nominees.

- On April 16, 2024, Kimmeridge announced that they are withdrawing their previous offer to merge KTG with the company. Instead, they will concentrate on electing their nominees at the 2024 AGM. [Source](#)
- On April 29, 2024, Kimmeridge released a [presentation](#) highlighting SilverBow's underperformance, value-destructive acquisitions, and governance issues. It urges shareholders to vote for Kimmeridge's three nominees to SilverBow's board for long-term value creation.
- On May 2, 2024, Kimmeridge criticized SilverBow's M&A strategy in a [presentation](#), highlighting value destruction. It urges shareholders to vote for Kimmeridge's three nominees to SilverBow's board for long-term value creation.
- On May 13, 2024, Kimmeridge challenged the company's claims about its intentions and actions. They clarified their goal is to address underperformance and governance issues, not just pursue a merger with Kimmeridge Texas Gas. They urged shareholders to vote for their nominees on the GOLD proxy card. [Source](#)
- On May 16, 2024, Crescent Energy Company and SilverBow Resources, Inc. announced that they have entered into a definitive agreement pursuant to which Crescent will acquire SilverBow in a transaction valued at \$2.1 billion. [Source](#)
- On May 22, 2024, Kimmeridge withdrew their nomination of the Nominees for election to the Board at the 2024 AGM. [Source](#)

#### Past

- On September 28, 2023, Riposte Capital (5.5%) stated that they maintain their belief that the Board and Management are making decisions detrimental to the company and its shareholders. They criticized the company's aggressive growth strategy, exemplified by a recent stock sale at a significant discount. They noted that while most similar companies focus on metrics like free cash flow per share and share buybacks, the company is issuing equity at a lower valuation compared to peers. Riposte Capital accused the Board and Management of prioritizing self-interest over shareholder value. They called for specific actions, including the removal of a criticized poison pill, a shift towards profitability, changes in management incentives, and an independent review of strategic options, potentially including a sale of the company. [Source](#)
- On November 30, 2023, Riposte Capital (6.7%) sent a [letter](#) to the Board expressing dissatisfaction with the Board's performance and highlighting that they previously advised the Board to avoid dilutive acquisitions due to the company's scale and financial profile. However, the Board proceeded with a \$700 million acquisition of Chesapeake's South Texas position, which they believe eroded shareholder value. They also criticized the issuance of fresh equity at a 12% discount to an already undervalued share price. The letter concluded with Riposte Capital asserting that a significant change in the Board's composition is needed at the 2024 AGM, suggesting the nomination and election of three new independent candidates to better serve the company's interests.

#### **Whitefort Capital Management urges Arbutus Biopharma Corporation (ABUS) to explore Strategic actions**

Key Summary: On May 9, 2024, Whitefort Capital Management (6.8%) urged the Board to enhance the company's value by ending the ATM program and exploring HBV portfolio options.

Market Cap: \$555 million | Arbutus Biopharma Corporation, a biopharmaceutical company, develops novel therapeutics for chronic Hepatitis B virus (HBV) infection in the United States.

- On May 9, 2024, Whitefort Capital Management (6.8%) expressed to the Board that the current share price doesn't reflect the company's true value, urging termination of the ATM

program and exploration of strategic options for the HBV portfolio. They aim to cooperate with the Board and engage with shareholders on these matters. [Source](#)

- On May 17, 2024, Whitefort Capital Management issued an open [letter](#) to the shareholders, advocating for strategies to maximize company value. They emphasized the potential billions in value from Arbutus' patent infringement claims against Moderna and Pfizer/BioNTech. The firm urged Arbutus to halt any further share issuances and planned to vote against increasing share allocations under the company's incentive plan. Furthermore, Whitefort suggested that Arbutus should conduct a strategic review of its Hepatitis B virus portfolio by the end of the year, including exploring potential licensing and collaboration agreements.

### **Murchinson Sends Open Letter to Nano Dimension (NNDM) Shareholders Regarding the Latest Questionable Actions Taken by CEO and the Board**

Key Summary: On January 22, 2023, Murchinson Ltd. (5.1% shareholder) demanded a special meeting to improve Nano Dimension's governance by amending the Articles of Association, removing CEO Yoav Stern and three other directors, and appointing two new independent directors. Following multiple disputes, presentations, and legal actions, shareholders voted in favor of Murchinson's proposals on March 20, 2023, but the company contested the meeting's validity in court. Subsequent communications and letters from Murchinson and other shareholders highlighted ongoing governance concerns, proposed further changes, and criticized the Board's actions. On June 28, 2024, Murchinson criticized the Board for lavish spending amid workforce cuts and suspected deal talks, reaffirming their commitment to replacing the Board at the 2024 AGM.

