

**SNOWBALL
RESEARCH**

Monthly report

IDEA GENERATION REPORT

Published on June 5, 2023



What is the objective of the report?

It is not the scarcity of "money"; instead, it is the scarcity of "time" that underscores the importance of idea generation. Even if a fund manager has an army of analysts and a huge research budget, he/she is still required to "prioritize" the stock to spend time re searching and thinking—that's where "filters" play a significant role.

The stocks that we flag are worthy of "further research." In other words, the best outcome after reading our report is this – you pick a stock highlighted in the report for the next level of research and/or add it to your watch list.

We believe our time is well spent on highlighting interesting stocks. You pay for the information that isn't well-publicized.

What is the advantage? What is the expected outcome?

Hidden qualitative factors: Unlike focusing on quantitative data, we focus mostly on "qualitative information" to filter ideas. Our process is tied heavily to plenty of reading. As such, many qualitative factors that we highlight are typically hidden in quantitative screening techniques.

Most ignored section in the equity research process:

At one end of the spectrum, you have plenty of services that help in the "initial phase" of research to narrow down thousands of stocks with quantitative metrics, providing financial statements, ratios, etc. In the other segment of the services, you have free and paid services to review stock ideas.

Snowball Research focuses on the "most ignored" section in the equity research process: narrowing down ideas from plenty of screens.

SEVEN SCREENS

1. CEO/MANAGEMENT CHANGES

Every time a company (under \$2.5 billion Market Capitalization) appoints a new CEO, we research the track record of the CEO.

Every year, hundreds of new CEOs are appointed. CEOs who have an A+ track record get hidden among others.

By uncovering an excellent CEO, you can uncover a great investment idea. The newly appointed CEO is not a magician that is able to bring changes in the blink of an eye. It takes time to fix things. The CEO's impact can be noticed only in the long run. So, this provides ample time for value investors to research the stock.

Q&A

a. Isn't business more valuable than jockey?

Well, this is not a "business vs. jockey" debate. We are not arguing that the CEO is more important than the business. Our message is simple: a CEO with a good track record generally gravitates to good companies.

By tracking good CEOs, we can uncover unique investment ideas, and the odds of success are higher for a company that has appointed a CEO who has a proven track record.



b. Why reading the CEO's bio isn't sufficient?

Not all CEOs explain their achievements. We dig it out for you. Some CEOs' backgrounds are full of self-praise and obfuscations. We cross-check and validate their claims.

2. 8-K (KEYWORDS)

We predominantly use keywords to narrow down filings from the thousands of 8-K filings. The objective of this project is to capture "significant events" and "significant changes" that are not captured in the remaining screens that we run.

One example is to search for keywords like "strategic alternative" in SEC filings.

3. 13D/ACTIVISM

Even though we summarize all significant 13Ds filing, we flag companies with notable points - companies that experienced majority board changes, companies making substantial changes after activist involvement, significant settlement agreement terms and valuation insight, etc.

4. CHANGES AFTER APPOINTING NEW CEO

We research the changes the newly hired CEOs are making after their appointment. We manually read the SEC filings and conference call transcripts to find out the list of changes a CEO is making.

5. ACCOUNTING PROBLEMS

Accounting irregularities, restatement, delisting, and failure to file financial statements on time provides a unique opportunity to find both long and short ideas.

For long ideas, patience is required to identify the companies that emerge "clean" from the accounting problems. Typical characteristics include the termination of the responsible management/board members, consistent improvement in solving the accounting problem, and a solid business. A falling business that emerges from an accounting fiasco is not the right candidate. So, the ideal situation is to identify an operationally strong company that faces temporary airplane turbulence. For a short idea, identifying poor management/board's action and motivation is important.

6) INSIDER BUYING 7) PRICE CRASH

Self-explanatory.

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Price crash

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13D

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The Children's Place, Inc. (PLCE): Stock price crashed by 63% in the last one month; Solid FCF; 58% of o/s shares repurchased in the last 15 years; Social media leadership among peer group

- M.Cap: \$187 million | Debt: \$513 million (including lease liabilities) | Cash: \$18 million | EV: \$709 million
- EV/Revenue: 0.4X
- Volume: 393,522
- Major shareholders: Blackrock - 16.12% | Franklin Resources - 10.51% | Vanguard - 8.95% | T. Rowe Price - 5.63% | Neuberger Berman - 5.04% | State Street - 4.9% | Dimensional Fund - 4.56% |
- Screen: Price crash

We flagged this in our previous report, so why are we flagging it again?

In the past month, the company's stock price crashed by a whopping 63%.

Why?

On May 24, 2023, even though the company reported an 11.2% decline in revenue, the gross profit declined by a staggering 30% to to \$96.5 million and recorded a net loss of \$28.8 million. On this news, the company's stock price plummeted by 15%.

https://www.sec.gov/Archives/edgar/data/1041859/000110465923063865/tm2316555d1_ex99-1.htm

OUR COMMENTS

1) Despite continued macro-economic pressures, the company expects to deliver double-digit operating margin and adjusted net earnings per diluted share of over \$5.00 in the back half of 2023, driven by decreasing input costs embedded in inventory and the benefit from appropriately sized inventory investments.

2) Valuation

M.Cap: \$192 million

Debt: \$350 million

Operating lease liabilities: \$162 million

EV (including operating lease): \$704

EV (excluding operating lease): \$542 million

Average FCF - past ten years (excluding FY 2021 and LTM 2022): \$111 million.

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Average FCF / EV (excluding operating lease liabilities): 20.5%

The current valuation seems absurd – an FCF/EV yield of 20.5% doesn't make sense.

Since we published the report a couple of months ago, we are pasting the previous report below.

PAST REPORT

I. BASICS

- Founded in 1969, the company is the largest pure-play children's specialty apparel retailer in North America.
- The company claims that it has strong brand awareness and market share leadership in children's specialty apparel retail.
- Website traffic:
 - The company receives roughly 9.3 million visitors (Source: www.similarweb.com).
 - Average time spent on the website: 4.36 minutes

II. RESEARCH

1. Profitable

- The company's revenue hovered between \$1.5 billion and \$1.9 billion in the past 10 years.
- The company is consistently profitable.

(\$, mm)	Jan 2012	Jan 2013	Jan 2014	Jan 2015	Jan 2016	Jan 2017	Jan 2018	Jan 2019	Jan 2020	Jan 2021	Jan 2022	LTM Oct 2022	9M Oct 2021	9M Oct 2022
Revenue	1,715	1,809	1,766	1,761	1,726	1,785	1,870	1,938	1,871	1,522	1,915	1760	1,408	1,252
Gross profit	660	691	655.5	622	625	672	711	684	655	333	795	629	601	434
EBIT	105	90	76	80	90	147	162	111	96	-200	276	122	218	63
Net income	74	63	53	57	58	102	85	101	73	-140	187	88	148	49

2. Fleet Optimization

- The company has closed more than 500 stores since the announcement of its fleet optimization initiative in 2013.

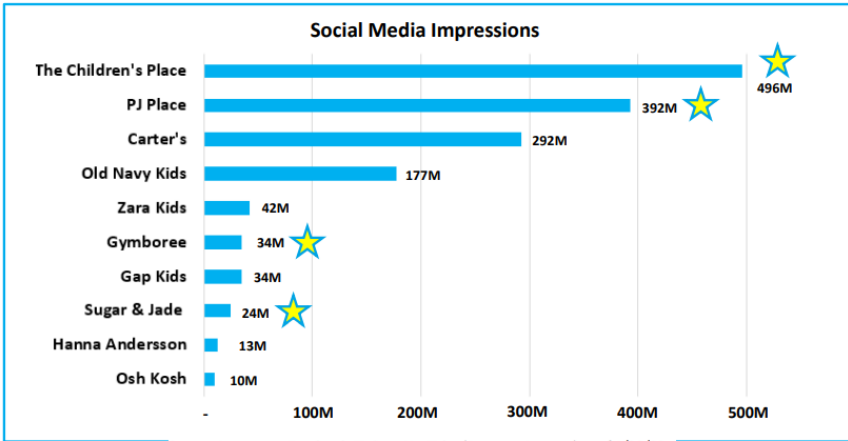
(\$, mm)	Jan 2011	Jan 2012	Jan 2013	Jan 2014	Jan 2015	Jan 2016	Jan 2017	Jan 2018	Jan 2019	Jan 2020	Jan 2021	Jan 2022	Oct 2022
Number of stores	995	1049	1095	1107	1097	1069	1039	1014	972	924	749	672	658
change		5%	4%	1%	-1%	-3%	-3%	-2%	-4%	-5%	-19%	-10%	-2%

3. Shift to e-commerce

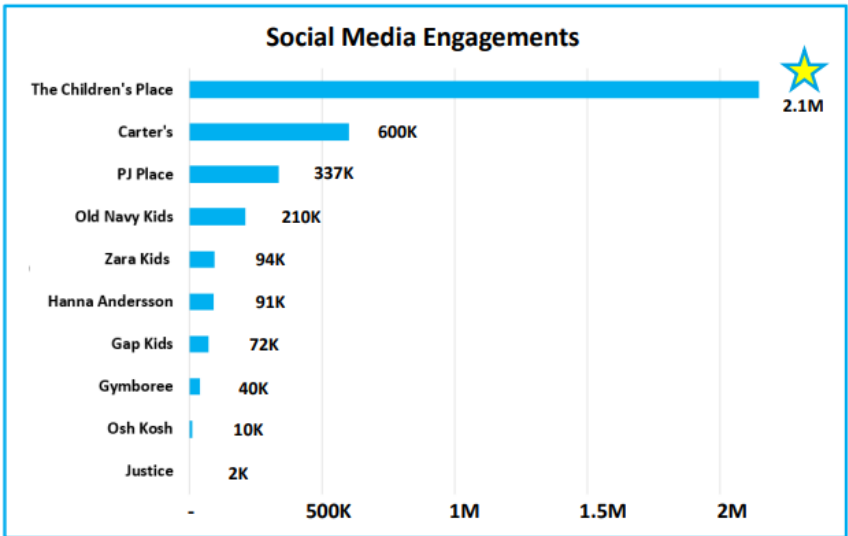
- The company spent roughly \$50 million from 2017 to 2019 to accelerate its digital transformation and build omnichannel capabilities from the ground up.
- E-commerce sales as a percentage of total revenue increased from 33% in fiscal 2019 to 48% in fiscal 2022.

4. Solid social media presence

- According to the below slides published by the company, the company has the highest social media impressions and engagements compared to its peer group.
- The company has over 1 million followers on Instagram.



Source: Instagram, Facebook, Twitter, YouTube (August – January) as of 1/28/23.



Source: Instagram, Facebook, Twitter, YouTube (July – January) as of 1/28/23.

5. 58% share repurchase

- In the last 14 years and 9 months, the company has repurchased shares worth \$1.44 billion.
- The number of o/s shares decreased by 58%, from 29.47 million in March 2009 to 12.22 million in November 2022.

Year	Share repurchased (\$, mm)
9M Oct 2022	75.7
2022	84
2021	15
2020	131
2019	254
2018	119
2017	158
2016	121
2015	76
2014	66
2013	89

2012	91
2011	91
2010	74
2009	1
2008	-
2007	-
2006	-

III. WHY ARE WE FLAGGING THIS?

Stock price crash

In the last ten years, the company traded below \$40 only on a few occasions.

- M.Cap: \$192 million
- Debt: \$350
- Cash: \$18.2 million
- EV: \$523 million

The current FCF is at a depressed level.

Average FCF - past ten years (excluding FY 2021 and LTM 2022): \$111 million.

\$, mm)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	LTM Oct 2022	9M Oct 2021	9M Oct 2022
CFO	156	205	173	161	183	199	214	140	178	-36	133	49	67.4	-16.9
Capex	-80	-90	-73	-72	-42	-35	-59	-71	-58	-31	-29	-39	-22	-31.2
FCF	76	115	101	89	141	165	156	69	120	-66	104	11	45.4	-48.1

Our argument is simple – the pitch is not about growing financials. It is safer to argue that the company's financial performance would continue to be erratic. At the same time, the company is profitable and generates free cash flow. The company's social media presence and brand awareness give a basis for the conviction that it can sustain its past performance and generate solid free cash flow. The current valuation seems absurd – an FCF/EV yield of 20.5% doesn't make sense.

Additional thoughts/comments

Even though clothing is a discretionary expense, the same cannot be said for kids' clothing.

Kids grow faster and need a change in clothing to fit their size. It is not a fashion thing – it is a necessity.

To be clear - we are NOT arguing that children's clothing will not decline during the recession. We are simply arguing that it may not decline to the extent of fashion clothing. Kids' clothing, to a greater extent, is recession-resistant.

- Spending on kids seems 'recession-resistant'
<https://www.nbcnews.com/id/wbna27312338>
- Kidswear most resilient sector in recession (Year: 2008)
<https://www.drapersonline.com/news/kidswear-most-resilient-sector-in-recession>

Hooker Furnishing (HOFT): Solid FCF; New CEO is fixing a money-losing segment; recent price crash

- M.Cap: \$176 million | Debt: \$95 million | Cash: \$19 million | EV: \$278 million
- EV/Revenue: 0.5X
- FCF: -
- Volume: 36,070
- Major shareholders: Pzena Investment - 13.93% | Smith (Donald) & Company - 10.51% | Dimensional Fund - 8.4% | Vanguard - 4.68% | Hotchkis & Wiley Capital - 3.02% | Blackrock - 3% | Azarias Capital - 2.8% |
- Screen: -

1. BASICS

- The company operates as a designer, marketer, and importer of casegoods (wooden and metal furniture), leather furniture, fabric-upholstered furniture, and outdoor furniture for the residential, hospitality, and contract markets.
- The company has been sourcing products from foreign manufacturers, primarily in Asia, for over 30 years. Imported casegoods and upholstered furniture accounted for approximately 72% of net sales in fiscal year 2023.
- The company distributes its products through various retail channels, including independent furniture stores, department stores, mass merchants, national chains, catalog merchants, interior designers, and e-commerce retailers.

2. Financial performance

- Following the acquisition of Home Meridian in 2016, the company's revenue nearly doubled. Subsequently, the company's profitability started to decline. In FY 2023, the segment generated net losses. The segment's poor performance is impacting the overall performance of the company.

(\$, mm)	FY Jan 2015	FY Jan 2016	FY Jan 2017	FY Jan 2018	FY Jan 2019	FY Jan 2020	FY Jan 2021	FY Jan 2022	FY Jan 2023
Revenue	244.4	247.0	577.2	620.6	683.5	610.8	540.1	593.6	583.1
Gross profit	62.8	68.7	126.1	134.8	147.0	114.0	112.8	101.7	93.3
EBIT	19.1	24.3	39.8	45.5	52.7	22.7	-14.4	14.8	-6.1
Net income	12.6	16.2	25.3	28.3	39.9	17.1	-10.4	11.7	-4.3

• Segments

- Hooker Branded

(\$, mm)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Net Sales	173.0	158.7	166.8	178.7	162.0	162.4	200.7	199.6
Gross Profit	51.7	51.7	53.0	58.1	51.5	51.8	63.2	59.3
EBIT	20.0	20.5	22.1	25.3	21.5	22.8	30.7	20.5

- Domestic Upholstery

(\$, mm)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Net Sales	78.4	106.6	95.7	88.6	106.8	156.7
Gross Profit	16.2	22.5	21.1	18.9	20.9	32.6
EBIT	4.5	7.6	6.6	-11.7	4.7	8.9

3. Solid FCF

- In the last 8 years (FY Jan 2015 to FY Jan 2022), the company generated total free cash flow of \$214 million.

(\$, mm)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
CFO	22.8	23.0	31.2	27.8	9.7	41.4	68.3	19.2	-21.7
Capex	-3.0	-2.9	-2.5	-3.2	-5.2	-5.1	-1.2	-6.7	-4.2
FCF	19.8	20.2	28.8	24.6	4.5	36.3	67.1	12.5	-25.9

4. Share buyback

- In June 2022, the company's board authorized the repurchase of up to \$20 million of the company's common shares.
- As of fiscal year 2023, the company has repurchased shares totaling approximately \$13.3 million (with an average purchase price of \$16.27 per share), leaving approximately \$6.6 million available for future repurchases.

Our capital allocation objectives for the current year include building a cash reserve and as appropriate, continuing the share repurchase program as a regular component of our financial strategy, paying down debt and continuing to pay our dividend, which at current share prices is yielding about 4.5%.

II. WHY ARE WE FLAGGING THIS?

1. Price crash

The company's stock price is currently trading close to its lowest point in the past 10 years. The stock price has seldom fallen below \$17.

M.Cap: \$205 million

Cash: \$19 million

Debt: \$24.3 million

Lease liability: \$71.1 million

EV (excluding lease liabilities): \$210 million

EV (including lease liabilities): \$281 million

Total FCF for the past 8 years (cumulative FCF): \$214 million

Average FCF per year: Roughly \$27 million

FCF/EV (excluding lease liabilities): 12.9%

FCF/EV (including lease liabilities): 9.6%

2. Home Meridian: CEO is taking steps to fix the struggling segment

- In February 2016, the company acquired Home Meridian for \$100 million.
- The segment has been facing challenges for the past four years. In fact, in the most recent fiscal year (Jan 2023), the segment incurred a gross loss as a result of declining revenue and inventory writedown (\$24 million).

(\$, mm)	FY Jan 2017	FY Jan 2018	FY Jan 2019	FY Jan 2020	FY Jan 2021	FY Jan 2022	FY Jan 2023
Net Sales	344.6	365.5	387.8	340.6	282.4	278.9	216.3
Gross Profit	57.3	62.3	62.9	36.9	39.8	15.2	-2.6
EBIT	14.7	17.8	18.8	-7.2	-26.1	-21.3	-37.2

Management's actions to improve profitability of Home Meridian segment

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- Exit from ready-to-assemble furniture category
 - In fiscal year 2022, the company made the strategic decision to exit the ready-to-assemble (RTA) furniture category and the warehouse clubs channel due to low profitability.
- Exit from the low-margin, high-cost Accentrics Home ("ACH") e-commerce business
 - In March 2023, the company announced its intention to discontinue the Accentrics Home ("ACH") e-commerce business, aiming to restore profitability to the segment.
 - The CEO justified this move by explaining that the operational costs associated with these low-priced and lower-margin items hinder consistent profitability. Additionally, ACH's business model necessitates significant inventory investment to meet its quick ship requirement.
 - Despite ACH representing only 13% of the HMI segment's 2023 revenue, it is expected to contribute over 60% of the segment's total operating loss.
- Others: As per the recent 10-K-
 - The company is repositioning the Prime Resources International (PRI) brand as a direct-container only business model. This minimizes both cash and inventory risk and eliminates unnecessary margin erosion from costs related to maintaining domestic inventory.
 - Moreover, the company expects to reduce the physical footprints at Savannah, GA warehouse and High Point, NC administrative office over the course of the current 2024 fiscal year with a concurrent reduction in lease, warehouse, and related expenses.

We believe we have significant opportunity with these companies to create a sustainable profit center at HMI without unpredictable ups and downs that we've previously experienced. As mentioned earlier, we believe HMI will begin to turn profitable later this fiscal year.

 - CFO, Q4 2023

Genesco (GCO): Solid FCF; Price Crash; Negligible Debt; Repurchased 46% of O/S Shares in 9 Years

- M.Cap: \$237 million | Debt: \$649 million | Cash: \$32 million | EV: \$859 million
- EV/Revenue: 0.4X
- Volume: 382,230
- Major shareholders: Blackrock - 16.49% | Vanguard - 8.95% | Dimensional Fund - 8.23% | Alliancebernstein - 5.55% | State Street - 4.37% | Legion Partners - 3.33% | Invesco - 2.87% |
- Screen: Price crash

I. RESEARCH

1. Segments

Incorporated in 1934, Genesco is a leading retailer and wholesaler of branded footwear, apparel and accessories.

a) The Journeys Group:

- Accounted for 62% of net sales in Fiscal 2023.
- Operates 1,130 stores, with an average size of approximately 2,000 square feet, primarily located in malls and factory outlet centers throughout the US, Puerto Rico, and Canada.
- Journeys retail footwear stores cater to customers in the 13 to 22 year age group.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue	1,082	1,180	1,252	1,252	1,330	1,420	1,460	1,228	1,577	1,482
Operating income	97	115	126	85	74	101	115	77	165	94

b) Schuh Group

- Accounted for 18% of net sales in Fiscal 2023.
- Operated 122 Schuh stores, with an average size of approximately 4,950 square feet, including street-level and mall locations in the UK and the ROI.
- Schuh Group stores focus on teenagers and young adults in the 16 to 24 year age group, offering a wide selection of branded casual and athletic footwear, along with a significant private label range.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue	365	407	406	373	404	383	374	306	424	432
Operating income	3	10	19	21	20	4	5	-12	19	18

c) Johnston & Murphy Group

- Accounted for 13% of net sales in Fiscal 2023.
- Operated 158 retail shops and factory stores, predominantly located in the United States, with an average size of approximately 1,950 square feet.
- Offers footwear, apparel, and accessories primarily targeting men in the 35 to 55 year age group.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue	246	260	279	289	304	313	301	153	253	315
Operating income	18	15	18	19	19	20	18	-48	7	14

d) Genesco Brands Group

- Accounted for 7% of net sales in Fiscal 2023
- Sales include footwear marketed under the Levi's brand, Dockers brand, and G.H. Bass brand.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenue	110	111	111	107	90	73	62	101	171	159
Operating income	10.6	10.5	9.2	4.5	-0.3	-0.5	-0.7	-5.4	6.6	-0.7

2. Loyal customer base?

- Johnston & Murphy: The company introduced the Johnston & Murphy Insiders program a couple of years ago, and it has since attracted 800,000 members.
- Schuh: Approximately a year ago, Schuh launched the Schuh Club, which now boasts over 1.6 million members.
- Journeys: The company has recently soft-launched the Journeys All Access program.

II. WHY ARE WE FLAGGING THIS?

The recent quarter (Quarter ended Jan 2023) saw a decline in demand, leading to a 7% drop in revenue and a net loss of \$(18.9) million, compared to a profit of \$4.9 million in Q1 2022.

Furthermore, the company has revised its outlook downward due to uncertainties surrounding near-term consumer behavior. The revised forecast for fiscal year '24 now predicts a 4% to 5% decrease in total sales, in contrast to the initial guidance of flat to a 2% increase for the year. The decline in sales is primarily attributed to lower expectations for the Journeys segment.

So, why are we highlighting this consumer discretionary stock?

1. 46% of outstanding shares repurchased

- Over the past nine years, the company reduced its diluted outstanding shares by 46%.
- In the fiscal year 2023, the company repurchased 12.4% of its outstanding shares.

(\$, mm)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
O/S shares - diluted	23.7	23	20.172	19.28	19.49	15.67	14.2	14.5	12.7

2. Negligible debt

Debt: \$45 million

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3. Price crash

In the last 10 years, the company's stock price crashed below \$20 only during the COVID-19 pandemic, particularly during a few months between March 2020 and October 2020.

Now, the stock is trading at \$19.

4. Solid FCF

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cash from operations	140	190	150	165	165	237	117	158	240	-165
Capex	98	103	101	94	128	57	30	24	54	60
Free cash flow	42	87	49	71	37	180	87	134	186	-225

M.Cap: \$241 million

Debt: \$45 million

Cash:\$48 million

Operating lease:\$535 million

EV (including operating lease): \$728 million

EV (excluding operating lease): \$238 million

Average free cash flow: \$97 million

Average free cash flow: \$62 million (if you exclude FY '19, '21 and '22)

FCF/EV(including operating lease): 8.5% to 13.3%

FCF/EV(excluding operating lease): 26% to 41%

5. Recent cost cutting

The company now anticipates closing over 100 Journeys stores in fiscal year 2024, surpassing its previous plan to close 60 stores. Additionally, the company expects to achieve up to \$40 million in cost reductions

Ziff Davis (ZD): Price crash; Solid FCF; Roll-up strategy; high FCF/EV yield

- M.Cap: \$3.1 billion | Debt: \$1 billion | Cash: \$761 million | EV: \$3.3 billion
- EV/Revenue: 2.4X
- Volume: 533,493
- Major shareholders: Blackrock - 11.8% | Vanguard - 9.83% | Janus Henderson - 8.14% | FMR - 6.56% | ArrowMark Colorado - 5.5% | Nordea Investment - 3.52% | State Street - 3.45%
- Screen: Price crash

I. RESEARCH

1. Segments

a) Digital Media business

- This segment operates a portfolio of web properties and apps which includes *IGN, RetailMeNot, Mashable, PCMag, Humble Bundle, Speedtest, Offers.com, Black Friday, MedPageToday, Everyday Health, BabyCenter, and What to Expect*, among others.
- The Digital Media business generates revenue through various channels, including advertising and sponsorships, subscription and usage fees, performance marketing, and licensing fees
- Growth
 - In November 2012, the company established its "digital media" segment following the acquisition of Ziff Davis, Inc., a company with a substantial portfolio of digital content properties. These properties include PCMag.com, ExtremeTech.com, Geek.com, ComputerShopper.com, LogicBuy.com, and Toolbox.com.
 - Since then, the segment's revenue has experienced significant growth, rising from \$131 million in FY 2013 to \$1 billion in FY 2022 through the acquisition of various businesses.
- Revenue break-up

(\$, mm)	FY 2019	FY 2020	FY 2021	FY 2022
Advertising	531	627	838	788
Subscription	164	166	197	245
Others	15	18	34	46
Total	711	811	1069	1079

b) Cybersecurity and Martech

- This segment offers cloud-based subscription services to both consumers and businesses, encompassing cybersecurity, privacy, and marketing technology.
- This segment primarily generates revenue from customer subscription and usage fees.

(\$, mm)	FY 2019	FY 2020	FY 2021	FY 2022
Subscription	340	348	349	313

2. Roll-up strategy & recent spin-off

- Roll-up strategy: Since 2012, the company has deployed approximately \$3.0 billion on over 80 acquisitions worldwide, spanning various verticals within the internet and software categories.
- Recent spin-off
 - In October 2021, the company completed the spin-off of its cloud fax business.

(\$, mm)	FY 2020	FY 2021
Revenue	331	270
EBT	152	126

- Due to the spin-off, comparing historical financials has become challenging.

• **Financials**

	Prior to the spin-off				Post spin-off			
\$, mm	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	721	874	1118	1207	1050	1159	1417	1391
EBIT	199	243	246	244	88	138	167	199

II. WHY ARE WE FLAGGING THIS?

Currently, the company projects its total revenue to range between \$1.35 billion and \$1.4 billion. At the midpoint of the revenue projection, the company expects a 0.9% decline.

Over the past six quarters, the company has experienced a decline in organic growth.

So, why are we flagging this?

1. Price crash

In the past 18 months, the company's stock price has crashed by more than half.

2. FCF yield

M.Cap: \$2.87 billion
 Debt: \$1 billion
 Cash: \$760 million
 EV: \$3.1 billion

Revenue (2023 projected): \$1.35 billion to \$1.4 billion
 EBITDA (2023 projected): \$479 million to \$514 million

EV/EBITDA: 6X to 6.5X

FCF

(\$, mm)	FY 2019	FY 2020	FY 2021	FY 2022
CFO	412	480	516	336
Capex	71	93	114	106
FCF	341	388	402	230

At FY 2022 free cash flow, the FCF yield is 7.4%
 At FY 2021 financials, the FCF yield is 13%

3. Debt

The company's total debt decreased from \$1.68 billion in FY 2020 to \$1 billion as of QE March 2023.

4. Repurchase

In the past five years and three months, the company has repurchased approximately \$520 million worth of shares.

COMMENTS

The company generates significant free cash flow, and its long-term growth prospects are closely linked to the quality of its mergers and acquisitions (M&A).

Currently, the pace of acquisitions is notably slow, with 2023 projected to be the slowest year for M&A since 2009. The CEO attributes this to a relatively quiet lower middle market, which the company primarily focuses on.

However, there is no doubt that the company will resume its aggressive acquisition strategy when the timing is appropriate.

It is worth noting that the recent stock price crash deserves attention.

We are very aware that our recent pace of acquisition activity has been slower than we expected. However, we believe our patients will ultimately be rewarded, and we're grateful for our shareholders' patience as well. We're always examining our portfolio and making decisions about where to invest and where to monetize assets by divesting or seeking partners to enhance the growth potential of our businesses.

And I might sort of remind everyone that M&A has always been lumpy. So if you go back to 2019 and 2020, in those 2 years, we deployed \$900 million against our acquisition program. Then in 2021 and 2022, we deployed about \$300 million. I think the pendulum is slowly swinging back. So if you look at this over, I think, a longer window of time, I think you'll start to see that historically we've seen this before.

Heidrick & Struggles(HSII): Solid FCF; Debt free;

Recent price crash

- M.Cap: \$517 million | Debt: \$81 million | Cash: \$205 million | EV: \$418 million
- EV/Revenue: 0.4X
- Volume: 98,145
- Major shareholders: Blackrock - 17.33% | Vanguard - 7.98% | Dimensional Fund - 6.75% | Renaissance - 5.37% | State Street - 3.7% | Systematic Financial - 2.75% | Applied Fundamental - 2.2%
- Screen: Price crash

I. RESEARCH

1. Basics

- The company is a human capital leadership advisory firm that offers executive search, consulting, and on-demand talent services to businesses and business leaders globally.
- As of December 31, 2022, the company had a workforce of 2,141 individuals, with 1,277 based in the Americas, 563 in Europe, and 301 in the Asia Pacific region.

