



**June  
2022**

**EVENTS &  
SITUATION**

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**ISSUE 19**



# Testimonial

"If everybody's thinking the same thing, then nobody's thinking."  
- General George S. Patton

"That Indian Snowball provides fresh, unbiased data which allows independent consumers to formulate his or her own opinion. It is unique, stellar and a bargain."

- J. Carlo Cannell, Cannell Capital LLC

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Snowball is a tremendous research tool for value- and change-orientated investors that literally does the heavy lifting to help you find great, needle-in-the-haystack investment ideas."

- William C. Martin, Raging Capital Ventures

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Raghu's research saves us an enormous amount of time researching what other activists are doing with domestic public companies. He is on top of the latest news and he often supplements the news with value-added analysis and background about the activists and the executives. Our payback on subscribing is enormous. "

- David Nierenberg, The D3 Family Funds

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"In a world of too many research services providing too many reports of dubious value, Snowball stands out as a worthwhile and differentiated publisher. Further Snowball's key personnel are responsive to input from clients and always trying to improve their product, which bodes well for the future."

- Portfolio Manager (AUM: \$200 million\*)



“Your product is a good statistical reminder of companies that are ongoing changes. It exposes me to companies I might not be taking a look at. While limited, it is a good starting point for further investigation.”

- Portfolio Manager (AUM: \$200 million\*)

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I've been getting these awesome in depth research reports flagging interesting ideas and special situations via @snowballresearch. Highly recommend checking them out - purely qualitative / special situation screens

- Adam Wilk, Portfolio Manager, Greystone Capital Management LLC

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## The Bear Cave

Featured in “A Hedge Fund Analyst Christmas List” under the list of the best-paid resources for professional investors

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“Very intriguing research”

- Individual Investor



We publish

1.

**PROJECT- X**

2.

**EVENTS &  
SITUTATION**

3.

**WEEKLY 13D**

We flag

**300+  
IDEAS**

Yearly

**HUDREDS  
OF  
ACTIVIST  
SITUATIONS**

Yearly



## **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.

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## **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.

# INDEX

## Notes

1. The stocks are not listed in the order of “interesting”.
2. Each headline below is “clickable” – it is hyperlinked to the article.
3. At the top of each page, you can see “Go to Index” text. If you click that, you will be taken to the index page.

## I. Special reports

### 8-K (Keywords)

1. [SMART Global Holdings \(SGH\): Penguin Computing is a hidden gem; Potentially trading cheap; Recent acquisition](#)
2. [Accel Entertainment \(ACEL\): Solid revenue visibility; Low churn rate; Huge market share; Recent acquisition; Expansion to other states](#)
3. [CareMax \(CMAX\): 5-star quality rating by CMS; Expansion plan to open 50 de novo clinics; Recent acquisition](#)
4. [NerdWallet \(NRDS\): 2nd largest player; Solid growth; Recent acquisition](#)
5. [Heritage-Crystal Clean \(HCCI\): 2nd largest player in used oil collector and parts cleaning provider; Environmental segment is the crown jewel](#)
6. [Primoris Services Corporation \(PRIM\): Huge recurring revenue; Recent big-ticket acquisition](#)
7. [Farmers & Merchants Bancorp \(FMAO\): Dividend for 87 consecutive years; No sub-prime exposure; Recent acquisition](#)
8. [Balchem Corporation \(BCPC\): Long-term compounder; Recent acquisition](#)
9. [AZZ \(AZZ\): Significant divestment; Recent big-ticket acquisition](#)
10. [ChannelAdvisor Corporation \(ECOM\): 6% buyback program](#)
11. [Thor Industries \(THO\): 14% buyback; Long-term compounder](#)
12. [CECO Environmental \(CECE\): Market leadership; 10% buyback; Significant changes after the appointment of new CEO; Recent acquisition](#)
13. [Athenex \(ATNX\): Recent divestment; FDA rejection \(ultra-short notes\)](#)
14. [The Gorman-Rupp Company \(GRC\): Recent big-ticket acquisition \[short notes\]](#)
15. [ICF International \(ICFI\): Recent acquisition](#)

### CEO compensation

16. [Abraxas Petroleum \(AXAS\): After migration to pure-play Permian Basin company and reduction of debt, directors created a bonus plan which rewards the executives for “change of control”; Executives get 100% only if the change of control happens within six months](#)

### Insider buying

17. [Allied Motion Technologies \(AMOT\): Insider buying](#)

[Go to index page](#)

## Significant changes after the appointment of new CEO

18. [Inogen \(INGN\): Significant changes after the appointment of new CEO; Recently appointed CEO is a former top executive of \\$17 billion Beckon, Dickinson & Co](#)

## Two insightful activist letters

19. [Greywood Investments argue that Enthusiast Gaming Holdings has 3X-7X upside](#)
20. [Scopia Capital argues that Verra Mobility Corporation has 47% to 79% potential upside](#)

## Heads up

21. [Disappointed directors](#)
22. [CEO resignation: Red flags](#)
23. [CFO resignation: Red flags](#)

## II. 13D Summary

[Monthly 13D alert – June 13, 2022 to July 15, 2022](#)

## III. Tables

1. [Audit: Non-Timely \(NT\) filings](#)
2. [Non-Reliance on Previously Issued Financial Statements](#)
3. [Audit: Non-Timely \(NT\) filers who have filed their respective filings in June 2022](#)
4. [Significant audit firm changes](#)
5. [List of all audit firm changes in June 2022](#)
6. [13D Filings](#)
7. [13G Filings \(First-time filer\)](#)
8. [CEO & CFO changes](#)
9. [CEO changes](#)

## SMART Global Holdings (SGH): Penguin Computing is a hidden gem; Potentially trading cheap; Recent acquisition

- Market Cap: \$885 million | SMART Global Holdings a diversified group of businesses focused on the design and manufacture of specialty solutions for the computing, memory and LED markets.
- Screen: 8-K (Keywords)
- Major shareholders: BLACKROCK INC. – 14.6% | AMERIPRISE FINANCIAL INC – 12.2% | VANGUARD GROUP INC – 8.5% | STATE STREET CORP – 5.4% | YIHENG CAPITAL MANAGEMENT, L.P. – 5.4% | FMR LLC – 3.3% | CLEARBRIDGE INVESTMENTS, LLC – 3.1%

### I. BASIC

- The company has three lines of business: Memory Solutions, Intelligent Platform Solutions and LED Solutions.
- Memory Solutions (55% of revenue) – Its specialty products are tailored to meet customer-specific requirements across networking and communications, enterprise storage, computing, including desktop, notebook and server applications, smartphones.
- Intelligent Platform Solutions (21% of revenue) (IPS) - specialized platform solutions for high-performance computing (“HPC”), artificial intelligence (“AI”), machine learning (“ML”) and advanced modeling for technology research.

- LED Solutions (23% of revenue) - application-optimized LEDs focused on improving on lumen density, intensity, efficacy, optical control and reliability.

### II. WHAT WE LIKE

#### 1. Diversification strategy: to reduce over-reliance on Brazil

##### Need for diversification?

- The company enjoys a first mover advantage in Brazil and is the largest in-country manufacturer of memory.
- In 2018, Brazil accounted for roughly 62% of total revenue.
- In order to reduce its over-reliance on Brazil, the company acquired several companies that helped to form two new segments – 1) IPS and 2) LED Solutions
- Outcome? After the creation of the two segments, the company now generates less than 25% of its revenue (in Q3 2023) from Brazil.

#### a) IPS segment: Artificial intelligence/machine learning

##### Formation/background

- The segment was formed by the acquisition of three companies - Penguin Computing (\$85M, 2018), Artesyn Embedded Computing (\$80M,

(\$ in millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM ended May 2022
Net sales	761.2	1,288.8	1,211.9	1,122.3	1,501	1,849
Gross profit	162.2	291.5	237.5	216.3	308.4	467.2
Income from operations	53.8	170.2	89.0	41.3	55.2	118.6
Net income (loss)	(7.7)	119.4	51.3	(1.1)	21.3	67.2

- 2019), and Inforce Computing (\$12M, 2019).
- Now the company operates this segment under two brands – Penguin Computing and Penguin Edge. Artesyn and Inforce are grouped under Penguin Edge.
- Business?
  - Penguin Computing offers specialized platform solutions for high-performance computing, artificial intelligence, machine learning, and advanced modeling for technology research.
  - The company provides these leading-edge solutions to customers in the government, hyper-scale, energy, financial services, and education markets.
  - As discussed above, Penguin Computing continues to partner with Meta, the parent company of Facebook to provide an entire lifecycle of AI-optimized capabilities for the Research SuperCluster (RSC).
  - Penguin Edge offers solutions for embedded and wireless applications, specializing in high-reliability products for a wide range of customers in government, telecommunications, health care, smart city, network edge and industrial applications.
- This segment generates roughly 21% of total revenue.
- Solid financial performance
  - Organic growth: This segment’s net sales increased by \$79.6 million (or 30.0%) in FY 2021 and increased by \$49 million (of 19.9%) in the nine months ended May 2022 period primarily due to higher volumes of sales in Penguin Computing business.

- During the same period, operating income also improved from \$3.6 million in FY 2019 to \$48 million in LTM May 2022.

- All time high backlog: As of Q3 FY 2022, this segment’s backlog is approximately \$0.5 billion, an all-time high.
- The global market for cloud high-performance computing (HPC) is estimated at \$7.5 billion in 2020, is projected to reach a revised size of \$22.6 billion by 2026, **growing at a CAGR of 20.1%**

(\$ in millions)	FY 2019	FY 2020	FY 2021	LTM ended May 2022
Sales	216.6	265.1	344.8	393.9
EBIT	3.6	12.4	32.9	48.1

**b) LED solution segment**

- Background: In March 2021, the company acquired the LED business of Cree, Inc. for approximately \$300 million. It led to the formation of “LED Solutions” segment.
- Cree LED is a technology leader with more than 2000 patents. It generated \$433 million revenue in FY 2020.
- At Lightfair 2022, Cree LED's XE/GLED family of products were recognized by the Edison Report as a top 10 must-see product, delivering significant performance advantage in color mixing applications
- Growing market: The global LED market is forecasted to grow by \$96.8 billion, accelerating at a CAGR of 13.10% between 2020 and 2025. Why? Power and energy conservation among consumers has increased – LEDs consume at least 75% less energy than traditional incandescent bulbs and last 25 times longer.
- Concern: LED Solutions segment is affected by headwinds as 30-35% of its business is in Asia Pacific region and the company has some supply chain issues

as well as demand side issues due to the COVID.

## 2. Significant changes after the appointment of the new CEO

### a) Management changes

8 out of the 9 top executives were appointed since the appointment of the new CEO.

### b) Big-ticket acquisition – Cree LED Products business unit

- Within eight months of the appointment of the new CEO, in March 2021, the company acquired the Cree LED Products business unit for approximately \$300 million and formed.

### c) Exit from battery product lines

- In the fourth quarter of fiscal 2020, the company decided to cease manufacturing and selling of products under the battery product line.
- It is to be noted that the decision to exit was made during the tenure of prior management.

### d) Manufacturing transformation plan:

- The company is transitioning from silicon carbide to sapphire wafers and from a captive manufacturing model to an outsourced capital-light model to reduce cost. Why it is important?
- The company expects to complete this transformation in 2022.
- This will allow LED business's margin to increase - low to mid-30% range over time

## 3. Positive free cash flow:

(\$ in millions)	2019	2020	2021	9M ended May 2022
Free cash flow	136	54.8	105.8	54.7

## WHY ARE WE FLAGGING THIS?

### 1) Acquisition of Stratus Technologies – to bring \$80 million recurring revenue

- In June 2022, the company entered into an agreement to acquire Stratus Technologies for \$225 million in cash. It is expected to close in 2H 2022.

- Stratus Technologies is a global leader in simplified, protected, and autonomous computing solutions in the data center and at the Edge.

- Revenue: Stratus has nearly 500 employees in 17 locations around the globe and brings approximately \$150 million of annual revenue, including more than \$80 million of higher margin recurring revenue.

- Customers - 50% of the top Fortune 100 companies and the average customer life span is around 8 to 10 years.

- Part of growing IPS segment: Stratus Technologies will expand the company's offerings in Edge, Core, and Cloud.

And Brian [ph], just -- I mean, just to reiterate in terms of some of the customer opportunities about 50% of the Fortune 100, which Mark mentioned, three of the four largest credit card companies, five of the largest 10 retailers in the world, over 11,000 systems deployed, over 4,000 and customer support customers. **So it's really a fantastic opportunity to cross-sell across IPS and between Penguin Solutions and Stratus.** And there is very limited overlap today, especially if you look at the product portfolio, this is really complementary to what we have today. And so there's some **great opportunities then hopefully, we'll be able to share with you over the next 12, 24 months.** - Ken Rizvi – CFO, Q3 FY2023 CC.

### 2) 50% price crash:

The company's share price has crashed from \$36 per share in January 2022 to \$17 per share in July 2022.

## COMMENTS

In our opinion, Penguin Computing is a hidden gem.

### 1. Eighth largest vendor:

- According to Hyperion Research, Penguin Computing was the fastest-growing WW HPC/AI vendor in 2021 with >30% share gain, moving up two spots to #8

To read more click here - <https://www.hpcwire.com/2022/05/30/hyperion-hpc-market-is-stabilizing-and-headed-to-50b-by-2026/>

### 2. Penguin Computing designed the whole cluster of Meta's recent super-computer

- In January 2022, Facebook's parent, Meta, launched a supercomputer - AI Research SuperCluster (RSC).
- Meta believes that RSC is among the fastest AI supercomputers running today.
- Penguin Computing's role:
  - Penguin's team worked with Meta's operations team on hardware integration to deploy the cluster and helped set up major parts of the control plane.
  - As per the below article, Penguin team designed the whole cluster with Meta and it took four years to build it. To learn more, please read

this article

<https://www.crn.com/slideshows/components-peripherals/how-penguin-computing-designed-meta-s-new-ai-supercomputer/2>

### 3. Valuation

- Hewlett Packard Enterprise (HPE) is the #1 market player in the high-performance computing market.
- In 2019, HPE acquired CRAY, a provider of high-end supercomputing solutions, for \$1.3 billion.
- Acquisition multiple - EV/revenue multiple: 2.8X
- At the time of acquisition CRAY generated \$456 million in revenue. The company's IPS division generated roughly \$394 million in revenue in FY 2021. So, the business is more or less comparable in terms of size.