Market Cap: \$482 million | Nano Dimension Ltd., together with its subsidiaries, provides additive electronics in Israel and internationally.

- On January 22, 2023, Murchinson Ltd and certain funds (5.1%) delivered a letter to the Board demanding that the company convene a special general meeting of shareholders to allow shareholders to vote upon resolutions proposed by the Proposing Shareholders to improve the company's corporate governance by way of (i) amending certain provisions of the Company's Amended and Restated Articles of Association, including to allow shareholders to fill Board vacancies and remove directors at a general meeting by a simple majority vote, (ii) removing several members of the Board, namely, the Chairman of the Board and CEO Yoav Stern, and current directors Oded Gera, Igal Rotem and Dr. Yoav Nissan-Cohen and (iii) appointing two new highly-qualified, independent and experienced director nominees, Kenneth H. Traub and Dr. Joshua Rosensweig, as directors of the company (such demand, the "Special Meeting Demand"). The Special Meeting Demand instructed the Board to immediately, and no later than February 12, 2023, call the Special Meeting, and hold it no later than 35 days thereafter, as required by the Companies Law. [Source](#)
- On February 13, 2023, Murchinson Ltd (5.1%) called on the company to hold a special meeting to remove four incumbent directors, including its chairman/CEO, and install two independent board members. [Source](#)
- On March 6, 2023, Murchinson Ltd issued a presentation outlining why it believes change is urgently needed at Nano Dimension.
- On March 6, 2023, Nano Dimension Ltd (14.5%) stated that it intends to engage in communications with the company regarding opportunities to enhance shareholder value and improve corporate governance, including through potential changes in the corporate structure, potentially, among other options, including changes to the composition of the Board. [Source](#)

- On March 9, 2023, Nano Dimension Ltd delivered a letter to the board proposing a non-binding indicative offer to acquire the remaining outstanding shares for \$18.00 per share in cash.
- On March 10, 2023, Anson Funds (5.1%) issued a letter to the Board to express its disappointment in the company's apparent refusal to constructively engage with its shareholders. In addition, Anson Funds called on the board to implement a meaningfully larger return of capital program and expressed its concern that the company is overcapitalized and its belief that management's recent actions highlight poor corporate governance at the company. It also urged the board to halt the proposed takeover of Stratasys, Ltd. Source
- At the special general meeting held on March 20, 2023, the shareholders voted in favor of the Proposing Shareholders' proposals to (i) amend certain provisions of the company's Articles of Association, (ii) remove four incumbent members of the Board, including Chairman and Chief Executive Officer Yoav Stern, and (iii) appoint two director nominees, Kenneth H. Traub and Dr. Joshua Rosensweig, as directors of the company. Although the Proposing Shareholders believe that the Special Meeting was valid, including that Messrs. Traub and Rosensweig were duly elected to the Board at the Special Meeting, the company is challenging the validity of the Special Meeting in Israeli court, which the Proposing Shareholders are vigorously defending. Most recently, the Israeli court issued an order stating that Messrs. Traub and Rosensweig shall serve as non-voting observers on the Board during the pendency of the litigation.
- In addition to the Israeli litigation, on March 27, 2023, the company filed a lawsuit against Murchinson Ltd and certain other third parties.
- On May 1, 2023, Murchinson Ltd (5.8%) filed a lawsuit against the company and certain other third parties, including Mr. Stern seeking to recover its costs and attorneys fees and punitive damages arising from the company's Complaint. Source
- On May 2, 2023, Anson Funds (6.2%) stated its belief that the allegations by the company contained in the complaint are without merit and intend to defend themselves. Source
- On June 27, 2023, Murchinson delivered a private letter to the Board expressing its concerns over the increased tender offer price for Stratasys shares and the lack of due process and shareholder approval. It criticizes potential plans for a hasty equity issuance that would dilute shareholders' interests.
- On July 20, 2023, Murchinson (5.9%) sent a letter to the Board expressing concerns about the delayed AGM and the Board's alleged attempts to disenfranchise shareholders. It also informed the Board of its decision to convert a portion of ADSs held by Nomis Bay into Ordinary Shares, which was completed on July 18, 2023. As a result, Nomis Bay now holds 1,500,000 ADSs and 3,000,000 Ordinary Shares.
- On July 31, 2023, Murchinson demanded the company to add resolutions to improve corporate governance at the AGM on September 7, 2023. This includes electing experienced and independent director nominees, amending the Articles of Association, and replacing/removing Board members. Source
- On August 17, 2023, Murchinson released an investor presentation detailing why they believe wholesale change to the Board is urgently required to restore accountability, address broken governance and drive shareholder value at the company. The Investor Presentation also details the Proposing Shareholders' five-pillar plan to improve leadership, capital allocation and corporate governance at the company, which they believe can only be accomplished through a reconstituted Board. The Proposing Shareholders therefore encourage the shareholders to support the proposals to remove the incumbent directors, elect their independent nominees and improve corporate governance at the AGM, scheduled for September 7, 2023. The Proposing Shareholders believe their independent nominees who would join current non-voting directors Kenneth Traub and Dr. Joshua Rosensweig, have the right skill sets and expertise to put the company on the path to shareholder value creation.