2. Segment research

a) Executive Search:

- This segment focuses on placing top-level senior executives.
- The company's emphasis on top-level senior executives offers several competitive advantages, including access to and influence with key decision makers, increased potential for recurring search and consulting engagements, and higher fees per search.

Heidrick is the only firm that is focused on the top end and accelerating this kind of wider and perpetuating multiplier effect – CEO,Q4 2021

- Retained executive search firm:
 - The company operates as a retained executive search firm.
 - Retained executive search firms are typically compensated through a retainer, which amounts to approximately one-third of the estimated first-year compensation for the position being filled. Furthermore, if the actual compensation of a successfully placed candidate surpasses the initial estimate, executive search firms are often authorized to bill the client for one-third of the excess amount.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Revenue	441	476	507	552	653	646	565	869	902	850
EBIT	68	78	82	76	119	117	33	179	202	196

b) On-Demand Talent

- This segment contributed 8.4% of the total revenue for the fiscal year 2022.
- This segment provides on-demand access to top talent for interim leadership positions and critical, project-based initiatives.

\$, mm	FY 2021	FY 2022	LTM 2023	3M Mar 2022	3M Mar 2023
Revenue	66.6	91.3	99.1	23.4	31.1
EBIT	-9.3	-3.4	-7.1	-0.6	-4.4

c) Heidrick Consulting

- This segment represented 7.4% of the total revenue for the fiscal year 2022.

- Consulting services generate revenue primarily through professional fees earned for each engagement.

\$, mm	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023	3M Mar 2022	3M Mar 2023
Revenue	63.1	60.6	56.4	67.6	80.2	80	17.9	17.7
Operating income	-13.6	-18.5	-28.4	-16.2	-7.2	-8.2	-2.1	-3.1

3. Overall financial growth

- The company's revenue increased from \$513 million in fiscal year 2014 to \$1 billion in the last twelve months ending in March 2023.
- During the same period, the operating income rose from \$27 million to approximately \$100 million.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Revenue	513.2	548.3	600.9	640.1	735.7	725.6	629.4	1,008.5	1,083.6	1,040.2
Operating income	26.7	34.1	35.2	-26.5	68.9	63.5	-35.5	98.3	112.3	99.8
Net income	6.8	17.1	15.4	-48.6	49.3	46.9	-37.7	72.6	79.5	76.6

4. Comps - margins

Company name	EBIT margin in the last 8 years	EV/Revenue
Kelly service (KELYA)	1% to 1.6%	0.12
TrueBlue (TBI)	2.4% to 3.6%	0.25
Barrett Business Services (BBSI)	3.3% to 5.63%	0.4
Korn Ferry (KFY)	6.7% to 18%	0.79
Heidrick & Struggles (HSII)	6.2% to 10.5%	0.4

II. WHY ARE WE FLAGGING THIS?

FCF yield; price crash

Price crash

- Current stock price: \$25
- During the past five years, the company's stock price has traded below \$25 on only a few occasions.
- In the last three months, the company's stock price crashed by 30%.

Free cash flow

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
CFO	56.8	57.6	21.9	67	102.9	78.6	23.4	271.4	119.3
Capex	3.4	16.4	5.4	14	6	3.4	7.3	6.2	11.1
FCF	53.4	41.2	16.6	52.9	96.9	75.3	16	265.2	108.2

- EV
 - M.Cap: \$540 million
 - Cash: \$204 million
 - Debt: Nil
 - Operating lease liabilities: \$81 million
 - EV (excluidng lease liabilities): \$336 million
- FCF yield
 - Average free cash flow excluding the recent three years: \$56 million.
 - Average FCF yield: \$56 million (FCF) / \$336 million (EV) = 17%

Why did we disregard the FCF generated in the last two years?

- In 2021, the company's revenue grew by a staggering 60% to \$1 billion. The growth in revenue was a result of solid growth in America and the acquisition of BTG. This growth rate could have been triggered by pent-up demand resulting from the pandemic in 2020.
- In 2022, the company maintained the revenue level of 2021.
- Due to the impending recession, it is unrealistic to expect the continuation of revenue growth.
- Therefore, the free cash flow generated in the last two years has been disregarded in the above FCF yield calculation.

Other notes

1. Applied Fundamental Research (AFR) owns 2% of the o/s stock

- AFR is a privately held investment management firm based in Cambridge, Massachusetts. <https://www.appliedfr.com/>
- 5th largest position: Roughly 10% of the fund's total portfolio is allocated to HSII, making it the fifth largest position
- Concentrated portfolio: The portfolio is concentrated, with the top eight positions accounting for approximately 85% of the total portfolio.

2. Recent bonus policy change

- Historically, the Company has implemented a cash bonus deferral program where a portion of consultants' and management's cash bonuses were deferred and paid out over a three-year vesting period.
- The deferred portion of the bonus amounted to approximately 15%, varying based on the employee's level or position.
- In 2020, the Company discontinued the cash bonus deferral program for consultants, and in 2021, it terminated the program for management.
- Current plan: The Company now pays 100% of the cash bonuses earned by consultants and management in the first half of the following year. However, cash bonuses earned by consultants before 2020 and by management before 2021 will continue to be paid according to the terms of the cash bonus deferral program.

<https://www.makeuseof.com/reasons-to-try-arc-browser-for-mac/>

<https://www.tomsguide.com/opinion/i-almost-ditched-chrome-for-the-arc-web-browser-heres-why>

Crown Crafts (CRWS): Price crash; debt-free; license with Walt Disney; solid FCF

- M.Cap: \$52 million | Debt: \$1.4 million | Cash: \$3.1 million | EV: \$55 million
- EV/Revenue: 0.7X
- Volume: 10,501
- Major shareholders: Skylands Capital - 4.98% | Rutabaga Capital - 4.91% | North Star Investment - 4.19% | Vanguard - 4.17% | Renaissance - 3.19% | Dimensional - 2.46% | Ardent Capital - 2.36%
- Screen: Price crash

I. RESEARCH

1. Business

- The company operates indirectly through two of its wholly-owned subsidiaries, NoJo Baby & Kids, Inc. and Sassy Baby, Inc., in the infant, toddler, and juvenile products segment.
- Primary focus: The company's primary focus includes infant and toddler bedding, blankets, swaddle blankets, nursery and toddler accessories, room décor, reusable and disposable bibs, burp cloths, hooded bath towels, washcloths, disposable toilet seat covers, changing mats, and other infant, toddler, and juvenile soft goods.
- Customer concentration: The company has a customer concentration, with Walmart accounting for 52% and Amazon.com for 21% of their customer base.
- Licensing agreement with Walt Disney: Roughly 40% of the sales in FY 2022 consisted of licensed products, with 33% of these sales associated with the company's license agreements with the Walt Disney Company.
- No in-house manufacturing: The company does not engage in in-house manufacturing. Instead, most of their products are produced by foreign and domestic contract manufacturers, with the largest concentration located in China.

2. Debt-free balance sheet

3. Consistently profitable

\$, mm	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023	9M Dec 2021	9M Jan 2023
Revenue	86	84	66	70	76	73	79	87	79	62	53
Gross Profit	24	24	19	20	22	22	24	23	22	17	15
Operating income	9	11	9	6	7	8	8	10	9	7	6
Net income	6	7	6	3	5	7	6	10	7	8	5

4. Solid FCF

\$, mm	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Cash from Operations	4.8	11.0	10.4	2.5	9.0	8.5	8.7	8.3	8.4
Capital expenditures	-0.3	-0.2	-0.2	-0.2	-0.8	-0.7	-0.7	-0.5	-0.5
Free cash flow	5.0	11.3	10.6	2.7	9.7	9.2	9.5	8.8	8.9

5. Recent updates

a) Closure of Carousel

- In early 2021, the company made the decision to close down the operations of Carousel Designs. This action was taken due to high costs, declining sales, and persistent losses associated with the subsidiary. The net sales for Carousel Designs dropped from \$6.6 million in fiscal year 2019 to \$4.8 million in fiscal year 2020.
- Note: The company acquired Carousel Designs in 2017 for a total of \$8.8 million.

b) Strategy

- After the resignation of the long-time CEO, Randall Chestnut, the new CEO outlined a new strategy that includes the following:
 - a) Growing the toy category through market share expansion.
 - b) Entering new adjacent product categories, both organically and through tuck-in acquisitions.
 - c) Selling directly to consumers, implementing operating cost efficiencies.
 - d) Making further investments in technology and organizational structure.

We're not going to bet the whole company on one acquisition, which a lot of people do, and if they fail, the whole thing fails; we're not going to do that.

- *Randall Chestnut, former CEO*

II. OUR COMMENTS & WHY ARE WE FLAGGING THIS?

In our opinion, the license agreement with Walt Disney provides a competitive advantage.

If individuals are interested in purchasing bedding for toddlers featuring characters from Encanto, Moana, or any Disney property, the company's products are the only choice available.

If you search for any Disney character toddler bedding on Walmart.com, you will discover that the manufacturer is typically identified as the company itself ("Crown Craft") or its subsidiary, NoJo Baby & Kids, Inc.

<https://www.walmart.com/ip/Disney-4-Piece-Moana-Toddler-Bedding-Set/106734441>

<https://www.walmart.com/ip/Disney-Moana-Polyester-Reversible-Bedding-Set-Crib-Toddler-Bed-Pink-4-Pieces/807831031>

<https://www.walmart.com/ip/Disney-Moana-Free-as-the-Ocean-4-Piece-Toddler-Bed-Set/3981310256>

<https://www.walmart.com/ip/Disney-Princess-4-Piece-Bedding-Set-Toddler-Bed-Friends-Are-Magic-Pink-Polyester/162482148?athbdg=L1600>

Consequently, it is implausible for Walmart to remove the company's product from sale.

2) Toddler-oriented businesses exhibit a significant level of resistance to economic recessions.

3) The company is profitable, generates free cash flow, and regularly declares dividends. The CEO has stated that the company's liquidity prevents it from engaging in share buybacks.

It is important to clarify that our argument does not revolve around the expectation of a substantial increase in revenue. However, the current price level justifies attention and consideration.

EV: \$55 million
FCF: \$7.7 million

FCF/EV: 14%

Dividend: \$0.32/share/year
Current stock price: \$5.13
Dividend yield: 6.3%

McGrath RentCorp (MGRC): Recurring rental revenue; high margin; solid FCF; Recent divestment and acquisition

- M.Cap: \$2.3 billion | Debt: \$659 million | Cash: \$0.69 million | EV: \$2.9 Billion
- EV/Revenue: 3.7X
- Volume: 79,110
- Major shareholders: Vanguard - 10.9% | Blackrock - 8.73% | Franklin Resources - 5.89% | Dimensional - 5.22% | Victory Capital - 4.26% | T. Rowe Price - 3.59% | River Road Asset - 2.83%
- Screen: 8-K

I. RESEARCH

1. BASICS

The Company is a diversified business-to-business rental company with four rental divisions:

- Mobile Modular: Modular building and portable storage segment.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	162	184	210	231	255	301	322	363	462
Gross profit	64	79	94	104	121	144	156	176	217
EBIT	21	32	42	48	63	78	87	83	107

- TRS-RenTelco: Electronic test equipment segment.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	128	115	109	108	119	132	141	140	151
Gross profit	60	48	46	50	55	61	61	61	68
EBIT	37	25	24	28	32	36	37	36	41

- Enviroplex: Classroom manufacturing business selling modular buildings used primarily as classrooms in California.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	17.5	10.6	22.1	31.4	29	39.8	32.7	31.1	23.2
Gross profit	5.1	2.9	7.1	8.9	9.7	14.8	12.9	9.9	5.1
EBIT	1.4	-0.1	3.2	4.6	4.8	9.7	7.5	4.6	-0.3

2. Profitable business model

- Rental products have long useful lives compared to the typical rental term
 - Modular buildings have an estimated life of 18 years compared to the typical rental term of 1-2 years.
 - Electronic test equipment has an estimated life range of 1 to 8 years (depending on the type of product) compared to a typical rental term of 1 to 5 months.
- Original investment recovery period
 - Modularity: approximately 4 years
 - Electronic test equipment: 3 years

- Liquid and solid containment tanks and boxes: 5 years
- Why do people choose to rent instead of outright buying?
 - Company's customers have a short-term need for its rental products.
 - The product required by the customer tends to be expensive compared to the company's monthly rental charge. As such, the rental solution is a less costly alternative.

3. Highly profitable

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	408.1	404.5	424.1	462	498.3	570.2	572.6	616.8	733.8
EBIT	85.4	77	79.3	94.7	117.5	141.4	140.8	132.4	165.6
<i>EBIT margin</i>	<i>20.9%</i>	<i>19.0%</i>	<i>18.7%</i>	<i>20.5%</i>	<i>23.6%</i>	<i>24.8%</i>	<i>24.6%</i>	<i>21.5%</i>	<i>22.6%</i>
Net income	45.7	40.5	38.3	153.9	79.4	96.8	102	89.7	115.1

4. Solid FCF

- The cumulative free cash flow (FCF) for the past eight years amounts to \$587 million.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Cash from operations	123	144	141	122	143	188	181	196	194
<u>Capital Expenditures</u>									
Purchases of rental equipment	152	131	79	95	123	168	86	114	188
Purchases of property, plant and equipment	13	9	11	15	16	12	14	3	18
Proceeds from sales of used rental equipment	-26	-26	-29	-38	-42	-44	-47	-57	-74
Net capex	139	114	60	71	97	135	53	60	131
FCF (excluding proceeds from sale of used equipments)	-42	4	51	13	4	8	81	79	-11
FCF (including proceeds from sale of used equipments)	-16	30	81	52	46	53	128	136	63

II. WHY ARE WE FLAGGING THIS?

Two transactions: Vesta acquisition and Adler divestiture & growing modular segment revenue

1. Divestment

- In February 2023, the company sold the Adler Tanks business for a total of \$265 million
- EV/Adjusted EBITDA: 7.1X

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	101	95	84	91	96	98	78	82	98
Gross profit	54	47	37	43	48	47	34	34	47
Operating income	26	20	10	14	18	18	9	8	18

2. Vesta Acquisition

- In February 2023, the company completed the acquisition of Vesta for \$400 million.
- Based on the trailing 12-month period, Vesta generated \$40 million of EBITDA from \$129 million of total revenue.
- EV / 2022 estimated EBITDA: 7.7X
- As of December 31, 2022, Vesta had a rental fleet of approximately 6,000 units with an original cost of around \$220 million.
- Vesta primarily serves the education, industrial, construction, government, municipalities, and retail sectors.
- Vesta has a customer base of over 900 clients.
- Along with its headquarters in Southfield, MI, Vesta operates strategically-located branches in high-growth markets like Atlanta, Houston, and Miami.

3. Expansion of Modular business

- Despite the modular segment's revenue growing by 2.9X in the last nine years, operating income increased by a whopping 5X.
- The recent acquisition of Vesta has significantly increased McGrath's modular revenue mix from 66% to 80% of total revenue.
- Mobile Modular's high margins, recurring revenue, and favorable demand make it an incredibly attractive business.
- The company's management has expressed its strategic focus on continuing to grow this segment.

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	162	184	210	231	255	301	322	363	462
Gross profit	64	79	94	104	121	144	156	176	217
EBIT	21	32	42	48	63	78	87	83	107

Hillenbrand (HI): Recent divestment

- M.Cap: \$3.6 billion | Debt: \$1.4 billion | Cash: \$315 million | EV: \$4.7 billion
- EV/Revenue: 1.5X
- Volume: 531,423
- Major shareholders: Blackrock - 16.29% | Vanguard Group - 11.05% | Clarkston Capital - 7.48% | FMR - 3.57% | State Street - 3.47% | Janus Henderson - 3.23% | Lsv Asset Management - 3.17% |
- Screen: 8-K (Keywords)

I. RESEARCH

1. Segment research

a) Advanced Process Solutions

- This segment specializes in the manufacturing and servicing of distinctive process and material handling equipment and systems. It caters to diverse industries such as plastics, food and pharmaceuticals, chemicals, fertilizers, minerals, energy, recycling, and other general industrials.
- Solid aftermarket business: The segment boasts a robust aftermarket business, with aftermarket parts and services contributing approximately 30% of the segment's revenue in 2022.

(\$, mm)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2022
Revenue	1,075	993	965	1,028	1,220	1,274	1,229	1,246	1,270	1,366
Adj. EBITDA	150	161	161	178	216	223	235	235	249	266
Revenue growth		-7.6%	-2.8%	6.6%	18.6%	4.5%	-3.6%	1.4%	1.9%	7.5%
Adj. EBITDA margin	14%	16%	17%	17%	18%	18%	19%	19%	20%	19%

- Growth through acquisitions worth \$2.2B
 - Since 2010, the company has deployed roughly \$2.2 billion towards acquisitions that have been incorporated into this segment
- Divestments
 - Since 2020, the company has divested several businesses within this segment, generating proceeds of \$487 million.
 - These divestments have allowed the company to concentrate on larger platforms and expedite the reduction of debt.

b) Molding Technology Solutions

- This segment was established following the acquisition of Milacron Holdings in 2019 for a total of \$2 billion.
- Molding Technology Solutions is recognized as a worldwide leader in the provision of highly engineered and customized equipment, systems, and services for plastic technology and processing.
- Solid aftermarket business: The segment boasts a strong aftermarket business, with aftermarket parts and services accounting for approximately 25% of its revenue in 2022.

\$, mm	FY 2021	FY 2022	LTM 2022
Revenue	996	1,046	1,040
Adjusted EBITDA	202	216	208
Revenue growth		5%	-1%
Adj. EBITDA margin	20%	21%	20%

2. Solid free cash flow

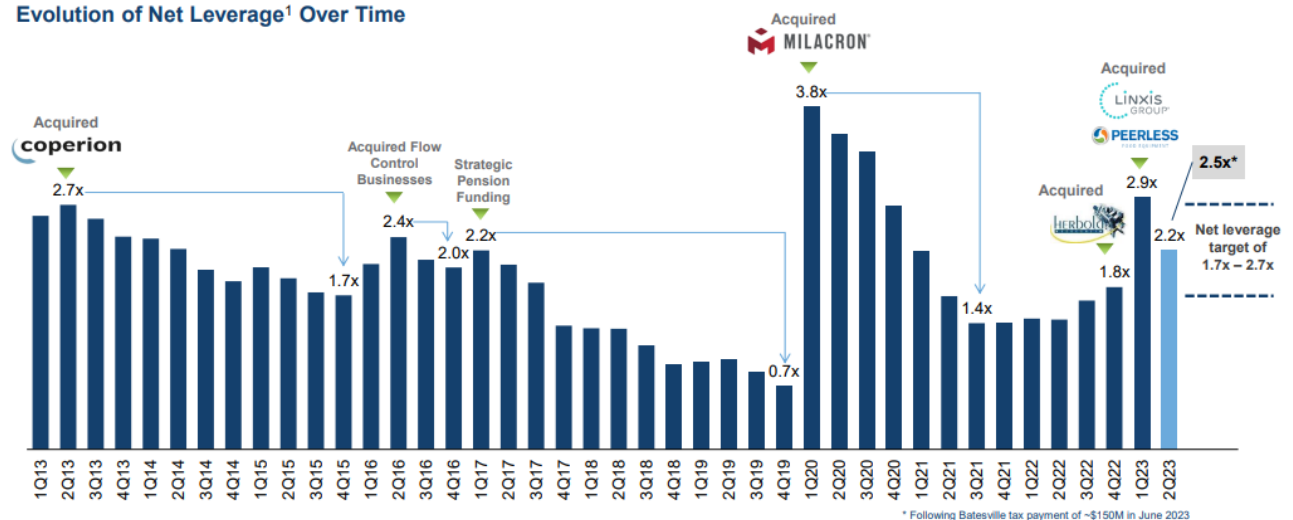
\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2022
Cash from operations	180	105	238	246	248	179	355	528	191	165
Capital expenditures	(24)	(31)	(21)	(22)	(27)	(26)	(36)	(40)	(50)	(58)
Free cash flow	156	74	217	224	221	153	319	488	141	107

3. History of delveraging

- The company has consistently demonstrated its ability to reduce leverage following acquisitions.
- For example, after the acquisition of Milacron Holdings for \$2 billion, the company's net leverage stood at 3.8X in the 1st quarter of 2020, decreasing to 1.4X by the 3rd quarter of 2021.

Strong Track Record of De-Leveraging

Evolution of Net Leverage¹ Over Time



WHY ARE WE FLAGGING THIS?

Migration to pure-play industrial company

Sale of Batesville Casket

- The company previously operated in the death care industry through its Batesville segment.
- In February 2023, the company divested the Batesville segment for \$762 million.
- Following the sale of this unrelated business, the company has transitioned into a pure-play industrial company.
- Revised estimate (post-divestment of Batesville)
 - Revenue: \$2.67million to \$2.79 million
 - EBITDA: \$452 million to \$500 million

A micro-cap company Marchex (MCHX) appointed a new CEO who previously sold two companies under his watch; Potential sale

- M.Cap: \$86 million | Debt: \$1 million | Cash: \$16 million | EV: \$62 million
- EV/Revenue: 1.2X
- Volume: 30,884
- Major shareholders: Edenbrook Capital - 37.57% | B. Riley - 5.83% | Renaissance - 4.8% | Vanguard - 2.52% | Acadian Asset - 1.76% | Blackrock - 1.69% | First Eagle Investment - 1.45%
- Screen: New CEO appointment

I. RESEARCH

1. Basics

How the company generates revenue?

- The company generates majority of its revenues from its core analytics and solutions services.
- The company's call analytics technology platform provides data and insights that can measure the performance of calls and texts.
- The company generates revenue from its call analytics technology platform when customers pay the company a fee for each call/text or call/text related data element they receive from calls or texts or for each phone number tracked based on a pre-negotiated rate.

2. Financial performance

- Comparison of past financials is difficult
 - In October 2020, the company sold specific assets associated with its Local Leads Platform, Call Marketplace, and other assets unrelated to core conversational analytics.
 - The divested business generated \$40.6 million in revenue for FY 2021.
 - Consequently, comparing past revenue figures becomes challenging.
 - The table below presents adjusted revenue from FY 2019 to FY 2022, accounting for the sale of the local leads segment.
- Nevertheless, the company's revenue is stagnant/declining.

\$, mm	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	147.8	173.6	143	129.6	90.3	85.3	54.5	51.2	53.5	52.2
Revenue growth		17.5%	-17.6%	-9.4%	-30.3%	-5.5%	-36.1%	-6.1%	4.5%	-2.4%
EBIT	-1.2	-0.3	-1.8	-19.9	-5.7	-3.9	-13.9	-14.7	-11.7	-8.1
Net income	1.8	-19.1	26.7	-84.1	-6.1	-2.7	-4.0	-38.5	-4.4	-8.3

II. TRACK RECORD OF THE NEW CEO

In February 2023, the company appointed Edwin Miller as CEO.

Track record of Mr. Miller

1. Operating executive, Gemspring Capital (May 2021-Jan 2023)

- Gemspring is a PE firm with \$3.4 billion of capital under management.

2. CEO, Astreya (CEO: 2 years & 4 months – Oct 2017 to Jan 2020; Director since 2014)

- Astreya is the IT solutions provider that employs over 1,200 IT professionals in more than 30 countries.
- He claims that during his 6 years of leadership, including his time as a director, the company nearly quadrupled its revenue, while the headcount doubled to more than 1,000 employees.

3. Sale of Everest Software (CEO, 2 yrs 10 months – Nov 2006 to Aug 2009)

- He claims that during his tenure as CEO, he cut expenses by 50%, grew the top line by 26%, led M&A activities, and expanded the global customer base.
- In August 2009, the company was acquired by Versata Enterprises for an undisclosed amount.

4. Sale of InfoData(CEO, 2 years 11 months – Nov 2002 to Sep 2005)

- According to his claims, he successfully returned the company to profitability and achieved 11 consecutive quarters of growth.
- He restructured the organization to facilitate growth and eliminated debt.
- Under his leadership, the stock price increased by 400%.
- InfoData, a company he was previously CEO of, was reportedly sold to McDonald Bradley at a valuation multiple of 14x.

5. Others

- CEO, iKimbo (CEO, 2 years 1 month – Aug 2000 to Aug 2002); He secured \$10.2 million in venture capital
- COO, XML Solutions (1 year)
- Co-founder, 9Lenses: Raised capital; Bootstrapped the business to \$1M of net revenue.

OUR COMMENTS

If you closely observe Mr. Miller's track record (the new CEO), you will notice that he typically serves a company for 2-3 years. Moreover, it is worth noting that two companies were sold under his watch.

Russell Horowitz, the company's founder, controls 78% of the total voting rights.

Our best estimate is that Mr. Horowitz hired him to prepare the company for a potential sale.

Notable compensation terms

As an inducement to join Marchex, Miller will receive an option to purchase 375,000 shares of Class B common stock (the "Performance Option", and collectively with the Option below, the "Options") effective on the Start Date and issued pursuant to the Plan. The exercise price of the Performance Option is the closing price of the stock on the Start Date and shall be an incentive stock option to the extent permitted by the Code and otherwise a nonqualified stock option. The Performance Option shall vest on the fifth annual anniversary of the Start Date with accelerated vesting upon certain events and subject to continued employment at all such times. With respect to acceleration, (a) 50% of such option shares shall vest upon attainment of specified revenue, adjusted OIBA or share price targets at the later of twenty-four (24) months or performance attainment (2023 revenue (or subsequent years) exceeding 120% of year of grant level, 2023 adjusted OIBA (or subsequent years) exceeding specified multiples of year of

grant level, or following the first year the Class B Common Stock share price for twenty (20) consecutive trading days exceeding 150% of the year of grant trading day average), and (b) such remaining unvested option shares shall vest upon attainment of specified revenue, adjusted OIBA or share price targets at the later of thirty-six (36) months or performance attainment (2023 revenue (or subsequent years) exceeding 127% of year of grant level, 2023 adjusted OIBA (or subsequent years) exceeding specified multiples of year of grant level higher than the initial performance target above, or following the first year the Class B Common Stock share price for twenty (20) consecutive trading days exceeding 160% of the year of grant trading day average).

In addition, Mr. Miller will receive an option to purchase 300,000 shares of Class B common stock (the "Option") effective on the Start Date and issued pursuant to Marchex's 2021 Stock Incentive Plan (the "Plan"). The Option will vest over four years, with 25% of the total option shares vesting on the first anniversary of the Start Date and the remainder vesting quarterly thereafter over the next three (3) year period in equal increments of 6.25% of the aggregate amount of such shares. The exercise price of the Option is the closing price of the stock on the Start Date and shall be an incentive stock option to the extent permitted by the Internal Revenue Code of 1986, as amended (the "Code"), and otherwise a nonqualified stock option. Continuous vesting of the Option is subject to Miller remaining a continuous full-time active employee through the applicable vesting date.

The Options above will become vested and nonforfeitable following the occurrence of a "Change in Control" (as such term is defined below) of the Company as follows: 1/3rd upon occurrence of a Change in Control, 1/3rd upon the eighteen month anniversary, and 1/3rd upon the second annual anniversary, respectively, of such Change in Control. "Change in Control" shall mean the consummation of: (a) a merger, consolidation or reorganization with or into the Company or in which securities of the Company are issued, unless such merger, consolidation or reorganization is a "Non-Control Transaction" (a "Non-Control Transaction" is a merger, consolidation or reorganization with or into the Company or in which securities of the Company are issued where the shareholders of the Company immediately before such merger, consolidation, or reorganization, own, directly or indirectly, at least fifty-one percent (51%) of the outstanding securities of the corporation resulting from such merger, consolidation or reorganization); or (b) a complete liquidation or dissolution of the Company; or (c) the sale or disposition of all or substantially all of the assets of the Company to any person.

Parts iD (ID) has appointed a new CEO who successfully turned around two carparts companies

- M.Cap: \$13 million | Debt: \$7 million | Cash: \$0.46 million | EV: \$19 million
- EV/Revenue: 0.1X
- Volume: 12,081
- Major shareholders: Bridgeway Capital - 0.52% | Vanguard - 0.42% | Citadel Advisors - 0.22% | Renaissance - 0.07% | Simplicity Solutions - 0.06% | Bleakley Financial - 0.06% | Blackrock - 0.06% |
- Screen: New CEO appointment

RESEARCH

Given that the company's market capitalization is only \$12 million, we are flagging this opportunity primarily based on the track record of the newly appointed CEO, Lev Peker.

Current challenges/problems

1. Significant decline in revenue

\$, mm	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023	3M Mar 2022	3M Mar 2023
Revenue	287.8	400.8	448.7	340.6	261.9	94.9	16.2
Operating income	-0.8	1.3	-9.1	-15.6	-16.5	-4.8	-5.7
Net income	-0.7	2.1	-8	-17.9	-20.5	-4	-6.5

- In the recent quarter, revenue declined by a significant 83%. The company attributed this decline to factors such as product unavailability, supply chain interruptions, reduction in discretionary spending, and a significant decrease in advertising spending.
- However, in contrast, many competitors performed well during the same period. Here is the revenue growth for the recent quarters:
 - Carparts.com: 5.7%
 - Autozone: 5.8%
 - O'Reilly Automotive: 12.5%
 - Advance Auto Parts: 1.3%
 - **CarID: -83%**
- This raises doubts about the validity of the reasons cited by management for the decline, such as product unavailability and supply chain interruptions.