#### Deeply undervalued?

- The current EV of the company is just \$1 billion.
- If we apply CRAY's takeover multiple for the IPS segment, the IPS business itself could be worth \$1.1 billion.
- Given the fact that the IPS segment accounted for just 21% of total revenue of the company, the company could be highly undervalued.

## Accel Entertainment (ACEL): Solid revenue visibility; Low churn rate; Huge market share; Recent acquisition; Expansion to other states

- Market Cap: \$954 million | Accel Entertainment is the leading distributed gaming operator in the United States on an Adjusted EBITDA basis, and a preferred partner for local business owners in the Illinois market.
- Screen: 8-the K (Keywords)
- Major shareholders: DARLINGTON PARTNERS CAPITAL MANAGEMENT, LP – 7.6% | GREENVALE CAPITAL LLP – 5.8% | BLACKROCK INC. – 4.8% | AMERICAN CENTURY COMPANIES INC – 4.8% | LIGHT STREET CAPITAL MANAGEMENT, LLC – 4% | VANGUARD GROUP INC – 3.3% | CRESCENT PARK MANAGEMENT, L.P. – 3%

### I. BASIC

#### Gaming operations in Illinois

- The company's operations are based primarily in Illinois.
- The company has been licensed as a terminal operator in Illinois under the Illinois Gaming Act since 2012.
- The company is one of the first terminal operators licensed in Illinois.
- According to the IGB, approximately 1,390 out of approximately 1,496 municipalities in Illinois permit the operation of gaming terminals.
- Gaming terminals in Illinois can be played in licensed bars, restaurants, gaming cafes, truck stops, fraternal organizations, veterans' organizations, and other retail establishments, including some convenience stores, in areas accessible only to players who are 21 years of age or older.
- Gaming revenue in Illinois from gaming terminals generates significant tax revenue. In 2021, total VGT tax was \$841 million.

#### How does the structure work?

- The company installs, maintains gaming terminals, redemption devices that disburse winnings and contain automated teller machine ("ATM") functionality.

- Accel gets 50% of the remaining as per law: The remaining after-tax profits from a video gaming terminal ("VGT"), 50% shall be paid to Accel and 50% shall be paid to the licensed establishment in accordance with Illinois state law.
- The Illinois state legislature has increased applicable marginal tax rates on gaming from 30% to 33% effective July 1, 2019, and from 33% to 34% effective July 1, 2020. While the increase in gaming tax rates negatively impacted the distributed gaming industry, other legislative changes, such as an increase in the number of permitted gaming terminals at a given location, an increase in maximum wager limits and maximum win payouts are driving overall video gaming revenue upward.
- <https://www.igb.illinois.gov/videoreports.aspx>

### II. WHAT WE LIKE

#### 1. Solid revenue visibility; huge market share

- The company provides local businesses with a turnkey, capital efficient gaming solution. The company owns all the gaming equipment and manages the entire operation. It has the exclusive right

to place gaming terminals and redemption devices in such licensed establishments. These establishments include bars, restaurants, gaming cafes, truck stops, fraternal organizations, veterans' organizations, and other retail establishments.

- **Solid revenue visibility due to long-term contract:** As of March 2022, the average remaining contract term is 7 years that provide a high level of recurring revenue.
- **Low Churn:** The company's voluntary contract renewal rate was approximately 99% for the three-year period ended 2021.
- **Leading player with 32% market share**
  - The company has licensed as a terminal operator in Illinois under the Illinois Gaming Act since 2012.
  - Top 6 players in the market operate in more than 82% of all licensed establishments in Illinois – (1) Accel Entertainment, (2) J&J Ventures Gaming, LLC, (3) Gold Rush Amusements, Inc., (4) Illinois Gaming Investors LLC, (5) Gaming & Entertainment Management-Illinois LLC, and (6) Midwest Electronics Gaming, LLC.
  - **32% market share in Illinois:** Accel operates gaming terminals in 32% of all establishments licensed to operate gaming terminals in Illinois.
  - The company owns 12 registered trademarks and 103 registered domain names. The company relies on software or technologies that it licenses from third parties.

## **2. Solid growth; Record revenue due to legislation changes; Rapid expansion**

### **a) Solid financial performance**

- The company's revenue increased from \$173 million in FY 2016 to \$785 million in LTM March 2022. During the same

period, operating income increased from \$13.8 million to \$88.2 million.

- The company's average daily net video gaming revenue increased from \$353 in 2015 to \$2,030 in 2021.
- **Acquisition:** Since becoming a licensed terminal operator in 2012, the company has acquired 15 operator companies, adding approximately 1,000 licensed establishments to its total portfolio of 2,584 licensed establishment partners as of December 31, 2021.
- **Outlook**
  - The company expects its 2022 revenue to be in the range of \$1.07 - \$1.18 billion. VGTs ranging from 23,000 - 25,000 and locations of 3,700 - 3,800.
  - The company is evaluating multiple opportunities in Illinois and across the country to expand.

### **b) Illinois legislation changes that led to record revenue in 2021**

- In 2020, the Illinois General Assembly passed its Gaming bill.
- **Increase in terminal:** Illinois legislation increased the maximum number of gaming terminals that may be operated at a given licensed establishment from five to six, i.e., by 20%. It also stated that up to ten VGTs are permitted in specially-licensed large truck stops.
- **Increase in maximum wager:** The legislation has also increased the maximum wager that may be placed on a gaming terminal from \$2.00 to \$4.00 and the maximum win from a single play from \$500 to \$1,199.
- **Record 2021:** Total net revenue in 2021 increased 132% to \$735 million due to recovery from the COVID-19 pandemic, higher bet limit software, and the addition of a 6th VGT.

### c) **Rapid expansion since 2020**

- **Licenses:** Accel has been licensed by the Illinois Gaming Board since 2012 and holds a license from the Pennsylvania Gaming Control Board.
- **Georgia:** In July 2020, the Georgia Lottery Corporation approved it as a licensed operator throughout the State of Georgia.
- **Iowa:** In December 2021, the company acquired amusement operations in Iowa and registered with the Iowa Department of Inspection to conduct operations in Iowa.
- In Q1 2022, the company was awarded 67 new licenses or 35% of the total new licenses awarded.

	2017	2018	2019	2020	2021
Video gaming terminals ("VGTs")	6,439	7,649	10,499	12,247	13,639
Locations / Licensed establishments	1,442	1,686	2,312	2,435	2,584

### 3. Free cash flow

(\$ in millions)	2017	2018	2019	2020	2021
FCF	9.5	21.1	24.8	(29.5)	81.0

**Share repurchase:** In November 2021, the company announced a \$200 million share repurchase plan. In Q1 2022, the company repurchased \$14 million worth of shares.

### III. WHY ARE WE FLAGGING THIS?

#### Acquisition as a strategy

- It has acquired 13 distributed gaming operators since its inception, adding approximately 1,000 licensed establishments as of December 2021. As of March 2022, the company operates 13,663 video gaming terminals across 2,565 locations in the State of Illinois
- **Recent acquisition of Century Gaming:** In June 2022, the company acquired Century Gaming for \$164.2 million in cash and stock.
  - The company expects Century to generate revenue of approximately \$220 million and \$20 million in adjusted EBITDA in 2021.
  - **Expansion:** Century brings more than 8,300 gaming terminals and over 900 licensed locations across Montana and Nevada.
  - The company adds Century's proprietary "i-Rewards" and "Gamblers Bonus" rewards programs.

## Accel at a Glance

<p><b>High Quality Service Company in Gaming Vertical</b></p>  <p>As of March 31, 2022, Accel owned and operated 13,663 Video Gaming Terminals ("VGTs") across 2,565 third-party licensed establishments in Illinois. Accel operates more VGTs than all 10 Illinois casinos combined</p>	<p><b>Strong Track Record of Growth</b></p> <p>Average Daily Net Video Gaming Revenue<sup>(1)</sup> (\$ in thousands)</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Revenue (\$ in thousands)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>\$353</td> </tr> <tr> <td>2016</td> <td>\$458</td> </tr> <tr> <td>2017</td> <td>\$658</td> </tr> <tr> <td>2018</td> <td>\$882</td> </tr> <tr> <td>2019</td> <td>\$1,125</td> </tr> <tr> <td>2020</td> <td>\$1,383</td> </tr> <tr> <td>2021</td> <td>\$2,030</td> </tr> <tr> <td>2022 YTD</td> <td>\$2,084</td> </tr> </tbody> </table>	Year	Revenue (\$ in thousands)	2015	\$353	2016	\$458	2017	\$658	2018	\$882	2019	\$1,125	2020	\$1,383	2021	\$2,030	2022 YTD	\$2,084
Year	Revenue (\$ in thousands)																		
2015	\$353																		
2016	\$458																		
2017	\$658																		
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2021	\$2,030																		
2022 YTD	\$2,084																		
<p><b>Contracted, Recurring Revenue</b></p> <ul style="list-style-type: none"> <li> <b>8 Year</b> contracts Average remaining contract length: <b>7.0 years</b></li> <li> <b>99%</b> Contract renewal rate<sup>(2)</sup></li> <li> Strong backlog of contracted locations waiting to go-live</li> </ul>	<p><b>Disciplined Stewards of Capital</b></p> <ul style="list-style-type: none"> <li> Balance sheet strength Conservative net leverage <b>\$147mm</b> of Net Debt<sup>(3)</sup></li> <li> Gaming legislation provides significant embedded opportunity for additional growth</li> </ul>																		

## CareMax (CMAX): 5-star quality rating by CMS; Expansion plan to open 50 de novo clinics; Recent acquisition

- Market Cap: \$1.6 billion | CareMax is a technology-enabled care platform providing value-based care and chronic disease management to seniors.
- Screen: 8-K (Keywords)
- Major shareholders: DEERFIELD MANAGEMENT COMPANY, L.P. (SERIES C) – 21.4% | IMC HOLDINGS, LP – 12% | EMINENCE CAPITAL LLC – 8.2% | ATHYRIUM OPPORTUNITIES III ACQUISITION 2 LP – 5.1% | ATHYRIUM CAPITAL MANAGEMENT, LP – 5.1% | MAVERICK CAPITAL LTD – 4.9% | FMR LLC – 4.5%

### I. BASICS

- CareMax operated 45 multi-specialty medical centers throughout Florida, two medical care centers in Memphis, Tennessee, and one additional medical care center in New York City, New York primarily serving the Medicare Advantage population.
- CareMax's medical centers offer 24/7 access to care through employed providers and provide primary care, specialty care, telemedicine, health & wellness, optometry, dental, pharmacy, and transportation.
- CareMax specifically focuses on providing access to high quality care in underserved communities. CareMax's primary focus is providing care to Medicare eligible seniors who are mostly 65+.

### II. WHAT WE LIKE

#### 1. Medical centers located in underserved Communities

- CareMax primarily locates medical centers in underserved communities, resulting in a higher number of dual eligible patients (approximately 60% as of December 31, 2021).
- Limited competition? These markets were historically avoided by primary care providers due to the challenges of working in these communities and the

historically lower fee-for-service rates for government payors, which has reduced competition in many expansion markets.

#### 2. "One Stop Shop" solution for seniors, 5-star quality rating by CMS; NPS: 96.7

- CareMax's primary focus is providing care to Medicare-eligible seniors who are mostly 65+. As a one-stop-shop solution, the company focuses on whole-person health including primary care, specialty care, dental, optometry, and transportation.
- 5-star rating: In 2021, the company achieved a Five-Star Quality rating across its centers, the highest possible rating by CMS.
- Net Promoter Score (NPS) of 96.7 for member satisfaction

#### 3. Revenue growth

- The company's revenue grew from \$72 million in FY 2018 to \$380 million in LTM March 2022.
- The company's total membership in Q1 2022 was over 84,000 and Medicare Advantage membership was over 34,000. The company expects to achieve 38,000 to 40,000 members by FY 2022.
- Outlook: The company expects its revenue in 2022 to be in the range of \$540 million to \$560 million (growth of 34% to 39%).

- **Market:** The company expects the senior population to represent 20%+ of population in 2030 in the US. US Healthcare spending is growing at a CAGR of 5.4%, and Medicare is growing at a CAGR of 7.6%

### III. WHY ARE WE FLAGGING THIS?

#### 1. Two potential growth opportunities

- **Potential penetration in the Florida market**

- The company's 45 medical centers are located in Florida.
- **63% penetration:** Out of a total 1.5 million Medicare-eligible population, there is 1 million Medicare Advantage enrollment in the following counties in Florida: Miami-Dade, Broward, Orange, Osceola, Lake, Seminole, and Hillsborough counties (study by CMS and the Kaiser Family Foundation).
- **Potential to double:** The company has approximately 33,500 Medicare Advantage members in its existing centers, which leaves sufficient capacity to double membership in its current centers.

- **Expansion plan to open 50 de novo clinics in multiples states in the US**

- In August 2021, the company announced a strategic collaboration with Anthem to open 50 de novo clinics - 15 in 2022, 25 in 2023, and 35 in 2024.
- The company's de novo expansion is planned to cover multiple states from coast to coast.

- The company expects a period of unprofitability in future de novo centers before they break even.

*In some instances, we are able to get a De Novo breakeven center profit with as little as \$1 million to \$2 million of upfront platform contribution investment, after leveraging tenant improvement financing and funding from strategic payer partners. This is possible through our disciplined strategy for De Novo openings. -Q4 2021, CC, CEO*

#### 2. Acquisition Medicare Value-Based Care Business of Steward Health Care System

- In June 2022, the company entered into an agreement to acquire Medicare value-based care business of Steward Health Care System for approximately \$135 million with cash and **shares**. The transaction is expected to close late in the third quarter or early in the fourth quarter of 2022.
- The company expects \$35 to \$40 million in gross revenue from this acquisition in 2022 and adjusted EBITDA of \$10-\$13 million. The company expects it to contribute annual revenue of approximately \$1.6 billion to \$1.7 billion and annual adjusted EBITDA of approximately \$100 million to \$115 million by 2025
- Pro-forma total senior lives covered will be approximately 205K and the number of states addressed will be increased from 3 to 8.