- On October 25, 2023, Murchinson (6.6%) delivered a letter to the company demanding that the company add to the agenda of the EGM of Shareholders scheduled to be held on December 13, 2023 various resolutions proposed by them, including resolutions to (i) remove Mr. Yoav Stern and Mr. Oded Gera from the Board, (ii) appoint two highly-qualified director nominees, Ms. Timor Arbel-Sadras, and Mr. Ofir Baharav (the “Murchinson Director Nominees”), to the Board, and (iii) amend certain provisions of the company’s Articles of Association, including the addition of a new Article relating to certain major transactions involving the company requiring shareholder approval. Source
- On December 7, 2023, Murchinson Ltd. sent a letter to the Board informing that it's converting some ADSs into Ordinary Shares to hold more than 5% of voting rights. This conversion is aimed at protecting shareholders' interests. Murchinson plans to demand a special shareholder meeting and propose a new article requiring approval for acquisitions over \$50,000,000. These actions are taken due to the Board's lack of responsiveness and concerns about the CEO's recent actions and statements.
- On June 28, 2024, Murchinson Ltd (7.1%) issued an open letter to shareholders criticizing CEO Yoav Stern and the Board. They revealed that Mr. Stern and the Board recently took a company-funded trip to Alaska despite a recent 25% workforce reduction to cut costs. Murchinson suspects Nano might be in deal talks with Desktop Metal due to a recent spike in Desktop Metal’s stock price and urges the Nano Board to seek shareholder approval for any strategic deals. They also expect a ruling from the Israeli Court on the validity of the March 2023 EGM vote, where shareholders supported Murchinson’s proposals. Pending various lawsuits, Murchinson affirms its commitment to replacing the Board and Mr. Stern at the 2024 AGM.

### **AREX Capital Releases Presentation Detailing Its Nominees’ Comprehensive Plan to Deliver Enduring Value for Enhabit (EHAB) Stockholders**

Key Summary: On May 9, 2024, AREX Capital nominated Board candidates.

Market Cap: \$429 million | Enhabit, Inc. provides home health and hospice services in the United States.

- On May 9, 2024, AREX Capital (4.8%) expressed disappointment in Enhabit's strategic review outcome, believing it undervalues the company. AREX nominated seven independent directors, citing Enhabit's need for expertise in home health and hospice operations. They aim to enhance Enhabit's performance and shareholder value. [Source](#)
- On May 28, 2024, AREX Capital filed proxy materials seeking support for its nominees.
- On June 10, 2024, AREX Capital filed proxy materials seeking support for its nominees.
- On June 27, 2024, AREX Capital issued an Investor [Presentation](#) titled “Rehabilitate Enhabit” detailing the AREX Slate’s comprehensive plan to turn around Enhabit’s operational performance and reduce costs, which AREX believes could increase EBITDA by 50%.

### **Rubic Capital's Concerns Following Xperi Inc.'s (XPER) Board Election and Stock Performance**

Key Summary: Rubric Capital nominated Board candidates to Xperi Inc. At the AGM held on May 24, 2024, directors nominated by Rubric Capital were not elected by the shareholders. On June 11, 2024, Rubric Capital (9.2%) expressed deep concern over the company’s ongoing poor stock performance

Market Cap: \$352 million | Xperi Inc. provides software and services in the United States.