2. Highly competitive

- This industry is highly competitive.
- According to Statista.com, the company was ranked as the third largest player in 2021. <https://www.statista.com/forecasts/1218280/top-online-stores-car-parts-tires-united-states-ecommerce>
- However, the company has experienced a significant decline in revenue, and there are numerous competitors who attract a considerably larger number of visitors compared to carid.com
 - Autozone: 31.2M

- Rockauto: 22.3M
- Oreillyauto: 17.4M
- Shop.advanceautoparts: 17.2M
- Carparts: 9.1M
- Partsgeek: 8.6M
- CarID: 4.2M

3. Poor customer reviews

- Trustpilot
 - 3.1 starts from 6,217 reviews
 - <https://www.trustpilot.com/review/www.carid.com?page=3>
- Sitejabber
 - 2.7 starts from 4,300 reviews
 - <https://www.sitejabber.com/reviews/carid.com>

II. WHY ARE WE FLAGGING THIS?

Track record of new CEO

In April 2023, the company appointed Lev Peker as CEO.

1. CEO, Carparts.com

- He served as CEO of CarParts.com from January 2019 to April 2022.
- Under Mr. Peker's leadership, CarParts.com achieved remarkable milestones, including a significant increase in annual revenue by more than double, a nearly fourfold improvement in EBITDA, and an impressive surge in market capitalization of over 500%.
- For further insights into the turnaround accomplished under his watch, please visit this link. <https://news.usc.edu/trojan-family/usc-david-meniane-lev-peker-car-parts-business-success/>

2. CEO, Carlotz

- He was appointed as CEO of Carlotz in April 2022.
- He led a turnaround of the business and merger with Shift Technologies in December 2022.

AMC Networks (AMCX) appoints a new CEO who was a former top executive of the \$18 billion Cablevision. The new CEO is a family member of a controlling shareholder(short notes)

- M.Cap: \$506 million | Debt: \$3 billion | Cash: \$764 million | EV: \$2.8 billion
- EV/Revenue: 0.9X
- Volume: 340,126
- Major shareholders: Blackrock - 14.64% | Vanguard Group - 10.85% | ClearBridge - 5.36% | Lsv Asset - 4.51% | Dimensional Fund - 3.99% | State Street - 3.53% | Charles Schwab Investment - 2.72%
- Screen: New CEO appointment

I. BASICS

- The company distributes its content to global audiences through a variety of distribution platforms. This includes traditional linear networks, subscription streaming services, and licensing arrangements.
- Content
 - The company's wholly-owned or majority-controlled library comprises over 6,000 episodes and 1,300 films, alongside a substantial collection of over 20,000 episodes of highly localized unscripted lifestyle content.
 - Notable examples of content within this library include The Walking Dead Universe, the Anne Rice catalog, and the Agatha Christie library.

II. WHY ARE WE FLAGGING THIS?

1. Track record of the new CEO

In February 2023, the company appointed Kristin Dolan as new CEO.

a. Founder & CEO, 605

- Kristin Dolan founded and served as the CEO of 605, an audience measurement and data analytics firm established in 2016.
- Her responsibilities at 605 included overseeing day-to-day business operations, managing key client relationships, leading product development, sales, research, finance, legal, and marketing.

b. Top executive of Cablevision

- Kristin Dolan spent 16 years at Cablevision Systems Corporation, one of the country's largest MVPDs (Multichannel Video Programming Distributors).
- She held various operating roles, including the position of Chief Operating Officer.
- During her tenure, Cablevision was acquired by Altice USA for \$17.7 billion.

c. Others

- Prior to Cablevision, Ms. Dolan held various marketing roles at AMC Networks (then known as Rainbow Media), including in Affiliate Marketing and Distribution, where she began her career in 1989.

2. She is a representative of Dolan family

- Through its ownership of Class B shares, the Dolan family holds 79% of the total voting power in the company.
- It is noteworthy that Kristin Dolan, the newly appointed CEO, is the wife of James L. Dolan, who currently serves as the interim-Chairman of AMC Networks.

II. CURRENT SITUATION

Snowball Research | <https://promember.snowballresearch.com/>

1. Subscription revenue

- **Domestic:** Domestic subscription revenue is currently stagnant .

\$, mm	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Domestic subscription	1,137	1,146	1,319	1,395	1,399
<i>Growth</i>		0.76%	15.07%	5.79%	0.27%

- **International:** International subscription revenue is declining.

	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
International subscription	251	239	250	224	220

2. Declining advertising revenue

- **Domestic:** The company's domestic advertising revenue has exhibited a consistent decline, decreasing from \$991 million in FY 2016 to \$748 million in the last twelve months (LTM) as of March 2023.
- **International:** While there may be occasional increases in the company's international advertising revenue, an overall declining trend in revenue is noticeable. International advertising revenue dropped from \$94.5 million in FY 2016 to \$79.7 million in the LTM as of March 2023.

\$, mm	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Domestic advertising	991	960	945	904	802	845	788	749
International advertising	95	90	91	90	74	106	84	80

3. Content licensing: Mixed financial performance

- We only have financial data available for the past few years.
- **Domestic market:** In the domestic market, the company witnessed a decline in revenue during FY 2020 and FY 2021. However, over the past year and three months, the revenue has been experiencing rapid growth.
- **International market:** On the other hand, the company's financial performance in the international market has been inconsistent and unpredictable.

(\$, mm)	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Domestic Content licensing	522	434	417	492	534
International Content licensing	187	140	156	135	141

4. FCF

- The recent decline in free cash flow (FCF) can be attributed to heightened investments in owned content and increased technology investments.

\$, mm	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Cash from operations	514	386	607	484	749	144	182	73
Capex	79	80	90	92	47	43	44	44
Free cash flow	435	306	517	392	702	101	138	29

OUR COMMENTS

This business operates in a highly competitive industry, making it challenging to increase subscription revenue. Given the circumstances, one of the most favorable potential outcomes could be to sell the company

Interesting read

<https://www.forbes.com/sites/paultassi/2023/01/28/netflix-should-buy-amc-networks-and-the-walking-dead/?sh=3c9aac1d75c9>

<https://www.vulture.com/2021/11/amc-plus-streaming-service-interview.html>

Innovative Food Holdings (IVFH), a nano-cap company, has appointed a new CEO who previously led The Kroger Co's \$10 billion e-commerce business; James Paapas of JCP Investment and Jeff Gramm of Bandera Partners own a significant stake in the company and serve as directors

- M.Cap: \$18 million | Debt: \$8 million | Cash: \$2 million | EV: \$25 million
- EV/Revenue: 0.3X
- Volume: 20,501
- Screen: New CEO appointment

I. RESEARCH

1. Basics

- The company distributes over 7,000 perishable and specialty food and food related products, including origin-specific seafood, domestic and imported meats, exotic game and poultry, artisanal cheeses, freshly prepared meals, caviar, wild and cultivated mushrooms, micro-greens, organic farmed and manufactured food products, estate-bottled olive oils and aged vinegars and expertly curated food gift baskets, gift boxes and a full of line of food subscription based offerings.
 - Seafood - Alaskan wild king salmon, Hawaiian sashimi-grade ahi tuna, Gulf of Mexico day-boat snapper, Chesapeake Bay soft shell crabs, New England live lobsters, Japanese Hamachi
 - Meat & Game - Prime rib of American kurobuta pork, dry-aged buffalo tenderloin, domestic lamb, Cervena venison, elk tenderloin
 - Produce - White asparagus, baby carrot tri-color mix, Oregon wild ramps, heirloom tomatoes
 - Poultry - Grade A foie gras, Hudson Valley quail, free range and organic chicken, airline breast of pheasant
 - Specialty - Truffle oils, fennel pollen, prosciutto di Parma, wild boar sausage
 - Mushrooms - Fresh morels, Trumpet Royale, porcini powder, wild golden chanterelles
 - Cheese - Maytag blue, buffalo mozzarella, Spanish manchego, Italian gorgonzola dolce.

2. Limited competitors? The company believes that only a few companies offer a similar platform that delivers chef-driven products and specialty gourmet items for nationwide delivery, ranging from same-day (depending on market location) to within 72 hours.

3. Financials

Snowball Research | <https://promember.snowballresearch.com/>

- The company's revenue grew from approximately \$10 million in FY 2010 to \$80 million in FY 2018.
- Despite a significant improvement in gross profit from \$6 million in FY 2013 to \$16 million in FY 2018, the company's gross profit remained stagnant until FY 2021. Additionally, the company experienced a significant decline in operating income during the same period.
- However, in the recent FY 2022, the company witnessed a recovery with a 29% increase in revenue, an improvement in gross margin, and a significant decrease in operating loss.

(\$, mm)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenue	22.5	25.8	30.6	35.2	41.2	52.9	57.9	51.7	62.2	80.1
<i>Revenue growth</i>		15%	19%	15%	17%	28%	9%	-11%	20%	29%
Gross profit	6.4	8.0	9.2	10.7	13.6	16.1	16.6	13.8	16.9	18.7
EBIT	1.0	0.1	-0.4	2.8	4.7	2.0	0.2	-7.4	-3.6	-1.0
Net income	-1.5	-3.7	-27.2	6.4	4.5	1.7	0.2	-7.7	-0.7	-1.4

II. Concerns

- Dilution: The number of outstanding shares of the company increased from 11.4 million shares in 2014 to 47 million shares in 2022, indicating significant dilution.
- Customer concentration: The company's largest customer, U.S. Foods, Inc., represented approximately 49% of total sales in FY 2022.

WHY ARE WE FLAGGING THIS?

1. Track record of new CEO

In February 2023, Bill Bennett was appointed as the CEO of the company.

a. VP-eCommerce, The Kroger Co.,(KR)

- Kroger (KR): EV: \$53 billion | Revenue: \$148 billion
- From 2020 until 2023, Bill Bennett served as the Vice President of eCommerce for The Kroger Co.
- In this role, he held responsibility for The Kroger Co.'s \$10 billion eCommerce business. He led cross-functional teams comprising marketing, merchandising, product management, supply chain, technology, and analytics, driving the development and implementation of a comprehensive eCommerce go-to-market and growth strategy across the entire enterprise.

b. Walmart

Mr. Bennett joined Walmart in 2013 and dedicated seven years of service to the company, from 2013 to 2020. During his tenure, he held various roles in eCommerce and store leadership, encompassing finance, merchandising, strategy, analytics, and product management.

c. Others: Prior to his time at Walmart, from 2011 to 2013, Mr. Bennett led the pricing strategy team at S.C. Johnson. Additionally, he held various leadership positions at General Mills from 2006 to 2011.

2. Notable shareholders are serving the board

a) JCP Investment

- Ownership: 17.3%
- James C. Pappas, the Portfolio Manager of JCP Investment, has been serving as the director of the company since January 2020

b) Bandera Partners

- Ownership: 7.4%
- Jefferson Gramm, PM of Bandera Partners, has been serving as the director of the company since September 2021.

c) Carlson Ridge Capital

- Ownership: 8%
- Denver Smith, co-founder of Carlson Ridge Capital, has been serving on the board since March 2023

COMMENTS

Attracting a veteran executive like Bill Bennett is a significant advantage. It is uncommon for an executive who has overseen a \$10 billion business to join a company generating revenue below \$100 million.

2023 Plans

The world has been in the grip of a pandemic since March 2020 which has wreaked havoc on economies worldwide, including in the U.S., which is our primary market. As a result of the pandemic, restaurants, hotels, country clubs, casinos, catering houses and other segments of our primary customer base were either closed completely or have only opened with significantly reduced operations. Accordingly, foodservice revenues, which historically have been a significant portion of our overall revenues had been significantly reduced as most foodservice establishments across the United States closed or had limited operations. As a result, foodservice revenue commencing in the second half of March 2020 and through the end of 2021 experienced unprecedented declines. In 2022, as the pandemic began to recede and foodservice establishments reopened and travel resumed, we have experienced strong foodservice revenue growth. Concurrently, while ecommerce revenues remained above pre-pandemic historical levels, lower deferred revenues recognized in the twelve months of 2022 and decreases in COVID-19 driven demand in 2022 compared to 2021 (partially driven by the continued re-opening of bricks and mortar stores), and an increasingly challenging digital marketing environment fueled by industry-wide marketing challenges, including expanded privacy rules that significantly reduce data sharing.

During 2023, as Mr. Bennett has now recently taken the role of CEO, we will be doing a holistic review of the Company's portfolio of businesses and go to market strategies. In the meantime, we plan to continue to expand our business by expanding our focus on additional specialty foods markets and by leveraging our e-commerce platform to launch and grow new D2C brands and e-commerce sites within targeted consumer areas either organically and/or through acquisition of new D2C brands and e-commerce sites within targeted consumer areas. In addition, we will continue exploring potential acquisition and partnership opportunities with influencers and other celebrities to continue to extend our focus in the specialty food market through the growth of the Company's existing sales channels and through a variety of additional potential sales channel relationships. Additionally, to further optimize the Company's return on marketing spend, the company has meaningfully reduced its digital marketing spend in traditional digital marketing channels and has shifted focus to increasing our strategic loyalty and retention focused customer experience improvements across our branded online retailers. Additional focus includes further improving the customer experience on our existing food subscription offerings, expanding our traditional monthly subscription offerings and launching a "subscribe and save" subscription offering.

In addition, we are currently exploring the introduction of, or have introduced into the market, a variety of new product categories and new product lines, including private label products and proprietary branded products to leverage our existing foodservice and consumer customer base.

Furthermore, the Company intends to continue to expand its activities in the direct-to-consumer space and the overall consumer packaged goods (CPG) space by leveraging its overall capabilities in the consumer space, including leveraging its direct to consumer e-commerce platform to reach both additional customers in multiple channels, and to expand availability of its e-commerce capabilities to additional products and markets.

The Company also plans on expanding its B2B offerings, including of its managed services which provide a complete customer backend experience solution for small to large brands by leveraging the platform's procurement, logistics and fulfillment capabilities. The Company also manages monthly subscription offerings on behalf of third party B2B clients and the Company plans on expanding this offering in 2023. In addition, the Company is focused on formally launching its B2B managed marketplace offerings, currently in beta testing, in which the Company offers its B2B customers a complete managed solution including warehousing fulfillment and listing management, for third party marketplace for marketplaces such as Amazon, Walmart and other third party marketplaces.

No assurances can be given that any of these plans will come to fruition or that if implemented that they will necessarily yield positive results.

Anika (ANIK): No debt; Notable settlement agreement with Caligan Partners; Caligan Partners' predict 122% upside if the company exits the money losing segment

- M.Cap: \$402 million | Debt: \$30 million | Cash: \$80 million | EV: \$317 million
- EV/Revenue: 2X
- Volume: 81,054
- Major shareholders: Blackrock - 16.65% | Trigran Investments - 10.83% | Vanguard - 6.66% | Dimensional Fund - 6.63% | State Street - 6.23% | Caligan Partners - 4.85% | Janus Henderson - 4.62%
- Screen: 13D

I. BASICS

1. OA Pain

- #1 market share in the U.S. and strong growth overseas (OUS) with Orthovisc® and Monovisc®.
- Hyaluronic Acid (HA) viscosupplement injections provide minimally invasive pain management for osteoarthritis (OA), offering immediate and long-lasting relief for up to 26 weeks.
- Orthovisc/Monovisc: Sold in the U.S. through J&J Mitek and internationally through a large network of distributors.
- Cingal: A combination HA-based viscosupplement with a steroid; sold in over 35 countries internationally, with a pilot study underway for U.S. FDA approval.

	FY	FY	FY	FY	FY	FY	FY	FY	FY	LTM
(\$, mm)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	62	73.2	89.7	93.8	96.7	103.5	83	89.5	97.9	99.6

2. Joint Preservation and Restoration

	FY	FY	FY	FY	FY	LTM
(\$, mm)	2018	2019	2020	2021	2022	2023
Revenue	1.1	2.1	39.4	48.6	50.4	51.7

3. Non-orthopedic

	FY	FY	FY	FY	FY	FY	FY	FY	FY	LTM
\$, mm	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	6.3	6.4	5.1	6	7.7	9	8.1	9.7	7.9	6.2

II. CURRENT PROBLEM

Deteriorating financial performance after a strategic focus on the Joint Preservation Segment:

- In September 2019, the company unveiled its ambitious 5-year plan.
- Expansion through acquisitions: In 2020, the company expanded its Joint Preservation segment through the acquisitions of ArthroSurface and Parcus Medical.

Business name	Aggregate cost (\$, mm)	Date
Parcus Medical, LLC	75.1	January 24, 2020
ArthroSurface, Inc	90.3	February 3, 2020

- Joint Preservation revenue
 - Due to the acquisition, the company's revenue grew from \$2 million in FY 2019 to \$51.7 million in LTM 2023.

(\$, mm)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Revenue	1.1	2.1	39.4	48.6	50.4	51.7

- Financials suffered after the acquisitions.
 - As depicted in the table below, the company's performance began to decline after announcing its strategy to utilize cash flows from the OA Pain segment for funding a strategic pivot into the Joint Preservation and Restoration ("JP") Segment.

							Post-acquisitions/ 5-year plan			
\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Revenue	76	88	103	113	106	115	131	148	156	158
EBIT	61	48	51	46	22	34	-28	3	-19	-28
Net income	38	31	33	32	19	27	-24	4	-15	-22

III. WHY ARE WE FLAGGING THIS?

1. Caligan Partners

Notable settlement agreement

- In April 2023, the company entered into a cooperation agreement with Caligan Partners. Pursuant to the agreement:
 - The Board has authorized a \$20 million share repurchase program, with \$10 million of it being subject to positive cash flow.
 - The Board has agreed to form a Capital Allocation Committee.
 - Source: <https://www.sec.gov/Archives/edgar/data/898437/000119312523100714/d438476dex101.htm>

Caligan Partner's argument

a) Exiting the Joint Preservation and Restoration ("JP") Segment:

- Caligan Partners argues that the Joint Preservation segment is operating at an annual loss of approximately \$40 million.
- The fund contends that for the segment to break even, the company would need to achieve a 252% growth in revenue without incurring any additional operating expenses.
- This suggests that the segment would experience losses for over a decade, despite the company's guidance of 10-15% growth in 2023.
- Consequently, Caligan suggests that the company should exit this segment.

b) Valuation:

- According to Caligan Partners' estimate, the company could be valued at approximately \$60 per share if it exits the Joint Preservation segment.
- Current stock price: \$27
- Potential upside: 122%

Caligan Partner's past success in related business:

Sale of AMAG Pharmaceuticals

- In late 2019, Caligan Partners, holding a 10% stake, initiated a campaign to replace four directors of AMAG Pharmaceuticals.
- In October 2019, the company reached a settlement agreement with Caligan Partners.
- Within a year, in October 2020, Covis Pharma acquired the company.

2. Free cash flow

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Cash from operations	40.0	39.9	24.4	40.8	34.9	37.0	13.1	8.4	4.4	2.7
Capital Expenditures	1.6	9.2	14.0	9.0	4.7	2.8	1.6	5.1	7.5	7.5
Free cash flow	38.4	30.7	10.4	31.8	30.3	34.2	11.4	3.3	-3.1	-4.9

3. FCF yield

EV

- M.Cap: \$373 million
- Debt: Nil
- Lease liabilities: \$28 million
- Cash: \$79.7 million
- EV (excluding lease liabilities): \$293 million
- EV (including lease liabilities): \$321 million

Average FCF (FY 2014 to FY 2019): \$30 million

FCF/EV: 9%-10%

OUR COMMENTS

The company's core business is highly profitable and generates significant free cash flow. The central aspect of the thesis revolves around reducing expenses in the joint preservation segment or considering a complete exit from the segment.

Other notes

Management shakeup

- Ten out of eleven executives were appointed after early 2020.
 - CEO: April 2020
 - CFO: Aug 2020
 - General counsel: March 2020
 - SVP –international sales: May 2020
 - VP – R&D: May 2020
 - VP – Corporate development: August 2020
 - VP – Sports medicine: Feb 2021
 - VP – Operations: September 2021
 - VP – Human resources: Feb 2022
 - VP – US sales: April 2022

Airgain (AIRG): 13G filing by Granahan Investment Management & Ameriprise Financial

- M.Cap: \$60 million | Debt: \$2 million | Cash: \$10 million | EV: \$49 million
- EV/Revenue: 0.7X
- Volume: 14,873
- Major shareholders: Blair (William) & Company - 8.38% | AIGH Capital - 6.97% | Granahan Investment - 6.89% | Ameriprise Financial - 5.48% | Vanguard - 5.09% | Renaissance Technologies - 3.97% | North Run Capital - 3.08%
- Screen: 13G

RESEARCH

1. Basics

- Airgain is a leading global provider of wireless connectivity solutions, specializing in the creation and delivery of embedded components, external antennas, and integrated systems.
- The company's products can be found in a wide range of devices, including set-top boxes, access points, routers, modems, gateways, media adapters, Wi-Fi extenders, portable devices, digital televisions, sensors, and fleet and asset tracking devices.
- Within engineering circles, RF design is often referred to as "black magic" due to its complexity and challenges in optimization. Airgain's foundation is rooted in intricate antenna design, enabling the company to address signal issues not only within the device but also within the surrounding environment.
- Notable products
 - Airgain Embedded: Despite having an extensive library of over a thousand models of embedded antennas, the company customizes its embedded solutions to optimize connectivity for each individual device. As a result, the embedded solutions are typically unique and tailored specifically for the customer's device.
 - Asset Tracker: The Asset Tracker utilizes a combination of cellular connectivity, WiFi, and GPS triangulation, along with various sensors such as temperature, motion, distance, tilt, humidity, and more. This enables the tracking of asset location and condition in indoor, outdoor, and transit environments.
 - 5G Connectivity: In 2023, the company introduced a new line of products aimed at addressing common connectivity issues in 5G networks.
 - Fleet Antenna: The fleet and public safety antennas are strategically mounted on rooftops, trunks, windshields, or dashboards and are optimized to provide reliable connectivity for 5G, 4G, Wi-Fi, and GPS applications.

2. Switching cost

- The company's antenna solutions are commonly integrated into customers' products during the design phase. Once an equipment manufacturer incorporates the company's antennas into its product offerings, it becomes challenging to switch to a different antenna supplier due to the associated costs, time, effort, and typically requiring product re-certification.
- This value proposition is particularly advantageous in the service provider market, where product generations typically remain in the market for two to three years before being replaced by next-generation devices.

3. Shift from in-house to external contract manufacturing

- In the second quarter of 2022, the company successfully transitioned its in-house manufacturing operations to external contract manufacturers and ceased its manufacturing operations in Arizona.

One of the many focuses for us is to move our in-house manufacturing to external contract manufacturers in order to lower costs through efficiencies in manufacturing, as well as lower ring costs for parts by allowing scale contract manufacturers to manage that procurement. This will also allow us to lower our inventory significantly. -CEO, Q4 2021

4. Patent-rich: As of December 31, 2022, the company had over 281 issued and pending patents worldwide.

5. Financial performance

- Key financials

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Revenue	25.5	27.8	43.4	49.5	60.6	55.7	48.5	64.3	75.9	74.8
Gross Profit	11.4	11.6	19.3	23.3	26.5	25.3	22.6	24.6	28	27.1
Operating income	0.9	-0.3	3.5	1	-3.4	0.4	-3.2	-12.1	-8.6	-8.9
Net income	3.6	-0.3	3.7	1.1	-2.6	0.9	-3.3	-10.1	-8.7	-9

- Free cash flow

\$, mm	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Cash from operations	1.6	1.8	4.7	-0.3	1.4	2.4	3.7	-11.2	4.4	-1.1
Capex	-1	-0.1	-0.3	-0.3	-1	-1.2	-0.7	-0.7	-0.8	-0.7
Free cash flow	2.6	2	4.9	0	2.4	3.6	4.4	-10.4	5.2	-0.4

M.Cap: \$57 million

Debt: \$2.2 million

Cash: \$9.8 million

EV: \$49 million

FCF (FY 2022): \$5.2 million

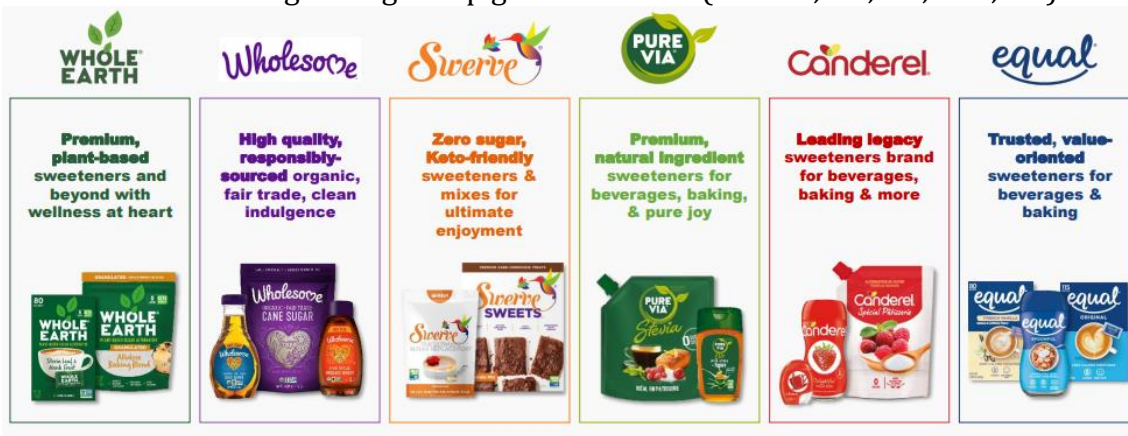
FCF/EV: 10.6%

Whole Earth Brands (FREE): 13G filings by Armistice Capital & Goldman Sachs; Newly appointed interim CEO is the representative of a major shareholder; Huge debt is a major turnoff

- M.Cap: \$124 million | Debt: \$451 million | Cash: \$27 million | EV: \$549 million
- EV/Revenue: 1X
- Volume: 194,973
- Major shareholders: Goldman Sachs - 6.33% | Blackrock - 6.33% | Armistice Capital - 5.09% | Vanguard Group - 5.03% | Pacific Ridge Capital - 3.87% | Steel Partners - 3.72% | Clearline Capital - 2.6%
- Screen: 13G

I. BASICS

- Whole Earth Brands is the global player in the better-for-you sweetener and reduced sugar categories.
- Whole Earth Brands is displacing refined sugar.
- #1 Share leader and growing in top global markets (incl. FR, UK, AU, RSA, TH)



- Branded CPG
 - This segment offers a variety of sweetener formulations under each brand to cater to local consumer preferences and price points.
 - The products in this segment utilize key ingredients such as stevia leaf extract, monk fruit extract, organic sugar, erythritol, xylitol, allulose, aspartame, sucralose, and saccharin, all of which are sourced through a global supply chain.

\$, mm	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023	3M Mar 2022	3M Mar 2023
Revenue	173.8	165.9	177.6	389.2	422.6	420.9	103.8	102
Operating income	8.3	19.8	8.4	34.9	-30.2	-37.5	6.5	-0.8

- Flavors & Ingredients: Profitable
 - The company is a supplier of essential, functional ingredients to some of the largest customers in the CPG industry.

- The company's products offer a range of solutions for our customers, including flavor enhancement, flavor masking, moisturizing, modification of product mouthfeel, and skin soothing characteristics.

We continue to view this business as a strong free cash flow generator, with a defensible moat and global leadership position. - Former CEO, Q4 2021

\$, mm	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023	3M Mar 2022	3M Mar 2023
Revenue	117.2	106.3	97.9	104.8	115.6	119.2	26.8	30.4
EBIT	19.5	19.4	-26.4	21.9	32.5	34.2	7.8	9.5

- **Financials**

\$, mm	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	LTM 2023
Revenue	291	272	276	494	538	540
EBIT	28	30	-44	23	-25	-29
Net income	21	31	-43	0	-59	-81

- The company's revenue nearly doubled after the acquisitions of three businesses..

Business name	Purchase cost (\$, mm)	Date	Segment
WSO Investments/ Wholesome	246	December 17, 2020	Branded CPG
Swerve	80	November 10, 2020	Branded CPG

OUR COMMENTS

1) Debt

A crucial prerequisite for a successful roll-up strategy is the ability to generate free cash flow. When a company chooses to raise debt for the execution of its roll-up strategy, amount of free cash flow becomes the crucial factor. It should be sufficient to pay the interest expense and repay the debt.

In this particular scenario, the free cash flow has been consistently poor over the past three years, leaving the company burdened with a substantial debt of \$431 million.

Many investors are being scared off by the debt.

\$, mm	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
CFO	33.8	31.7	10.5	9.5	-5.8
Capex	4	4	8	12.2	8.9
Free cash flow	29.8	27.6	2.4	-2.7	-14.7

2) Growing industry

Sugar substitutes market is driven by increasing number of patients worldwide due to diabetes, obesity and cardiovascular disease.

North America and Europe is the largest market for the sugar substitutes.

The market is growing.