## NerdWallet (NRDS): 2nd largest player; Solid growth; Recent acquisition

- Market Cap: \$607 million | NerdWallet is a platform that provides financial guidance to consumers and small- and mid-sized businesses (SMBs).
- Screen: 8-K (Keywords)
- Major shareholders: INNOVIUS CAPITAL SIRIUS I, L.P. – 14.7% | INNOVIUS CAPITAL MANAGEMENT, LLC – 14.7% | INSTITUTIONAL VENTURE PARTNERS XIV, L.P. – 12.6% | INSTITUTIONAL VENTURE MANAGEMENT XIV, LLC – 12.6% | PRICE T ROWE ASSOCIATES INC – 6.4% | FMR LLC – 3.9% | OPHIR ASSET MANAGEMENT PTY LTD – 3.8%

### I. BASIC

- The company delivers guidance to consumers through educational content, tools and calculators, product marketplaces and the NerdWallet app.
- The NerdWallet app helps the customers by bringing all their accounts, cards, and loans into one place. It shows trends, warns of upcoming bills, notifies about credit score changes and spending data of the customers.
- It gives credit card recommendations to its customers based on their needs and also has a credit card comparison tool.
- The company recognizes revenue from fees paid by its financial services partners in the form of either revenue per action, revenue per click, revenue per lead, and revenue per funded loan arrangements.

(\$ in millions)	2019	2020	2021
Revenue	228.3	245.3	379.6
Income (loss) from operations	28.4	1.9	(39.0)
Net income (loss)	24.2	5.3	(42.5)

### II. WHAT WE LIKE

#### 1. Huge customer base; 70% organic traffic

- The company's platform delivers financial product reviews and decision-making tools across a broad range of topics to consumers, free of charge.

- Huge customer base: 22 million average Monthly Unique Users (MUUs) in Q1 2022.
- Since 2016, the company started to convert its unique users into **registered users**, who can use consumer decisioning tools and increased machine learning functionality. There are 10 million Registered Users as of 2021.
- 70% of traffic organic growth: In 2021, 70% of all traffic to NerdWallet came from direct or unpaid traffic sources, further demonstrating the value of the brand, organic marketing efforts and strategy. Brand recognition is a key differentiating factor.
- Financial services partners: The Company has financial services partners in eight financial verticals: credit cards, mortgages, insurance, SMB products, personal loans, banking, investing and student loans. The Company partner with over 400 organizations.

#### 2. Second largest player & notes about competition

- 2<sup>nd</sup> largest player: Based on website traffic, we believe NerdWallet is the second largest player in the industry.
- CreditKarma is the #1 largest player
  - CreditKarma attracts over 65 million visitors compared to 22 million visitors for NerdWallet.

- In the recent quarter, Q1 2022, Credit Karma generated \$418 million in revenue. If annualized, CreditKarma's revenue would be roughly \$1.67 billion.
- Next list of top three players: The-pointsguy.com: 18.7 million; Bank-rate: 15 million; Mint.intuit.com: 11 million
- Sites with less than 7 million visitors
  - Wallethub.com (7 million), Creditsesame (6.4 million) Thebalance.com (6 million), Finder.com (3.7 million), Doxo.com (2.7 million) Depositaccounts.com (1 million), Quicken.com (1 million); others - MagnifyMoney, Comparecards

### 3. Solid growth

- 8X growth in the last 7 years: The company was founded in 2009 and grew to \$44 million of revenue in 2014 with no outside equity capital. From 2014 to 2021, the company's revenue increased at a CAGR of 36% to \$379 million primarily through organic growth.
- Record revenue: In Q1 2022, the company's revenue increased by \$39.1 million, or 43%, to \$129 million.
- Monthly unique user (MUU) has increased from 16 million average MUUs in 2020 to 22 million average MUUs in Q1 2022
- Market: BlueWeave Consulting (a market research firm) estimated that the global digital payment market will grow at a CAGR of 12.1% to \$194 billion by the end of 2028. The global budget apps market size was estimated at \$199 million in 2021 and is projected to reach \$288 million by 2028, a CAGR of 5.4%.
- Outlook: The Company expects its revenue in the range of \$118 - \$121 million in Q2 2022, 30% year-over-year growth.
- Expansion

- In Q3 2021, the company entered the Canadian market and
- In 2020, the company entered into the UK market.

## III. WHY ARE WE FLAGGING THIS?

### 1. Recent acquisition strategy

- Acquisition to expand its offerings to the SMB market
    - In October 2020, the company acquired Fundera for \$29 million.
    - It is an online platform that connects SMBs with lenders and other resources. This acquisition is a first step to enabling deeper integration within existing verticals.
    - Fundera's monetization strategy includes recurring revenue from loan renewals.
  - Acquisition to expand to the UK market
    - In 2020, the company acquired Know Your Money, which is an online provider of financial guidance and tools in the UK.
    - Post-acquisition, KYM was re-branded as NerdWallet UK.
  - Recent acquisition: \$120 million "On the Barrelhead"
    - In June 2022, the company entered into an acquisition agreement with "On the Barrelhead" for approximately \$120 million. The transaction is expected to close in the third quarter of 2022.
    - On the Barrelhead is a data-driven platform that provides consumers and SMBs with credit-driven product recommendations.
    - On the Barrelhead generated approximately \$38 million in revenue in 2021 and \$5 million in net income.
- ### 2. Price crash:
- IPO: In November 2021, the company completed its IPO at a public offering price of \$18.00 per share.

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- Since then the company's share price has crashed to \$9.3 per share in July 2022.

## A FEW COMMENTS

### 1. Influence of comparison sites

The influence of "comparison sites" for personal finance will continue to gather momentum.

If you search for keywords like "best credit card" or any other personal finance-related questions, companies like NerdWallet dominate the google results.

People use the "comparison sites" to make a decision to buy a credit card.

This is a radical change in the way people shop for financial services. This is here to stay.

In the long run, personal finance comparison website industry will end up like online travel agencies industry. Two OTA

giants – Expedia and Bookings.com dominate the US industry by controlling over 90% market share.

Why? Even though starting a comparison site is easy, garnering 20 million viewers is not an easy task. So it will be harder for new entrants to penetrate the market.

As such, in our opinion, in the long-run, a few companies' personal finance comparison sites will control the market, and we expect NerdWallet to be among the top players.

### 2. Acquisition strategy

The company's acquisition strategy seems to work well. For example, by deploying its playbook, organic traffic to the NerdWallet UK site increased from approximately 10,000 monthly sessions pre-acquisition to approximately 130,000 monthly sessions within one year of acquisition.

The recent big-ticket acquisition – the target is profitable. Moreover, 3X revenue is not high given the fact that the revenue grew by 90% in 2021.

## Heritage-Crystal Clean (HCCI): 2nd largest player in used oil collector and parts cleaning provider; Environmental segment is the crown jewel

- Market Cap: \$644 million | Heritage-Crystal Clean is a provider of parts cleaning, used oil re-refining, and hazardous and non-hazardous waste services primarily focused on small and mid-sized customers.
- Screen: 8-K (Keywords)
- Major shareholders: ARROWMARK COLORADO HOLDINGS LLC – 8.8% | CANNELL CAPITAL LLC – 4.6% | BLACKROCK INC. – 4.3% | ROYCE & ASSOCIATES INC – 4.2% | DIMENSIONAL FUND ADVISORS INC – 3.9% | VANGUARD GROUP INC – 3.6% | WASATCH ADVISORS INC – 3.1%

### I. BASIC

- The company provide parts cleaning, containerized waste management, used oil collection, wastewater vacuum services, antifreeze recycling, and field services. Its services help its customers manage their used chemicals and liquid and solid wastes.
- It also owns and operate a used oil re-refinery.

- Growing biz: Revenue from parts cleaning is growing for almost two decades.
- 2nd largest player: The company is the 2nd largest full-service provider for parts cleaning in the U.S.
- The company reduce the volume of hazardous waste generated and associated regulatory burden for its customers.

(\$ in millions)	2017	2018	2019	2020	2021
Total revenues	365.9	410.1	444.4	405.9	515.3
Operating income	35.4	21.5	12.8	18.0	82.9
Net income	28.1	14.7	8.3	11.9	60.9

- Second largest used oil collector and re-refiner

- The manufacturing/vehicle maintenance establishments generate used oil, waste paint, etc. which cannot be poured down the drain or discarded as municipal trash.
- \$100mm to build: As per the company estimate, a used oil re-refining plant of significant scale can cost \$100 million or more to build. As such, the barrier to entry is high.
- The company is the 2nd largest used oil collector and re-refiner in North America.

### II. WHAT WE LIKE

#### 1. Signs of moat

- Parts cleaning: Recurring revenue; 2nd largest player
  - Approximately 810,000 establishments in the U.S. are engaged in manufacturing or vehicle maintenance. These establishments need to remove grease and dirt from parts with industrial cleaning solutions.
  - The company generates roughly 35% of revenue from parts cleaning.
- Recurring revenue
  - The “parts cleaning” business is “recurring” in nature. A substantial majority of contracts are automatically renewed.

- Network & barriers to entry

- Over the past twenty years, the company has built a network of 91 branch locations that offer all or portions of its services.

- The branch model allows the company to consolidate operational and administrative functions not critical to sales and service at a regional hub, treatment or processing facility, or at its headquarters.
- Route density is needed before profitability can be achieved. As new branches achieve route density and scale efficiencies, operating costs as a percentage of sales generally decrease.
- Extensive branch service and supporting transportation network is costly and may take a long time to develop.
- In-house compliance and paper-work are difficult for small businesses
  - The company focuses predominantly on small businesses.
  - Businesses need specialized knowledge to prepare required paperwork, maintain records and ensure compliance with environmental laws. For small and mid-sized businesses, it is not efficient to employ a staff of highly trained employees to manage this waste and ensure their compliance with the numerous federal, state, and local regulations. It often cannot justify such investments.

## 2. Growth

- The company was founded in 1999 and became a publicly traded company in 2008.
- 3X growth in the last ten years: The company's revenue has increased from \$152 million in 2011 to \$515 million in 2021 through organic growth and acquisitions.
- Acquisition: Since 2014, the company has spent approximately \$166 million for 14+ acquisitions.

- Acquisitive since 2021: From 2014 to 2020, the company has done 11 acquisitions for \$115 million
- In 2021, the company did 3 acquisitions for 51 million (approximately 50% of the acquisition value of the previous six years from 2014 to 2020)

- Branch growth: Number of branches increased from 48 branches in 2007 to 91 branches in March 2022.

## 3. "Environmental" segment: Crown jewel; Solid growth and profitability

- This segment account for roughly 61% of total revenue.
- The segment's revenue grew from \$157 million in FY 2013 to \$348 million in LTM March 2022. During the same period, the segment's profitability also improved from \$42 million to \$73 million.
- Average revenues per working day related to this segment has increased from \$0.55 million in 2012 to \$1.25 million in 2021

(\$, mm)	Revenue	EBIT
2013	157.3	41.8
2014	189.7	47.6
2015	226.3	63.5
2016	224.4	65.0
2017	238.1	66.9
2018	271.1	69.4
2019	302.5	75.7
2020	290.6	64.1
2021	318.2	75.2
Q1 2022	84.7	14.1
Q1 2021	54.7	15.9

## 4. Oil business segment: (39% of revenue)

- The company's oil business lacks competitive advantage and it is predomi-

nantly a “spread business”. The company is a price taker when selling its products.

- Profitability is dependent on managing the difference between the cost to obtain feedstock and the price at which the company sells its oil products.
- Record revenue
  - In 2021, this segment’s revenue increased by \$81.8 million, or 70.9%, compared to 2020
  - In the recent quarter (Q1 2022), the segment’s revenue increased by 52.3%
  - The strong revenue growth is predominantly due to an increase in base oil prices.
  - Moreover, the segment’s profitability also improved drastically, from 0% in FY 2020 to 35% in FY 2021, due to an increase in the spread between the netback (sales price net of freight impact) on the base oil sales and the price paid/charged to the customers for the removal of their used oil.

(\$, mm)	Revenue	EBIT	EBIT Margin
2013	125.9	-1.7	-1%
2014	140.7	-10	-7%
2015	123.7	-7.7	-6%
2016	123.2	0.8	1%
2017	127.9	8.7	7%
2018	139.1	4.7	3%

#### Past acquisitions

Date	Company (Description)	Value (\$, mm)
Aug-21	Cole's Environmental (processed, stored, and disposed of hazardous waste)	17.3
Sep-21	Raider Environmental Services of Florida (wastewater processing, oil collection and non-hazardous waste solidification)	13.7
Sep-21	Source Environmental (hazardous and non-hazardous waste business)	20.4
Mar-20	Gro America (network of wastewater processing facilities)	10

2019	141.9	4.7	3%
2020	115.3	0	0%
2021	197.2	69.3	35%
Q1 2022	69.5	18.5	27%
Q1 2021	35.9	10.1	28%

### III. WHY ARE WE FLAGGING THIS?

#### Patriot Environmental Services acquisition:

- In June 2022, the company entered into an agreement to acquire Patriot Environmental Services for approximately \$156 million. The transaction is expected to close in the third quarter of 2022.
- Patriot Environmental Services is a provider of environmental services across the Western United States specializing in a wide variety of waste services, including emergency response, industrial services, and OSRO spill response.

### IV. COMMENTS

Kudos to the CEO

The company generated a record free cash flow of \$67 million in FY 2021.

In FY 2021, the CEO used the free cash flow to acquire three companies (\$45.5 million) without raising any debt.