- On January 22, 2024, Rubric Capital (7.6%) delivered a letter to the company nominating Deborah S. Conrad and Thomas A. Lacey for election to the Board at the 2024 AGM. [Source](#)
- On March 8, 2024, Rubric Capital filed proxy materials seeking support for its nominees. [Source](#)
- On April 2, 2024, Rubric Capital filed proxy materials seeking support for its nominees.
- On April 17, 2024, Rubric Capital filed proxy materials seeking support for its nominees.
- On April 29, 2024, Rubric Capital issued an Investor [Presentation](#) titled “Accountability, Alignment, and Action at Xperi”.
- On May 1, 2024, Rubric Capital responded to Xperi Inc.'s investor presentation, criticizing the board's disregard for shareholders. They highlighted flaws in Xperi's performance metrics, share repurchase program, and dilution portrayal. Rubric emphasized discrepancies in executive compensation and investment disclosures, accusing Xperi of misleading investors. They asserted their nominees' commitment to shareholder value and urge support for them to restore accountability to Xperi's board. [Source](#)
- At the [AGM](#) held on May 24, 2024, directors nominated by Rubric Capital were not elected by the shareholders.
- On June 11, 2024, Rubric Capital (9.2%) expressed deep concern over the company's ongoing poor stock performance. They committed to ongoing monitoring and readiness to take any necessary action to protect shareholder interests. [Source](#)

### **George Economou and Sphinx Investment Corp. Issued Statement on Seenergy Maritime Holdings Corp (SHIP)**

Key Summary: On December 13, 2023, George Economou (7.2%) voiced governance concerns, citing the alleged issuance of super-voting Series B Preferred Stock to the Chairman and CEO in 2021. He planned board nominations. On June 3, 2024, George Economou and Sphinx Investment Corp (8.9%) criticized CEO Stamatis Tsantanis and the board for selling 49.99% of voting power to Tsantanis for \$250,000, alleging self-dealing and poor shareholder engagement.

Market Cap: \$253 million | Seenergy Maritime Holdings Corp., a shipping company, engages in the seaborne transportation of dry bulk commodities worldwide.

- On December 13, 2023, George Economou (7.2%) stated his concerns about the management and oversight, especially regarding the alleged issuance of super-voting Series B Preferred Stock to its Chairman and CEO in December 2021, which he believes involved fiduciary duty breaches. He plans to nominate candidates for the board at the next annual meeting when nominations are open. [Source](#)
- On June 3, 2024, George Economou and Sphinx Investment Corp (together 8.9%) issued a statement concerning their investment in the company. They accused the board, led by CEO Stamatis Tsantanis, of questionable governance practices, including selling 49.99% of voting power to Tsantanis for \$250,000 when the company had over \$400 million in assets. They criticized the board for alleged self-dealing and lack of engagement with shareholders. [Source](#)

### **Blackwells Capital Pushes for Changes at Braemar Hotels & Resorts (BHR)**

Key Summary: On March 22, 2024, Blackwells Capital LLC, along with its affiliates and Jason Aintabi, solicit support from stockholders for significant changes at the upcoming 2024 Annual Meeting. On June 3, 2024, Wafic Rida Saïd of Al Shams Investments LTD (9.8%) emailed Braemar's Chairman, Monty J. Bennett, and CEO Richard J. Stockton, proposing management

changes, such as terminating the agreement with Ashford Inc. and appointing independent directors.

Market Cap: \$210 million | Braemar Hotels & Resorts Inc. is a real estate investment trust (REIT) focused on investing in luxury hotels and resorts.

- On March 22, 2024, Blackwells Capital LLC, along with its affiliates and Jason Aintabi, solicit support from stockholders for significant changes at the upcoming 2024 Annual Meeting. The changes proposed are aimed at aligning the corporation's governance policies and board composition more closely with all stockholders' best interests. This effort is encapsulated in the Proxy Statement and involves the election of four Blackwells nominees — Michael Cricenti, Jennifer M. Hill, Betsy L. McCoy, and Steven J. Pully — to the board for one-year terms. Additionally, Blackwells proposes several governance changes:
  - Removing the Bylaws' Overreaching Advance Notice Provision.
  - Preventing any current/former employee, director, officer, or control person of the Corporation or its affiliates from serving as chairman of the Board.
  - Disclosing all extraordinary transaction proposals received in the past two years and their terms.
  - Disclosing all compensation paid to the Bennett family, The Dallas Express, and its employees, directors, or agents.