3) Signs of recovery: Improving free cash flow

- In the fourth quarter of 2022, the company generated \$9.5 million of free cash flow (FCF), and in the recent Q1 of 2023, the company generated \$2.5 million of FCF.
- If the company can recover and achieve the same level of free cash flow as it did during FY 2018 and FY 2019, this has the potential to become a highly interesting investment opportunity.
- EV
 - M.Cap: \$121 million
 - Debt: \$431 million
 - Operating lease liabilities: \$19 million
 - Cash: \$27 million
 - EV (including lease liabilities): \$544 million
 - EV (excluding lease liabilities): \$525 million
- FCF yielded - assuming the company achieves historical FCF
 - Average FCF in the past (FY 2018 and FY 2019): \$29 million
 - FCF/EV: 5% to 5.5%

4) New interim CEO is a representative of a major shareholder

- Martin E. Franklin
- Ownership: Approximately 20%.
- He is a Miami-based businessman.
- Food industry/consumer products:
 - Martin co-founded Nomad Foods Limited, a \$5 billion company.
 - In 2001, he created Jarden Corporation, a Fortune 500 broad-based consumer products company, where he served as Chairman and Chief Executive Officer for ten years.
- He is also the founder and CEO of Mariposa Capital LLC, a Miami-based family investment firm.
- https://en.wikipedia.org/wiki/Martin_E._Franklin

Interim CEO

- In January 2023, the company appointed Michael Franklin as the interim CEO.
- Most recently, he served as a partner at Mariposa Capital, founded by Martin Franklin.

Other management changes

- In April 2023, the company appointed a new CFO.
- This is an interesting article about all the recent management changes – <https://www.just-food.com/news/whole-earth-brands-brings-in-kraft-heinz-man-shuffles-executive-pack/>

5) Recent buyers

- In February 2023, Armistice Capital revealed a passive stake of 5.9%, while Goldman Sachs disclosed a stake of 7.6%.

Audit risk alerts

iCAD's chairman resigns from board citing disagreement over direction and governance

M.Cap: \$33 million | iCAD, Inc. provides cancer detection and therapy solutions in the United States.

Letter:

Tim Irish

timnirish@gmail.com

07772890460

6 March 2023

iCAD Inc,
98 Spit Brook Road
Nashua, NH 03062

Dear Dana,

Please accept this as notice of my resignation from the position of Non-Employee Director at iCAD Inc effective immediately.

The reasons for my resignation are two-fold; in my personal opinion the company's direction and governance are misguided, and I am personally very uncomfortable with the Board's approach to unacceptable bullying behaviour.

Yours sincerely,
Tim Irish

Heliogen's founder and former CEO sent a letter to the board expressing dissatisfaction over the decision to hire an internal candidate for the CEO position

M.Cap: \$51 million |The company is a renewable energy technology company.

Letter

February 5, 2023

To the Heliogen Board of Directors:

Because you have terminated me as the CEO of Heliogen, I am required by my employment agreement to resign as a director and as Chairman of the Board of Heliogen. Therefore, I resign immediately.

More than six months ago, I shared with the Board my desire to step down as Chief Executive Officer once a successor was identified who had the experience and skills to take this amazing company to the next level. After carefully considering internal candidates, I recommended – and continue to recommend – that we appoint a CEO from outside the organization with operational, sales, marketing and team-building skills who can lead this company. A few months ago, I identified an exceptional external candidate, one who has the skills to tackle the many challenges facing Heliogen today, from creating a strong leadership team, to acquiring customers, and building projects. In addition, this candidate understands how to partner with me to harness the innovation and vision this company still needs. The Board met and vetted the candidate, and with the Board’s approval and support, the Board moved forward with that candidate’s nomination as President, with the goal of becoming CEO within 6 months.

When the Board communicated the decision to Heliogen’s senior management team, several members of that team threatened to quit. Rather than support what in my view is in the best interests of Heliogen and its stockholders, as well as its own previous decision, the Board chose to back the existing management team. This past weekend, the Board voted against making an offer to the excellent President/CEO candidate we identified, choosing instead to terminate me and promote an internal executive as CEO. I do not support that decision as an officer, director, or stockholder.

Since founding Heliogen and taking it public in December 2021, I have dedicated my energy, resources, and reputation to achieve the best outcome for the Company. Notwithstanding that, we have disappointed our employees, our customers, and our investors. With Heliogen’s market value now at less than \$150 million the Board must do what is in the shareholders’ interests and appoint leadership with much broader capabilities to win back the minds and hearts of all those constituents. Promoting the same team that did not achieve these results in the past will not achieve the results we need in the future.

For all these reasons, I am resigning, and I reserve all rights I may have under my employment agreement with the Company.

Sincerely,

Bill Gross

CEO and CFO turnover: February 2023 & March 2023

February 2023

Spruce Power Holding Corporation (SPRU) (M.Cap: \$209 million) - CEO resigned within 1 year 3 months

Eric Tech, who was appointed as CEO in Nov 2021, resigned in February 2023
--

Holley Inc. (HLLY) (M.Cap: \$415 million) - CEO resigned within 1 year 6 months
--

Thomas Tomlinson, who was appointed as CEO in Jul 2021, resigned in February 2023

Horizon Global Corporation (HZN) (M.Cap: \$47 million) - CFO resigned within 7 months
--

Jian James Zhou, who was appointed as CFO in Jun 2022, resigned in February 2023
--

iMedia Brands, Inc. (IMBI) (M.Cap: \$24 million) - CFO resigned within 9 months
--

Thomas Zielecki, who was appointed as CFO in May 2022, resigned in February 2023
--

Twinlab Consolidated Holdings, Inc. (TLCC) (M.Cap: \$25 million) - CEO resigned within 2 months
--

Craig Fabel, who was appointed as CEO in Dec 2022, resigned in February 2023
--

The Alkaline Water Company Inc. (WTER) (M.Cap: \$31 million) - CEO resigned within 8 months
--

Frank Lazaran, who was appointed as CEO in Jun 2022, resigned in February 2023
--

SciPlay Corporation (SCPL) (M.Cap: \$363 million) - CFO resigned within 4 months

James Bombassei, who was appointed as CFO in Oct 2022, resigned in February 2023
--

Skillz Inc. (SKLZ) (M.Cap: \$279 million) - CFO resigned within 7 months

Jason Roswig, who was appointed as CFO in Jun 2022, resigned in February 2023

March 2023

ProSomnus, Inc. (OSA) (Mcap: \$81 million) - CFO resigned within 3 months
--

Melinda Hungerman, who was appointed as CFO in Dec 2022, resigned in March 2023

Ontrak, Inc. (OTRK) (M.Cap: \$15 million) - CEO resigned within 8 months

Terren S. Peizer, who was appointed as CEO in Jun 2022, resigned in March 2023.
PGT Innovations, Inc. (PGTI) (M.Cap: \$1.3 billion) - CFO resigned within 1 year 1 month
John E. Kunz, who was appointed as CFO in Jan 2022, resigned in March 2023.
Mr. Cooper Group Inc. (COOP) (M.Cap: \$2.9 billion) - CFO resigned within 11 months
Jaime Gow, who was appointed as CFO in Apr 2022, resigned in March 2023.
Perimeter Solutions, SA (PRM) (M.Cap: \$1.2 billion) - CEO resigned within 1 year 4 months
Edward Goldberg, who was appointed as CEO in Nov 2021, resigned in March 2023
iCAD, Inc. (ICAD) (M.Cap: \$69 million) - CEO resigned within 1 year
Stacey Stevens, who was appointed as CEO in Mar 2022, resigned in March 2023
Thorne HealthTech, Inc. (THRN) (M.Cap: \$254 million) - CFO resigned within 11 months
Bryan K. Conley, who was appointed as CFO in Mar 2022, resigned in March 2023
Amedisys, Inc. (AMED) (M.Cap: \$2.8 billion) - CEO resigned within 3 months
Paul B. Kusserow, who was appointed as CEO in Nov 2022, resigned in March 2023
Ryvyl Inc. (RVYL) (M.Cap: \$25 million) - CFO resigned within 6 months
J. Drew Byelick, who was appointed as CFO in Aug 2022, resigned in March 2023
Calavo Growers, Inc. (CVGW) (M.Cap: \$433 million) - CEO resigned within 1 year 2 months
Brian Kocher, who was appointed as CEO in Dec 2021, resigned in March 2023
Evolve Transition Infrastructure LP (SNMP) (M.Cap: \$44 million) - CEO resigned within 1 year 3 months
Randall Gibbs, who was appointed as CEO in Dec 2021, resigned in March 2023
TTEC Holdings, Inc. (TTEC) (M.Cap: \$1.7 billion) - CFO resigned within 1 year 4 months
Dustin J. Semach, who was appointed as CFO in Nov 2021, resigned in March 2023
Trupanion, Inc. (TRUP) (M.Cap: \$2.3 billion) - CFO resigned within 1 year 5 months
Andrew Wolff, who was appointed as CFO in Jun 2021, resigned in March 2023

Alpine 4 Holdings, Inc. (ALPP) (M.Cap: \$96 million) - CFO resigned within 1 year 5 months

Larry Zic, who was appointed as CFO in Oct 2021, resigned in March 2023

Groupon, Inc. (GRPN) (M.Cap: \$183 million) - CEO resigned within 1 year 3 months

Kedar Deshpande, who was appointed as CEO in Dec 2021, resigned in March 2023

CEO & CFO changes

Company Name	Ticker	Mcap	Revenue	CEO 8-k date	CFO 8-k Date	Difference (in months)
TIMBERLAND BANCORP INC	TSBK	273	72	02-01-2023	02-01-2023	0
Horizon Global Corp	HZN	49	675	02-08-2023	02-08-2023	0
Vir Biotechnology, Inc.	VIR	3426	2380	1/25/2023	2/16/2023	0.7
MARKETWISE, INC.	MKTW	630	531	2/15/2023	03-10-2023	0.8
ICAD INC	ICAD	39	29	3/13/2023	1/24/2023	1.6
Advantage Solutions Inc.	ADV	609	4050	1/18/2023	3/14/2023	1.8
Holley Inc.	HLLY	404	714	02-06-2023	12-12-2022	1.9
BM Technologies, Inc.	BMTX	47	93	3/27/2023	1/30/2023	1.9
Stitch Fix, Inc.	SFIX	551	1950	01-05-2023	03-07-2023	2
PARTS iD, Inc.	ID	16	386	2/21/2023	12-06-2022	2.6
Vista Outdoor Inc.	VSTO	1645	3190	02-02-2023	10/24/2022	3.4
BED BATH & BEYOND INC	BBBY	688	6210	10/26/2022	02-06-2023	3.4
New Mountain Finance Corp	NMFC	1300	289	11-08-2022	2/27/2023	3.7
Lulu's Fashion Lounge Holdings, Inc.	LVLU	120	445	11/15/2022	03-06-2023	3.7
Rubicon Technologies, Inc.	RBT	162	673	10/14/2022	2/21/2023	4.3
Oscar Health, Inc.	OSCR	1213	3990	3/28/2023	11-08-2022	4.7
Alexander & Baldwin, Inc.	ALEX	1475	415	02-02-2023	8/23/2022	5.4
MARKETWISE, INC.	MKTW	669	531	2/15/2023	8/31/2022	5.6

Altice USA, Inc.	ATUS	1979	9800	09-07-2022	2/22/2023	5.6
FOOT LOCKER, INC.	FL	3998	8750	8/19/2022	2/21/2023	6.2
AMC Networks Inc.	AMCX	1166	2940	2/15/2023	08-05-2022	6.5
Shoals Technologies Group, Inc.	SHLS	4058	280	2/27/2023	8/15/2022	6.5
F45 Training Holdings Inc.	FXLV	272	171	7/26/2022	2/15/2023	6.8
Sabre Corp	SABR	1633	2540	03-01-2023	7/28/2022	7.2
Nikola Corp	NKLA	825	51	8/15/2022	3/28/2023	7.5
Ontrak, Inc.	OTRK	17	22	03-03-2023	6/28/2022	8.3
Mativ Holdings, Inc.	MATV	1200	2170	07-06-2022	3/15/2023	8.4
SAFE & GREEN HOLDINGS CORP.	SGBX	20	29	02-06-2023	5/18/2022	8.8
CALAVO GROWERS INC	CVGW	415	1140	3/14/2023	06-10-2022	9.2
SPRUCE POWER HOLDING CORP/XL Fleet Corp	SPRU	202	24	02-02-2023	04-12-2022	9.9
Vita Coco Company, Inc.	COCO	932	422	05-03-2022	03-07-2023	10.3
Bally's Corp	BALY	922	2230	2/13/2023	3/14/2022	11.2
Syneos Health, Inc.	SYNH	3663	5390	4/29/2022	3/30/2023	11.2
Vintage Wine Estates, Inc.	VWE	172	305	02-08-2023	03-04-2022	11.4
MERCER INTERNATIONAL INC.	MERC	715	2280	3/16/2022	03-01-2023	11.7
MIDDLEFIELD BANC CORP	MBCN	243	57	2/17/2022	2/13/2023	12
DIEBOLD NIXDORF, Inc	DBD	164	3460	02-10-2022	02-09-2023	12.1
RBB Bancorp	RBB	374	155	2/22/2022	03-03-2023	12.5
HERTZ GLOBAL HOLDINGS, INC	HTZ	5004	8680	02-04-2022	3/27/2023	13.9
CENTERSPACE	CSR	804	257	3/23/2023	01-11-2022	14.5
Lyft, Inc.	LYFT	3630	4100	3/27/2023	12-02-2021	16
ContextLogic Inc.	WISH	486	737	2/22/2023	10/25/2021	16.2

13D Summary - May 1, 2023 to June 2, 2023

INITIATED		
STRATTEC SECURITY CORP (STRT)	75	GAMCO plans to nominate board candidates for election to the board of Strattec Security Corp.
GEE GROUP INC. JOB	56	Red Oak Fund nominated board candidates to GEE Group Inc
LL FLOORING HOLDINGS, INC. LL	126	F9 Investments pushes for action at LL Flooring Holdings
SHIFT TECHNOLOGIES INC (SFT)	26	Maruthi J. D. Venkata sent a letter to Shift Technologies
DIVERSIFIED HEALTHCARE TRUST (DHC)	278	Flat Footed LLC opposes the proposed merger of Diversified Healthcare Trust with Office Properties Income Trust
LIFEVANTAGE CORP (LFVN)	56	Bradley L. Radoff initiated active stake in LifeVantage Corporation
PROVIDENT BANCORP, INC. /MD/ (PVBC)	144	Joseph Stilwell initiated an active stake in Provident Bancorp
CLEAR CHANNEL OUTDOOR HOLDINGS, INC. (CCO)	517	Legion Partners urges Clear Channel Outdoor Holdings to explore strategic alternatives
IEH CORP (IEHC)	14	Cove Street Capital initiated discussions with IEH Corporation
EXICURE, INC. (XCUR)	9	CBI USA, Inc delivered a letter to the board of Exicure
ABSOLUTE SOFTWARE CORP (ABST)	813	Edenbrook Capital sent a letter to the board of Absolute Software Corporation
IDENTIV, INC. (INVE)	148	Bleichroeder urges the board to explore strategic alternatives at Identiv
SOUND FINANCIAL BANCORP, INC (SFBC)	95	Joseph Stilwell sought board representation at Sound Financial Bancorp
AURINIA PHARMACEUTICALS INC. (AUPH)	1608	ILJIN SNT intends to vote "Withhold" against director nominees at Aurinia Pharmaceuticals
LIVEPERSON, INC (LPSN)	350	Starboard nominated director candidates to the board of LivePerson
EDIBLE GARDEN AG INC (EDBL)	4	Zella Tribe Limited Partnership initiated active stake in Edible Garden
BOARD SEAT/ AGM RESULTS		
EXELIXIS, INC EXEL	6300	Farallon nominees were elected to the board of Exelixis, Inc
ILLUMINA, INC. ILMN	32387	Shareholders elected the incumbent directors to the board of Illumina
AMERISERV FINANCIAL INC ASRV	49	AmeriServ Financial shareholders elect the company's three director candidates at the 2023 annual meeting
BLUE FOUNDRY BANCORP (BLFY)	239	Shareholders elected incumbent director nominees to the board of Blue Foundry Bancorp
BROADWIND, INC. (BWEN)	87	Broadwind shareholders elected the incumbent director nominees to the board
RUMBLEON, INC. (RMBL)	146	RumbleOn appoints Steven J. Pully to its board of directors
CUTERA INC (CUTR)	280	Cutera announced agreements with Pura Vida and RTW Investments; Voce Capital terminated its proxy solicitation
PITNEY BOWES INC /DE/ (PBI)	548	Pitney Bowes stockholders voted to elect four Hestia-nominated director candidates to the board
PRIMO WATER CORP /CN/ (PRMW)	2300	Primo Water announces agreement with Legion Partners

MARKETWISE, INC. (MKTW)	535	Frank Porter Stansberry reached an agreement with Marketwise Inc
PEOPLES FINANCIAL CORP /MS/ (PFBX)	54	Stilwell's nominee was not elected to the board of Peoples Financial Corp
NATURAL GAS SERVICES GROUP INC (NGS)	128	Mill Road Capital reached an agreement with Natural Gas Services Group
ONGOING		
FRESHPET, INC. FRPT	3049	IANA Partners filed a lawsuit against Freshpet
CANO HEALTH, INC. CANO	675	Concerned Shareholders of Cano Health nominated director candidates to the board
MASIMO CORP MASI	8242	Politan calls on Shareholders to elect independent oversight to Masimo's Board
MIND MEDICINE (MINDMED) INC. MNMD	129	FCM predicts psychedelic revolution in 2024: Urges shareholders to position MindMed for success with a reconstituted board
NOBLE ROMANS INC NROM	6	BT Brands nominated director candidate to the board of Noble Roman's, Inc
REPUBLIC FIRST BANCORP INC FRBK	77	Norcross Braca Group blasts appointment of Andrew B. Cohen as Chair of Republic First
ABCAM PLC ABCM	3462	Jonathan Milner calls an EGM of Abcam shareholders
ALKERMES PLC. (ALKS)	5022	Sarissa Capital sought support for its nominees at Alkermes
FIRST FOUNDATION INC. (FFWM)	274	Driver Management Company seeks support for its nominee at First Foundation
GLOBAL NET LEASE, INC. (GNL)	960	Blackwells Capital opposes the cockamamie merger
NECESSITY RETAIL REIT, INC. (RTL)	796	Blackwells Capital opposes the cockamamie merger
WISDOMTREE, INC. (WT)	1015	ETFS Capital issued a presentation on Wisdomtree stockholders
FORTE BIOSCIENCES, INC. (FBRX)	21	Camac Fund nominated director candidates to the Board of Forte Biosciences
PACIFIC COAST OIL TRUST (ROYTL)	20	The concerned shareholders urges the shareholders to vote for its proposals at the special meeting of Pacific Coast Oil Trust
FIRSTHAND TECHNOLOGY VALUE FUND, INC. (SVVC)	6	ISS supports Star Equity Fund's nominees at Firsthand Technology Value Fund
CAZOO GROUP LTD (CZOO)	48	Inherent Credit Opportunities Master submitted an indicative proposal outlining a potential restructuring to Cazoo Group Ltd
CHARLES & COLVARD LTD (CTHR)	28	Carlos Daniel Valadez delivered letter to the board of Charles & Colvard, Ltd
LIFEWAY FOODS, INC. (LWAY)	88	Edward Smolyansky sought support for his nominees at Lifeway Foods
SUPERIOR DRILLING PRODUCTS, INC. (SDPI)	28	Star Equity issues open letter to board of Superior Drilling Products
COMSCORE, INC. (SCOR)	75	180 Degree Capital Corp sent a letter to the shareholders of comScore
WHEELER REAL ESTATE INVESTMENT TRUST, INC. (WHLR)	8	Daniel Khoshaba delivered a letter to the Board of Wheeler Real Estate Investment Trust
NANO DIMENSION LTD. (NNDM)	633	Murchinson Ltd and Anson Funds believe Nano Dimension's allegations are without merit
OTHERS		
SERVOTRONICS INC /DE/ SVT	30	Star Equity Fund withdrew its nomination of director candidates at Servotronics
SENSEI	50	Apeiron Investment Group withdrew its nomination at Sensei

BIOTHERAPEUTICS, INC. (SNSE)		Biotherapeutics
HF FOODS GROUP INC. (HFFG)	197	The Irrevocable Trust for Raymond Ni withdrew director nomination at HF Foods Group
L.B. FOSTER COMPANY (FSTR)	134	22NW Fund increased its stake after reaching agreement with L.B. Foster Company
TURTLE BEACH CORP (HEAR)	195	Toro 18 Holdings withdrew its nomination at Turtle Beach; Turtle Beach appoints William Wyatt, the Founder and CIO of The Donerail Group to the board
NN INC (NNBR)	47	Corre Partners Management increased its stake after reaching cooperation agreement with NN Inc

INITIATED

GAMCO plans to nominate board candidates for election to the board of Strattec Security Corp.

Market Cap: \$75 million | Strattec Security Corporation designs, develops, manufactures, and markets automotive access control products under the VAST Automotive Group brand primarily in North America.

On June 2, 2023, GAMCO (17.76%) stated that it is reviewing the possibility of nominating two directors for the board. [Source](#)

Past

- On September 22, 2021, the company announced that it will be holding its AGM on October 5, 2021 and at the AGM, shareholders will vote on the election of two directors and a proposal to increase (from 12 million to 18 million) the company's number of authorized shares of common stock. [Source](#)
- On September 23, 2021, GAMCO (19.5%) stated that it is uncomfortable providing the company a "blank check" increase in its share authorization without a detailed and verifiable plan for the use of the additional shares during this time of transition. GAMCO's Proxy Voting Committee (the "PVC") believes that it is good corporate governance for shareholders to be able to make an informed decision if the company, for example, is considering a joint venture or acquisition comprising over 10% of enterprise value. Therefore GAMCO, on behalf of its investment advisory clients for which it has voting authority, intends to "Withhold" on the election of the company's nominees and vote "Against" the proposal to increase the authorized common stock at the AGM. [Source](#)
- At the [AGM](#) held on October 5, 2021, shareholders voted to elect the company's nominees and also voted in favour of the proposal.
- On August 8, 2022, the company announced, that its CFO, Mr. Patrick J. Hansen, was retiring effective September 9, 2022. Given Mr. Hansen's longevity and importance to the company, GAMCO (16.71%) believes that the company should consider adding Mr. Hansen to the Board potentially at the upcoming 2022 AGM. [Source](#)

Red Oak Fund nominated board candidates to GEE Group Inc

Market Cap: \$56 million | GEE Group Inc. provides permanent and temporary professional and industrial staffing and placement services in the United States.

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On May 25, 2023, Red Oak Fund (8.7%) delivered a letter to the company nominating a slate of two candidates for election to the board at the 2023 AGM. [Source](#)

F9 Investments pushes for action at LL Flooring Holdings

Market Cap: \$139 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 together with Thomas D.Sullivan and John Jason Delves (9.4%) stated that it is in the process of initiating contact with LL Management and Board with the intent of exploring a possible combination between LL and CTG. It believes such a combined entity will better position LL's financial and competitive standing. [Source](#)

Maruthi J. D. Venkata sent a letter to Shift Technologies

Market Cap: \$26 million | Shift Technologies, Inc., together with its subsidiaries, provides an ecommerce platform for buying and selling used cars in the United States.

On May 26, 2023, Maruthi J. D. Venkata (11.5%) sent a [letter](#) to the board expressing his concern over the company's operation and financial performance, and suggested the company to (i) immediately restructure its debt, and (2) seek a strategic sale to private equity. Maruthi J. D. Venkata also demanded an observer seat on the Board and any special committee of the Board in charge of the strategic alternatives process.

Flat Footed LLC opposes the proposed merger of Diversified Healthcare Trust with Office Properties Income Trust

Market Cap: \$278 million| Diversified Healthcare Trust is a real estate investment trust, or REIT, focused on owning high-quality healthcare properties located throughout the United States.

On May 23, 2023, Flat Footed LLC (7.4%) delivered a [letter](#) to the Board expressing its strong opposition to the company's proposed merger with Office Properties Income Trust and its intention to vote against the Proposed Merger.

Bradley L. Radoff initiated active stake in LifeVantage Corporation

Market Cap: \$56 million | LifeVantage Corporation engages in the identification, research, development, formulation, sale, and distribution of nutrigenomic activators, dietary supplements, nootropics, pre- and pro-biotics, weight management, skin and hair care products, bath and body, and targeted relief products.

On May 15, 2023, Bradley L. Radoff (5.7%) stated his belief that the company's current share price materially undervalues the business and are encouraged by the most recent operating results. He also stated that the company would benefit from an enhanced board of directors that would, among other things, bring a stockholder's perspective to the boardroom, hold

management accountable to a double digit EBITDA margin and implement a consistent and value enhancing capital allocation framework. [Source](#)

Joseph Stilwell initiated active stake in Provident Bancorp

Market Cap: \$144 million | Provident Bancorp, Inc. operates as the bank holding company for BankProv that provides various financial services to individuals and small businesses in the United States.

On May 15, 2023, Joseph Stilwell (8.1%) stated that he hopes to work with management and the board to maximize shareholder value. [Source](#)

Legion Partners urges Clear Channel Outdoor Holdings to explore strategic alternatives

Market Cap: \$517 million | Clear Channel Outdoor Holdings, Inc. operates as an out-of-home advertising company in the United States, Europe, and internationally.

On May 16, 2023, Legion Partners (5.1%) delivered a [letter](#) to the board expressing its belief that the current market price of the shares does not reflect the company's intrinsic value. As detailed in the letter, in the Legion Partners' view, the company's strategic review of non-core assets in Europe is an appropriate and necessary strategic initiative but may not sufficiently improve the market price of the shares or the capital structure. In addition, Legion Partners noted its concern with the scope and pace of the current strategic review process and belief that the Board needed to consider, with greater urgency, a broader strategic review process, including potential divestitures of other non-core assets and select U.S. assets, or a sale of the entire company. Legion Partners stated that it may seek to add industry, capital markets and governance expertise to the board.

Cove Street Capital initiated discussions with IEH Corporation

Market Cap: \$14 million | IEH Corporation designs, develops, manufactures, and sells printed circuit board connectors and custom interconnects for high performance applications in the United States and internationally..

On May 16, 2023, Cove Street Capital (5.75%) stated that it has privately engaged in discussions with the management and its board and believes that there is an opportunity to significantly improve the company's share value. [Source](#)

CBI USA, Inc delivered a letter to the board of Exicure

Market Cap: \$9 million| Exicure, Inc., an early-stage biotechnology company, develops nucleic acid therapies targeting ribonucleic acid against validated targets.

Background

- On September 26, 2022, the company entered into a securities purchase agreement with CBI USA, pursuant to which the company agreed to issue and sell to CBI USA in a private placement an aggregate of 3,400,000 shares of the company's common stock, par value \$0.0001 per share, at a purchase price of \$1.60 per share.

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- On February 2023, the company announced the closing of the previously-announced private placement transaction with CBI USA, Inc.

Update

On May 17, 2023, CBI USA, Inc. (50.4%) sent a [letter](#) to the board proposing that each of Jo, Ahn and Kim resign due to their continuing failure to act in the interests the Company and the stockholders and be replaced by designees of CBI USA. The letter also notified the board that CBI USA would promptly pursue all available legal options if the requested action is not taken.

Edenbrook Capital sent a letter to the board of Absolute Software Corporation

M.Cap: \$813 million | Absolute Software Corporation develops, markets, and provides cloud-based endpoint visibility and control platform for the management and security of computing devices, applications, and data for enterprise and public sector organizations.

Background

On May 11, 2023 the company entered into an arrangement agreement pursuant to which affiliates of Crosspoint Capital Partners, L.P. have agreed to acquire all of the issued and outstanding common shares at a price of US\$11.50 per common share

Update

On May 18, 2023, Edenbrook (10.4%) sent a letter (refer "[Exhibit 2](#)") to the Chairman of the Board, expressing its strong belief that the terms of the Acquisition significantly undervalues the company.

Valuation Insight

"If you were to put the Tufn 6.7x multiple on Absolute's ARR, you would get an enterprise value of approximately \$1.538 billion. Subtracting the Company's net debt of approximately \$213 million would yield an equity value of approximately \$1.325 billion, and with 53.1 million shares outstanding, a per share equity value of approximately \$24.97 per share, more than double the Proposed Acquisition price of \$11.50 per share. Even the lower 6.2x ARR multiple that Absolute paid for NetMotion would yield an equity value of approximately \$22.80, nearly double the Proposed Acquisition price."

Past

On October 7, 2021, Edenbrook Capital (5.75%) stated that it has engaged, and intend to continue to engage, in communications with the management team and Board of Directors regarding means to enhance stockholder value. [Source](#)

Bleichroeder urges the board to explore strategic alternatives at Identiv

Market Cap: \$148 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](#)

Joseph Stilwell sought board representation at Sound Financial Bancorp

Market Cap: \$95 million | Sound Financial Bancorp, Inc. operates as the bank holding company for Sound Community Bank that provides banking and other financial services for consumers and businesses.

On May 12, 2023, Joseph Stilwell (13.1%) sought board representation stating that he do not believe the value of the company' assets is adequately reflected in the current market price of the common stock. [Source](#)

ILJIN SNT intends to vote “Withhold” against director nominees at Aurinia Pharmaceuticals

Market Cap: \$1.6 billion | Aurinia Pharmaceuticals Inc., a clinical stage biopharmaceutical company, engages in the research, development, and commercialization of therapeutic drugs for the treatment of various diseases in the United States and China.