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Jan-19	GlyEco ( antifreeze collection and recycling business)	1.6
Feb-19	W. S. Supplies, Inc. (chemical sales and service to auto dealerships and auto body-shops)	0.5
Mar-19	All Valley Disposal ( containerized waste, vacuum waste and used oil disposal services)	0.6
Oct-19	California Environmental & Litho (provider of primarily containerized waste services)	0.5
May-18	Products Plus, Inc+AO Holding Company-Kansas City	5.9
Jun-18	Kurt Lanse d/b/a Hot Tank Supply Company	0.7
Mar-16	Phoenix Environmental Services, Inc.	2.7
Dec-16	Recycle Engine Coolant, Inc.	0.7
Oct-14	FCC Environmental	90
May-14	Sav-Tech Solvent, Inc.	1.4

## Primoris Services Corporation (PRIM): Huge recurring revenue; Recent big-ticket acquisition

- Market Cap: \$1.1 billion | Primoris Services Corporation is a leading specialty contractor providing critical infrastructure services to the utility, energy/renewables and pipeline services markets throughout the United States and Canada.
- Screen: 8-K (Keywords)
- Major shareholders: VANGUARD GROUP INC – 9.4% | WELLINGTON MANAGEMENT GROUP LLP – 9.1% | BLACKROCK INC. – 8.7% | DIMENSIONAL FUND ADVISORS INC – 4.9% | VAN BERKOM & ASSOCIATES INC. – 4.8% | INVESCO LTD. – 4.2% | MACQUARIE GROUP LTD – 3.7%

### I. BASIC

- The company installs, replaces, repairs and rehabilitates natural gas, refined product, water and wastewater pipeline systems, and constructs other structures, including power plants, petrochemical facilities, refineries and parking structures.
- Utilities segment (47% of revenue) - Installation and maintenance of new and existing natural gas and electric utility distribution and transmission systems
- Energy/Renewables segment (40% of revenue) - Specializes in a range of services that include engineering, procurement, and construction, retrofits, highway and bridge construction, demolition, site work, soil stabilization etc.
- Pipeline Services segment (12% of revenue) - pipeline construction and maintenance, installation of compressor and pump stations

### II. WHAT WE LIKE

#### 1. Ranked in the top 10%; Long-term relationship

- The Company is ranked in the top 10% of the prestigious Top 600 Specialty Contractors List by Engineering News Record (ENR).
- The Company is one of the top specialty contractors in the U.S., providing critical infrastructure services.
- The company achieved MSCI ESG Rating of “A” in 2022.
- Solid long-term relationship
  - Average relationship tenure
  - Pipeline Services customers: 29 years.
  - Utilities segment customers: 25 years,
  - Energy/Renewables customers: 21 years
- Blue Chip Client Base: The company’s customers included the Texas Department of Transportation and Louisiana Department of Transportation and Development in the Southern United States, Xcel Energy, Pacific Gas & Electric, Southern California Gas, Oncor Electric, Duke Energy, Sempra Energy, Williams, NRG, Chevron, Kinder Morgan, ExxonMobil and Phillips 66.

(\$ in millions)	2017	2018	2019	2020	2021
Revenue	2,380	2,940	3,106	3,491	3,498
Gross profit	278	326	331	370	417
Operating income	106	131	141	164	170
Net income attributable to Primoris	77	88	84	105	116

## 2. Recurring revenue through “Master Service Agreements”

- In 2021, the company generated 46% of revenue from master service agreements (“MSA”).
- MSA are generally multi-year agreements that provide visible, recurring revenue.
- Revenue from MSA increased from \$565 million in 2015 to \$1.6 billion in 2021.
- Some of the gas and electric distribution services are based on renewable MSAs on a “unit-price” basis. Historically, all of the gas and electric distribution customers have renewed their MSAs with the company.
- Recurring MSA reduces sales and marketing expenses.

Year	MSA revenue as a % of total revenue	Revenue - from MSA (\$, mm)
2015	29%	565
2016	29%	576
2017	28%	666
2018	38%	1,129
2019	44%	1,357
2020	39%	1,361
2021	46%	1,605

## 3. Growth

- The company was formed in 2004 but its founding company was started in 1960.
- **Solid financial growth:** The company’s revenue increased by 50% in 5 years from \$2 billion in 2016 to \$3.5 billion in 2021 – growing at a CAGR of 12%+ through acquisitions and organic growth. During the same period, operating income increased from \$58 million to \$170 million.
- **Acquisition:** Since 2016, the company spent over \$780 million to acquire eight companies.

- **Backlog:** The company’s backlog was \$4.0 billion in March 2022 and approximately 40% of that as under MSA.
- **Outlook:** In Q1 2022, the company raised its estimates for the year 2022. Net income is expected to be between \$2.20 and \$2.40 per fully diluted share.

## 4. Energy/Renewables segment (40% of revenue)

- The company’s Energy/Renewable segment specializes in a range of services that include engineering, procurement, and construction, retrofits, highway and bridge construction, demolition, site work, soil stabilization, etc.
- The company’s management team managed, sold, and completed 1 GW of projects in the last 5 years
  - #1 spot in Texas in the 2019 Top Solar Contractors list
  - #7 in the 2019 Top Solar EPC list from Solar Power World
- As of the first quarter of 2022, the project backlog for utility-scale solar is more than a billion dollars.
- **Market:** The solar power industry is expected to grow at 17% CAGR till 2025 and 47% of the U.S. generation mix to come from renewables by 2050.
- As per the press release published on the company websites, four major contracts were awarded to the company in the last three months. Out of this, three are related to Solar.
  - July 2022- a heavy civil project valued at more than \$170 million;
  - June 2022 - a solar project with an estimated value of \$260 million;
  - May 2022 - a solar project with an estimated value of \$130 million.
  - May 2022 - a solar project with an estimated value of \$120 million.

There has been a speculation about investigation on solar panel mod-

ules imported from certain countries and the potential impact of project costs and schedules if anti-dumping, countervailing duty tariffs are imposed. We don't see this as having a significant revenue impact on projects. – CEO in Q1 2022 CC

“Wood Mackenzie reports that solar continues to make up the largest share of new generation capacity in the U.S. It accounted for more than 50% of all new electricity generating capacity additions in the first 3 quarters of 2021. Utility-scale solar should continue to grow at double digits under the current policy environment. - *Tom McCormick, CEO, President & Director, March 1, 2022*

### III. WHY ARE WE FLAGGING THIS?

Acquisition of PLH Group will increase revenue by 21%

- In June 2022, the company entered into an agreement to acquire PLH Group for approximately \$470 million. It is expected to complete in Q3 2022.
- For the 12 months ended May 31, 2022, PLH generated **total revenue of \$733**

**million** and adjusted EBITDA of \$54 million. LTM free cash flow conversion was ~72% and **61% of the revenue from MSA contracts.**

- Pro forma for the transaction, Primoris's net leverage will be approximately 3.3x net debt to adjusted EBITDA and the company has set target net leverage of 2.0x by 2024.

### IV. OTHERS

#### • Valuation - EV/Revenue

- Quanta Services - 1.6X
- Dycom Industries - 1.1X,
- MasTec - 0.92X,
- MYR Group - 0.6X.

- **Primoris Services: \$0.53X**

#### • Recent challenge

- In Q1 2022, revenue decreased by 4% to \$784.4 million compared to Q1 2021.
- The decrease was primarily due to a decrease in revenue in the pipeline segment due to the substantial completion of three pipeline projects in 2021 and decline in the overall mid-stream pipeline market demand.
- Pipeline services segment contributed 12% to revenue.

## Farmers & Merchants Bancorp (FMAO): Dividend for 87 consecutive years; No sub-prime exposure; Recent acquisition

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- Market Cap: \$403 million | Farmers & Merchants Bancorp is a bank holding company. It is the parent company of Farmers & Merchants Bank of Central California (known as F&M Bank).
- Screen: 8-K (Keywords)
- Major shareholders: VANGUARD GROUP INC – 3.8% | MANUFACTURERS LIFE INSURANCE COMPANY, THE – 3% | BLACKROCK INC. – 1.4% | MILLENNIUM MANAGEMENT LLC – 1.1% | SIENA CAPITAL PARTNERS GP, LLC – 0.75%

### I. BASICS

- The bank engages in general commercial banking and savings business including commercial, agricultural and residential mortgage, consumer and credit card lending activities.
- The largest segment of the lending business relates to commercial, both real estate and non-real estate.

### WHAT WE LIKE

#### 1. 4th largest in Ohio & Indiana

- #4 market share in terms of Deposit in Ohio and Indiana.
- The market shares of the Bank in California based on deposit market share at June 30, 2021 was 2.85%
- 12<sup>th</sup> largest bank lender to agriculture
  - Farming industry: Because the Bank's offices are primarily located in Northwest Ohio and Northeast Indiana, a substantial amount of the loan portfolio is comprised of loans made to customers in the farming industry for such items as farm land, farm equipment and operating loans for seed, fertilizer, and feed.
  - F&M Bank is the 12<sup>th</sup> largest bank lender to agriculture in the United States, and the largest community

bank lender to agriculture west of the Rocky Mountains.

- F&M Bank was inducted into the National Agriculture Science Center's "Ag Hall of Fame" at the end of 2021.

- F&M Bank has over \$5.4 billion in assets, and is recognized as one of the nation's safest banks by national bank rating firms.
- F&M Bank was named the "Best Community Bank in California" by Newsweek magazine.

#### 2. Solid loan book

- Total loan due the past 30 days is \$1.85 million compared to its total loan of \$1.945 billion ~ 0.1%.
- The bank does not have a program to fund sub-prime loans or unproven credit products.

#### 3. Growth

- The Farmers & Merchants State Bank was founded in 1897 and became a state chartered bank in 1919.
- Total assets more than double in the last 4 years: Total assets increased from \$1.1 billion in 2018 to \$2.68 billion in Q1 2022, as the company has completed 4 acquisitions and 5<sup>th</sup> in the pipeline.
- Net loan increased from \$496 million in FY 2012 to \$1.945 billion in LTM March 2022.

- Net interest income increased from \$27 million in F 2012 to \$74 million in LTM March 2022.
- Net income increased from \$9.8 million in FY 2012 to \$26.5 million in LTM March 2022.

#### **4. Dividend Kings by Sure Dividend**

- Farmers & Merchants Bancorp has paid dividends for 87 consecutive years. It regularly pays a quarterly dividend of \$0.20 per share.
- The company is a member of a select group of only 44 publicly traded companies designated as “Dividend Kings” by Sure Dividend and is ranked 17<sup>th</sup>.

### **III. WHY ARE WE FLAGGING THIS?**

#### Peoples-Sidney Financial Corporation (PPSF) acquisition – 5<sup>th</sup> acquisition since 2018:

- In June 2022, the company entered into an agreement to acquire Peoples-Sidney Financial Corporation (PPSF) for approximately \$27 million.
- At March 31, 2022, PPSF reported \$132.7 million in total assets, \$99.9 million in loans, \$114.8 million in deposits and \$15.4 million in tangible common equity
- After the Peoples transaction, F&M will operate 21 offices, a drive-up facility and an LPO in Ohio, 12 offices and an LPO in Indiana, and an LPO in Michigan with total deposits of \$2.4 billion, total loans of \$2.1 billion, and total assets of \$2.8 billion on a pro forma basis.

## Balchem Corporation (BCPC): Long-term compounder; Recent acquisition

- Market Cap: \$4.1 billion | Balchem Corporation develops, manufactures, distributes, and markets specialty performance ingredients and products for the nutritional, food, pharmaceutical, animal health, medical device sterilization, plant nutrition, and industrial markets.
- Screen: 8-K (Keywords)
- Major shareholders: BLACKROCK INC. – 15.2% | VANGUARD GROUP INC – 11% | APG ASSET MANAGEMENT N.V. – 8.5% | WASATCH ADVISORS INC – 4.7% | STATE STREET CORP – 3.3% | CONESTOGA CAPITAL ADVISORS, LLC – 3.1% | DIMENSIONAL FUND ADVISORS INC – 2%

### I. BASICS

Balchem Corporation develops, manufactures, distributes, and markets specialty performance ingredients and products for the nutritional, food, pharmaceutical, animal health, medical device sterilization, plant nutrition, and industrial markets.

(\$ in millions)	2017	2018	2019	2020	2021
Net sales	594.7	643.6	643.7	703.6	799.0
Earnings before income tax expense	88.5	99.0	96.5	106.4	125.2
Net earnings	90.1	78.6	79.7	84.6	96.1

### II. SEGMENTS RESEARCH

The company operates through three-segments

#### a) Human Nutrition & Health

- Contributes 55% of revenue
- Provides human-grade choline nutrients and mineral amino acid chelated products.
- Uses? Choline is recognized to play a key role in the development and structural integrity of brain cell membranes in infants, processing dietary fat, reproductive development and neural functions, such as memory and muscle function.
- The Company's mineral amino acid chelates, specialized mineral salts, and

mineral complexes are used as raw materials for inclusion in premier human nutrition products.

#### b) Animal Nutrition & Health

- Contributes 29% of revenue
- Provides nutritional products derived from its microencapsulation and chelation technologies in addition to basic choline chloride.
- Uses? For ruminant animals, the Company's microencapsulated products boost health and milk production, delivering nutrient supplements that are biologically available, providing required nutritional levels

#### c) Specialty Products segment

- Contributes 15% of revenue
- Ethylene oxide is sold as a sterilant gas, primarily for use in the health care industry. It is used to sterilize a wide range of medical devices.
- Propylene oxide is marketed and sold in the U.S. as a fumigant to aid in the control of insects and microbiological spoilage; and to reduce bacterial and mold contamination in certain shell and processed nut meats, processed spices, cacao beans, cocoa powder, raisins, figs and prunes.
- The Company also distributes a number of other gases for various uses.

### III. WHAT WE LIKE

#### **1. Market leader in nutrition products**

##### **Choline**

- Balchem is the world leader in choline production. **Choline** is recognized to play a key role in the development and structural integrity of brain cell membranes in infants.
- **Balchem's VitaCholine®** - in a clinical study that showed significant brain benefits for babies born to moms who received supplemental **choline during pregnancy**.

According to the Cornell researchers, even after seven years and without additional interim choline supplementation, the children born from the higher choline intake (930 mg of choline per day) pregnancies maintained a significant cognitive performance advantage over the children from the lower choline intake (480 mg of choline per day) group. - [Source](#)

- **Market:** According to the Allied Market Research report, the global choline bitartrate industry was estimated at \$410.2 million in 2021, and is anticipated to hit \$736.2 million by 2031, a CAGR of 6.1% from 2022 to 2031.