#### [Source](#)

- On March 29, 2024, Blackwells Capital filed proxy materials seeking support for its nominees and proposals.
- On April 9, 2024, Blackwells Capital issued a [presentation](#) regarding the management fees paid by the company to its advisor, Ashford Hospitality Advisors, LLC, a subsidiary of Ashford Inc.
- On April 10, 2024, Blackwells Capital issued a [press release](#) and launched a website, [www.NoMoreMonty.com](http://www.NoMoreMonty.com), to communicate with the shareholders in connection with the Corporation's 2024 AGM.
- On April 11, 2024, Blackwells Capital filed a lawsuit in the Northern District of Texas against the company and its directors. The complaint accused the corporation of rejecting Blackwells' nomination notice improperly, breaching its bylaws, and violating the Securities Exchange Act of 1934 by issuing misleading statements and omitting necessary disclosures about The Dallas Express as a proxy participant. [Source](#)
- On May 2, 2024, Blackwells Capital filed proxy materials seeking support for its nominees and proposals. [Source](#)
- On May 9, 2024, Blackwells Capital issued a [presentation](#) entitled "Too Little, Too Late" regarding the company.
- On May 20, 2024, Blackwells Capital released a [presentation](#) entitled "*The Buffoonery of Monty Bennett*" exposing Monty Bennett's buffoonery
- On June 3, 2024, Wafic Rida Saïd, Al Shams Investments LTD (9.8%), sent an email to Monty J. Bennett, the Chairman of the company, and Richard J. Stockton, the CEO and President of the company, setting forth certain recommendations relating to the management, including the termination of its management agreement with Ashford Inc., and replacement of some directors with independent directors. [Source](#)
- On June 10, 2024, Blackwells Capital released a presentation criticizing Monty Bennett's leadership. Blackwells, supported by independent shareholders, aims to end Braemar's management agreement with Ashford Inc. and reconstitute the Board. Brancous LP1 and Braemar's second-largest shareholder both voiced concerns about governance and called for changes. Blackwells urges shareholders to vote "FOR" their nominees and proposals on the WHITE proxy card and "AGAINST" Braemar's executive compensation resolution.

#### [Source](#)

- On June 21, 2024, Blackwells Capital released a [letter](#) to shareholders criticizing Mr. Bennett and his associates for poor leadership, extracting nearly a billion dollars in fees, and misleading shareholders. Jason Aintabi, CIO of Blackwells, condemned Mr. Bennett's actions and called for change, supported by major shareholders like Campbell Capital Management (CCM) and Brancous LP. CCM highlighted the lack of long-term growth under Mr. Bennett and endorsed Blackwells' efforts to restructure Braemar for the benefit of all shareholders.

### **Campbell Capital Management Speaks Out in Support of Blackwells' Campaign for Change at Braemar Hotels & Resorts (BHR)**

Key Summary: On April 11, 2024, ZimCal Asset Management, along with partners, launched [restoretheshine.com](#), aiming to revitalize the company by advocating for leadership changes and prioritizing shareholder interests. KORR Acquisitions Group (4.4%) proposed governance changes in February 2021, urging MFIN's value enhancement. They nominated directors in December 2021 amid an SEC lawsuit, repeating their demands in February 2022. After a Cooperation Agreement on May 2, 2022, MFIN announced a \$35 million stock repurchase program and added independent directors, leading to the withdrawal of KORR's nominees.

Market Cap: \$193 million | Medallion Financial Corp., together with its subsidiaries, operates as a finance company in the United States. It originates, acquires, and services loans that finance taxi medallions and various types of commercial businesses.

#### ZimCal Asset Management

- On April 11, 2024, ZimCal Asset Management, Stephen Hodges, BIMIZCI Fund, LLC, and Warnke Investments LLC (collectively, "ZimCal") launched a website, [www.restoretheshine.com](http://www.restoretheshine.com), to communicate with the stockholders of the company in connection with the 2024 AGM. The [presentation](#) aimed to revitalize the company by advocating for changes in leadership and governance to prioritize shareholder interests. It highlighted the company's underperformance compared to peers and proposed five steps to improve its prospects, including enhancing the board, resolving an SEC complaint, and focusing on the core lending business. Two board nominees, Stephen Hodges and Judd Deppisch, were introduced as candidates with relevant experience. Overall, the presentation called for accountability and strategic focus to restore shareholder value.
- On April 26, 2024, ZimCal Asset Management along with its affiliates, urged fellow stockholders to vote for their two nominated directors.
- On May 21, 2024, ZimCal Asset Management issued a [presentation](#) and [letter](#) to the shareholders urging them to vote for their nominees.
- On May 28, 2024, ZimCal Asset Management issued a [letter](#) to the shareholders urging them to vote for their nominees.
- On May 21, 2024, ZimCal Asset Management issued a [presentation](#) and [letter](#) to the shareholders urging them to vote for their nominees.
- On June 10, 2024, ZimCal Asset Management issued a [presentation](#) to the shareholders urging them to vote for their nominees.