On May 10, 2023, Iljin SNT Co., Ltd. (5%) delivered a letter to the board to express its concerns regarding the composition of the board. In the letter, ILJIN advised that it intends to vote “Withhold” against nominees Milne, Hagan, Jayne, Billen, Mackay-Dunn, Leversage and Balakrishnan. [Source](#)

Past

- On June 4, 2019, ILJIN SNT Co., Ltd filed an information circular and letter to shareholders in connection with the upcoming AGM of Aurinia Pharmaceuticals Inc. to be held on, June 26, 2019. ILJIN, a founding shareholder of Aurinia which together with certain affiliates (14%) is seeking support for three nominees for election as directors at the annual meeting. It expressed its belief that the company requires, (i) Embodies corporate governance best practices, rather than flouting them, (ii) Aligns board and executive compensation and expenses with shareholders' interests, rather than rewarding non-performance, (iii) Demonstrates true independence from one another and management (current and former), rather than looking out for each other first, and (iv) Supports and accelerates the Corporation's strategy execution, rather than sitting idly by as the Corporation potentially squanders its tremendous opportunity. [Source](#)
- On June 19, 2019, the company [announced](#) that ISS and Glass Lewis recommend shareholders vote for all the company's nominees at the AGM.
- At the AGM held on June 26, 2019, the shareholders of the Company elected all eight of the Company's director nominees. Also, the company announced that ILJIN SNT Co., LTD (“ILJIN”), provided notice to withdraw the consents of its director nominees prior to the Meeting after having witnessed the strong proxy results in favour of management's nominees to Aurinia's Board.

Starboard nominated director candidates to the board of LivePerson

Market Cap: \$350 million | liveperson, inc., together with its subsidiaries, provides conversational commerce solutions..

On May 5, 2023, Starboard delivered a [letter](#) to the shareholders nominating a slate of director candidates for election to the board at the 2023 AGM. It expressed its serious concerns about the company's deteriorating financial and stock price performance and the severe lack of competent leadership under CEO Robert LoCascio. Source

Past

- On February 25, 2022, Starboard (8.5%) a letter to the company nominating a slate of director candidates, including Peter A. Feld, John R. McCormack, Vanessa Pegueros and Yael Zheng , for election to the Board at the 2022 AGM. [Source](#)
- On April 7, 2022, Starboard (9.7%) delivered a [letter](#) to the Board highlighting its concerns with the company's stock price underperformance, deteriorating financial performance, missed expectations, execution issues and poor corporate governance practices. Further, it stated that it remains open to working constructively with the company to reach a mutually agreeable resolution.
- On April 20, 2022, Starboard (9.7%) filed proxy materials seeking support for its nominees.
- On May 2, 2022, Starboard (9.7%) filed proxy materials seeking support for its nominees.
- On May 9, 2022, Starboard (9.7%) delivered a [letter](#) to the shareholders reiterating its concerns with the performance of the company and seeks support for its nominees at the upcoming AGM.
- On May 31, 2022, Starboard (9.4%) delivered a [letter](#) to the shareholders reiterating its concerns and seeks support for its nominees at the upcoming AGM.
- On July 20, 2022, Starboard entered into an [agreement](#) with the company and pursuant to it, the company agreed to appoint one director candidate to be identified by Starboard and one director candidate to be identified by the company.

Zella Tribe Limited Partnership initiated active stake in Edible Garden

Market Cap: \$4 million | Edible Garden AG Incorporated, together with its subsidiaries, operate as a controlled environment agriculture farming company.

On May 2, 2023, Zella Tribe Limited Partnership (6.1%) stated that it intends to engage in communications with the management team and Board regarding means to enhance stockholder value. [Source](#)

BOARD SEAT/ AGM RESULTS

Farallon nominees were elected to the board of Exelixis, Inc

Market Cap: \$6.3 billion | Exelixis, Inc., an oncology-focused biotechnology company, focuses on the discovery, development, and commercialization of new medicines to treat cancers in the United States.

Background

- On March 20, 2023, Caligan Partners and Farallon Capital (together 7.5%)expressed their concerns regarding company's poor stock performance and their belief that the Company needs to refresh the Board, rationalize research and development efforts, return capital to stockholders (both through a significant share repurchase program and ongoing distributions), and improve investor communications. [Source](#)
- On March 27, 2023, Farallon Funds stated that on March 23, 2023, it has nominated four director candidates for election to the board at the 2023 annual meeting of shareholders. [Source](#)
- On April 5, 2023, Farallon Funds issued a [letter](#) to the board outlining the need for change in the boardroom. It estimated that the net present value of the cabozantinib cash flows alone (with a modest R&D program) is worth in excess of \$33 per share.
- On April 6, 2023, Farallon Funds filed proxy materials seeking support for its nominees.
- On April 21, 2023, Farallon Funds filed proxy materials seeking support for its nominees.
- On April 22, 2023, Farallon Funds launched a website, www.FocusEXEL.com, to communicate with shareholders of the company in connection with Farallon's solicitation of proxies for use at the company's 2023 AGM.
- On May 3, 2023, Farallon Funds filed proxy materials seeking support for its nominees.
- On May 7, 2023, Farallon Funds stated that it has nominated three candidates for election to the board at the upcoming annual meeting which will be held on May 31, 2023. Exelixis had previously agreed to support two of Farallon's nominees, Tom Heyman and Bob Oliver. On May 7, 2023, incumbent director Lance Willsey, whom Farallon had targeted for replacement on the Board by Farallon's third candidate, Dave Johnson, resigned from his directorship and determined he would not stand for reelection. As a result, Dave Johnson is expected to be elected to the Company's Board. [Source](#)
- On May 11, 2023, Farallon Funds issued a [presentation](#) to the shareholders seeking support for its nominees

Update

On May 31, 2023, the three Farallon Nominees (Tomas J. Heyman, David E. Johnson, and Robert Oliver, Jr.) were elected to the Board at the 2023 annual meeting. [Source](#)

Shareholders elected the incumbent directors to the board of Illumina

Market Cap: \$32 billion | Illumina, Inc. develops, manufactures, and markets life science tools and integrated systems for large-scale analysis of genetic variation and function.

Background

Snowball Research | <https://promember.snowballresearch.com/>

- On March 13, 2023, Carl Icahn (1.4%) sent a [letter](#) to the shareholders alleging that the management team and the board of directors of the company had wiped out \$50bn of value at the world's biggest genome sequencing company through the "ill-advised" purchase of Grail for \$8bn in 2021. He said his investment group would nominate three directors to the board at the upcoming annual shareholding meeting, who he argued could bring a "badly needed dose of sanity" to the boardroom.
- On March 15, 2023, Carl C. Icahn released an open [letter](#) to the shareholders responding to the obfuscations contained in the company's recent [press release](#) and comments to analysts.
- On March 24, 2023, Carl C. Icahn issued an open letter to the shareholders, regarding the commencement of an immediate investigation into the massive value destruction caused by the reckless decision by the board of directors to close the GRAIL acquisition over the objections of European antitrust regulators. [Source](#)
- On March 30, 2023, Carl C. Icahn issued an open [letter](#) to the shareholders in response to Illumina's statement concerning his supposedly "confidential" settlement discussions. Moreover, Icahn sought the replacement of Francis deSouza, CEO and John Thompson, Chairman. Icahn also brought up DeSouza's divorce proceedings in which a judge apparently questioned his credibility and testimony.
- On April 3, 2023, Carl C. Icahn released an open [letter](#) to the shareholders expressing his dissatisfaction regarding CEO compensation.
- On April 5, 2023, Carl C. Icahn released an open [letter](#) to the shareholders reiterating his concerns.
- On April 11, 2023, Carl C. Icahn issued a [presentation](#) pushing for spinoff of the company's Grail liquid biopsy unit and replace CEO. Also he urged the shareholders to vote for his nominees.
- On April 21, 2023, Carl C. Icahn released an open [letter](#) to the shareholders reiterating his concerns.
- On April 27, 2023, Carl C. Icahn released an open [letter](#) to the shareholders reiterating his concerns.
- On May 1, 2023, Carl C. Icahn released an open [letter](#) to the shareholders reiterating his concerns.
- On May 8, 2023, Carl C. Icahn released an open [letter](#) to the shareholders reiterating his concerns.
- On May 15, 2023, Carl C. Icahn released an open [letter](#) to the shareholders stating that ISS has recommended that shareholders vote AGAINST sitting Chairman John Thompson and FOR Icahn Nominee Andrew Teno. Also Glass Lewis has recommended that shareholders vote for two of Carl Icahn's nominees to the board
- On May 19, 2023, Carl C. Icahn released an open [letter](#) to the shareholders reiterating his concerns.

Update

At the [AGM](#) held on May 25, 2023, shareholders elected the incumbent directors to the board.

[AmeriServ Financial shareholders elect the company's three director candidates at the 2023 annual meeting](#)

Market Cap: \$49 million | AmeriServ Financial, Inc. operates as the bank holding company for AmeriServ Financial Bank that provides various consumer, mortgage, and commercial financial products.

Background

- On January 13, 2023, Driver Management filed proxy materials stating that it intends to nominate director candidates for election to the Board at the 2023 AGM. [Source](#)
- 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 January 25, 2023, Driver Management filed proxy materials seeking support for its nominees.
- On February 8, 2023, Driver Management filed proxy materials seeking support for its nominees.
- 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 for 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 judgement 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 April 26, 2023, Driver Management filed proxy materials seeking support for its nominees.
- On May 10, 2023, Driver Management filed proxy materials seeking support for its nominees.

Update

On May 31, 2023, the company announced that shareholders voted to elect the company's three director candidates. [Source](#)

Shareholders elected incumbent director nominees to the board of Blue Foundry Bancorp

Market Cap: \$239 million | Blue Foundry Bancorp operates as a bank holding company for Blue Foundry Bank, a savings bank that offers various banking products and services for individuals and businesses.

Background

- On March 20, 2023, Lawrence Seidman nominated two director nominees for election to the board at the upcoming annual meeting of shareholders. [Source](#)
- On March 30, 2023, Lawrence Seidman filed proxy materials seeking support for his nominees. [Source](#)
- On April 13, 2023, Lawrence Seidman filed proxy materials seeking support for his nominees.
- On May 3, 2023, Lawrence Seidman filed proxy materials seeking support for his nominees.

Update

At the [AGM](#) held on May 18, 2023, Seidman's nominees were not elected to the board.

Broadwind shareholders elected the incumbent director nominees to the board

Market Cap: \$87 million | Broadwind, Inc. manufactures and sells structures, equipment, and components for clean tech and other specialized applications primarily in the United States.

Background

- On January 18, 2023, the Argyle Group (1%) nominated six candidates for election to the Board at the 2023 AGM. It delivered a [letter](#) to the shareholders stating its belief that a new set of strategic priorities is needed. A high-level and preliminary overview of these priorities includes:
 - Enhance Corporate Governance
 - Optimize the Balance Sheet and Use of the NOL's
 - Assess Management and Improve Human Capital
 - Increase the Creation of Intellectual Property
 - Strengthen Existing Business Segments
 - Explore Accretive M&A to Supplement Organic Growth
 - Prioritize Transparent Investor Relations
- On February 24, 2023, the Argyle Group issued a [press release](#) commenting on a Form 8-K filed by the company. In the Form 8-K, the Company disclosed that it amended a Credit Agreement after failing to meet the lender's minimum EBITDA threshold of \$2.5 million for the twelve month period ended December 31, 2022, which created an event of default under the Credit Agreement.
- On March 21, 2023, the Argyle Group filed preliminary proxy materials with the SEC proposing the election of its nominees to the Board of Directors at the 2023 annual meeting of stockholders. [Source](#)
- On March 27, 2023, the Argyle Group issued a statement expressing its disappointment with the company's new director appointment. [Source](#)

- On April 6, 2023, the Argyle Group filed proxy materials seeking support for its nominees.
- On April 12, 2023, the Argyle Group filed proxy materials seeking support for its nominees.
- On May 1, 2023, the Argyle Group sent a [letter](#) to Broadwind's employee shareholders urging them to let their voice be heard and bring much-needed change to Broadwind by supporting WM Argyle's nominees for the Board.
- On May 8, 2023, the Argyle Group issued a [presentation](#) to the shareholders soliciting votes for its nominees. The presentation noted that shareholders have endured a "lost decade" of financial losses, share dilution and stock-price underperformance.
- On May 15, 2023, the company announced that ISS and Glass Lewis have both recommended stockholders vote on the Company's **WHITE** proxy card in favor of all seven of Broadwind's director nominees, as well as all other management proposals, at the upcoming 2023 AGM scheduled to be held on May 23, 2023. [Source](#)
- On May 15, 2023, WM Argyle Fund urged stockholders to reject the recommendations of proxy advisors ISS and Glass Lewis concerning the election of Broadwind's Board of Directors. [Source](#)

Update

At the [AGM](#) held on May 23, 2023, shareholders elected the incumbent directors to the board.

RumbleOn appoints Steven J. Pully to its board of directors

Market Cap: \$146 million | RumbleON, Inc. operates a technology-based omnichannel platform to aggregate and distribute pre-owned vehicles in North America.

Background

- In 2021, William Coulter and Mark Tkach, founders of RideNow Powersports, sell their company to RumbleOn. After RumbleOn purchased RideNow, Mr. Coulter joined RumbleOn as Executive Vice Chairman of the Board, while Mr. Tkach was appointed as a director and the COO of RumbleOn. They stated that despite those titles and substantial share ownership, their voices were considerably less than the roles suggested. As a result, they resigned their roles in February 2022.
- On March 15, 2023, William Coulter and Mark Tkach (together 32.5%) issued a public letter to the shareholders of their intention to nominate five director nominees for election to the Board at the 2023 AGM and described their views concerning opportunities to improve the company's operational performance and begin restoring stockholder value. Kindly [click here](#), to read the entire letter.
- On April 5, 2023, William Coulter and Mark Tkach filed proxy materials seeking support for their nominees.
- On May 8, 2023, William Coulter and Mark Tkach provided an update to fellow stockholders about their efforts to enhance stockholder value at RumbleOn. Kindly [click here](#) to read more.

Update

- On May 15, 2023, the company announced the appointment of Mr. Pully, (Concerned shareholders' nominee) to the Board, effective May 11, 2023, as a Class I director, with a term expiring at the 2025 annual meeting of stockholders. [Source](#)

- On May 15, 2023, William Coulter and Mark Tkach sent a letter to the board criticizing the board's recent decision to accelerate severance payments to former Director and Chief Operating Officer Peter Levy, and to shield those payments from accountability. They demand that the board immediately take any and all appropriate steps to rescind Mr. Levy's Release Agreement, amend it to align with the terms he agreed to in his Employment Agreement, or otherwise halt the impending \$3,375,000 payment. [Source](#)

Cutera announced agreements with Pura Vida and RTW Investments; Voce Capital terminated its proxy solicitation

Market Cap: \$280 million| Cutera, Inc. is a global medical device company.

Background

- On April 10, 2023, J. Daniel Plants, Founder and Chief Investment Officer of Voce Capital Management LLC and Executive Chairman of the Board of Cutera, Inc., and David Mowry, Cutera's CEO and a Director – who together own approximately 7.0% of the outstanding shares of Cutera – commented on the fact that they have each delivered to the Company separate notices calling for a special meeting of stockholders, pursuant to the company's amended and restated bylaws, which expressly empowers each of them to requisition the special meeting. Both Notices call for the removal of Directors Gregory Barrett, Sheila Hopkins, Timothy O'Shea, Juliane Park and Janet Widmann (the "Entrenched Directors"); neither notice seeks to remove Independent Director Joseph Whitters. Kindly [click here](#), to read more.
- On April 11, 2023, Daniel Plants and David Mowry shared a [letter](#) of support from Cutera senior employees that has been sent to the Company's Board.
- On April 12, 2023, Daniel Plants and David Mowry filed a lawsuit against Directors Gregory Barrett, Sheila Hopkins, Timothy O'Shea, Juliane Park and Janet Widmann (the "Entrenched Directors"). Mr. Plants and Mr. Mowry also commented on the fact that the Entrenched Directors have purportedly fired them for cause from their roles as Executive Chairman and CEO, respectively, in retaliation for their recent actions taken with the intent of removing and replacing the Entrenched Directors.
- On April 12, 2023, RTW Investments (9.3%) announced that it was in favor of the Company holding the previously-called Special Meeting of Stockholders (the "Special Meeting") for the purpose of reconstituting the Board. RTW is concerned about the events that have transpired at the Company this past week, particularly with respect to the Board's removal of David Mowry as CEO of the Company on April 11, 2023. RTW would like the Board to act in the best interests of the Company's stockholders and move forward with holding the Special Meeting so the voices of all stockholders may be heard. RTW believes that the market reaction to the removal of Mr. Mowry as CEO demonstrates the need for the Special Meeting and the lack of confidence in the Board. Additionally, RTW believes the Company should re-open the director nomination period for the Company's AGM. RTW also believes that the Board should not have terminated Mr. Mowry and that he should continue as CEO while the Board searches for his replacement. RTW asks the Board to immediately reinstate him as the interim CEO. [Source](#)
- On April 13, 2023, Pura Vida Investments (6.74%) stated that in light of the recent changes at the company, it intended to engage in conversations with certain

members of the Board and the management team, stockholders, industry analysts, and other interested parties, in each case to discuss the company's business, operations, financial condition, strategic plans, governance, the composition of the executive suite and the Board and possibilities for changes thereto, as well as other matters related to the company. [Source](#)

- On April 25, 2023, Voce Capital Management LLC filed proxy materials seeking support for its nominees.

Update

- On May 10, 2023, the company announced that it has entered into [cooperation agreements](#) with Pura Vida Investments and RTW Investments. Pursuant to the agreements, the company will appoint Kevin J. Cameron, Taylor C. Harris, Nicholas S. Lewin and Keith J. Sullivan (the New Independent Directors) to the Board following the Special Meeting of Stockholders to be held on June 9, 2023
- On May 11, 2023, Voce Capital stated that it has terminated its proxy solicitation and will not vote any further proxies received from shareholders of the company on the BLUE proxy card at the special meeting. [Source](#)

Pitney Bowes stockholders voted to elect four Hestia-nominated director candidates to the board

Market Cap: \$548 million | Pitney Bowes Inc., a shipping and mailing company, provides technology, logistics, and financial services to small and medium-sized businesses, large enterprises, retailers, and government clients in the United States, Canada, and internationally.

Background

- On December 12, 2022, Hestia Capital (7.2%) issued a [press release](#) announcing its intent to overhaul the Board, following years of value destruction under the Board's Chairman, Michael Roth, and the company's CEO, Marc B. Lautenbach, by nominating a majority slate of director candidates to the Board, including a highly-qualified proposed interim CEO.
- On January 23, 2023, Hestia Capital issued a [presentation](#) titled "Pitney Bowes' Failings During the Roth-Lautenbach Era" that details a sampling of current leadership's failings that have led to significant stockholder value destruction. It has nominated seven candidates for election to the Board at the 2023 AGM.
- On February 24, 2023, Kurtis J. Wolf, Managing Member of Hestia Capital Management, LLC, took part in an interview with Yahoo! Finance. Kindly [click here](#) to read the transcript
- On February 27, 2023, Hestia Capital filed proxy materials seeking support for its nominees.
- On March 6, 2023, Hestia Capital withdrew its nomination of Messrs. Grassi and McBride as nominees for election at the annual meeting. With the withdrawal, Hestia Capital intends to solicit proxies to elect the remaining five nominees to the Board at the annual meeting. [Source](#)
- On March 15, 2023, Hestia Capital filed proxy materials seeking support for its nominees.

- On March 16, 2023, Hestia launched a website to communicate with stockholders of the Company regarding the Annual Meeting. The website address is www.TransformPitneyBowes.com. [Source](#)
- On April 4, 2023, Hestia's Interim CEO candidate, Lance Rosenzweig sent a [letter](#) to the shareholders that includes turnaround strategy designed to lift share price above \$15 in coming years
- On April 6, 2023, Hestia Capital (8.5%) issued an open [letter](#) to employees of the company expressing its enthusiasm for bringing stability to the company and all its stakeholders. It stated that its nominees are committed to: Increasing investment in, and improving profitability at, SendTech and Presort; cutting excessive corporate costs; improving profitability of, and reviewing strategic alternatives for, Global Ecommerce; and establishing a capital allocation policy that reduces debt and retains the dividend.
- On April 11, 2023, Hestia issued an Investor [Presentation](#) titled “Transform Pitney Bowes” reiterating its detailed six-pillar plan for the company that targets a \$15+ stock price in the coming years.
- On April 19, 2023, Hestia issued a Rebuttal Investor [Presentation](#) titled “Facts that Reinforce the Urgent Case for Change at Pitney Bowes”
- On April 27, 2023, Hestia announced that ISS recommended shareholders support meaningful boardroom change by voting for Milena Alberti-Perez, Todd Everett, Katie May and Kurt Wolf at the Company’s 2023 AGM. [Source](#)
- On May 1, 2023, Hestia announced that Glass Lewis recommended shareholders support meaningful boardroom change by voting for Milena Alberti-Perez, Todd Everett, Katie May and Kurt Wolf at the Company’s 2023 AGM. [Source](#)
- On May 2, 2023, Hestia announced that Egan-Jones recommended shareholders support meaningful boardroom change by voting for all five nominees of Hestia Capital at the Company’s 2023 AGM. [Source](#)

Update

According to the preliminary voting results announced on May 9, 2023, Hestia Capital’s director nominees, Ms. Alberti-Perez, Mr. Everett, Ms. May and Mr. Wolf, were elected to the Company’s nine-member Board of Directors. [Source](#)

Primo Water announces agreement with Legion Partners

Market Cap: \$2.3 billion |Primo Water Corporation provides pure-play water solutions for residential and commercial customers.

Background

- On March 6, 2023, Legion Partners (1.5%) issued a public [letter](#) to shareholders calling for the appointment of four of its nominees to the Board in order to reverse the Company’s chronic underperformance.

Valuation insight

Legion Partners stated that, "if our nominees are elected and their ideas are fully implemented, Primo may be able to triple its share price over the next five years, and produce EBITDA of over \$630 million in fiscal 2027. We believe this level of profitability

is possible by achieving a 22% adjusted EBITDA margin (compared to 19% in 2022), monetizing non-core assets, tactically shrinking working capital and implementing a prudent capital spending program such that the return on invested capital ("ROIC") of Primo expands to 12% from its current level below 5%."

- On March 20, 2023, Legion Partners filed proxy materials seeking support for its nominees.
- On March 22, 2023, Legion Partners filed a lawsuit against the company in response to the rejection by the Board of Legion Partners' valid nomination of four director candidates to the board. The suit asks the Court to validate Legion Partners' nomination at the Company's annual and special meeting of shareholders on May 3, 2023. Legion Partners is also seeking a declaration by the Court that the Board's actions to alter its advance notice bylaws in November were oppressive and unfairly prejudicial to Legion Partners and represent a breach of the Board's fiduciary and other duties. [Source](#)
- On March 28, 2023, Legion Partners filed proxy materials seeking support for its nominees.
- On April 5, 2023, Legion Partners issued an investor presentation titled "[Primo Water Corporation](#)" detailing its case for change at the company
- On April 6, 2023, Legion Partners posted the proxy materials to www.PurifyThePrimoBoard.com
- On April 13, 2023, Legion Partners released supplemental [presentation](#) on the company.
- On April 17, 2023, Legion Partners stated that it is reversing its position and has agreed to accept the nomination notice submitted by Legion Partners with respect to Legion Partners' nominees Henrik Jelert and Lori Tauber Marcus, and to reschedule the 2023 annual and special meeting of shareowners. The company has also agreed to refrain from interfering in the solicitation of Legion Partners' proxies in any manner. All four of Legion Partners' nominees will be standing for election to the board at the rescheduled annual meeting. [Source](#)

Update

On May 3, 2023, the company entered into a cooperation agreement with Legion Partners and pursuant to it, the company will appoint two new independent directors nominated by Legion to the board. [Source](#)

Frank Porter Stansberry reached an agreement with Marketwise Inc

Market Cap: \$57 million | MarketWise, Inc. operates a multi-brand platform of subscription businesses that provides financial research, software, education, and tools for investors in the United States and Internationally.

Background

- On June 27, 2022, Frank Porter Stansberry (69%) filed a letter to the company demanding production of certain books and records relating to the series of transactions culminating in the company becoming a public company. He subsequently withdrew the demand letter on August 25, 2022.

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- On September 6, 2022, Mr. Stansberry informally expressed interest to certain board members and executive officers of the company in obtaining a board seat. Mr. Stansberry also informally identified potential strategic acquisitions for the company and a potential role for him on the management team. On multiple occasions, Mr. Stansberry has also expressed to certain board members and executive officers his disagreements with management.
- On December 20, 2022, the Board invited Mr. Stansberry to join the Board. On January 13, 2023, Mr. Stansberry informed the company that he is not accepting the invitation to join the Board. [Source](#)
- On January 20, 2023, Mr. Stansberry issued a [letter](#) to the Board communicating his concerns with the Board's and company's performance since becoming a public company, highlighting specific, problematic actions taken by the Board and current and former management. Additionally, Mr. Stansberry demands the immediate resignation of the entire board of directors, with the exception of Van Simmons, the calling of a special shareholder meeting to constitute a new board, and the firing of the company's General Counsel. Further, Mr. Stansberry demands the Board launch investigations into the Ascendant transaction, the September 2022 warrant conversion transaction, and specific actions taken by the former CEO of the company. Mr. Stansberry intends to explore all potential ways to change the composition of the board.
- On March 3, 2023, Mr. Stansberry submitted to the company his notice of intent to nominate Matthew Smith, Glenn Tongue, and Charles N. Curlett, Jr. for election to the Board at the 2023 AGM.

Update

On April 28, 2023, Mr. Stansberry entered into a settlement [agreement](#) with the company and pursuant to it, the company has agreed to increase the size of the Board and to appoint David Eifrig, Glenn Tongue, and Matthew Smith to the Board prior to the 2023 AGM. Mr. Stansberry has withdrawn his director nominees and candidates for election to the Board at the 2023 AGM.

Stilwell's nominee was not elected to the board of Peoples Financial Corp

Market Cap: \$54 million | Peoples Financial Corporation operates as the bank holding company for The Peoples Bank that provides banking, financial, and trust services to government entities, individuals, and small and commercial businesses in Mississippi.

Background:

- On January 25, 2023, Joseph Stilwell (11.3%) announced that he served his notice of intent to nominate Rodney H. Blackwell for election as director at the company's upcoming annual meeting, with Stewart F. Peck as the alternate nominee. Also, Stilwell stated his belief that management and the directors have ill served the shareholders, and the company should explore all possibilities to maximize shareholder value. [Source](#)
- On February 28, 2023, Joseph Stilwell filed proxy materials seeking support for his nominee.
- On March 16, 2023, Joseph Stilwell filed proxy materials seeking support for his nominee.
- On March 23, 2023, Joseph Stilwell sent a [letter](#) to the shareholders expressing his concerns that the company suffers from a toxic brew - nepotism, weak oversight, and a lack of competence in management. He stated that in the last year alone, the Company lost over \$6 per share because of inept bond purchases overseen by Chevis Swetman's son, Tanner. Somehow or other, Tanner was promoted to COO.

- On April 12, 2023, Joseph Stilwell (11.7%) filed proxy materials seeking support for his nominee and issued a letter (refer, "[Exhibit 20](#)") to the shareholders expressing his concerns over the performance of the management and board.
- On April 19, 2023, Joseph Stilwell (11.7%) filed proxy materials seeking support for his nominee and issued a letter (refer, "[Exhibit 20](#)") to the shareholders expressing his concerns over the performance of the management and board.

Update:

At the [AGM](#) held on April 26, 2023, Stilwell's nominee was not elected to the board by the shareholders.

Past:

- In November 2020, Joseph Stilwell disclosed 8.9% stating his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)
- In March 2021, Joseph Stilwell (9.9%) filed proxy materials seeking support for his nominee. He stated that the company should explore all possibilities to maximize shareholder value.
- On May 5, 2021, the company announced that ISS recommended that the shareholders vote **FOR** the election of all six of the candidates nominated by the board.
- At the AGM held on May 19, 2021, shareholders elected all six of the company's director nominees. Stilwell's nominee was not elected to the board.
- On February 7, 2022, Joseph Stilwell (9.95%) announced his intent to nominate Rodney H. Blackwell for election as director at the upcoming annual meeting, with Jonathan W. Briggs, Ronald Wade Robertson, Jr., and Gregory H. Browne as alternate nominees. He stated his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)
- On February 28, 2022, Joseph Stilwell filed proxy materials seeking support for his nominee.
- On March 10, 2022, Joseph Stilwell filed proxy materials seeking support for his nominee.
- On March 15, 2022, Joseph Stilwell filed proxy materials seeking support for his nominee and stated his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)
- On April 4, 2022, Joseph Stilwell delivered a [letter](#) to the shareholders reiterating his concerns and urged them to vote for his nominee.
- At the [AGM](#) held on April 27, 2022, shareholders elected all the director's nominees. Stilwell's nominee was not elected to the Board.
- On July 12, 2022, Joseph Stilwell (11.2%) stated his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)

Mill Road Capital reached an agreement with Natural Gas Services Group

Market Cap: \$128 million | Natural Gas Services Group, Inc. provides natural gas compression services and equipment to the energy industry in the United States.