##### **Chelated minerals**

- The company's **Albion Minerals** is the leading brand of **chelated minerals** for premier human nutrition products.
- **Market:** The global chelated minerals market is projected to advance at a CAGR of 7.5% from 2021-2031
- **Recent demand:** The outbreak of COVID has increased the demand for immunity-promoting vitamins and minerals – which led to the expansion of the chelated minerals market
- **Only source of amino acid chelated minerals**
  - With numerous patents, the company is the only source of uniquely

formulated amino acid chelated minerals.

- The company is the only chelate manufacturer that can scientifically prove its molecular structure.

##### **Others**

- **Patents:** The Company hold 109 patents in the United States and overseas and use certain trade-names and trademarks.
- **North American focused company:** Approximately 78% of its revenues comes from products sold in North America with 90% of those North American sales coming from products manufactured in North America with raw materials sourced in North America.

#### **2. Growth**

- Balchem was founded in 1967 by a group consisting of entrepreneurs and became a publicly traded company in 1970. It has 21 manufacturing sites all over the world.
- The company's revenue increased from \$552 million in 2015 to \$799 million in 2021. During the same period, adjusted EBITDA increased from \$140 million to \$190 million.
- **Record revenue in Q1 2022**
  - In Q1 2022, the company generated net sales of \$229 million, a 23.3% increase compared to Q1 2021 with quarterly double-digit sales growth in all three segments.
  - The company also registered a record adjusted net earnings of \$33.4 million, an increase of 17.3% from the prior year.
- The company has been able to maintain its gross margin from 30% to 32% since 2015 to till date by raising average selling prices to help offset the inflationary pressures.

### 3. Acquisition, debt reduction & solid free cash flow

- **Acquisition:** Since 2016, the company acquired six companies for \$305 million. Most of these acquisitions are integrated to the “Nutrition & Health” segment.
- **Decrease in debt:** The company has decreased its long-term debt (including current portion) from \$280 million in 2016 to \$108 million in 2021.
- **Positive free cash flow:** In spite of the acquisition, the company was able to reduce its debt due to its ability to generate free cash flow.

(\$ in millions)	2017	2018	2019	2020	2021
Free cash flow	82.5	101.3	96.1	116.7	123.1

- **Regular annual dividend:** In 2021, the company paid \$0.64 per share as dividend to its shareholders.

### IV. WHY ARE WE FLAGGING THIS?

#### **Acquisition of Kappa Bioscience AS**

- In June 2022, the company acquired Kappa Bioscience AS for approximately \$338 million.
- Kappa Bioscience AS is a leading science-based manufacturer of specialty vitamin K2 for the human nutrition industry.
- The company expects Kappa’s revenue in 2022 to be \$53 million with a strong growth and margin profile.
- Takeover multiple: EV/EBITDA multiple of 18X based on the 2022 forecast EBITDA.

## AZZ (AZZ): Significant divestment; Recent big-ticket acquisition

- Market Cap: \$1.0 billion | AZZ is a global provider of metal coating solutions, coil coating solutions, welding solutions, specialty electrical equipment and highly engineered services.
- Screen: 8-K (Keywords)
- Major shareholders: BLACKROCK INC. – 16% | VANGUARD GROUP INC – 10.5% | PRICE T ROWE ASSOCIATES INC – 10% | DIMENSIONAL FUND ADVISORS INC – 5% | STATE STREET CORP – 3.6% | SEGALL BRYANT & HAMILL – 3.5% | WESTWOOD HOLDINGS GROUP INC – 3.3%

### I. WHAT WE LIKE

#### 1. Significant divestment of AZZ infrastructure solutions segment (“AIS”)

- The company operates through two segments - a) infrastructure solutions segment - 43% of total revenue and b) metal coatings segment (57% of total revenue)
- The company has started divestiture of certain assets of “infrastructure solutions” since 2020. In 2020, the company sold - AZZ SMS LLC business and nuclear logistics business for approximately \$25 million.
- Significant divestment - 60% divesture will generate \$228 million proceeds:
  - In June 2022, the company into a definitive agreement with Fernweh Group whereby (i) AZZ will setup a holding company for its infrastructure solutions segment and (ii) will sell 60% of that holding company’s ownership to Fernweh.
  - The company will receive approximately \$228 million in cash proceeds from this transaction. The company expects to complete this transaction in the second quarter of the fiscal year 2023.

#### 2. Remaining business – Metal coating – Move to pure-play metal coating leader in North America:

- The company's metal coatings segment is a leading provider of metal finishing solutions for corrosion protection, including hot-dip galvanizing, spin galvanizing, powder coating, anodizing and plating to the North American steel fabrication and other industries.
- Revenue grew from \$289 million in FY 2018 to \$519 million in FY 2022
- The company acquired nine companies since FY2017.
- 5-year average adjusted EBITDA margin: 29%
- Recent acquisition – Precoat metals: In May 2022, the company acquired Sequa's Precoat Metals business division for approximately \$1.28 billion.
  - Precoat is a leader in pre-painted metal – metal that is coated prior to manufacturing the end product.
  - In 2021, Precoat generated revenue of approximately \$700 million and adjusted EBITDA of approximately \$137 million (~20% margin).
- Precoat Metals’ growth factors:

Precoat Metals provides aesthetic and corrosion protective coatings and related value-added services for steel and aluminum coil.

Infrastructure Solutions segment (\$ in millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Segment sales	488.0	421.0	486.8	562.8	381.1	383.6
Operating income	52.6	(1.8)	31.3	32.8	6.4	35.5

- Industry shift from post-painted to pre-painted steel: The global pre-painted steel coil market size is expected to expand at a CAGR of 7.9% from 2022 to 2030 and North America is expected to exhibit the highest CAGR.
- Growing shift from plastic to aluminum is driving demand for coated containers.
- **Advantage:** “As a reminder, both AZZ Metal Coatings and AZZ Precoat Metals have historically proven to be very resilient during previous recessionary periods. This is due to about 75% of the costs being variable, so they can shed costs quickly, if necessary.” – CEO Q4 FY2022.
- **Backlog:** In Q1 FY2023, the company’s net bookings increased \$87.5 million, or 38.1%, to \$317.3 million, compared to Q1 FY2022.

Metal Coatings segment (\$ in millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Segment Sales	375.0	389.4	440.2	499.0	457.8	519.0
Operating income	79.0	84.3	83.6	107.9	95.9	127.3

### 3. Debt reduction plans

#### a) Massive debt & debt covenants

- Due to the above-mentioned Precoat acquisition, the company’s debt increased from \$269 million in FY 2021 to \$1.6 billion in Q1 FY2023.
- As per the company’s credit agreement, the company is required to keep its total net leverage ratio no greater than

6.25 through November 2022 and 4.5 in May 2024.

- 30% debt reduction

#### b) \$240M funding from Blackstone

- In May 2022, the company entered into an agreement with Blackstone pursuant to which the company issued \$240 million aggregate principal amount of 6.00% Convertible Notes due 2030 to Blackstone. The company added a Blackstone representative to the board.
- In the upcoming AGM, the company is seeking shareholder approval to convert the \$240 million notes to 240,000 shares of 6.0% Series A Convertible Preferred Stock.

#### c) Partial sale of infrastructure solutions segment:

- In June 2022, the company announced a partial sale of the AIS segment for approximately \$228 million. The company expects to close its transaction in Q2 FY2023.

#### d) Reduction of net leverage ratio

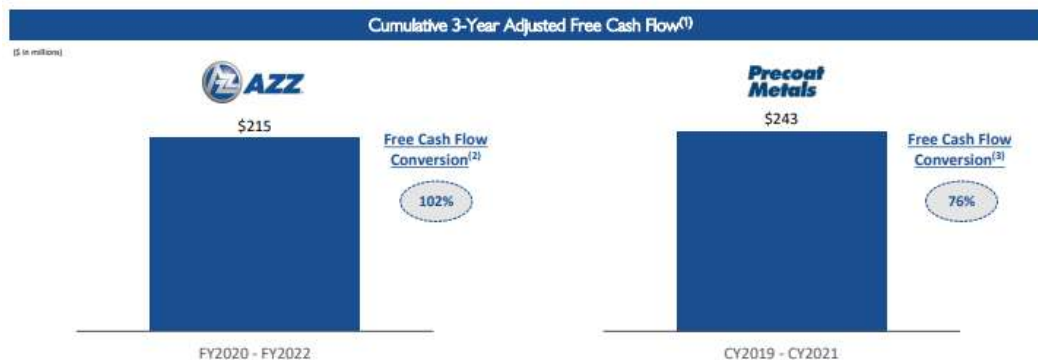
- Through these two transactions – Blackstone (\$240M) and sale of 60% interest in infrastructure solutions (\$228M), the company expects to repay roughly 30% of its debt and reduce the net leverage ratio from 4.7 in Q1 FY2023 to 3.5.
- The company has set a net leverage ratio target of 3.0 in 2024.

### COMMENT

Please look at the slide presented by the company on June 9, 2022.

## Strong Free Cash Flow Generation

- AZZ and Precoat exhibit strong cash conversion and working capital management
- Limited working capital and capex requirements
- Historical investments driving continued profitable growth and margin performance



This is what the presentation conveys-

- The company generated a cumulative free cash flow of \$215 million in the last three years.
- Precoat Metal, which the company acquired in May 2022, generated a cumulative free cash flow of \$243 million in the last three years.
- As such, the combined company could generate 458 million of combined FCF for three years.

Well, the presentation slide doesn't tell the whole story.

1. The company sold 60% of its infrastructure segment which contributed roughly 32% of operating income in FY 2021. If we assume that infrastructure generated 30%-40% of FCF, the company will generate \$129 million to \$150 million of FCF in the next three years instead of the \$215 million.
2. The company did not include the interest expense on the "incremental" debt the company raised for this acquisition. For the \$1.3 billion term loan (interest rate: 4.9%), the interest expense is roughly \$64 million. The interest expense will be reduced once the company uses the proceeds from the sale of the infrastructure segment (\$228 million).

On a rough analysis -

We can expect the company to generate roughly \$200 million to \$250 million in cumulative 3-year FCF ~ \$67 million to \$83 million per annum.

- AZZ: \$80 million to \$100 million of cumulative 3-year FCF
- Precoat Metals: \$120 million to \$150 million of cumulative 3-year FCF

## ChannelAdvisor Corporation (ECOM): 6% buyback program

- Market Cap: \$440 million | ChannelAdvisor Corporation is a leading provider of cloud-based e-commerce solutions that enable brands and retailers to increase global sales.
- Screen: 8-K (Keywords)
- Major shareholders: BLACKROCK INC. – 6.9% | VANGUARD GROUP INC – 6.8% | JANUS HENDERSON GROUP PLC – 6.5% | ARROWMARK COLORADO HOLDINGS LLC – 5.5% | WELLINGTON MANAGEMENT GROUP LLP – 5.3% | DRIEHAUS CAPITAL MANAGEMENT LLC – 4.7% | Bank of New York Mellon Corp – 4.5%

(\$ in millions)	2017	2018	2019	2020	2021
Revenue	122.5	131.2	130.0	145.1	167.7
Gross profit	93.4	101.7	101.0	114.7	129.5
Income (loss) from operations	(16.6)	(7.5)	3.8	19.1	18.9
Net income (loss)	(16.6)	(7.6)	3.5	18.8	47.2

### I. How does the company's platform work? Benefits?

- An increasing number of brands and many retailers sell their merchandise through multiple online channels. Each of these channels has its own rules, requirements, and specifications. In addition, selling to multiple countries adds to the complexity.
- More brands are exploring or participating in direct-to-consumer online sales using their own websites and/or third-party marketplaces. Since traditional retail partners may still represent a majority of revenue for many brands, brands typically desire solutions that allow collaboration with those partners in addition to direct-to-consumer solutions.

#### Company's platform?

- The company's platform is integrated with hundreds of channels, including global marketplaces, search and shopping engines, social media, web stores and dropship retailers.

- Thousands of customers depend on the company to securely power their e-commerce operations on channels such as Amazon, eBay, Facebook, Google, Shopify, Walmart, and Zalando.

#### Benefits?

- The company's customers can upload and regularly update the product catalog and create product feeds to custom destinations.
- The company's algorithms accurately place the customer's product catalog within the channel's product classification taxonomy.
- Mitigate overselling: The company's platform provides the ability to allocate inventory across channels to mitigate the risk of overselling.
- Customers can dynamically price their products across some of its available channels.

#### Self-service Vs Managed-service

- Self-service customers operate the company's software themselves.

- Managed-service customers generally outsource most or all of the management of one or more channels to the company's services team which then provides services, including the operation of our software on the customer's behalf, based on best practices and the customer's instructions.

## II. WHAT WE LIKE

### 1. Recurring revenue & high retention rate

- The Company derives 78% of its revenue from subscription fees by the customers for access and usage of the company's SaaS solutions for a specified contract term, which is typically one year.
- A customer typically pays a recurring subscription fee based on a specified minimum amount of gross merchandise value (GMV) or advertising spend that the customer expects to process through the company's platform.
- Retention rate: The company's subscription dollar net revenue retention has increased from 85% in June 2017 to >100% in June 2021.
- Blue chip customers: The company's e-commerce operates on channels such as Amazon, eBay, Facebook, Google, Shopify, Walmart, and Zalando.
- Top 3% Google partner: Achieved Premier Partner status in the Google Partners program again in 2022, joining a prestigious list that **showcases the top 3% of Google Partners in the U.S.**
- #1 Channel Management Vendor since 2013 in in Digital Commerce 360's 'Leading Vendors to the Top 1000 Retailers' report. Also, the company is the #4 leading search engine marketing vendor.

- Awareness: In Q2 2021, a brand equity survey in the company's target segments was completed and showed unaided awareness of ChannelAdvisor up more than 35% since 2017.