#### KORR Acquisitions Group

- On March 31, 2021, KORR Acquisitions Group (4.4%) encourage the Board to improve its corporate governance by adding additional Board members with more relevant experience. Also, it stated that in February 2021, it has released a presentation regarding its proposals to remedy the company's underperformance and maximize value for all shareholders. In its presentation, KORR is pushing for change that it believes will unlock MFIN's true value of over \$20 per share. It encourages the company to, (i) change its name, (ii) repurchase shares, (iii) consolidate office locations, (iv) reduce headcount, (v) sell non-core assets, (vi) re-align senior management compensation with shareholders, (vii) segregate Medallion loans.
- On June 30, 2021, KORR Acquisitions Group delivered a letter to the company demanding inspection of certain of the company's books and records.
- On December 30, 2021 KORR Value (5.6%) delivered a [letter](#) to the company nominating a slate of two candidates, Andrew S. Fox and Philip P. Scala for election to the Board at the 2022 AGM. In the press release and letter, KORR Value expressed their deep concerns with a lawsuit recently filed by the SEC making alarming allegations of fraudulent schemes perpetrated by the company and its President Andrew Murstein to boost the company's stock price and urged, among other things, for Andrew Murstein and Alvin Murstein to resign from the Board, for the Board to immediately appoint the Nominees to fill the resulting vacancies and for the Board to form a Special Committee of the Board to investigate and respond to the SEC allegations with the assistance of independent legal counsel. KORR Value also set forth various recommendations to enhance stockholder value, including the divestment of underperforming assets and reduction of unnecessary costs.
- On February 28, 2022, KORR Value (5.7%) sent a [letter](#) to the Board reinforcing the urgent need for governance and strategic change. It urges independent directors to honor their fiduciary duties to all shareholders by facilitating sorely-needed governance improvements and exploring strategic alternatives.
- On May 2, 2022, the company announced the Board has authorized a new stock repurchase program of \$35 million. In conjunction with this authorization, Medallion Financial terminated its existing stock repurchase program. The Board has also announced that it will add two new independent directors to its Board of Directors and has created a Lead Independent Director position on the Board. In connection with these changes, the Company has entered into a [Cooperation Agreement](#) with ORR Value. Under the terms of the agreement, KORR has agreed to withdraw its director nominees for the Company's 2022 AGM.

### **22NW Fund Nominates Directors at Lifecore Biomedical Inc (LFCR)**

Key Summary: On May 16, 2024, 22NW Fund (12.5%) nominated six individuals for the Board of Directors. The company's 2023 AGM is on August 15, 2024. The company informed 22NW Fund that only Class II Directors will be elected. Thus, only Class II nominees will be up for election. 22NW Fund can reassign the nominees' classes for the election.

Market Cap: \$172 million | Lifecore Biomedical, Inc., together with its subsidiaries, operates as an integrated contract development and manufacturing organization in the United States and internationally.

- On May 16, 2024, 22NW Fund (12.5%) sent a letter to the company nominating six individuals for the Board of Directors: Jason Aryeh and Richard Cunningham as Class I Directors, and Nathaniel Calloway, Ph.D., Matthew Korenberg, Elaine Thibodeau, and Beau Garrett as Class II Directors. The company's 2023 AGM is scheduled for August 15, 2024. The company informed 22NW Fund that only Class II Directors will be elected at this meeting. Consequently, only the nominees for Class II Directors will be up for election.

22NW Fund retains the option to reassign the nominated directors' classes for the election. [Source](#)

- On June 11, 2024, 22NW Fund sent a letter to the company demanding a special shareholder meeting on August 14, 2024. The meeting aims to address two proposals: first, to declassify the Board for annual director elections starting from the 2023 Annual Meeting, without affecting current directors' terms; and second, to postpone the 2023 Annual Meeting, convene a Joint Annual Meeting with the 2024 meeting by November 30, 2024, and approve an amendment for Declassification before the Joint Annual Meeting. [Source](#)

### **Bleichroeder L.P. Opposes Re-election of Gary Kremen to Identiv, Inc. (INVE) Board**

Key Summary: On April 28, 2023, Bleichroeder (12.5%) discussed with the board chairman the need for a strategic review of the company's divisions, a move later confirmed by the company's May 4, 2023 earnings call. On May 22, 2024, with increased ownership at 19.9%, Bleichroeder backed the sale of certain operations to Hawk Acquisition, Inc., but opposed Gary Kremen's re-election to the board, intending to vote against him at the 2024 Annual Meeting of Stockholders.