Background

On March 10, 2023, Mill Road Capital sent a [letter](#) to the company setting forth its intention to nominate two directors for election to the Board at the 2023 AGM.

Update

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On April 28, 2023, the company entered into a Cooperation [Agreement](#) with Mill Road Capital and pursuant to it, the company agreed to appoint Justin C. Jacobs and Donald J. Tringali (Mill Road Capital nominees) to its board.

Past

On December 29, 2022, Hoak Public Equities (9.3%) sent a [letter](#) to the Board calling them to cease any search process for a new CEO and to commence a review of strategic alternatives. In its letter, it stated its belief that the company needs to identify a near-term plan that would put the Company on a path to at least \$75-100 million of EBITDA, utilize a prudent level of debt to generate better equity returns, and implement an industry-standard dividend policy.

On January 11, 2023, Hoak Public Equities (9.3%) sent a [letter](#) to the Board regarding the desirability of adding qualified board members with a larger financial interest in the company. The letter also reiterates that the Board should cease any search process for a new CEO and commence a review of strategic alternatives.

ONGOING

JANA Partners filed a lawsuit against Freshpet

Market Cap: \$3 billion| Freshpet, Inc. manufactures and markets natural fresh meals and treats for dogs and cats in the United States, Canada, and Europe.

Background

- On May 24, 2023, JANA Partners (9.3%) nominated four candidates for election to the board at the 2023 AGM. It issued a [letter](#) to the shareholders stating its belief that the company's pattern of missteps stems directly from a Board that has disregarded its most basic duties to shareholders.
- On May 25, 2023, JANA Partners delivered a letter to the legal counsel of the board regarding recent changes to the size and composition of the Board.
- On May 25, 2023, JANA Partners delivered a notice to the company of its intent to propose the nomination of Diane Dietz, Timothy R. McLevish and Scott Ostfeld for election at the 2023 AGM, and for Kurt T. Schmidt to serve as an alternate nominee in the event any of the JANA Nominees are unable to stand for election. [Source](#)

Update

On June 1, 2023, JANA Partners filed a verified complaint in the Court against each member of the board and the company. In the Verified Complaint, the plaintiffs seek orders (i) declaring that the defendant Board members breached their fiduciary duties by decreasing the number of directors in Class III and increasing the number of directors in Class I; (ii) declaring that stockholders have an opportunity to elect four Class III directors at the annual meeting; and (iii) compelling a director in Class I or Class II to stand for election at the annual meeting as a Class III director. [Source](#)

Past

- On September 22, 2022, JANA Partners (9.6%) stated that it intends to have discussions with members of the board and management team regarding (i) evaluating the company's strategic value in a sale, capitalizing on interest in the category from significantly larger players with lower costs of capital, strong operational capabilities, global footprints and greater scale; (ii) capital allocation, including the company's capacity expansion initiatives; (iii) operations, fill rates, costs, free cash flow, brand building and margin execution; (iv) investor communication; (v) management; (vi) management compensation and incentives; and (vii) board composition and governance matters. [Source](#)
- On December 15, 2022, JANA (8.9%) has informed the company of its intent to solicit proxies at the company's 2023 AGM. [Source](#)

Concerned Shareholders of Cano Health nominated director candidates to the board

Market Cap: \$692 million | Cano Health, Inc. provides primary care medical services to its members in the United States and Puerto Rico.

Background

- On March 30, 2023, Barry Sternlicht (9.4%) resigned as a director of the company. In connection therewith, he delivered a letter to the board in protest of the company management led by CEO Marlow Hernandez. Kindly [click here](#), to read the entire letter.
- On April 2, 2023, the Former Directors (Barry Sternlicht, Elliot Cooperstone and Dr. Lewis Gold) and certain of their affiliates (together own 36%) entered into the Group Agreement pursuant to which they agreed to act together to pursue change at the company, including, but not limited to, the replacement of the CEO, sale of non-core assets and enhancement of shareholder value. [Source](#)
- On April 10, 2023, the Former Directors (36%) issued a press release and an open [letter](#) to the shareholders expressing their belief that urgent leadership and strategy changes are needed at the company.
- On April 14, 2023, the Former Directors delivered a [letter](#) to the board demanding that the Board immediately re-open the nomination and proposal window under the company's by-laws for a period of at least 30 days, given the recent disclosures by CEO Dr. Marlow Hernandez and the company and the significant changes at the company that have all occurred following the expiration of the nomination and proposal deadline.
- On April 26, 2023, the Former Directors delivered a [letter](#) to the shareholders stating their belief that the appointment of Solomon "Sol" Trujillo as Chairman represents a self-interested entrenchment maneuver and slap in the face to concerned shareholders. They further reiterated their concerns that Dr. Hernandez must be removed as CEO given his poor capital allocation, abysmal performance, and disregard for good corporate governance, transparency and ethics.
- On April 27, 2023, the Former Directors delivered a [letter](#) to the shareholders regarding the board's entrenchment maneuvers and latest governance failures. They highlighted the interlocks among board members, including Mr. Trujillo and CEO Marlow Hernandez.

- On April 28, 2023, the Former Directors commenced a litigation in the Court against the current members of the Board and the company seeking, among other things, an order of the Court compelling the company to reopen the window under the company's Bylaws for stockholders to propose the removal of one or more directors and to nominate director candidates and bring forth other proposals at the 2023 AGM. [Source](#)
- On May 10, 2023, the Former Directors filed proxy materials seeking shareholders to vote **WITHHOLD** with respect to the election of Dr. Alan Muney and Ms. Kim M. Rivera (the "Company Nominees") to the board as Class II directors.
- On May 11, 2023, the Former Directors issued an open [letter](#) to stockholders announcing the launch of the Withhold Campaign so that regardless of the outcome in their pending litigation to compel the company to reopen the nomination and proposal window under the By-Laws, stockholders can make their voices heard at the annual meeting.
- On May 18, 2023, the Former Directors Group issued a [press release](#) soliciting votes to WITHHOLD with respect to the election of certain directors, Dr. Alan Muney and Ms. Kim M. Rivera, of Cano Health, Inc. at the company's 2023 AGM.
- On May 19, 2023, the Former Directors Group nominated two candidates for election to the board at the 2023 AGM. [Source](#)
- On May 22, 2023, the Former Directors Group filed proxy materials seeking support for their nominees.
- On May 25, 2023, the Former Directors Group filed proxy materials soliciting WITHHOLD votes against the re-election of Dr. Alan Muney, Chair of Cano's Compensation Committee, and Kim Rivera, Chair of Cano's Nominating and Corporate Governance Committee. Also, the group launched a website to communicate with the Company's stockholders regarding the annual meeting. The website address is www.savecano.com. [Source](#)

Update

On May 30, 2023, the Former Directors Group issued an Investor [Presentation](#) titled "The Urgent Need for Changes in Leadership and Strategy at Cano Health" that outlines the urgent case for changes in leadership and strategy at the Company.

Past

On March 9, 2022, Third Point LLC (6.4%) stated its belief that the Board should immediately engage financial and legal advisors to commence a review of strategic alternatives. It believes this strategic review should focus on a sale of the company, and that a properly run sales process is likely to result in offers representing a substantial premium to the company's trading price. It also stated that it has no present plan to pursue a proxy contest with the company, but may consider initiating a proxy contest seeking to elect one or more members of the Board and bring such other proposals as Third Point deem appropriate should the Board not adequately address the value gap between the current share price of the company and the intrinsic value thereof, including by commencing a review of strategic alternatives. [Source](#)

Politan calls on Shareholders to elect independent oversight to Masimo's Board

Market Cap: \$8.6 billion| Masimo Corporation develops, manufactures, and markets noninvasive monitoring technologies and hospital automation solutions worldwide..

Background

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- On September 27, 2022, Politan Capital Management (8.8%) disclosed that on September 2, 2022, Quentin Koffey, the Managing Partner and CIO of Politan, met with Joe Kiani, CEO and Chairman of the Board of the company and discussed the company's corporate governance, strategic initiatives and financial performance and Mr. Koffey expressed his interest in obtaining representation on the board. On September 9, 2022, the board approved a rights agreement, or “poison pill”, and amended certain of the company’s corporate bylaws to add new requirements for the nomination and election of directors by stockholders. On September 20, 2022, counsel for Politan Capital communicated legal concerns about the amended bylaws to the company’s counsel and requested that the board reinstate the amended bylaws to their prior form. Mr. Koffey has made several requests for a meeting with the full board but none has been scheduled. [Source](#)
- On October 21, 2022, Politan has filed a Verified Complaint in the Delaware Court against the company and the members of the Board seeking relief to (i) declare the amendments to certain of the corporate bylaws unenforceable, (ii) find that the Director Defendants breached their fiduciary duties, (iii) invalidate certain change of control provisions in the CEO Joe Kiani’s employment agreement, and (iv) permanently enjoin the company and its Board from taking any actions to prevent Politan from exercising its rights in accordance with the prior corporate bylaws to nominate directors, as more fully described in the Complaint. [Source](#)
- On May 1, 2023, Politan (9%) submitted to the company a formal notice of intent to present a stockholder proposal and nominate two director candidates for election to the board at the 2-23 AGM. [Source](#)
- On May 2, 2023, Politan filed proxy materials seeking support for its nominees
- On May 15, 2023, Politan filed proxy materials seeking support for its nominees
- On May 18, 2023, Politan posted the proxy materials to the website, at www.AdvanceMasimo.com
- On May 22, 2023, Politan sent a [letter](#) to the shareholders outlining why independent oversight and greater accountability is urgently needed on the board

Update

On May 30, 2023, Politan released a [presentation](#) highlighting why independent oversight and greater accountability are urgently needed on the Masimo Board.

FCM predicts psychedelic revolution in 2024: Urges shareholders to position MindMed for success with a reconstituted board

Market Cap: \$129 million | Mind Medicine (MindMed) Inc., a clinical stage biopharmaceutical company, develops novel products to treat brain health disorders.

Background

- On April 21, 2023, FCM MM Holdings, LLC (3.5%) filed proxy materials nominating four director candidates for election to the board at the 2023 AGM. It expressed its concerns regarding share price performance, substantial director compensation and golden parachutes. [Source](#)

- On May 2, 2023, FCM MM Holdings, LLC filed proxy materials seeking support for its nominees.
- On May 5, 2023, FCM MM Holdings, LLC issued an open letter to the shareholders soliciting votes for its nominees. The letter details the board and management team's track record of poor decision-making and lack of alignment with shareholders that has led to critical delays, ill-conceived and botched regulatory strategies, excessive spending and compensation, and destructive financings that have plagued the Company. It has also outlined its plan to restore shareholder value.
- On May 15, 2023, FCM MM Holdings, LLC filed proxy materials seeking support for its nominees.
- On May 24, 2023, FCM MM Holdings, LLC issued an investor [presentation](#) titled "Restore Mind Medicine"

Update

- On May 31, 2023, FCM MM Holdings, LLC issued a Supplemental Investor [Presentation](#).
- On June 2, 2023, FCM MM Holdings, LLC issued an open letter to the shareholders. The letter highlights Dr. Freeman's prediction that a revolution in psychedelic medicine will likely occur by the end of 2024, heralded by the FDA's likely approval of Multidisciplinary Association for Psychedelic Studies' ("MAPS") drug, MDMA, for post-traumatic stress disorder (PTSD). Dr. Freeman emphasizes his belief that for MindMed to be able to fully participate in the coming psychedelic medicine revolution it must have a healthy balance sheet. FCM believes that by cutting costs and doubling-down MindMed's investment in its flagship drug LSD (MM-120) this is achievable. [Source](#)

BT Brands nominated director candidate to the board of Noble Roman's, Inc

Market Cap: \$6.2 million| Noble Roman's, Inc. sells and services franchises, and licenses and operates foodservice locations for stand-alone restaurants and non-traditional foodservice operations.

Background

On April 17, 2023, BT Brands (8.11%) delivered a letter to the company nominating Gary Copperud for election to the Board at the company's 2023 AGM. [Source](#)

Update

On June 1, 2023, BT Brands filed proxy materials seeking support for its nominee.

Norcross Braca Group blasts appointment of Andrew B. Cohen as Chair of Republic First

Market Cap: \$95 million | Republic First Bancorp, Inc. operates as the holding company for Republic First Bank that provides a range of credit and depository banking products and services to individuals and businesses.

(a) George E. Norcross, III

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- On January 31, 2022, George Norcross, a South Jersey Democratic power broker and the executive chairman of insurance firm Conner Strong & Buckelew, released a letter to the board calling for leadership changes, saying that the bank's stock price has underperformed relative to its underlying value. Norcross was joined on the letter by his brother, Philip Norcross, and former T.D. Bank CEO Gregory Braca. Collectively, they own 6.6%. They stated their belief that the company's depressed stock performance over several years is directly attributable to weak operating results, including return on assets and return on capital of less than half that of its peers and efficiency ratios and cost of funds for its deposits running higher than industry norms. Among other changes, the shareholder group suggested that one of their members, former T.D. Bank executive Gregory Braca, would be an outstanding candidate to become CEO of Republic First Bancorp Inc. [Source](#)
- On February 3, 2022, the shareholder group increased its stake to 7.8%.
- On February 7, 2022, the group increased its stake to 8.8% and delivered another [letter](#) to the board requesting a meeting with the firm's directors. The group stated that it was very disappointed by the lack of a substantive response to an earlier request to meet with directors.
- On February 9, 2022, the group led by George E. Norcross, III and Greg Braca (9.6%) filed notice with the SEC that it would oppose the reappointment of Vernon Hill, Barry L. Spevak and Theodore J. Flocco, Jr., at the next meeting and support the slate nominated by Driver Management Company, LLC (Peter B. Bartholow, Pamela D. Bundy, and Richard H. Sinkfield III). . The Group has not communicated with Driver and has no intention of acting in concert with Driver on the proxy solicitation process or otherwise. [Source](#)
- On February 16, 2022, George E. Norcross, III submitted a demand to the company to inspect the books and records of the company. As stated in the Books and Records Demand, the purpose of making such demand is to allow the shareholder group to communicate with fellow shareholders of the company and to determine whether the board properly discharged its duties with respect to related party transactions. [Source](#)
- On February 25, 2022, George E. Norcross, III and Greg Braca (together 9.6%) delivered a [letter](#) to the Board requesting that they be allowed to exceed a 10% ownership stake in the bank without triggering certain restrictions.
- On March 7, 2022, George E. Norcross, III submitted a supplemental demand to the company for certain books and records with respect to related-party transactions. [Source](#)
- On March 8, 2022, George E. Norcross, III, Gregory B. Braca and Philip A. Norcross (the "Plaintiffs") filed a complaint (the "Complaint") in the Court of Common Pleas of Philadelphia County against the company and Vernon W. Hill, II, Theodore J. Flocco, Jr., Brian Tierney and Barry Spevak (collectively, the "Defendants"). In the Complaint, the Plaintiffs allege that the Defendants have engaged in and are engaging in inequitable conduct designed to curtail the fundamental voting rights of the shareholders in violation of Pennsylvania law, in an effort to entrench defendant Vernon W. Hill, II, the company's Chairman and CEO. Plaintiffs seek injunctive and declaratory relief to protect the shareholder franchise, including an order declaring that any amendments to the company's executive employment agreements or executive compensation plan to alter the definition of "Change of Control" are invalid

and enjoining the company from making any such amendments until after the 2022 annual meeting. [Source](#)

- On March 14, 2022, the group led by George E. Norcross, III, Greg Braca and Philip A. Norcross has issued a proposal to the Board to inject \$50 million into its operations through the purchase of newly-issued non-voting preferred stock and obtain up to a majority stake in the company via the purchase of common stock in a subsequent transaction. The proposed additional investment by the Norcross Braca group in the Company could total as much as \$156 million. Since the Norcross Braca group first announced its acquisition of 6.6% of Republic First's outstanding shares on January 31, 2022, it has increased its holdings to 9.6%. [Source](#)
- On March 15, 2022, the group led by George E. Norcross, III, Greg Braca and Philip A. Norcross submitted a shareholder demand requesting that the Board appoint a special committee of independent, disinterested directors to investigate and, if appropriate, take remedial action for breaches of fiduciary duty, corporate waste, unjust enrichment and other misconduct by certain directors of the company. [Source](#)
- On March 23, 2022, Norcross Braca Group sent a [letter](#) to the company expressing "disappointment and concern" about the lack of substantive response to offer to inject \$50 million into bank, purchase up to a majority of company
- On March 30, 2022, George E. Norcross, III, filed a lawsuit to compel the company to make available for inspection the Company's books and records. [Source](#)
- On April 11, 2022, Norcross Braca Group delivered a [letter](#) to the Board insisting them to immediately convene a meeting to approve the immediate suspension of Mr. Hill and Brian Tierney from the Board and placement of Mr. Hill on paid administrative leave during the pendency of the investigation into related-party transactions in which they are allegedly directly implicated. They also urged the Board to adopt protocols and measures that will ensure Messrs. Hill, Tierney and any directors directly or indirectly involved in any of the transactions that are subjects of the independent investigation are removed from all discussions and decision-making regarding the investigation, including hiring of independent counsel to conduct the investigation and any reports regarding the progress of the investigation.
- On April 20, 2022, Norcross Braca Group calls for appointment of monitor to Break 4-4 Board Stalemate in amended complaint as evidence of Board's dysfunction and paralysis grows and damage to shareholders builds. [Source](#)
- On May 3, 2022, Norcross Braca Group [announced](#) they have voted proxies for their shares for the slate of Board member nominees proposed by Driver Management for election at the Company's annual meeting. The Company has not yet called or scheduled the annual meeting.
- On May 3, 2022, the company [announced](#) it has removed Vernon W. Hill, II as the Company's chairman effective immediately.
- On May 17, 2022, Norcross Braca Group announced that it supports new board leadership and majority at the company and stated that it has withdrawn all litigation filed against company and certain directors. [Source](#)
- On May 27, 2022, U.S. District Court ordered a special shareholder board election to fill the unexpired term of the late Theodore Flocco and the appointment of a Custodian to oversee that process. Norcross Braca Group delivered a letter to the Board stating that in light of the Court's decision and assuming an election process

consistent with the foregoing protections and transparency, the group inform that Gregory Braca will be its candidate to fill the vacancy on the Board. [Source](#)

- On June 3, 2022, Norcross Braca Group notified Driver Management Company LLC that the Group was revoking any proxies previously provided for the 2022 AGM in light of the delayed annual meeting and the upcoming special election of shareholders for the election of a director to replace the late Theodore J. Flocco, Jr. on the Board. [Source](#)
- On July 7, 2022, Norcross Braca Group (8.1%) delivered a letter to the Board reiterating its request to immediately meet with the Board for the betterment of the shareholders. Also, it requests that the Board grant permission to increase its ownership above 10%. [Source](#)
- On September 15, 2022, the company [announced](#) that it is initiating a strategic review in light of inquiries by multiple parties expressing interest in one or more potential strategic transactions with the Company.
- On September 16, 2022, Norcross Braca Group (9.9%) delivered a [letter](#) to the Board regarding the company's announcement of Strategic Review process. Norcross Braca Group noted a golden parachute package in Madonna's newly [amended contract](#). In addition to a salary of \$500,000, Madonna will earn at least \$1 million if the bank is sold. The Norcross-led group called it a "golden parachute package that would result in him receiving millions of dollars at the expense of the shareholders if certain transactions, like a sale of the company, were to occur."
- On September 22, 2022, Norcross Braca Group delivered a letter to the Board reiterating that a financially attractive proposal from a strategic acquirer is highly unlikely given the financial position of the Company. [Source](#)
- On October 20, 2022, Norcross Braca Group (8.1%) submitted a shareholder demand to the company (the "[Second Special Committee Demand](#)") that the Board appoint a special committee of independent, disinterested directors to investigate and, if appropriate, take remedial action for breaches of fiduciary duty, corporate waste, unjust enrichment and other misconduct committed by the current Board and all officers and employees of the company who participated in the misconduct.
- On October 25, 2022, Norcross Braca Group submitted a demand to the company to inspect the books and records of the company and also delivered a letter requesting a special meeting of shareholders. [Source](#)
- On November 1, 2022, Norcross Braca Group delivered a [letter](#) to the Board raising questions about the recent departure of CFO. It demands the Company to provide immediate disclosure and transparency to the investment community as the issues raise troubling concerns about the financial integrity of the Company's operations, senior management and Board oversight or the lack thereof during these critical times.
- On November 7, 2022, Norcross Braca Group delivered a letter to the Board calling for the immediate resignation of Harry Madonna (both as Interim CEO and Chairman of the Board). [Source](#)
- On November 11, 2022, Norcross Braca Group delivered a nomination notice to the Secretary of the company nominating Gregory B. Braca for election to the Board at the 2022 AGM. [Source](#)
- On November 16, 2022, the company stated that it has reviewed the Notice Materials and has determined that the Purported Nomination Notice was invalid. [Source](#)

- Subsequently, Norcross Braca Group sued the Company and its directors in the Court of Common Pleas of Philadelphia County seeking, among other things, a declaratory judgment that the Company's rejection of the Purported Nomination Notice was improper. The Norcross Group has filed a motion for a preliminary injunction seeking, among other things, to adjudicate the propriety of the Company's rejection of the Purported Nomination Notice.
- On December 9, 2022, Raymond James & Associates, Inc. submitted an updated non-binding proposal to the company's financial advisors, Keefe, Bruyette & Woods, Inc., on behalf of Norcross Braca Group. The Updated Term Sheet sets forth certain key terms of Norcross Braca Group's proposal to make a direct investment of \$75,000,000 through the purchase of newly-issued non-voting preferred shares of the Issuer. The Updated Term Sheet also sets forth certain governance arrangements, including that upon executing a transaction agreement, Norcross Braca Group will have the right to nominate three directors to the board and Republic First Bank and the Board will appoint Mr. Gregory B. Braca, effective upon receipt of any required regulatory approvals, as the company's CEO. [Source](#)
- On January 25, 2023, the company announced that the Court of Common Pleas set April 25, 2023 for a hearing on the Norcross Group's motion and in the meantime, the Company may not hold any shareholder vote with regard to any vacancy on its board of directors until May 31, 2023 at the earliest. In compliance with the Order, the Company will convene the 2022 AGM on January 26, 2023, and immediately adjourn the meeting until at least May 31, 2023 without conducting any business. [Source](#)
- On February 3, 2023, the Group delivered a [letter](#) to the Board expressing disappointment regarding the lack of engagement displayed by the Board with respect to its non-binding proposal submitted to the Company's financial advisors on January 7, 2023.
- On February 7, 2023, the Group Calls on Harry Madonna and Andrew Cohen to stop blaming others for their management failures, and urge them to engage in negotiations. [Source](#)
- On April 21, 2023, the Court entered an Order accepting the joint Stipulation and Proposed Order (the "Joint Stipulation") submitted by Norcross Braca Group (the "Plaintiffs") and the company, Harry Madonna, Andrew B. Cohen, Lisa Jacobs, Harris Wildstein, Peter B. Bartholow and Benjamin C. Duster, IV (the "Defendants") in connection with the Plaintiffs' complaint in the Court against the Defendants, initially filed on November 22, 2022. In accordance with the Joint Stipulation requested by the Plaintiffs and the Defendants, and without admissions from any party, the Order states that: (i) the company shall re-set the record date for not earlier than May 15, 2023 and reopen nominations for director candidates at the 2022 AGM for a period of not less than fifteen (15) days; (ii) the Plaintiffs (like any other shareholder) may make one or more nominations of director candidate(s) for Board seats up for election at the 2022 AGM and, assuming the nominations are submitted during the reopened nomination windows by a record owner at the time of the nomination and are otherwise made in accordance with the company's Articles of Incorporation and Bylaws, the Defendants shall not object to the nomination of Gregory B. Braca and/or Philip A. Norcross by the Plaintiffs; and (iii) when the 2022 Annual Meeting is rescheduled, the 2022 AGM will not be scheduled for a date less than seven weeks from the time of the rescheduling announcement, and not less than five weeks from the closing of the window within which

shareholders may nominate director candidates. The Stipulation further states that the Plaintiffs are withdrawing their Motion for Preliminary Injunction, initially filed on December 5, 2022. [Source](#)

- On May 15, 2023, Norcross Braca Group announced it will resume its proxy fight for shareholder control of the company and continues to challenge the company's efforts to entrench current leadership by reducing the size of the Board. The Norcross Braca group will also seek to replace FRBK Board members at the company's long-delayed annual meetings, install new management and resume its direct communications with the shareholders. [Source](#)
- On May 24, 2023, Norcross Braca Group questioned why the Company abruptly announced it has decided to suspend the capital raise with Castle Creek Capital and Cohen Private Ventures announced just two months ago. The Norcross Braca group believes FRBK's statement that the \$125 million capital raise, which was pegged at \$2.25 a share, was unneeded and somehow dilutive is nonsensical as the company's share price closed at just \$1.02 on the day the announcement was made and came shortly after FRBK suspended payment on subordinated debt and preferred securities to conserve capital. The Norcross Braca group called on the company to immediately eliminate director perks and compensation to preserve capital. [Source](#)

(b) Driver Management

- On December 9, 2021, Driver Management nominated three candidates for election to the board at the 2021 AGM. [Source](#)
- On January 14, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On February 2, 2022, Driver Management sent a [letter](#) to the board stating that it agrees with Norcross Group's assessment of FRBK's stock price performance and operating results and thereby reiterates that radical change is needed.
- On February 7, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On February 23, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On March 8, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On April 13, 2022, Driver Management delivered a [letter](#) to the Board stating that in February 2022, it has demanded a shareholder list but the company has not yet provided the list and to that end Driver Management assume that the company's refusal is a tactic intended to interfere with both the ability to solicit proxies for the 2022 Annual Meeting and shareholders' right to elect directors of their choosing.
- On April 26, 2022, Driver Management filed proxy materials seeking support for its nominees.
- On May 2, 2022, Driver Management filed a complaint against the company seeking to compel to hold its 2022 AGM on May 10, 2022.
- On May 4, 2022, Driver Management was notified by Broadridge, the election coordinator, that the management had notified Broadridge that the 2022 AGM would not take place on May 10, 2022 and was being postponed indefinitely. Driver Management does not believe that the management has the authority to either

postpone or change the date of the AGM. Absent any statement by the Board that it had authorized the management to contact Broadridge to postpone the 2022 AGM, Driver Management can only assume, consistent with the allegations made in its May 2 complaint, that the management is continuing to commit ultra vires actions in an attempt to usurp the Board's sole and exclusive authority to set the date of the 2022 AGM.

- On May 19, 2022, the company [announced](#) that it has received written notification from The NASDAQ Stock Market on May 13, 2022 that the Company is not in compliance with the Nasdaq Listing Rules because the Company has not yet filed its Quarterly Report on Form 10-Q for the quarter ended March 31, 2022.
- On June 2, 2022, Driver Management filed proxy materials nominating a candidate for election to the Board at a court ordered Special meeting of shareholders to elect one director to fill an existing vacancy on the Board.
- On June 22, 2022, Driver Management filed proxy materials seeking support for its nominee.
- On September 20, 2022, Driver Management delivered a letter to the Board expressing concerns regarding the employment agreement between the company and the interim CEO, Madonna. It urges that the Board should publicly disclose the members of the Strategic Review Committee and, if necessary, reconstitute the committee to exclude Mr. Madonna.
- On October 4, 2022, the company disclosed that on September 28, 2022, the company entered into a [cooperation agreement](#) with Driver Management and pursuant to it, the Company appointed Peter B. Bartholow to the board as a Class III director. Additionally, Driver has agreed to withdraw its notice of intent to nominate director candidates for election at the 2022 annual meeting.

Update

On June 1, 2023, Norcross Braca Group blasted the appointment of Andrew B. Cohen as Chairman of the Board. Kindly [click here](#) to read more.

Jonathan Milner calls an EGM of Abcam shareholders

Market Cap: \$3.5 billion | Abcam plc, a life science company, focuses on identifying, developing, and distributing reagents and tools for scientific research, diagnostics, and drug discovery.

Background

On May 17, 2023, Jonathan Milner (6.3%), founder of the company, issued a [press release](#) stating that he intends to call an extraordinary general meeting of shareholders. His plan is to remedy a period of sustained operational underperformance and value destruction by the current Board and leadership team since he resigned from the Board in October 2020 by giving the Company more effective leadership at the Board level. Jonathan Milner intends to solicit shareholder support to replace the Chairman of the Board, Peter Allen, with himself as Executive Chairman.

Update

On May 30, 2023, Jonathan Milner delivered a [notice](#) to the company compelling to call an extraordinary general meeting of shareholders.

Sarissa Capital sought support for its nominees at Alkermes

Market Cap: \$5 billion | Alkermes plc, a biopharmaceutical company, researches, develops, and commercializes pharmaceutical products to address unmet medical needs of patients in various therapeutic areas in the United States, Ireland, and internationally.