### 2. Growth

- 3X growth in 10 years: The company was founded in 2001 and became a public company in 2013. The company's revenue increased from \$43 million in 2011 to \$117 million in LTM March 2022 through organic growth and acquisitions.
- Outlook: The company expects its FY 2022 revenue in the range of \$177 million to \$180 million, adjusted EBITDA in the range of \$37 to \$39 million.
- Goal: The company expects to reach \$250+ million revenue by 2025 and \$50 million in adjusted EBITDA.
- Revenue growth driven by the change in consumer's behavioral change after the COVID-19 pandemic
  - The company's growth rate has been declining steadily since 2013 from 27% to (1%) in 2019.
  - Revenue growth rate: 2013: **27%**; 2014: **25%**; 2015: **18.5%**; 2016: **12.5%**; 2017: **8.25%**; 2018: **7%**; 2019: **(0.9)%** 2020: **11.6%**; 2021: **15.6%**
  - Change in shopping behavior:
    - Even though e-commerce was growing fast before COVID-19 pandemic, the pandemic pushed even more US consumers online.
    - The COVID-10 pandemic accelerated the shift towards online shopping and triggered changes in online shopping behaviours that are likely to have lasting effects.
    - For example - in Q1 2019, e-commerce contributed 14.6% sales in retail purchases and increased to

21% in Q2 2020 due to the pandemic. Interestingly, it still remains at 21% at Q1 2022 – i.e. \$1 in every \$5 spent on retail purchases still came from online orders.

- **Record subscription revenue:** In Q1 2022, subscription revenue increased by 17% YoY. Brands subscription revenue growth of 36% year-over-year and represented a record 49% of total subscription revenue.
- **First positive net income:** By streamlining its business, the company became profitable in 2019 and due to the consumers' behavior changes since 2020, the company is returning back to its 10% revenue growth.
- **Brand focused strategy:** The % of revenue from retailers has decreased from 62% in Q1 2020 to 50% in Q1 2022 and the revenue from **Brands** has increased from 32% in Q1 2020 to 45% in Q1 2022.

We're fast approaching the tipping point where the majority of our revenues will come from brands. Because brands are generally stickier and offer greater potential for expansion, we believe the superior unit economics we've enjoyed with brands will continue to benefit our results, as they grow to represent a

higher percentage of our business.  
– CEO Q1 2022 CC.

- **Customer growth:** In Q1 2022, the company added notable new customers - Perry Ellis, Interparfums and Ste. Michelle Wine, and strategic partner Saks. Brands customer count has increased from approximately 600 in Q1 2020 to ~1000 in Q1 2022.
- **Global channel expansion:** In 2021, the company implemented a strategic plan to add at least 80 additional channel connections across the globe over an 18-month period. At Q1 2022, the company has added over 100 new channels and to add more in 2022 and now supports over 340 channels.

### 3. Positive free cash flow:

- In Q1 2022, free cash flow was \$6.0 million.

(\$ in millions)	2017	2018	2019	2020	2021
FCF	(6.0)	(1.7)	9.3	29.6	29.2

### WHY ARE WE FLAGGING THIS?

#### **6% share Repurchase Program**

- In June 2022, the company announced a new share repurchase program of \$25 million.
- In June 2022, the company also announced that it has completed the \$25 million share repurchase program authorized in August 2021.

## Thor Industries (THO): 14% buyback; Long-term compounder

- Market Cap: \$4.4 billion | THOR Industries represent the world's largest manufacturer of recreational vehicles.
- Screen: 8-K (Keywords)
- Major shareholders: KAYNE ANDERSON RUDNICK INVESTMENT MANAGEMENT LLC – 10.3% | VANGUARD GROUP INC – 9.7% | BLACKROCK INC. – 8.5% | CAPITAL RESEARCH GLOBAL INVESTORS – 7.9% | HARRIS ASSOCIATES L P – 6% | WELLINGTON MANAGEMENT GROUP LLP – 4.6% | TIMUCUAN ASSET MANAGEMENT INC – 2.9%

### I. BASIC

- It manufactures and sells recreational vehicles (“RVs”) in North America and Europe
- RV products are primarily sold to independent, non-franchise dealers who, in turn, retail those products.
- The Company also sells component parts to both RV and other OEMS and sells aftermarket component parts through dealers and retailers.

registrations for Europe's original equipment manufacturer (“OEM”) reporting countries, European **market share was approximately 21.5%** for motorcaravans and campervans combined and approximately 15.8% for caravans.

- In April 2022, the company was named to Newsweek’s list of America’s Most Trusted Companies 2022. THOR is **ranked #3** in the automotive & components category along with companies

Harley Davidson, Tesla, and General Motors.

- **2.1X Growth** in the last 10 years: The company was founded in 1980. The company’s revenue increased from \$2.3 billion in 2011 to \$16 billion in LTM ended April 2022 through 10+ acquisition and organic growth.

- Recent big-ticket acquisitions: In the last two years, the company acquired two companies for \$1.0 billion, which almost doubled the company’s revenue.
  - In September 2021, the company acquired Airxcel for approximately \$745 million. Airxcel generated \$680 million revenue FY 2021.
  - In December 2020, the company acquired Tiffin Motorhomes for ap-

(\$ in millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM ended April 2022
Revenue	7,246	7,328	7,864	8,167	12,317	16,083
Income before income taxes	556	633	184	272	844	1,423
Net income attributable to THOR	374	430	132	221	660	1,087

### II. WHAT WE LIKE

#### 1. Largest manufacturer of RVs

- It is the **largest manufacturer of recreational vehicles (“RVs”)** in the world.
- In North America, according to Statistical Surveys, THOR’s combined US and Canadian **market share was approximately 40.8%** for travel trailers and fifth wheels combined and approximately 50.2% for motorhomes.
- In Europe, according to the European Caravan Federation and based on unit

proximately \$288 million. Tiffin generated \$800 million revenue FY 2020.

• **Recent quarterly performance**

- In Q3 FY 2022, net sales were \$4.66 billion compared to \$3.46 billion in Q3 FY 2021 due to increase in the average sales price of units in addition to the increase in units sold and Airxcel acquisition in 2021.
- Consolidated RV backlog as of April 30, 2022, was \$13.88 billion
- **Margin improvement:** In Q3 FY 2022, the company's gross profit margin increased to 17.3% compared to 14.6% in Q3 FY 2021 due to increased net sales, reduction in sales discounts and certain selling price increases.

# OF UNITS:	FY 2019	FY 2020	FY 2021
Total North American Towables	169,540	150,182	214,600
North American Motorized	18,085	15,088	25,008
European	32,860	54,506	64,875

**3. Market**

- The recreational vehicle market size is projected to grow from \$ 55.9 billion in 2021 to \$87.89 billion in 2028 at a CAGR of 6.7%.
- The rising adoption of customized RVs for personal residence is expected to propel sales.
- According to the Statistical Surveys registration data, first quarter of calendar 2022 North American retail registrations represent the second best start to a calendar year on record, second only to calendar 2021 (Dip in 2022 was due to inflationary pressures, rising interest rates and geopolitical concerns).

Used RV sales are a complement to the new RV market since the used-RV buyer generally follows the same historical 3- to 5-year trade-

in, trade-up cycle, adding to potential new RV sales in the long-term. – Q3 FY2022.

**4. Positive free cash flow**

(\$ in millions)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Free cash flow	304	328	378	434	398

**5. Entry into Electric RVs**

- In January 2022, the company displayed two electric RV concepts, a motorhome and a travel trailer at 2022 Florida RV SuperShow.
- The travel trailer concept, named eStream, is built on THOR's exclusive high-voltage electric chassis. Powered by a propriety system, the trailer dramatically reduces loss of range for electric tow vehicles and improves gas mileage for traditional tow vehicles.

As we considered leadership of the next phase of our eMobility strategy which ultimately leads to industrialization, a sharp understanding of the importance of the RV customer experience and the challenges of delivering a viable go-to-market strategy for our electric RVs was essential. McKay has led innovation at Airstream for a number of years.

- In March 2022, the company appointed McKay Featherstone, currently Airstream's Vice President of Product Development and Engineering, as SVP of Global Innovation.

**6. Ambitious goal**

FY 2027 goal

- The company expects to achieve \$20 billion net sales by FY 2027 with a gross margin of 17%.
- Cumulative net cash from operations from FY2023 to FY2027 will be \$6 billion.

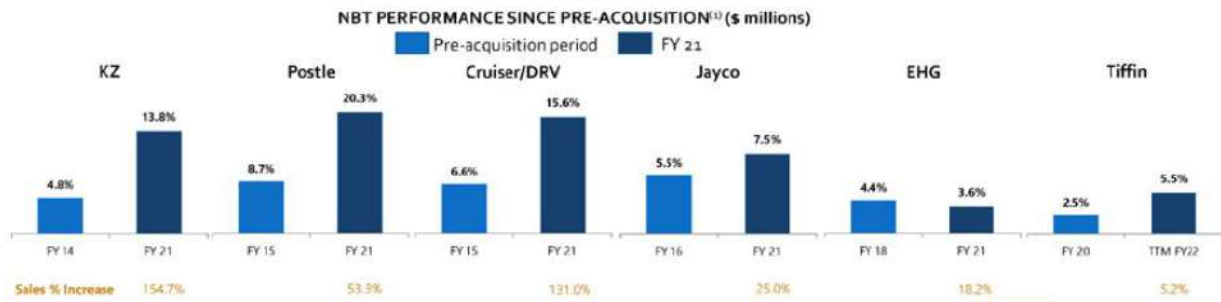
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### III. WHY ARE WE FLAGGING THIS?

14% share repurchase plan: In June 2022, the company announced a \$600 million re-

purchase plan (which included its previous announced plans) to be completed through July 2025.

### Successful History of Acquisitions



<sup>(1)</sup> NBT performance represents NBT % of net sales for the indicated fiscal years. FY21 includes amortization expense related to acquired intangible assets.



## CECO Environmental (CECE): Market leadership; 10% buyback; Significant changes after the appointment of new CEO; Recent acquisition

- Market Cap: \$210 million | CECO Environmental is a leader in air quality and fluid handling serving the energy, industrial and other niche markets.
- Screen: 8-K (Keywords)
- Major shareholders: TRIGRAN INVESTMENTS, INC. – 12.6% | KING LUTHER CAPITAL MANAGEMENT CORP – 6.8% | DIMENSIONAL FUND ADVISORS INC – 6.4% | AMERICAN CENTURY COMPANIES INC – 6% | VANGUARD GROUP INC – 4.1% | HEARTLAND ADVISORS INC – 3.2% | TIETON CAPITAL MANAGEMENT, LLC – 2.9%

### I. BASIC

- The company provides engineering, manufacturing, sales, and service of membrane-based water and wastewater treatment systems.
- It helps the customers achieve environmental compliance of water discharge.
- The company has two segments
  - Engineered Systems segment (58% of revenue)
  - Industrial Process Solutions segment (42% of revenue)

#### Financials:

(\$ in millions)	2018	2019	2020	2021
Net sales	337.3	341.8	316.0	324.1
Gross profit	111.5	114.0	105.1	100.9
Income from operations	10.0	17.9	13.3	9.8
Net income (loss)	(7.1)	17.7	8.2	1.4

### II. WHAT WE LIKE

#### 1. Market leadership: #1 or #2 in target markets

- World-renowned brands: The Company's brand names and registered trademarks are widely recognized in the industry – as the company was founded in 1966 but its heritage dates to 1869.
- Huge installed base: The company has over \$6 billion of installed equipment with end users, which the company tar-

get to expand and grow a higher recurring revenue of aftermarket products and services.

- A typical gas turbine produces sound in the range of 150dB, the equivalent of a jet airplane taking off at 25 meters. The company's exhaust system reduces the noise level at the turbine's stack exit to about 100dB, which is the equivalent of a lawnmower or power tool.

#### 2. Solid revenue growth

- The company was founded in 1966, and its revenue has increased from \$14.5 million in 1997 to \$324 million in 2021 through acquisition and organic growth.
- The company's revenue was significantly impacted in 2020 and 2021 due to the COVID-19 pandemic, supply chain challenges and inflation.
- Recent quarterly performance: Net sales in Q1 2022 increased \$20.5 million, or 28.5%, to \$92.4 million compared with \$71.9 million in Q1 2021.

We have been signaling that our revenue would start to grow in 2022 given we had strong double-digit orders growth throughout each quarter of 2021. We are pleased to deliver such strong organic growth as we kick off 2022 and are confident in our ability to drive this momentum

throughout the year and beyond. –  
*CEO at Q1 2022 CC*

- **Record orders & backlog:**
  - Orders booked were \$160.9 million in Q1 2022 as compared with \$92.1 million during the Q1 2021.
  - Backlog increased to \$283.2 million as of March 31, 2022, from \$213.9 million as of December 31, 2021.
- **Outlook:** The company expects its 2022 revenue in the range of \$360 to \$380 million and \$33 to \$38 million of adjusted EBITDA.

### 3. Positive free cash flow

(\$, mm)	2017	2018	2019	2020	2021
FCF	5.5	18.9	4.6	0.5	10.7

### 4. Debt reduction:

- The company debt has steadily decreased from \$175 million in 2015 to \$66 million in 2021 through various divestitures that took place in 2018 and repayment of debt from FCF.

### 5. Significant changes after the new CEO New CEO's track record

- In July 2020, the company appointed Todd Gleason as CEO.
- From April 2015 to July 2020, Mr. Gleason served as CEO of Scientific Analytics, a private equity-backed markerless motion analytics company.
- From June 2007 to March 2015, he served in various executive positions at Pentair (NYSE-PNR), a global water treatment company with a market capitalization of \$7.6 billion and revenue of \$3.9 billion.