Market Cap: \$98 million | Identiv, Inc. operates as a security technology company that secures things, data, and physical places in the Americas, Europe, the Middle East, and the Asia-Pacific.

- On April 28, 2023, Bleichroeder (12.5%) engaged in a discussion with the Chairman of the board to discuss the strategic direction of the company. Specifically, Bleichroeder proposed that the Board consider conducting a strategic review with respect to the company's business divisions. As stated on its May 4, 2023 earnings call, the company has been undertaking such a review with respect to its business units. [Source](#)
- On May 22, 2024, Bleichroeder (19.9%) sent a [letter](#) to the Board supporting the sale of certain operations to Hawk Acquisition, Inc. However, they do not back the re-election of Gary Kremen to the board of directors and plan to vote against him at the 2024 Annual Meeting of Stockholders.

### **ATG Capital Management nominated Board candidates to Tortoise Energy Independence Fund (NDP)**

Key Summary: On June 7, 2024, ATG Capital Management nominated two candidates for election to the Board.

Market Cap: \$55 million | Tortoise Energy Independence Fund, Inc. is a closed-end equity mutual fund managed by Tortoise Capital Advisors L.L.C. It focuses on investing in North American public equity markets, primarily within the energy sector.

On June 7, 2024, ATG Capital Management nominated two candidates for election to the Board at the upcoming annual meeting of shareholders scheduled to be held on August 8, 2024. [Source](#)

Past

On October 29, 2020, Aristides Capital (16.5%) expressed concerns about recent amendments to the company's bylaws, particularly regarding stockholder voting rights. On November 11, 2020, the company announced a proposed merger between Tortoise Energy Independence Fund, Inc. (NDP) and Tortoise Pipeline & Energy Fund, Inc. (TTP). Aristides Capital (16.5%) opposed the merger on March 19, 2021, suggesting the board consider converting to an open-end fund or liquidating assets instead. They reiterated their concerns on March 31, 2021, but withdrew their opposition on April 29, 2021.

## LL Flooring Holdings (LL) Reveals Liquidity Concerns and Plans to Sell Sandston Distribution Center; F9 Investments Shows Interest

**Key Summary:** F9 Investments proposed merging with LL Flooring, revoked offers due to financial decline, and nominated Thomas D. Sullivan, John Jason Delves, and Jill Witter for LL's board on November 14, 2023. Their nominees now urge a prompt annual meeting date. On April 24, 2024, LL announced an AGM on July 10, 2024, prompting revised submission deadlines. Sullivan submitted a second letter on May 2, 2024, nominating the Nominees for the Board election. On June 28, 2024, the company filed a Form 8-K revealing liquidity concerns and plans to sell its Sandston, Virginia distribution center. Despite F9's criticism over potential lease expenses, the company is negotiating with bidders, and F9 Investments expressed interest in the property.

**Market Cap:** \$43 million| LL Flooring Holdings, Inc., together with its subsidiaries, operates as a multi-channel specialty retailer of hard-surface flooring, and hard-surface flooring enhancements and accessories.