Background:

- On May 10, 2021, Sarissa Capital (5.9%) disclosed that in December 2020, it nominated a director candidate for election to the board at the 2021 AGM. On April 29, 2021, Sarissa Capital reached an agreement with the company and secured the right to designate a director to the board. Sarissa Capital stated its belief that the company has attractive and underappreciated assets that can drive meaningful value creation. [Source](#)
- On November 18, 2021, Sarissa Capital's (8.17%) nominee, Cato T. Laurencin, was appointed to the board. Sarissa Capital believes the nomination of Dr. Laurencin is a positive outcome for shareholders. [Source](#)
- On January 7, 2022, the Sarissa Funds (8.68%) filed a notice with the company indicating its intention to nominate directors for election to the Board at the 2022 AGM. [Source](#)
- On July 6, 2022, Sarissa Capital issued a [press release](#) indicating that it intends to vote “for” the Alkermes slate of directors (which consists entirely of recently appointed directors) at the upcoming annual meeting. Moreover it stated that if, however, a Sarissa representative is not soon appointed to the Alkermes board, then it will take steps under Irish law to quickly call another shareholder meeting that seeks to selectively remove and replace certain board members with those that Sarissa believes will act in the best interest of shareholders.
- On October 7, 2022, the Sarissa Funds (8.55%) stated that it continues to believe that the company is significantly undervalued, and that Sarissa Funds can help unlock shareholder value with their representatives on the Board. In addition, it noted that while CEO Richard Pops remains an impediment to the creation of shareholder value at the company, certain members of the Board will seek to do the right thing for shareholders even in the face of resistance from Mr. Pops. [Source](#)
- On February 3, 2023, Sarissa Capital filed a notice required under the company’s organizational documents reserving its rights to nominate directors for election to the Board at the 2023 AGM. [Source](#)
- On May 15, 2023, Sarissa Capital filed proxy materials soliciting votes for its three director nominees at the upcoming AGM. [Source](#)

Update:

On May 22, 2023, Sarissa Capital filed proxy materials seeking support for its nominees.

Driver Management Company seeks support for its nominee at First Foundation

Market Cap: \$274 million | First Foundation Inc., through its subsidiaries, provides personal banking, business banking, and private wealth management services in the United States.

Background

- On January 13, 2023, Driver Management Company stated that it intends to file a preliminary proxy statement and accompanying WHITE universal proxy card with SEC to be used to solicit votes for the election of its slate of highly-qualified director nominees at the 2023 AGM. [Source](#)
- On January 18, 2023, Driver Management sent a [letter](#) to the Board stating that on December 30, 2022, it has nominated 2 women for election to the board at its 2023 AGM. Driver Management stated that it has nominated the nominees due to its concerns about the adequacy of the Board's oversight of the Company's business and senior management team. Driver Management added that it has little confidence that Scott Kavanaugh, CEO of the company, and his management team is capable of repositioning the Company under the best of circumstances, let alone while simultaneously facing a proxy fight. Driver Management stated that to the extent that the Board would like to avoid a proxy fight, please do not hesitate to contact J. Abbott R. Cooper at ac@drivermgmtco.com to arrange a time to discuss how the Board might be reconstituted in order to better preserve and increase shareholder value and what other steps might be taken towards that end.
- On January 24, 2023, Driver Management filed proxy materials seeking support for its nominees.
- On January 31, 2023, Driver Management sent a [letter](#) to the company's CEO stating that it is writing to confirm the substance of its very brief phone conversation, specifically that CEO, on behalf of the Company, do not want to have any discussion whatsoever regarding any potential settlement that would preclude a contested election of directors at the Company's 2023 AGM.
- On February 2, 2023, the company issued a statement, " First Foundation is committed to acting in the best interests of all its stockholders and the communities and clients that we serve. It is not our practice to comment publicly on specific engagements with stockholders. However, given Driver's refusal to engage in a constructive manner, and repeated efforts to misrepresent First Foundation's concerted efforts of engagement, we are compelled to make the observations about Driver's self-serving campaign against the Company" [Source](#)
- On February 2, 2023, Driver Management sent a [letter](#) to the Company's CEO regarding the inaccuracies in the statement issued by the company.
- On February 17, 2023, Driver Management filed proxy materials seeking support for its nominees.
- On February 21, 2023, Driver Management sent a [letter](#) to the Lead director of the company regarding Christopher Naghibi's service, from December 22, 2021 until September 6, 2022, as a director of both Friendly Hills Bancorp and its banking subsidiary Friendly Hills Bank while simultaneously serving as chief credit officer of First Foundation Bank, the banking subsidiary of First Foundation, Inc. Mr. Naghibi's simultaneous service (the "Naghibi Interlock") as a director of Friendly Hills and chief credit officer of FFWM would appear to constitute a prohibited "interlock" under the Depository Institution Management Interlocks Act (12 U.S.C. §§ 3201 et seq.) and the Board of Governors of the Federal Reserve System's related rule.

Driver Management enquires whether FFWM submitted an exemption request with respect to the Naghibi Interlock to the appropriate federal depository regulatory agency or determined that an applicable statutory or regulatory exemption existed.

- On February 17, 2023, Driver Management filed proxy materials seeking support for its nominees.
- On March 7, 2023, Driver Management filed a complaint against the company and its board. [Source](#)
- On March 15, 2023, Driver Management filed proxy materials seeking support for its nominees.
- On April 25, 2023, Driver Management entered into a settlement [agreement](#) with the company and pursuant to it, the company will allow Driver's nominee, Allison Ball, to stand for election to the Board at the company's 2023 AGM.
- On May 12, 2023, Driver Management filed proxy materials seeking support for its nominee.
- On May 17, 2023, Driver Management filed proxy materials seeking support for its nominee.

Update

On May 22, 2023, Driver Management issued an open [letter](#) to the shareholders soliciting votes for the election of its nominee at the 2023 AGM.

Blackwells Capital opposes the cockamamie merger

Market Cap: \$960 million | Global Net Lease, Inc. (NYSE: GNL) is a publicly traded real estate investment trust listed on the NYSE focused on acquiring a diversified global portfolio of commercial properties.

Background

- On October 25, 2022, Blackwells Capital [announced](#) it has nominated two candidates for election to the board at the upcoming 2023 AGM and plans to pursue a number of corporate governance initiatives. Additionally, Blackwells announced its intent to propose two additional independent directors for the 2024 AGM. Blackwells Capital stated its belief that immediate steps required to reverse long-term shareholder value destruction include: (i) Explore a full range of strategic alternatives, (ii) Explore a full range of options to replace or renegotiate the external management agreement and (iii) Explore Board refreshment with shareholder representatives.
- On December 1, 2022, Blackwells Capital filed proxy materials seeking support for its nominees.
- On December 19, 2022, Blackwells Capital announced the filing of a complaint in Maryland state court against the company in response to company's meritless rejection of Blackwells' director candidate nominations. [Source](#)
- On February 22, 2023, Blackwells Capital launched a website, StopARGlobal.com, to communicate with the stockholders of Global Net Lease, Inc and thereafter posted a

[presentation](#), which discusses, among other things, Blackwells' plan to maximize value for GNL stockholders.

- On April 5, 2023, Blackwells Capital filed proxy materials seeking support for its nominees.
- On April 21, 2023 and April 25, 2023, Blackwells Capital LLC issued a [presentation](#) that discusses, among other things, Blackwells Capital's case for change at Global Net Lease, Inc. and urges stockholders to vote for Blackwells Capital's two highly qualified director nominees at the upcoming 2023 AGM.
- On May 4, 2023, Blackwells Capital issued a [letter](#) to fellow shareholders reminding them to vote on the **WHITE** Universal Proxy Card to support the urgent need for boardroom change at the company.
- On May 10, 2023, Glass Lewis has recommended that stockholders vote on the **WHITE** universal proxy card to elect both of its candidates – Jim Lozier and Richard O'Toole – to the board. Also, ISS recommended to withhold support from incumbent director candidates. [Source](#)

Update

- The Annual Meetings have been delayed by more than two months to “on or about July 21, 2023. On May 22, 2023, Blackwells calls on the board to immediately confirm the July timing for the annual meetings and publicly commit to forgoing further delays. [Source](#)
- On May 23, 2023, Global Net Lease Inc and The Necessity Retail REIT Inc announced that they have entered into a definitive merger agreement under which GNL will acquire RTL in an all-stock transaction. GNL and RTL have also entered into a definitive agreement that will result in the combined entity becoming internally managed, with the external asset and property management functions currently performed by affiliates of AR Global, LLC. [Source](#)
- On May 23, 2023, Blackwells Capital made the following statement:
“The proposed merger is another deceptive effort by AR Global, in complicity with GNL and RTL, to skirt ongoing proxy fights against them, and the ultimate accountability that will face them. Shareholders should be on high alert that the compromised boards of GNL and RTL approved a deal that would arrogate a \$375 million ransom payment to AR Global, Michael Weil and Nick Schorsch in return for all the value they've destroyed. Blackwells strongly opposes the cockamamie merger, and expects most other shareholders to do the same.” [Source](#)

Blackwells Capital opposes the cockamamie merger

Market Cap: \$796 million | The Necessity Retail REIT (Nasdaq: RTL) is a publicly traded real estate investment trust listed on Nasdaq focused on acquiring and managing a diversified portfolio of primarily service-oriented and traditional retail and distribution related commercial real estate properties in the U.S.

Background

Snowball Research | <https://promember.snowballresearch.com/>

- On October 25, 2022, Blackwells Capital [announced](#) it has nominated two candidates for election to the board at the upcoming 2023 AGM and plans to pursue a number of corporate governance initiatives. Blackwells plans to reform RTL as a leader in proper governance standards by pursuing the following agenda, (i) Nominating highly qualified director candidates with the necessary character and fiduciary experience to lead RTL, (ii) Proposing the repeal of the existing poison pill and other anti-takeover measures, which are due to expire, (iii) Proposing the repeal of the recently enacted bylaw, which requires the continued representation of certain of RTL's advisors on the board of directors, (iv) Proposing changes to the board of directors, including the declassification of the board of directors and the adoption of a director resignation policy, (v) Proposing that the board of directors designate a strategic review committee, comprised only of independent directors, to conduct a strategic review process to pursue possible extraordinary transactions, including the power to engage a financial advisor to evaluate a potential sale of the Company; and (vi) Proposing an amendment to the Company's bylaws to allow stockholders the ability to amend the bylaws.
- On December 9, 2022, Blackwells Capital filed proxy materials seeking support for its nominees.
- On December 19, 2022, Blackwells Capital announced the filing of a complaint in Maryland state court against the company in response to company's meritless rejection of Blackwells' director candidate nominations. [Source](#)
- On December 23, 2022, Blackwells Capital filed proxy materials seeking support for its nominees.
- On February 22, 2023, Blackwells Capital launched a website, StopARGlobal.com, to communicate with the stockholders of The Necessity Retail REIT, Inc. ("RTL") and thereafter posted a [presentation](#), which discusses, among other things, Blackwells' plan to maximize value for RTL stockholders
- On April 5, 2023, Blackwells Capital filed proxy materials seeking support for its nominees.
- On April 21, 2023 and April 25, 2023, Blackwells Capital LLC issued a [presentation](#) that discusses, among other things, Blackwells Capital's case for change at The Necessity Retail REIT, Inc. and urges stockholders to vote for Blackwells Capital's two highly qualified director nominees at the upcoming 2023 AGM.
- On May 4, 2023, Blackwells Capital issued a [letter](#) to fellow shareholders reminding them to vote on the **WHITE** Universal Proxy Card to support the urgent need for boardroom change at the company.
- On May 10, 2023, Glass Lewis has recommended that stockholders vote on the **WHITE** universal proxy card to elect both of its candidates – Jim Lozier and Richard O'Toole – to the board. Also, ISS recommended to withhold support from incumbent director candidates. [Source](#)

Update

- The Annual Meetings have been delayed by more than two months to "on or about July 21, 2023. On May 22, 2023, Blackwells calls on the board to immediately confirm the July timing for the annual meetings and publicly commit to forgoing further delays. [Source](#)
- On May 23, 2023, Global Net Lease Inc and The Necessity Retail REIT Inc announced that they have entered into a definitive merger agreement under which GNL will

acquire RTL in an all-stock transaction. GNL and RTL have also entered into a definitive agreement that will result in the combined entity becoming internally managed, with the external asset and property management functions currently performed by affiliates of AR Global, LLC. [Source](#)

- On May 23, 2023, Blackwells Capital made the following statement: “The proposed merger is another deceptive effort by AR Global, in complicity with GNL and RTL, to skirt ongoing proxy fights against them, and the ultimate accountability that will face them. Shareholders should be on high alert that the compromised boards of GNL and RTL approved a deal that would arrogate a \$375 million ransom payment to AR Global, Michael Weil and Nick Schorsch in return for all the value they’ve destroyed. Blackwells strongly opposes the cockamamie merger, and expects most other shareholders to do the same.” [Source](#)

ETFs Capital issued a presentation on Wisdomtree stockholders

Market Cap: \$1 billion | WisdomTree Investments, Inc., through its subsidiaries, operates as an exchange-traded funds (ETFs) sponsor and asset manager..

Background

- On April 12, 2023, ETFs Capital Limited (18.3%) nominated three director candidates for election to the board at the 2023 AGM. [Source](#)
- On April 24, 2023, ETFs Capital issued an open letter to stockholders expressing concerns over the management and the board and urged shareholders to vote for its nominees.
- On April 27, 2023, ETFs Capital launched a website to communicate with the stockholders regarding the annual meeting. The website address is www.wisepwt.com.
- On May 1, 2023, ETFs Capital Limited issued an open [letter](#) to stockholders expressing its concerns on Q1 2023 results that despite AUM increasing by \$11.3B (14%), revenue only increased by 4.7% Year Over Year (YOY), while adjusted operating income declined 13% YOY and adjusted operating margin contracted by 4.3%. Further, it reinforce the need for immediate change to the board.
- On May 10, 2023, ETFs Capital Limited filed proxy materials seeking support for its nominees and stated that it was pleased to have agreed, on terms which will benefit all stockholders, to the cancellation of the obligation of WisdomTree to make ongoing gold payments for consideration of only \$135 million, which compares to the \$200 million value WisdomTree placed on those obligations in its 2022 accounts. [Source](#)
- On May 15, 2023, ETFs Capital Limited filed proxy materials seeking support for its nominees.
- On May 18, 2023, ETFs Capital issued an Investor [Presentation](#) titled “Wise Up WisdomTree” detailing the company's long history of underperformance and shareholder value destruction.

Update

On May 24, 2023, ETFs Capital published a supplemental investor [presentation](#) addressing the serious mischaracterizations and distraction tactics employed by the company.

Snowball Research | <https://promember.snowballresearch.com/>

Past

- On March 8, 2022, ETFS Capital Limited (10.5%) and Lion Point Capital (3.1%) stated that it seeks changes to the composition of the Board and management. ETFS Capital intends to attempt to work constructively with the company to arrive at a solution that puts the company in the best position to unlock value for the benefit of all stockholders and expect to have a dialogue with members of the Board to this end. In light of an upcoming key deadline for the 2022 AGM, ETFS Capital reserve their right to take their case for Board representation directly to the stockholders. [Source](#)
- On March 18, 2022, ETFS Capital Limited (18.6%) and Lion Point Capital (3.1%) nominate three candidates for election to the Board at the 2022 AGM. [Source](#)
- On May 4, 2022, ETFS Capital Limited and Lion Point Capital announce breakdown of settlement discussions with the company and filed proxy materials seeking support for their nominees.
- On May 27, 2022, ETFS Capital Limited and Lion Point Capital entered into an agreement with the company and pursuant to it, the company has agreed to increase the size of its board by two directors to a total of nine directors and appoint Lynn S. Blake and Deborah Fuhr (ETFS Capital Limited and Lion Point Capital's nominees) as independent members of the Board. [Source](#)

Camac Fund nominated director candidates to the Board of Forte Biosciences

Market Cap: \$21 million | Forte Biosciences, Inc. operates as a clinical-stage biopharmaceutical company in the United States.

Background

Camac Fund

- 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.

ATG Fund

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](#)

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](#)

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.

Update

On May 25, 2023, Camac Fund filed proxy materials seeking support for its nominees.

The concerned shareholders urges the shareholders to vote for its proposals at the special meeting of Pacific Coast Oil Trust

Market Cap: \$20 million | Pacific Coast Oil Trust acquires and holds net profits and royalty interests in various oil and natural gas properties located in California.

Background

- On October 11, 2022, Shipyard Capital, Cedar Creek Partners and Walter C. Keenan ("concerned shareholders" together 11.4%) sent a [letter](#) to the company's trustee, The Bank of New York Mellon Trust Company, requesting that it file suit against PCEC, the trust's operator. They stated that if the trustee refuses, they intend to call a special meeting to remove the trustee.
- On December 12, 2022, the concerned shareholders (12.8%) stated their belief that the trustee is not properly representing unitholders. The trustee has refused to file suit against PCEC for what we believe are illegal and improper assessments against the trust, preventing the trust from making distributions and potentially forcing dissolution and liquidation, which we believe would harm unitholders.
- On December 22, 2022, the concerned shareholders together with Evergreen Capital Management (22.5%) filed 13D reiterating their concerns. [Source](#)
- On January 12, 2023, the concerned Group filed a fifth amended Schedule 13D updating Evergreen's Unit holding to reflect recent client attrition (bringing the 13D Group's aggregate ownership to 21.3%).
- On May 8, 2023, the concerned Group filed proxy materials urging shareholders to vote FOR its two proposals. [Source](#)

Update

On May 24, 2023, the concerned Group filed proxy materials urging shareholders to vote FOR its two proposals. [Source](#)

ISS supports Star Equity Fund's nominees at Firsthand Technology Value Fund

Market Cap: \$6 million | Firsthand Technology Value Fund, Inc. is an externally managed, closed-end, non-diversified management investment company. The Fund's investment objective is to seek long-term growth of capital.

Star Equity Fund

- On November 25, 2022, Star Equity Fund (5.08%) stated that it expects to engage in general discussions with the Board and management regarding changes to the composition of the Board, corporate governance and evaluating all options to maximize shareholder value. Star Equity Fund requested the company provide them with a copy of the "Proposed Nominee questionnaire" to enable it to nominate candidates for election to the Board at the 2023 AGM. [Source](#)
- On December 7, 2022, Star Equity Fund nominated two candidates for election to the Board at the company 2023 AGM.
- On April 4, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On April 27, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On May 9, 2023, Star Equity issued an investor [presentation](#) titled "Our Plan for Enhancing Stockholder Value at Firsthand Technology Value Fund, Inc.,"

Donald R Chambers

- On April 27, 2022, Donald R Chambers filed proxy materials and submitted a proposal that all investment advisory and management agreements between Firsthand Technology Value Fund, Inc. and Firsthand Capital Management, Inc. shall be terminated.
- At the [AGM](#) held on May 25, 2022, stockholders did not approve the binding stockholder proposal to terminate the investment advisory and management agreements between Firsthand and Firsthand Capital Management, Inc.

Scott Klarquist

- On January 20, 2022, Scott Klarquist, CIO of Seven Corners Capital Management, issued a [presentation](#) to the shareholders titled "Time for change at SVVC" expressing his concerns on the stock price performance over the past ten years. He urged the shareholders (i) to vote AGAINST all of SVVC's incumbent director nominees and AGAINST SVVC's executive compensation and (ii) to vote in favour of any shareholders proposal to terminate FCM's management agreement.
- On March 11, 2022, Scott Klarquist issued an open [letter](#) to the shareholders reiterating his proposals.
- On March 28, 2022, Scott Klarquist filed proxy materials nominating himself as a director candidate for election to the Board at the Company's upcoming 2022 AGM. [Source](#)
- On April 26, 2022, the company [announced](#) that the election of Scott Klarquist found in the separate proxy statement from Mr. Klarquist will not be considered at the Annual Meeting.

Update

On May 17, 2023, ISS has recommended that shareholders vote on Star Equity Fund's WHITE proxy card to elect both its nominees – Robert Pearse and Hannah Bible – to the board at its upcoming 2023 AGM. ISS recommended that stockholders “DO NOT VOTE” on the company's blue proxy card. [Source](#)

Past

Donald R Chambers

On April 15, 2020, Donald R Chambers [announced](#) that he intends to vote FOR the non-binding stockholder proposal at the annual meeting. The following non-binding stockholder proposal was submitted by Chambers for 2020 AGM.

"That the shareholders of SVVC assembled at the 2020 annual meeting in person and by proxy, hereby request that the Board of Directors of SVVC seek and pursue any and all measures to enhance shareholder value including (1) orderly termination of the fund, (2) orderly liquidation of SVVC assets with distribution of available cash to shareholders, (3) tender offers for SVVC shares using available cash from any and all investment exits, (4) merger of the fund into an entity offering shareholder exits near NAV (net asset value), or (5) other measures likely to allow shareholders to exit SVVC near its NAV."

There are two primary reasons for the proposal:

- The massive drop in the market price of SVVC's stock
- The massive expense ratio of SVVC

Source

At the [AGM](#) held on July 2, 2020, shareholders approved the non-binding stockholder proposal.

Bulldog Investors

- In January 2014, Bulldog Investors filed a proxy statement to (i) elect a slate of two individuals nominated by affiliates of Bulldog as directors of the Company, (ii) ratify the selection of Tait, Weller & Baker LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014, (iii) terminate the investment management agreement between the Company and Firsthand Capital Management, and (iv) request that the Board consider authorizing a program to repurchase shares when they are trading at a discount from net asset value.
- In May 2014, the fund entered into an agreement with Bulldog Investors. Under the terms of the settlement, Bulldog has agreed to (1) withdraw its two nominees for the Fund's Board of Directors, (2) withdraw its proposals regarding (i) termination of the Fund's Investment Management Agreement and (ii) consideration by the Board of a share repurchase program, (3) not present any proposals at the Annual Meeting, and (4) vote its shares in accordance with the Board's recommendations. The settlement also provides that the Fund's Board approve a plan for the Fund to repurchase up to \$10 million of common stock in open market purchases during 2014, and to conduct a self-tender offer for at least \$20 million worth of common stock at 95% of net asset value to be completed no later than January 31, 2015

Inherent Credit Opportunities Master submitted an indicative proposal outlining a potential restructuring to Cazoo Group Ltd

Market Cap: \$48 million | Cazoo Group Ltd operates as an online car retailer in the United Kingdom and rest of Europe.

Background

- On March 17, 2023, Viking Global Investors and Farallon funds entered into a [cooperation agreement](#) with the company and pursuant to it, in order to engage with the company in discussions regarding a potential financing, recapitalization, asset or equity sale, reorganization, and/or restructuring transaction or series of such transactions or alternative extraordinary transactions involving the company, each Party agreed, (i) to use commercially reasonable efforts to cooperate in good faith with each other to engage in such discussions and negotiations with the company regarding a Transaction, and (ii) to not directly or indirectly sell, loan, assign, transfer, hypothecate, tender or otherwise dispose of (including by participation), in whole or in part, its right, title or interest in any Notes, or grant any proxies, deposit any of its Notes into a voting trust, or enter into a voting agreement with respect to any such Notes, each without the prior written consent of the other Parties.
- On April 25, 2023, D1 Capital Partners, Inherent Credit Opportunities Master, Mubadala Investment Company entered into a joinder to the cooperation agreement dated March 17, 2023 and agreed to become a party to the Cooperation Agreement. [Source](#)

Update

Snowball Research | <https://promember.snowballresearch.com/>

On May 12, 2023, Inherent Credit Opportunities Master and certain other Parties to the Cooperation Agreement submitted to the board, for discussion purposes, an indicative proposal outlining a potential restructuring of the Notes and certain other potential changes to the capital structure. [Source](#)

Carlos Daniel Valadez delivered letter to the board of Charles & Colvard, Ltd

Market Cap: \$28 million | Charles & Colvard, Ltd. operates as a fine jewelry company in the United States and internationally.

Background

On April 11, 2023, Carlos Daniel Valadez (5.16%) stated that he intended to engage in discussions with the management and the board regarding the company's strategic marketing plan, capital allocation strategy, branding strategy and other related topics. [Source](#)

Update

On May 15, 2023, Mr. Valdez sent a [letter](#) to the Board, requesting certain changes to the company's strategy.

Edward Smolyansky sought support for his nominees at Lifeway Foods

Market Cap: \$88 million | Lifeway Foods, Inc. produces and markets probiotic-based products in the United States and internationally.

Background:

- On October 15, 2021, Ludmila Smolyansky, Chairperson of the Board, and Edward Smolyansky, COO of the company, disclosed 38.4% and stated that Edward Smolyansky intends to nominate up to three directors at the 2021 AGM. [Source](#)
- On February 21, 2022, the concerned shareholders (38.2%) notified the Board of their belief that the Company should replace the Company's CEO, and commence an exploration of the Company's strategic alternatives. [Source](#)
- On March 11, 2022, Edward Smolyansky notified the corporate secretary of the company of his intent to nominate himself, Ludmila Smolyansky, Robert Whalen, Austin Hollis and Iana Trifonova for election to the Board at the 2022 AGM. As Mr. Smolyansky continues to prepare for a potential proxy contest in connection with the 2022 AGM, he intends to continue to engage in discussions with the Board regarding his belief that the Company should replace the Company's CEO, and commence an exploration of the Company's strategic alternatives. [Source](#)
- On July 27, 2022, Edward Smolyansky entered into a [settlement agreement](#) with the Company which terminates his potential proxy contest or solicitation with respect to the appointment of new directors to the Board. Pursuant to the Settlement Agreement, the Company has agreed, that (i) the Board will nominate: Juan Carlos Dalto, Jodi Levy, Dorri McWhorter, Perfecto Sanchez, Jason Scher, Pol Sikar, Julie Smolyansky and Ludmila Snowball Research | <https://promember.snowballresearch.com/>

Smolyansky, and (ii) the Board's Audit and Corporate Governance Committee will oversee a review of strategic alternatives for the Company.

- On February 10, 2023, Ludmila Smolyansky and Edward Smolyansky provided a notice to the Company regarding potential breaches of the Settlement Agreement, dated as of July 27, 2022, as amended, among the Company, Ludmila Smolyansky and Edward Smolyansky (the "Settlement Agreement"). Under the Settlement Agreement, Ludmila Smolyansky's and Edward Smolyansky's "standstill" obligations under Section 6 of the Settlement Agreement terminate in the event of a material breach by the Company that is not cured within ten days by the Company. On February 22, 2023, the Company provided a written response, claiming that it had not materially breached the Settlement Agreement, and noting that a committee of the Company's board of directors had approved the engagement of a nationally recognized financial advisor, and that certain terms of the engagement were being negotiated and remained subject to approval by the committee. [Source](#)
- On May 5, 2023, Mr. Smolyansky again notified the Company, in accordance with the Company's bylaws, that he intended to nominate seven candidates for election as directors at the 2023 annual meeting.
- On May 9, 2023, Mr. Smolyansky filed proxy materials seeking support for its nominees.

Update:

On May 19, 2023, Mr. Smolyansky filed proxy materials seeking support for its nominees.

Star Equity issues open letter to board of Superior Drilling Products

Market Cap: \$28 million| Superior Drilling Products, Inc., a drilling and completion tool technology company, innovates, designs, engineers, manufactures, sells, rents, and repairs drilling and completion tools in the United States, Canada, the Middle East, and Eastern Europe.

Background

- On May 9, 2022, Star Equity Fund disclosed a 6.73% active stake in the company and delivered a letter to the company nominating two candidates for election to the Board at the 2022 AGM. [Source](#)
- On May 10, 2022, Star Equity Fund issued a press release and open [letter](#) to the Board recommending corporate governance improvements, including certain changes to the membership of the Board. It calls for specific corporate governance changes including the declassification of the Board, the removal of supermajority vote requirement, the appointment of an independent Board chairperson, the reduction or removal of related party transactions, and reductions in compensation costs. Also, it believes that the shareholders need a refreshed Board capable of considering and implementing changes.
- On June 24, 2022, Star Equity Fund increased its stake to 9.03% and stated that it has engaged, and may continue to engage, in general discussions with the Board and management team, including with respect to the composition of the Board, the

corporate governance and evaluating all options to maximize shareholder value, including potential business combinations or strategic alternatives. [Source](#)

- On July 12, 2022, Star Equity Fund (9.41%) withdrew its nomination of Robert G. Pearce and BaShara Boyd for election to the Board. [Source](#)
- On September 9, 2022, Star Equity Fund together with other shareholders ("the shareholder group") (9.9%) issued a [letter](#) to the Board noting a discrepancy in the company's Schedule 14A 2022 Proxy Statement, wherein the company failed to properly disclose all common shareholders with over 5% beneficial ownership. The Shareholder Group also encouraged the company to consider various strategic options to maximize shareholder value.

Update

On May 9, 2023, Star Equity Fund issued a press release including an open [letter](#) to the board. In the letter, Star Equity Fund called on the Board to effectuate, or at least put up for a shareholder vote, a number of matters, including but not limited to whether the Board should hire a financial advisor and conduct a strategic review, and should declassify the Board. Star Equity Fund also discussed its concerns with the company's corporate governance and the three independent Board members: James R. Lines, Robert Iverson, and Micheal V. Ronca. Star Equity Fund further announced its intention to vote "withhold" with respect to Robert Iverson at the 2023 AGM.

180 Degree Capital Corp sent a letter to the shareholders of comScore

Market Cap: \$75 million | comScore is a cross-platform measurement company that measures audiences, brands and consumer behavior everywhere. comScore completed its merger with Rentrak Corporation in January 2016, to create the new model for a dynamic, cross-platform world.