### Changes after the CEO

- **Management change**
  - 3 out of the top 6 executives were appointed after the appointment of Mr. Gleason.
- **M&A focused on short-cycle sales**

- **Inactive M&A:** Since 2016, the company has not been active in M&A (excluding 2020 where it did a small acquisition).
- After the appointment of new CEO, he started acquiring companies aggressively.
- **Recent acquisitions:**
  - In March 2022, the company acquired General Rubber for \$19.7 million, which generated **approximately \$13 million revenue**.
  - In May 2022, the company acquired Compass Water Solutions for \$12.5 million; it generated approximately \$11 million of revenue in 2021 with double-digit EBITDA margins.
  - Compass increases CECO's **short-cycle business mix to approximately \$100 million, or 30%**, of total CECO's 2021 revenue
- **Short cycle:** The company announced its intention to acquire companies that have short-cycle sales. The long cycle businesses are impacted by the raw material cost fluctuations as the company follows fixed price contracts.
- **Price increase:** The company implemented multiple price hikes in 2021 and executed additional price actions in 2022.
- **Market:** Amid the COVID-19 crisis, the global market for environmental control systems estimated at \$3.6 billion in 2020 and is projected to reach \$4.8 billion by 2027, growing at a CAGR of 4.2% over the period 2020-2027.

### III. WHY ARE WE FLAGGING THIS?

#### 1. Acquisition of Western Air Ducts

- In June 2022, the company completed the acquisition of industrial air quality consultancy and engineering firm, Western Air Ducts Ltd.
- Western Air Ducts has patented air control system Inteliair® utilizes smart sensor technology to sense demand, and automatically adjust and control air flow, particulate matter, and help customers reduce energy costs by 40%.
- Inteliair has been recognized by the UK Carbon Trust for energy savings and environmental impact.
- It generated approximately \$4 million in sales in 2021, is ISO 9001 certified

#### 2. 10% buyback

- In May 2022, the company announced a 20 million share repurchase plan, which is currently 10% of the company's current market capitalization.

#### 3. Insider buying:

- In 2022, the company's insiders bought approximately \$0.2 million worth of

shares @ an average price of \$5.75 per share

#### Notes from the annual report of Heartland Fund

##### Heartland Value Fund letters, Q2 2022

CECO Environmental Corp. (CECE), serves the industrial air quality and fluid handling markets. The company is transitioning from a cyclical, project-driven business to a more predictable, higher-margin and diversified environmental and pollution control equipment business. Successful evolution should be rewarding, as targeted peers trade in the low double-digit EV/EBITDA range vs. the company's current mid-single digit mark. Heartland believes investors underappreciate the growth and earnings potential underway, and the recent earnings report represented movement in the right direction with record orders and backlogs, which were contracted with what is expected to be nicely expanded profitability. Also, we are encouraged by consistent, meaningful buying of CECO shares by officers and directors.

## Athenex (ATNX): Recent divestment; FDA rejection (ultra-short notes)

- Market Cap: \$56 million | Athenex is a global biopharmaceutical company dedicated to the discovery, development, and commercialization of novel therapies for the treatment of cancer and related conditions.
- Screen: 8-K (Keywords)
- Major shareholders: PERCEPTIVE ADVISORS LLC – 12.1% | IP GROUP PLC – 9.2% | LAU JOHNSON YIU NAM – 6.5% | VANGUARD GROUP INC – 3.5% | MILLENNIUM MANAGEMENT LLC – 2% | BLACKROCK INC. – 1.9% | JACOBS LEVY EQUITY MANAGEMENT, INC – 1.8%

### I. BASIC

The company has organized its business model into three platforms:

- Commercial Platform (74% of revenue in Q1 2022):
  - Focused on the sales and marketing of its specialty drugs and the market development of proprietary drugs
  - Revenue is generated by distributing specialty products through independent pharmaceutical wholesalers
- Global Supply Chain Platform (24% of revenue in Q1 2022):
  - Dedicated to providing a stable and efficient supply of active pharmaceutical ingredients
  - It manufactures active pharmaceutical ingredients (“API”) for use internally in its research and development activities as well as its clinical studies, and for sale to pharmaceutical customers
- Oncology Innovation Platform (2% of revenue in Q1 2022):
  - Dedicated to the research and development of its proprietary drugs
  - Revenue is recognized as the company out-licenses certain of its IP to other pharmaceutical companies in specific territories

(\$ in millions)	2017	2018	2019	2020	2021
Revenue	38.0	89.1	101.2	144.4	120.2
Gross profit	12.9	42.1	31.6	49.0	37.8
Operating loss	(110.0)	(126.8)	(119.0)	(119.7)	(184.4)
Comprehensive loss	(130.0)	(118.0)	(123.7)	(146.7)	(199.1)

### II. WHY ARE WE FLAGGING THIS?

Important alert: We (Snowball Research) have no-expertness in analyzing biopharmaceutical companies. Since some of our clients invest in biotechnology stocks, we are flagging this.

#### 1. FDA rejection and price crash

- In March 2021, the company’s oral chemotherapy was rejected by FDA. Subsequently, the company announced that it will focus more on its innovative cell therapy platform instead of oral chemotherapy.
- Share price crash: On March 01, 2021, the company’s share price crashed 55% (from \$12.1 on February 26, 2021, to \$5.46 on March 01, 2021).

#### 2. Monetization of non-core assets:

##### 1. Klisyri® (tirbanibulin),

- Klisyri® (tirbanibulin), a microtubule inhibitor, for the topical treatment of AK on the face or scalp. In December 2020, FDA approved Klisyri®.

- Sale of revenues from US and European royalty and milestone interests in Klisyri®: In June 2022, the company entered into an agreement for the sale of revenues from US and European royalty and milestone interests in Klisyri® (tirbanibulin) for \$85 million.

“The sale of the revenues from the U.S. and European royalty and milestone interests in Klisyri® represents another step in continuing to monetize non-core assets to focus on developing

our potential best-in-class NKT cell platform.” - CEO

## 2. Sale of China API Business

- In July 2022, the company entered into an agreement to sell all of its equity interests in its China subsidiaries, which are primarily engaged in active pharmaceutical ingredient (API) manufacturing operations for approximately \$19.0 million

## The Gorman-Rupp Company (GRC): Recent big-ticket acquisition [short notes]

- Market Cap: \$722 million | Gorman-Rupp designs and manufactures a vast array of innovative pumps and pump systems for water, wastewater, construction, industrial, petroleum, original equipment, agriculture, fire protection, heating, HVAC, medical, food, and military applications.
- Screen: 8-K (Keywords)
- Major shareholders: VANGUARD GROUP INC – 8% | GORMAN JEFFREY S – 6.6% | BLACKROCK INC. – 6.6% | GREEN GAYLE GORMAN – 5.7% | DIMENSIONAL FUND ADVISORS INC – 5.3% | AMUNDI – 4.4% | MECHANICS FINANCIAL CORP – 3.9%

### I. BASIC

- Gorman-Rupp Company manufactures and sells pumps and pump systems.
- The Company's product line consists of pump models ranging in size from 1/4" to nearly 15 feet and ranging in rated capacity from less than one gallon per minute to over one million gallons per minute.

(\$ in millions)	2016	2017	2018	2019	2020	2021
Net sales	382.0	379.4	414.3	398.2	349.0	378.3
Gross profit	92.5	101.2	109.9	102.7	89.6	95.9
Operating income	36.4	41.6	50.6	43.8	35.8	39.4
Net income	24.9	26.6	40.0	35.8	25.2	29.9

### II. RESEARCH

The company registered a positive growth rate in only two years of the last seven years: FY 2018 and FY 2021. The company blamed the downturn in the oil and gas industry for its poor performance.

Revenue for the FY 2021 increased by 8.4% to \$378 million, and revenue in Q1 2022 increased 15% to \$102.1 million due to strong demand in nearly all of its end markets.

### So, why are we flagging this?

#### 1. Big-ticket acquisition under the new CEO

- Internal CEO: In January 2022, the company appointed Scott A. King as CEO. Mr. King joined the company in 2004 as the manufacturing manager and climbed the ladder to become the CEO of the company.
- Negligible acquisition history: In the last 10 years, the company spent less than \$50 million on acquisitions. In fact, the last acquisition was in FY 2016, for under \$5 million.
- Big-ticket acquisition - Fill-Rite (\$525M)
  - In June 2022, the company acquired Fill-Rite and Sotera for approximately \$525 million. Fill-Rite is a provider of mission-critical fuel and chemical transfer solutions.
  - Financials: Fill-Rite's revenue for the LTM ended March 2022 was approximately \$140 million and the adjusted EBITDA was approximately \$34.5 million, representing an adjusted EBITDA margin of 25%, **92% 2021 FCF conversion**.
  - Market share: Fill-Rite and Sotera both hold niche leadership positions with the #1 or top 3 positions across key product lines. Fill-Rite is the #1

brand in the 0-35 GPM fuel transfer pump industry.

- Pro-forma – increase in margin: The Company's gross margin was 25% in 2021, while Fill-Rite's gross margin was 43% in 2021. It is estimated that the combined company's gross margin to be around 30% and the revenue to cross \$500+ million.

## 2. Recent improvements

- Revenue growth: After a series of declining revenue, the company's revenue has been growing for the past four quarters: QE June 2021: **8.4%**; QE Sep 2021: **14.8%**; QE Dec 2021: **14.1%**; QE Mar 2022: **14.8%**
- Record backlog: In Q1 2022, the company's backlog was \$195.5 million. Incoming orders increased 9.6% for the first quarter of 2022 compared to the same period in 2021.
- Scott King, President and Chief Executive Officer commented (Q1 2022), "We continue to see top line growth across most of our markets and incoming order trends remain positive. Although backlog is still at a historically high level, our aging is

consistent. While we have leveraged labor and overhead, inflationary pressures on cost of material persist, so we will continue to adjust our pricing to offset these increases. It appears that global supply chain challenges will extend into the foreseeable future. We are navigating these challenges and believe we will be able to maintain top line growth."

## 3. Free cash flow

\$, mm	2017	2018	2019	2020	2021
FCF	42.6	43.4	33.6	25.1	25.1

## 4. Others

- New products introduced: In June 2022, the company announced the NEW Eradicator Plus™ solids reduction technology for 3" (75 mm), 4" (100 mm), and 6" (150 mm) Super T Series® self-priming centrifugal trash pumps.
- Consistent dividend: In April 2022, the company paid \$0.17 per share as quarterly dividend and it is the 289th consecutive quarterly dividend paid by the company.

## ICF International (ICFI): Recent acquisition

- Market Cap: \$1.6 billion | ICF is a global consulting services company with approximately 8,000 full- and part-time employees.
- Screen: 8-K (Keywords)
- Major shareholders: BLACKROCK: 7.7% | DIMENSIONAL FUND ADVISORS: 6.8% | SILVERCREST ASSET: 6.1% | VICTORY CAPITAL MANAGEMENT: 5.2%

### I. BASIC

The company provides professional services and technology-based solutions to government and commercial clients, including management, marketing, technology, and policy consulting and implementation services.

(\$ in millions)	2016	2017	2018	2019	2020	2021
Revenue	1,185.0	1,229.1	1,337.9	1,478.5	1,506.8	1,553.0
Operating income	82.7	82.4	92.2	101.3	89.1	110.9
Net income	46.5	62.8	61.4	68.9	54.9	71.1

### II. WHAT WE LIKE

#### 1. Niche consulting service provider/long relationship

- 72% of revenues from government clients. Commercial clients accounted for approximately 28% of revenue.
- 49% of revenue is from federal agencies – HHS, DOS, DOD, EPA, GSA, FCC, DHS & DOE.
- ICF's work across core service areas including climate, energy efficiency, disaster management, public health, and social programs addresses environmental and social issues
- Long-term relationships: The Company has long-term relationships with many of its clients.
  - U.S. Environmental Protection Agency ("EPA") and HHS: More than 30 years
  - U.S. Department of Energy ("DoE"): More than 25 years
  - DoD: More than 20 years

- Certain commercial clients for more than 15 years.

#### • Database:

- The Company has developed industry-standard energy and environmental models that are used by governments and commercial entities for energy planning and air quality analyses.

- The company has developed a suite of proprietary climate change tools to develop strategies for complying with GHG emission reduction requirements.

- The company maintains proprietary databases that it continually refines.

#### • Others

- ICF was also included on Forbes' America's Best Management Consulting Firms list for the seventh year in a row.

- In February 2022, ICF was named the 2022 ServiceNow Americas U.S. Federal Partner of the Year for continued success in partnering with ServiceNow's federal team.

#### 2. Solid growth

##### • 100% growth since 2010:

- The company was founded in 1969 as a venture capitalist but it soon changed its business to consulting.

- The company's revenue increased from \$764 million in 2010 to \$1.5 billion in 2021 through organic and acquisitive growth process.

- **Recent quarter:** In Q1 2022, total revenue increased 9.2% to \$413.5 million primarily due to U.S. federal government's health, education, and social programs.
- **Backlog:** Total backlog was \$3.2 billion at the end of the first quarter of 2022.
- **Outlook:** The company expects its 2022 service revenue in the range of \$1.22 billion to \$1.27 billion, adjusted EBITDA \$168-180 million and operating cash flow to be approximately \$130 million.

### 3. Positive free cash flow

(\$, mm)	2018	2019	2020	2021
FCF	52.9	64.5	155.5	90.3

### III. WHY ARE WE FLAGGING THIS?

#### Acquisition of SemanticBits – solid recurring revenue

- In June 2022, the company entered into an agreement to acquire SemanticBits for approximately \$220 million. The transaction is expected to close in mid-July 2022.
- SemanticBits is a premier partner to U.S. federal health agencies for mission-critical digital modernization solutions.
- It has a track record of double-digit revenue growth and is expected to generate EBITDA margins in the high teens as part of ICF.
- **Recurring revenue:** SemanticBits is expected to generate approximately \$135 million in annual revenue in 2022 and \$115 million of that is expected to be recurring in 2023.