- On May 30, 2023, F9 Investments and John Jason Delves (CTG)(together 9.4%) stated that they are in the process of initiating contact with LL Management and Board with the intent of exploring a possible combination between LL and CTG. They believed such a combined entity will better position LL's financial and competitive standing. [Source](#)
- On August 17, 2023, F9 Investments sent a [letter](#) to the CEO and Chairperson of the Board stating that due to the company's declining financial performance and decreasing value, the previously proposed offer to purchase all outstanding shares of the company at \$5.76 per share, initially presented on May 26, 2023, and confirmed on June 9, 2023, is now being revoked.
- On November 14, 2023, F9 Investments delivered a [letter](#) to the company which contained a non-binding proposal to acquire all of the outstanding Common Stock of the Company for all cash consideration valuing the Common Stock at \$3.00 per share. Also, Mr. Sullivan nominated each of himself, Mr. Delves and Jill Witter for election to the Board at the 2024 AGM.
- On January 18, 2024, F9 Investments and John Jason Delves withdrew their offer to buy all LL shares at \$3.00 each, initially proposed on November 14, 2023. This withdrawal was due to LL's precondition for engagement, which required agreements potentially limiting F9 and CTG's investment strategies in LL. [Source](#)
- On April 11, 2024, F9 Investments's nominees Thomas D. Sullivan, John Jason Delves, and Jill Witter sent a [letter](#) to Richard J. Grossman of Skadden, Arps, Slate, Meagher & Flom LLP expressing their concerns on the company's failure to set a date for its 2024 annual meeting of stockholders and record date. The nominees demand prompt action to set these dates, stressing the importance of timely annual meetings.
- On April 24, 2024, the company announced that it currently plans to hold the AGM on July 10, 2024 and that because the scheduled date is more than 30 days after the anniversary of its 2023 AGM, the company provided notice of certain revised deadlines for the submission of stockholder proposals. Mr. Sullivan therefore submitted a second letter to the company, dated May 2, 2024, nominating each of the Nominees for election to the Board at the Annual Meeting. [Source](#)
- On May 20, 2024, F9 Investments filed proxy materials seeking support for its nominees.
- On May 28, 2024, F9 Investments filed proxy materials seeking support for its nominees.
- On May 31, 2024, F9 Investments filed proxy materials seeking support for its nominees.
- On June 7, 2024, F9 Investments issued a [letter](#) to the shareholders criticizing the Board for ignoring serious financial issues and urged them to vote for their nominees.

- On June 13, 2024, F9 Investments ( 8.85%) released a [presentation](#) highlighting the urgent need for change in the company's Board of Directors. The presentation detailed years of shareholder suffering due to operational failures, misaligned incentives, cost management issues, and a flawed sale process overseen by the Board. F9 nominated three directors with industry expertise and shareholder alignment to restore value and improve governance.
- On June 25, 2024, F9 Investments stated that Donovan S. Royal, another significant shareholder independent of F9, has also expressed concerns about LL Flooring's current strategy and leadership. He criticized the Board for its failure to address the company's declining performance and supports F9's nominees. [Source](#)
- On June 28, 2024, the company filed a Form 8-K revealing liquidity concerns and plans to sell its Sandston, Virginia distribution center to meet asset-backed facility thresholds for Q3 2024. Despite F9's criticism due to potential lease expenses, the company is negotiating with bidders. F9 Investments expressed interest in the property. If elected to LL's Board, F9's nominees will recuse themselves from related discussions. [Source](#)

## OTHERS

### ICC Holdings' (ICCH) Announces Merger Agreement and Stilwell Withdraws Board Nominee

Key Summary: On March 6, 2024, Stilwell issued a Proxy Statement and a GREEN universal proxy card to shareholders, seeking their votes to elect Joseph D. Stilwell to the Company's Board of Directors at the 2024 Annual Meeting. On June 8, 2024, the Company announced a merger agreement. Following this, Stilwell Activist Investments withdrew its nominee and ended its proxy solicitation.

Market Cap: \$69 million | ICC Holdings, Inc., together with its subsidiaries, provides property and casualty insurance products to the food and beverage industry in the United States.

- On March 6, 2024, Stilwell (9.71%) distributed a Proxy Statement and a GREEN universal proxy card to shareholders, seeking their votes at the 2024 Annual Meeting of Shareholders to elect Joseph D. Stilwell to the Company's Board of Directors. [Source](#)
- On March 18, 2024, Stilwell filed proxy materials seeking support for him at the upcoming AGM.
- On April 30, 2024, Stilwell mailed a [letter](#) to the shareholders expressing discontent with management's priorities. He highlighted that while management spent \$6 million on buybacks, the CEO and CFO received over \$6 million in compensation during the same period. Stilwell questioned the logic of paying management more than the company's owners. He urged shareholders to vote for change by using the GREEN proxy card.
- On June 8, 2024, the Company announced a merger agreement with Mutual Capital Holdings, Inc. (Parent) and Mutual Capital Merger Sub, Inc. (Merger Sub). The Merger Sub will merge into the Company, making it a wholly owned subsidiary of Parent. Following the merger announcement, Stilwell Activist Investments withdrew its nominee for the Company's Board and terminated its proxy solicitation. Stilwell supports the merger and believes it benefits all ICCH shareholders. [Source](#)

#### Past

On December 28, 2020, Joseph Stilwell disclosed a 5.6% active stake in the company and stated that he hopes to work with management and the board to improve capital allocation and profitability at the company. [Source](#)