Background

- On March 6, 2023, 180 Degree Capital Corp (6%) issued a letter to shareholders and employees of the company to express its disappointment in the company's director compensation policy and called on the Board to make a number of corporate governance changes, including, but not limited to, augmenting the compensation policy for those Board members appointed by preferred stockholders, reducing the size of the Board, replacing over-tenured directors, eliminating the Board's classified structure, and providing additional clarity on the Special Dividend Process. As part of these changes, 180 Degree Capital Corp recommended either the immediate resignation of Brent Rosenthal from the Board or, at least, the removal of his position as Lead Independent Director on the Board.
- On April 20, 2023, 180 Degree Capital Corp issued an open letter (refer "[Exhibit 2](#)") to the board to express its concerns with certain efforts by the company to pay dividends on the company's Series B Preferred Stock through the issuance of additional Series B Preferred Stock. 180 Degree Capital Corp also requests further reductions in compensation paid to the Board of Directors, the appointment of Jon Carpenter to the, the removal of Brent Rosenthal as Lead Independent Director and that Cerberus, Charter and Liberty Media/Quorate take tangible steps to reverse the destruction in value of common stock since their involvement began in March 2021.

Update

On May 10, 2023, 180 Degree Capital Corp (6%) issued a press release containing an open letter (refer "[Exhibit 3](#)") to the preferred stockholders of the company, Cerberus, Charter and Liberty Media/Qurate. In addition to reiterating concerns detailed in the April Press Release, 180 Degree Capital Corp requested Cerberus, Charter and Liberty Media/Qurate take tangible steps to reverse the destruction in value of company's common stock since their involvement began in March 2021. 180 Degree Capital Corp also continues to request further reductions in compensation paid to the board, the appointment of Jon Carpenter to the board, the removal of Brent Rosenthal as Lead Independent Director.

Past

- On September 28, 2017, Starboard (7.2%) entered into an agreement with the company, pursuant to which, the company appointed Wesley Nichols, Paul Reilly and Bryan Wiener to the Board and agreed to appoint an additional independent director recommended by Starboard. On October 16, 2017, Michelle McKenna-Doyle was appointed to the Board as the additional independent appointee. [Source](#)
- On January 16, 2018, the company entered into an agreement with Starboard under which the company:
 - issues \$150 million in convertible notes to Starboard in exchange for \$85 million in cash and \$65 million in outstanding common stock, and grants Starboard an option to acquire up to an additional \$50 million in convertible notes
 - intends to conduct convertible notes rights offering of up to \$150 million to all stockholders with \$100 million backstopped by Starboard

[Source](#)

Daniel Khoshaba delivered a letter to the Board of Wheeler Real Estate Investment Trust

Market Cap: \$8 million | Wheeler Real Estate Investment Trust, Inc. is a self-managed commercial real estate investment company.

Background

Daniel Khoshaba

- On January 6, 2020, Daniel Khoshaba disclosed 7.5% and expressed his belief that the company's financial performance can be improved to increase shareholder value. Accordingly, Mr. Khoshaba has sent a letter (refer, "[Exhibit B](#)") to the Chairman of the Board, in which he requested that the company immediately appoint him to fill the current vacancy on the Board.
- On February 25, 2020, the company filled the vacancy on the Board by electing Daniel Khoshaba to be a director. [Source](#)
- On April 13, 2020, the company terminated the employment of the company's CEO and President David Kelly and appointed Daniel Khoshaba, a current director of the Company, as a CEO. [Source](#)
- On July 5, 2021, Daniel Khoshaba has tendered his resignation as the President and CEO of the company and as a member of the Board.

- On August 23, 2021, Mr. Khoshaba, the ex-CEO of the company (11.4%) sent a letter (refer, [Exhibit A](#)) to the company and the Board expressing his concerns with the recent developments at the company. Mr. Khoshaba believes that the Board has failed to provide effective corporate governance and sound leadership to the company, especially in the wake of the Board's decision to pressure him to resign as CEO..He stated that he may seek to improve the composition of the Board
- On December 13, 2021, Mr. Khoshaba sent a letter (refer "[Exhibit A](#)") to the Board reiterating his concerns on the company.

Update

On May 11, 2023, Mr. Khoshaba delivered a [letter](#) to the Board detailing his concerns about the Board's value-destructive decisions and management of the Company (the "May 11 Letter to the Board"). Mr. Khoshaba noted that stockholder confidence in the Company's strategy has collapsed, the Company's stock price has plummeted, and investors have lost all confidence in the Company's leadership. Mr. Khoshaba stated that the Board must (1) immediately begin negotiating a settlement with the holders of the Company's Series D preferred stock, (2) stop issuing deeply discounted preferred securities in lieu of cash interest payments on the Company's 7.00% subordinated convertible notes due 2031 (the "Convertible Notes"), (3) gain control of the Company's outsized and growing expenses, and (4) initiate quarterly conference calls in order to effectively foster transparency. The May 11 Letter to the Board also discussed the Company's value destructive capital allocation, empty promises and dramatic underperformance, broken corporate governance and lack of transparency, and path forward. Mr. Khoshaba noted that, if urgent action is taken, stockholder value might be preserved, and would likely even grow.

Past

(i) SR Equity Ventures

On December 30, 2022, SR Equity Ventures (8.14%) delivered a letter to the company nominating a slate of six director candidates for election to the Board at the 2023 AGM. [Source](#)

(ii) Steamboat Capital Partners

- On June 24, 2020, Steamboat Capital Partners disclosed 12% and sent a [letter](#) to the Board requesting that a meeting be called to elect directors to represent the Series D Preferred Shareholders and indicating that it had suggested potential candidates for the company to nominate to fill those seats. [Source](#)
- On December 31, 2020, Steamboat Capital Partners (12%) stated that it has determined, at this time, not to take further action or make further efforts to seek the calling of a meeting to elect directors to represent the Series D Preferred Shareholders or to have particular candidates fill any such seats. [Source](#)
- On May 21 2021, Steamboat Capital Partners (14.5%) had a conversation with management in which it requested the election of directors to represent the Series D Preferred Shareholders. In addition, Steamboat Capital had discussions with

management regarding the company's capital structure and the possible acquisition and disposition of securities by clients of Steamboat Capital Partners. [Source](#)

- On October 25, 2021, Steamboat Capital Partners filed a [complaint](#) against the company alleging that the company's distribution of rights to the common stockholders, and notes pursuant to the rights, when accrued Series B and Series D preferred dividends had not been fully paid, breached the provisions of the company's governing documents and violated the rights of the Series B and Series D preferred stockholders and, in the case of the notes so distributed, Maryland law. The Complaint seeks, as a result, to require the company to pay all dividends accrued, as of the date of the distribution of rights, on the Series B and Series D preferred stock and to prohibit the company from paying interest on the notes distributed to the common stockholders upon exercise of the rights until all accrued dividends on the Series B and Series D preferred stock are paid. [Source](#)
- On December 20, 2022, Steamboat Capital Partners sent a [letter](#) to the Board and explained why it does not intend to tender shares of Series D Preferred Stock of the company held by its clients and therefore does not intend to consent to the proposed amendments to the charter of the company adversely affecting the rights of the Series D Preferred Stock. Steamboat also expressed its view on the value of the company and the need to negotiate with all stakeholders to address the challenges the company faces.

(iii) JCP Investment Management

- On June 11, 2018, JCP Investment Management (7.2%) submitted a letter to the company exercising its right to have the company redeem their Shares at a redemption price of \$25 per Share due to the company's failure to maintain the required asset coverage specified in the Asset Coverage Provision. JCP Investment Management stated that it may take further action, including but not limited to pursuing litigation to enforce its rights as holders of Shares if the company fails to redeem their Shares. [Source](#)
- On June 28, 2018, JCP Investment Management filed a complaint against the company stating that it believes that the Certificate of Corrections filed by the company significantly altered the terms of the Shares and the rights of holders of preferred stock without a vote and was filed in breach of the Articles Supplementary and in violation of Maryland law. In addition, the Complaint states that the plaintiffs believe that the company's failure to comply with the requirements of the Asset Coverage Provision, including the mandatory redemption of Shares, have caused tens of millions of dollars in damages for the holders of the preferred stock. The Complaint requests that the court enjoins the company from continuing to violate the Articles Supplementary and that the court compels the company to redeem preferred stock in accordance with the Articles Supplementary. [Source](#)
- On February 26, 2020, JCP entered into a confidential Settlement Agreement with the company pursuant to which JCP agreed to make a filing with the court to have the lawsuit dismissed without prejudice and agreed not to refile a lawsuit relating to the issues raised by the Complaint for at least one year from the date of entry of the dismissal order. [Source](#)

- On December 9, 2020, JCP Investment Management increased its stake to 8.7% and stated that it may consider prosecuting the believed breach of the Settlement Agreement and/or refiling a lawsuit relating to the issues raised by the Complaint within the year following the date of the dismissal order. [Source](#)

(iv) Westport Capital Partners

- On December 18, 2017, Westport Capital Partners (9.3%) informed the company that it was nominating two candidates for election to the Board at the 2018 annual meeting of shareholders. [Source](#)
- On April 11, 2018, Mr. Armstrong, representative of Westport Capital Partners was appointed to serve as a director on the board. [Source](#)
- On September 13, 2019, Mr. Armstrong resigned from his position as a director on the board. [Source](#)
- On February 11, 2020, Westport Capital Partners reduced its stake to 4.6%.

(v) Joseph Stilwell

- On July 3, 2017, Joseph Stilwell disclosed 8.2% stating that he hopes to work with the Board to maximize shareholder value. [Source](#)
- On November 30, 2017, Joseph Stilwell delivered a written consent to be named in the proxy statement and to serve on the board if elected. On December 4, 2017, Joseph Stilwell increased his stake to 9.7% and announced his nominees and alternate nominee for the company's upcoming election of directors. [Source](#)
- On January 17, 2018, Joseph Stilwell (9.7%) announced his belief that Jon S. Wheeler, Chairman and Chief Executive Officer, should be removed from the company. [Source](#)
- On January 30, 2018, the company [announced](#) that the Board of Directors has terminated Jon S. Wheeler as the Company's Chairman, Chief Executive Officer and President. In addition, Mr. Wheeler resigned his position from the Board of Directors. Effectively immediately, the Board of Directors named David Kelly as the Company's CEO and President.
- On July 24, 2018, Joseph Stilwell (9.7%) filed [proxy materials](#) nominating three candidates for election to the Board at the upcoming AGM.
- On July 25, 2018, Joseph Stilwell delivered an open [letter](#) to shareholders claiming that Jon S. Wheeler, Chairman and CEO made loans from company's funds for his outside projects.
- On September 19, 2018, the company [announced](#) that Glass Lewis recommends shareholders to vote in favor of: (i) the re-election of eight members of the Board, the full slate of the Company's nominees; (ii) Advisory vote on the frequency of executive compensation advisory votes for every year; (iii) Advisory vote to approve executive compensation; and (iv) The ratification of Cherry Bekaert LLP as the Company's independent registered public accounting firm for the fiscal year ending, December 31, 2018.
- On September 21, 2018, the company [announced](#) that ISS recommends shareholders to vote in favor of: (i) the re-election of seven of its eight members of the Board; (ii) Advisory vote on the frequency of executive compensation advisory votes for one year; and (iii) The ratification of Cherry Bekaert LLP as the Company's independent registered public accounting firm for the fiscal year

ending, December 31, 2018. ISS has also recommended DO NOT VOTE for the Stilwell Group's nominees on the green proxy card.

- At the [AGM](#) held on October 3, 2018, Stilwell's nominees were not elected to the Board.
- On October 29, 2018, Stilwell Group (9.8%) stated that it intends to nominate again at the 2019 annual meeting. It stated its belief that a meaningful number of the company's legacy directors should resign. [Source](#)
- On April 15, 2019, Stilwell (9.8%) nominates five candidates for election to the Board at the upcoming annual meeting of shareholders. [Source](#)
- On May 7, 2019, Joseph Stilwell announced his intent to nominate an additional nominee on his slate of candidates for election as directors at the upcoming annual meeting. [Source](#)
- On December 3, 2019, the Stilwell Group [announced](#) that ISS has recommended that stockholders vote on Stilwell's **GREEN** proxy card FOR the election of two of Stilwell's nominees, Joseph Stilwell and Paula Poskon, at the Company's upcoming 2019 annual meeting of stockholders. ISS also recommended that stockholders vote AGAINST the Company's say on pay proposal and omnibus stock plan.
- On December 11, 2019, Glass Lewis recommends shareholders to vote for the company's nominees on its **WHITE** proxy card. [Source](#)
- On December 17, 2019, Egan Jones recommends shareholders to vote for the company's nominees on its **WHITE** proxy card. [Source](#)
- On December 19, 2019, the Stilwell Group [announced](#) that based on preliminary voting results from Wheeler's Annual Meeting of Shareholders, shareholders have elected all three of Stilwell's director nominees, Joseph D. Stilwell, Paula J. Poskon and Kerry G. Campbell, to the Board.
- On June 17, 2020, the Stilwell Group increased its stake to 10.9%.
- On June 19, 2020, the Board voted to increase the size of the Board from seven directors to eight directors and appointed Ms. E. J. Borrack as a director to the Board to fill the resulting vacancy with immediate effect. In addition, Ms. Borrack was appointed to the Compensation Committee of the Board. Since 2013, Ms. Borrack has been the General Counsel at a group of private investment partnerships known as The Stilwell Group. [Source](#)
- On September 22, 2020, the Stilwell Group increased its stake to 13.1%.

(vi) NS Advisors

- On July 21, 2017, NS Advisors disclosed 5.4% stating that it has become concerned about the company's current trading price. It stated that it intends to engage in a dialogue with the management and the board to address these concerns and questions. Mr. Jones, the managing partner of NS Advisors, sent a [letter](#) dated July 20, 2017, to the Chairman and CEO of the company addressing, among other things, ways in which it believes shareholder value may be maximized.
- On January 29, 2018, NS Advisors (6.8%) revealed that on January 26, 2018, it sent a [letter](#) to the Lead Director of the company addressing concerns related to the performance of the company. It request that the Board undertake the following steps: (i) Publically commit to a plan of complete liquidation that will

result in the sale of all the company's assets in an orderly manner, (ii) Appoint a committee of independent directors to oversee the liquidation and insure that the assets are sold for full market value, (iii) Hire a nationally recognized commercial real estate broker to market the company's assets.

- On February 27, 2018, the company issued a [press release](#) announcing that its Board of Directors has retained KeyBanc Capital Markets to lead the process in identifying and evaluating strategic alternatives in order to maximize shareholder value.
- On April 17, 2018, Andrew R. Jones. Founder and Chief Executive Officer of NS Advisors (5.8%) was appointed to the Board. [Source](#)
- On December 10, 2019, NS Advisors reduced its stake to 4.7%.

Murchinson Ltd and Anson Funds believe Nano Dimension's allegations are without merit

Market Cap: \$633 million | Nano Dimension Ltd., together with its subsidiaries, provides additive electronics in Israel and internationally.

Background

- 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 instructs 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 urges 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.

Update

- 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](#)

OTHERS

Star Equity Fund withdrew its nomination of director candidates at Servotronics

Market Cap: \$31 million | Servotronics, Inc. designs, manufactures, and markets control components and consumer products in the United States and internationally.

Background

Star Equity Fund

- On March 2, 2022, Star Equity Fund filed proxy materials soliciting votes for the election of its director nominees at 2022 AGM. It stated that under the incumbent board's watch, the Company's previous CEO abused his authority and perpetuated a culture of harassment at the expense of employees and shareholders (as alleged by a lawsuit filed by a former employee on June 7, 2021), with an internal investigation finding that he committed willful malfeasance in violation of his employment agreement with the Company. In addition, the incumbent board has overseen and continued to support the Company's unprofitable Consumer Products Group

without having taken meaningful action to maximize shareholder value. In addition, the incumbent board has a track record of poor corporate governance. Proxy advisory firms ISS and Glass Lewis have cited numerous issues with Servotronics's board of directors and the Company's corporate governance, including in its report on the Company's 2021 annual meeting. [Source](#)

- On April 8, 2022, Star Equity Fund filed [proxy materials](#) urging the company to schedule 2022 AGM.
- On May 13, 2022, Star Equity Fund stated that it was pleased to announce that its campaign at Servotronics, including the nomination of director candidates and advocacy for various improvements in the Company's corporate governance, caused the Company to take several positive steps it likely would not have taken independently. The Fund stated that under pressure from its campaign, the company recently announced several Board composition and governance changes including, (i) the appointment of a new CEO, (ii) the addition of Karen Howard and shareholder representative Evan Wax to the Board, (iii) the naming of independent director Christopher Marks as Chairman of the Board, (iv) the resignation of Jason Bear from the Board, (v) the termination of its poison pill, and (vi) the reconfirmation that Kenneth Trbovich would not be nominated for election at its 2022 annual meeting. Further, Star Equity Fund stated that it was pleased with the two new additions to the Board and plan to withdraw its nomination for this year's annual meeting. [Source](#)
- On October 20, 2022, Star Equity Holdings presented a non-binding indication of interest to explore a potential combination with the company. On November 2, 2022, after refusing to even engage in conversations with Star Equity Holdings regarding details of a proposal, the Board responded to Star Equity Holdings that a transaction is not in the best interests of the shareholders.
- On November 14, 2022, Star Equity Fund (5.6%) issued a [press release](#) noting the Board's rejection of Star Equity Holdings' proposal without genuinely engaging, and strongly questioning the incumbent directors' commitment to the shareholders. Star Equity Fund also asserted, the Board's actions make clear that further change to the Board's composition needs to occur.
- On February 9, 2023, Star Equity Fund (5.4%) delivered a letter to the company nominating six director candidates for election to the Board at the 2023 AGM. [Source](#)
- On February 14, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On February 24, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On March 29, 2023, Star Equity Fund withdrew the nomination of four candidates and issued a [press release](#) announcing that it would be proceeding with the nomination of two candidates for election to the Board at the 2023 AGM.
- On April 17, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On May 1, 2023, Star Equity Fund filed proxy materials seeking support for its nominees.
- On May 19, 2023, Star Equity Fund issued an investor [presentation](#) titled "Our Plan for Change at Servotronics, Inc."

- On May 19, 2023, Star Equity Fund filed proxy materials urging all stockholders to vote the **WHITE** proxy card to elect G. Mark Pomeroy and Richard K. Coleman, Jr. to the board at the company's 2023 AGM. [Source](#)

Brent D. Baird

- On February 16, 2023, Brent D. Baird (10.9%) entered into a [Cooperation Agreement](#) with the Company. Pursuant to the Cooperation Agreement, the Company agreed to appoint him to the board, effective as of February 16, 2023, with a term expiring at the company's 2023 AGM.

Update

- On May 31, 2023, Star Equity Fund issued in a press release where it reiterated its belief that the incumbent Board, specifically, Edward Cosgrove, Christopher Marks, and William Farrell lacks the necessary experience and expertise to change the trajectory at the company. Star Equity Fund also emphasized that although the company announced its intent to sell its Consumer Products Group after pressure from Star Equity Fund's campaign, intent does not drive shareholder value, but rather execution drives value. Star Equity Holdings further stated its belief that the long-suffering shareholders would be better served by the company exploring strategic alternatives with strategic buyers for ALL its assets, which includes both its Consumer Products Group and Aerospace segments, in addition to real estate assets.
- On June 1, 2023, Star Equity Fund withdrew its nomination of Messrs. Coleman and Pomeroy for election to the Board at the annual meeting. [Source](#)

Apeiron Investment Group withdrew its nomination at Sensei Biotherapeutics

Market Cap: \$50 million| Sensei Biotherapeutics, Inc., a biopharmaceutical company, engages in the discovery and development of immunotherapies with an initial focus on treatments for cancer.

Background

- On November 2, 2022, Apeiron Investment Group Ltd. (11.2%) delivered an open [letter](#) to the Board calling them to take immediate action to regain the trust of shareholders and consolidate shareholder support given the steep and continuous decline in shareholder value and the failure of the company's sole clinical program. Apeiron also highlighted its significant concerns regarding the chronic underperformance, strategic direction and lack of alignment with shareholders. Apeiron concluded the letter by stating that it continues to believe in the company's potential and is open to, and hopeful of, finding a constructive resolution to address these concerns. To that end, Apeiron stated that it looks forward to continuing to engage with the Board on these issues for the benefit of all stakeholders
- On November 21, 2022, Apeiron Investment Group Ltd. (14.5%) issued a press release and open [letter](#) to the Board calling them to take immediate action to regain the trust of the shareholders and consolidate shareholder support given the company's ongoing decline in shareholder value. The Letter also discusses the best paths forward for the Board, including

immediately liquidate the company and return capital to shareholders. The Letter concludes with Apeiron encouraging all other shareholders to express their views and let their voices be heard by reaching out directly to the Board.

- On March 9, 2023, Apeiron Investment Group Ltd (11.2%) delivered a letter to the company nominating a slate of three candidates for election to the board at the 2023 AGM. [Source](#)

Update

On May 23, 2023, Apeiron Investment Group Ltd entered into a Purchase Agreement with the company pursuant to which the company agreed to purchase 4,454,248 Shares from Apeiron Investment Group for a purchase price of \$1.58 per share. Under the Purchase Agreement, Apeiron also has agreed to withdraw its notice of intent to nominate director candidates for election to the board at the 2023 AGM. [Source](#)

The Irrevocable Trust for Raymond Ni withdrew director nomination at HF Foods Group

Market Cap: \$197 million | HF Foods Group Inc., through its subsidiaries, markets and distributes fresh produce, frozen and dry food, and non-food products to Asian and Chinese restaurants, and other foodservice customers in the United States.

Background

On May 5, 2023, The Irrevocable Trust for Raymond Ni (11.2%) filed proxy materials nominating five director candidates for election to the board at the 2023 AGM.

Update

On May 12, 2023, The Irrevocable Trust for Raymond Ni determined to withdraw its slate of nominees for election to the Board at the annual meeting. It stated that the board's rejection of its nominations, without identifying any specific deficiencies in the nomination notice, has only strengthened its concerns. As such, it stated that it will not hesitate to take any actions that it believes are necessary to protect the best interests of stockholders. [Source](#)

22NW Fund increased its stake after reaching agreement with L.B. Foster Company

Market Cap: \$134 million | L.B. Foster Company is a manufacturer, fabricator and distributor of products and services for the rail, construction, energy and utility markets.

Background

- On February 1, 2022, 22NW Fund disclosed a 9.5% active stake in the company and stated that it has engaged, and intends to continue to engage in communications with the management team and Board regarding means to enhance stockholder value and improve the company's corporate governance. [Source](#)
- On April 6, 2023, 22NW Fund entered into a cooperation agreement with the company and pursuant to it, Mr. Alexander B. Jones, Research Analyst at 22NW

Snowball Research | <https://promember.snowballresearch.com/>

Fund, was appointed to serve as a non-voting observer to the board effective immediately.

Update

On May 19, 2023, 22NW Fund increased its stake to 11.8%.

Toro 18 Holdings withdrew its nomination at Turtle Beach; Turtle Beach appoints William Wyatt, the Founder and CIO of The Donerail Group to the board

Market Cap: \$182 million | Turtle Beach Corporation operates as an audio technology company.

(i) Toro 18 Holdings

Background

- On March 23, 2023, Toro 18 Holdings (7%) stated that it intended to engage in communications with the board and management team regarding opportunities to enhance stockholder value. [Source](#)
- On April 3, 2023, Toro 18 Group filed proxy materials, announcing its intent to nominate a slate of director candidates for election to the board at the upcoming 2023 AGM. [Source](#)
- On April 7, 2023, Toro 18 Group (7.4%) delivered notice to the company in accordance with the notice requirements of the Federal “Universal Proxy Rules”, as to the names of Toro 18’s nominees for election to the Board at the 2023 annual meeting prior to the deadline of April 8, 2023. The nominees are Eric Singer, William C. Martin and Sean Madnani. [Source](#)
- On April 13, 2023, Toro 18 Group (8.4%) delivered a letter to the company nominating a slate of three candidates for election to the board at the 2023 AGM. Toro 18 Group stated that it tried to engage with the company on a proposed settlement to avoid a full proxy fight at the annual meeting. Despite the company announced that Toro 18 Group could not accept the company’s settlement proposal for several reasons, including that the Board would not disclose which second director, besides Mr. William Keitel, would resign from the Board or guarantee that a strategic review committee would be formed. Notably, even if a committee were to be formed, the Board was insistent that the committee would consist of 5 directors – a size Toro 18 Group believes would create inefficiencies and effectively give control of such process to incumbent directors. [Source](#)
- On May 1, 2023, the company announced that Juergen Stark, its CEO, would be stepping down, effective June 30, 2023, and both Mr. Stark and William E. Keitel, would not be standing for election at the 2023 AGM. While Toro 18 Group is pleased with the company’s announcement that Mr. Stark will be stepping down as CEO, an outcome Toro 18 Group believes is the result of its active engagement, Toro 18 Group remains concerned that the company has not announced plans to explore strategic alternatives or put out meaningful plans to address the company’s performance issues. [Source](#)

Update

On May 8, 2023, Toro 18 Group stated that it is pleased that the Board has followed their recommendation and announced the formation of a special committee tasked to explore strategic opportunities. Based on this decision, as well as the announcement last week that the CEO would be transitioning and another longer tenured director would be stepping off the board by the 2023 annual meeting, Toro 18 Group has determined to withdraw the Nomination Letter and their nomination of three nominees for election at the 2023 annual meeting. [Source](#)

(ii) The Donerail Group

Background

- On August 9, 2021, The Donerail Group (6.4%) stated that it has been engaged with the Board and management for the past five months regarding a number of value-creating and governance-enhancing topics. In an [letter](#) to the company dated July 19, 2021, Donerail made an offer on April 27, 2021 to acquire the company at \$34.50 per share.
- On August 19, 2021, Donerail issued a [press release](#) announcing that the company had rejected Donerail's updated offer of \$36.50 per share. Since submitting its increased \$36.50 per Share offer, the Board has indicated to Donerail that \$36.50 per share is inadequate and that the Board would only be open to re-engaging if Donerail provides a proposal at a meaningfully higher price, thereby effectively rejecting Donerail's \$36.50 all-cash offer that would provide certain, immediate and meaningful value to the shareholders. Donerail further highlighted its concerns that the company's reactions to Donerail's proposals demonstrate the entrenchment of the Board and its unwillingness to genuinely consider opportunities to maximize value for all the shareholders.
- On December 22, 2021, Donerail (7.4%) issued a [press release](#) announcing that it had submitted the Revised Offer to acquire the company at \$32.86 per share.
- On March 3, 2022, Donerail Group withdrew its acquisition offer and issued a letter to shareholders stating that it intends to nominate a full slate of director candidates for election to the Board at the 2022 AGM. It expressed its disappointment with the company's fourth quarter 2021 results and 2022 annual guidance. [Source](#)
- On March 22, 2022, Donerail Group nominates full slate of six candidates for election to the Board at the 2022 AGM. Further, Donerail Group announced that SCW Capital Management and Harbert Fund Advisors have joined with them to effect change at the company. Together they hold 8.5%. It has launched www.ResetTurtleBeach.com for Updates on its campaign for change. [Source](#)
- On April 6, 2022, Donerail Group (8.5%) issued a [letter](#) to the shareholders soliciting vote for its nominees.
- On April 22, 2022, Donerail Group (8.5%) filed proxy materials seeking support for its nominees
- On May 13, 2022, the company announced it has reached an [agreement](#) with The Donerail Group on a meaningful refreshment of the Board. In addition, the Company disclosed its formation of a Strategic Review Committee that is overseeing an expanded and wide-ranging process to identify a buyer for the business. In connection with the Cooperation Agreement, Turtle Beach is appointing three members of the Donerail slate to the Board. In addition, one current Turtle Beach director will retire from the Board.

- On May 20, 2022, Donerail Group reduced its stake to 7.3%

Update

On May 8, 2023, the Board increased the size of the Board from nine (9) to ten (10) members and appointed William Wyatt, Donerail Group, to the Board. In connection with his appointment, Mr. Wyatt was also appointed to the newly formed Value Enhancement Committee of the Board.

Corre Partners Management increased its stake after reaching cooperation agreement with NN Inc

Market Cap: \$47 million| NN, Inc., a diversified industrial company, designs and manufactures high-precision components and assemblies in the United States, Europe, Asia, Canada, Mexico, South America, and internationally.

Background:

- On May 17, 2021, Corre Partners Management (9.99%) announced that it has entered into a [Cooperation Agreement](#) with the company pursuant to which the company increased the size of the Board from 9 to 10 directors and appointed Dr. Rajeev Gautam to fill the newly created directorship on the recommendation of Corre Partners Management.
- On April 22, 2022, Corre Partners Management increased its stake to 10.92%.
- On May 25, 2022, Corre Partners Management increased its stake to 12.21%.

Update:

On May 4, 2023, Corre Partners Management increased its stake to 14.7%.

Past

Legion Partners

- On February 25, 2019, Legion Partners (8.02%) and the company entered into a cooperation agreement and pursuant to it, the company increased the size of its Board by two and immediately appointed two new directors to the Board. Additionally, the Company announced that it will approve and recommend amendments to its Restated Certificate of Incorporation to implement the Company's transition to annual elections for directors. Later classes will also stand for one-year terms at subsequent annual meetings, and the board will be fully declassified by the 2021 Annual Meeting. [Source](#)
- On October 20, 2020, Legion Partners increased its stake to 9.6%.