## **Abraxas Petroleum (AXAS): After migration to pure-play Permian Basin company and reduction of debt, directors created a bonus plan which rewards the executives for “change of control”; Executives get 100% only if the change of control happens within six months**

- **Market Cap:** \$13 million | Abraxas Petroleum Corporation is a San Antonio based crude oil and natural gas exploration and production company with operations in the Permian Basin of the United States.
- **Screen:** CEO compensation
- **Major shareholders:** TRAYNOR CAPITAL MANAGEMENT, INC. – 0.42% |

### **RESEARCH**

#### **1. Pure play Delaware Basin Company & repayment and conversion of debt**

- **Sale of Williston Basin:** In January 2022, the company sold its Williston Basin assets for \$87.2 million.
- **Repayment of debt and conversion of debt to preferred stock:**
  - The company used the proceeds from the sale of Williston Basin assets to pay off a portion of the debt.
  - **Conversion to preferred stock:** In January 2022, AG Energy Funding (AGEF) converted its entire Second Lien Term Loan into newly authorized Series A Preferred Stock.
- **99% reduction in debt:** The Company's total debt decreased from \$215 million in December 2021 to \$2.4 million in March 2022.
- **Pure-play Permian-focused Company:** With the sale of Williston Basin in January 2022, the company migrated to a pure play Permian/Delaware Basin focused company.
- According to its recently received reserve report, as of December 31, 2021,

Abraxas' proved oil and natural gas reserves consisted of approximately 24.1MMBoe.

#### **2. Compensation plan that rewards how quickly “change of control” happens**

- **Bonus for “change in control”:** In May 2022, AGEF and the company announced an incentive plan which provides the opportunity for certain officers and key employees to receive a bonus in connection with a change in control of Abraxas.
- The aggregate management incentive plan (“MIP”) payout shall be capped at \$12 million.
- What caught our attention is the criteria – the bonus is tied to how quickly the company experiences “change of control”.
- Any MIP payout shall be subject to adjustment based on the timing of a change of control, as follows: 0 – 6 months = 100%, 7 – 12 months = 75%, 13 – 18 months = 50%, and thereafter = 25%.
- If the company is sold for \$100 million, executives get nothing.

[Go to index page](#)

<b>Eligible Named Executive Officers</b>	
<b>Eligible Employee</b>	<b>Allocation of MIP Value %</b>
Robert Watson	45.00%
Kenny Johnson	9.50%
Steve Harris	8.60%

<b>MIP Pool Calculation</b>		
<b>Tier</b>	<b>Change of Control Value Range</b>	<b>MIP Value Participation % of Incremental Amounts</b>
I	\$0-100 million	0.00%
II	\$100-110 million	50.00%
III	\$110-140 million	5.00%
IV	\$140-180 million	10.00%
V	\$180+ million	15.0% (capped at \$1.5 million)

Link:

<https://www.sec.gov/Archives/edgar/data/867665/000143774922012877/0001437749-22-012877-index.htm>

## Allied Motion Technologies (AMOT): Insider buying

- Market Cap: \$368 million | Allied Motion designs, manufactures and sells precision and specialty controlled motion products and solutions used in Vehicle, Medical, Aerospace & Defense, and Industrial.
- Screen: Insider buying
- Major shareholders: BLACKROCK INC. – 4.8% | ACK ASSET MANAGEMENT LLC – 4.8% | WASATCH ADVISORS INC – 3.9% | VANGUARD GROUP INC – 3.8% | DIMENSIONAL FUND ADVISORS INC – 3.8% | JUNIPER INVESTMENT COMPANY, LLC – 3.2% | BRIDGEWATER CAPITAL ADVISORS INC – 2.4%

### I. BASIC

- Its products include brush and brushless DC motors, brushless servo and torque motors, coreless DC motors, integrated brushless motor-drives, gear motors, gearing, modular digital servo drives, motion controllers, incremental and absolute optical encoders etc.
- The company sell its solutions to end customers and OEMs through its own direct sales force and authorized manufacturers' representatives and distributors.

(\$ in millions)	2017	2018	2019	2020	2021
Revenue	252.0	310.6	371.1	366.7	403.5
Gross profit	75.7	91.4	112.6	108.6	121.1
Operating income	18.8	23.2	29.4	23.0	26.0
Net income	8.0	15.9	17.0	13.6	24.1

### II. WHAT WE LIKE:

#### 1. Growth

- 10X growth since transformation in 2002: Prior to 2002, the company's majority of revenue was from Power and Process Business, which it sold in 2002-2003 period. Since then, it focused on motion products, as its revenue has increased from \$39 million in 2003 to 403

million in 2021 through acquisition and organic growth.

- Record revenue in 2021: Revenue was \$403.5 million increased \$36.8 million, or 10%, reflecting strong growth in Industrial markets of 19% and Vehicle markets of 18%. Both markets benefited as economic conditions recovered from the pandemic and from the launch of new solution offerings.
- In Q1 2022, revenue increased 13% to a record \$114.8 million and reflected higher demand across most markets and incremental revenue from acquisitions.

For 2021, sales to our Industrial markets reached all-time highs and our Vehicle markets returned to pre-pandemic levels. Encouragingly, we also grew our Medical markets despite extremely tough comparisons from the prior year that saw significant demand for our products and solutions during the height of the pandemic," commented Dick Warzala, Chairman and CEO.

- Highly acquisitive
  - From 2018 to 2021, the company acquired six companies for approximately \$202 million.
- Increasing backlog:

- In Q1 2022, the company had record backlog up 16% sequentially and 90% YoY. Majority of the backlog to be shipped in 3 to 9 months period.
- Record orders in Q1 2022 of \$155.3 million drove a book-to-bill ratio of 1.4x.
- Approximately 80% of the company's backlog is expected to convert to sales within the next 9 months.

(\$ in millions)	2017	2018	2019	2020	2021	Q1 2022
Backlog	100.7	131.9	124.9	141.3	249.9	289.3

## 2. Positive free cash flow

(\$ in millions)	2017	2018	2019	2020	2021
Free cash flow	19.2	3.1	19.7	15.5	11.7

## 3. Owner-operator

- The company's CEO since 2009, Mr. Warzala holds a 10% stake in the company.

## III. WHY ARE WE FLAGGING THIS?

### 1. Insider buying:

- In May 2022, the company's insiders bought \$55,810 worth of shares at an average price of \$23.3 per share.

### 2. Recent acquisitions are expected to add significant revenue

- In the last quarter of 2021, the company acquired three companies for \$100 million. These three acquisitions are expected to provide incremental revenue of approximately \$60 million in 2022 ~ **15% increase in revenue.**
- In addition, in 2022 the company acquired three companies (Airex, ThinGap and FPH) for an undisclosed amount.
- Margin improvement: The Company's management claims that these recent

acquisitions enjoy a higher gross margin and would help the company to increase the gross margin.

## IV. RECENT CHALLENGES

1. Huge debt: The Company's debt level is at all-time high - \$179 million (excluding operating lease and pension obligation of \$13.9 in total).
2. The company is using its cash to support higher levels of inventory to combat supply chain challenges. This would temporarily hinder the company's ability to repay the debt.
3. Inability to pass on the cost?
  - Even though the topline is increasing, the company's margins are affected due to the supply chain issues and inflationary pressures on logistics, energy, materials, and labor.
  - As per the below conference call notes, it is clear that the company is having some trouble in passing on the cost to its customers.

Price increases do lag. By the time you're getting supply cost increases and by the time you turn around and pass them on, unless they're part of a blanket agreement where commodity pricing is already addressed in there, you have to deal with them on a one-on-one basis. You're going to get pushed back, and the market is going to push back. So I think we'll start seeing some resistance overall, not everybody pushing back and saying, how much more can be tolerated here before everyone prices themselves out of the market.

## Inogen (INGN): Significant changes after the appointment of new CEO; Recently appointed CEO is a former top executive of \$17 billion Beckon, Dickinson & Co

- **Market Cap:** \$657 million | Inogen is a medical technology company offering innovative respiratory products for use in the homecare setting.
- **Screen:** Significant changes after the appointment of new CEO
- **Major shareholders:** BROWN CAPITAL MANAGEMENT LLC – 17.5% | BLACKROCK INC. – 14.7% | VANGUARD GROUP INC – 11.2% | NOVO HOLDINGS A – 4.7% | BAMCO INC – 3.9% | STATE STREET CORP – 3.9% | CAMBER CAPITAL MANAGEMENT LP – 3.3%

### I. BASIC

- It manufactures and markets portable oxygen concentrators (POCs) - used to deliver supplemental long-term oxygen therapy to patients suffering from chronic respiratory conditions.
- Its majority of revenue from the sale and rental of Inogen One systems

- **Patent:** The Company has forty-seven issued U.S. patents, and nineteen issued foreign patents relating to the design and construction of our oxygen concentrators, intelligent delivery technology and TAV product, including its proprietary nasal interface.

### 2. 50% market share?

- According to a few research reports, the portable oxygen concentrators (POC) market size was valued at \$1.54 billion in 2019 – out of this, North America accounted for 32% market share. As such, the US market is roughly \$500 million. Inogen generated approximately \$250 million from the US market in 2020. As such, we can conclude that the company could hold approximately 50% market share in the US POC market.

- The company stated that it is the only POC manufacturer offering patients both a purchase and a rental option to acquire an oxygen therapy device.

### 3. Direct-to-consumer model

- The company believes that it is the only manufacturer of portable oxygen concentrators that employs a direct-to-consumer rental strategy in the US.
- **Massive sales team:** As of December 31, 2021, the company employed an in-house sales team of 326 people, a marketing team of 5 people, and a business-

(\$ in millions)	2017	2018	2019	2020	2021
Sales revenue	225.5	336.0	340.5	280.2	311.7
Rental revenue	23.9	22.1	21.4	28.3	46.3
Total revenue	249.4	358.1	361.9	308.5	358.0
Gross profit	121.2	178.6	171.9	138.2	176.5
Income (loss) from operations	27.6	37.9	19.8	(12.0)	9.2
Comprehensive income (loss)	21.0	52.3	20.1	(5.3)	(5.3)

### II. WHAT WE LIKE:

#### 1. Smallest, Powerful and Silent device

- **Inogen One G5:** The Company launched its fifth-generation POC, the Inogen One G5 in 2019. The Inogen One G5, represented more than 75% of total domestic POC units sold in Q1 2022.
- The Inogen One G5 is the smallest, most powerful six setting portable oxygen concentrator available in the world.
- With only 39 decibels, the G5 is one of the quietest portable concentrators.

to-business sales and global support team of 25 people.

- To pursue a direct-to-consumer rental strategy, manufacturing competitors would need to meet national accreditation and state-by-state licensing requirements and to secure Medicare billing privileges, as well as compete with the home medical equipment providers who many of the company's manufacturing competitors sell to across their entire homecare business.

#### 4. Growth

- 10X growth in 10 years: The company was founded in 2001. The company's revenue increased from \$30.6 million in 2011 to \$311 million in 2021 predominantly through organic growth.
- Since the inception of the company and through 2021, the company has been able to serve approximately 1.2 million patients.
- In 2021, the company had approximately 42,900 patients on service, an increase of 33.2% compared to 2020.
- In January 2022, Medicare rates for oxygen therapy with Medicare reimbursement rates increased approximately 5% due to the annual inflation adjustment.

#### 5. Changes under the new CEO

##### **(a) New CEO is a former top executive of Beckon, Dickinson & Co**

In February 2021, the company appointed Nabil Shabshab as CEO.

- Top executive of \$17 billion Beckon, Dickinson & Co:
  - From 2011 to 2021, he served in various executive positions at Becton, Dickinson and Company ("BD"), a \$17B+ global medical technology company.
  - He was one of the top executives in the company.

- Mr. Shabshab served as worldwide president of Diabetes Care and Digital Health of the company from 2017 to 2021 for businesses ranging from \$1B to \$3B in revenue.

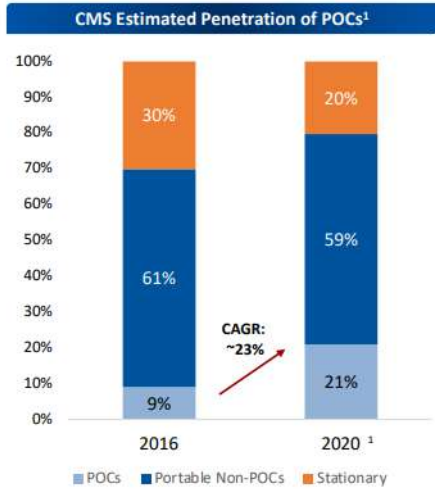
- Mr. Shabshab has experience across small-, mid-, and large-cap global organizations for the past 30 years across med tech, life sciences in healthcare, industrial, consumer packaged goods, and consulting.

##### **(b) Changes after the appointment of new CEO**

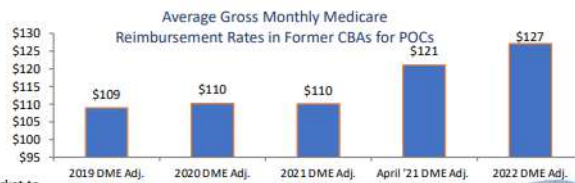
- Management changes: 7 out of the top 8 executives have been appointed/promoted since 2021
  - CEO - February 2021
  - EVP, Chief Commercial Officer - April 2021
  - EVP, General Counsel - July 2021
  - EVP, Chief Technology Officer - October 2021
  - EVP and Chief Human Resources Officer - February 2022
  - EVP and CFO - March 2022
  - SVP Investor Relations and Strategic Planning - May 2022
- Expansion of salesforce:
  - In September 2021, the company entered into an agreement with Ashfield Healthcare to enhance its go-to-market capabilities.
  - In March 2022, the company had 54 sales representatives, as the agreement with Ashfield helped the company to increase its sales representatives by 19 till Q1 2022.
  - The company expects this agreement will increase the company's coverage of the portable oxygen patients in the prescriber channel from 40% to approximately 65%.

- Recent challenges- supply chain constraints and the management's efforts
  - In 2021, the company faced significant supply chain disruptions due to a shortage of semiconductor chips used in portable oxygen concentrators.
  - The acquisition cost of these chips from third parties is significantly higher, and the company was unable to fulfill some orders, particularly in its domestic business-to-business channel due to supply chain constraints.
  - The company expects this to impact COGS in 2022 and 2023.
- Halting manufacturing and restating:
  - In January 2022, the company temporarily suspended manufacturing operations at its Texas and California locations and asked Foxconn, the company's OEM, to suspend manufacturing due to chip shortages.
  - In February 2022, the company restarted its manufacturing operations at all three locations.
  - In Q1 2022, the company sold approximately 30,400 systems compared to 49,400 systems in Q1 2021 – the decline was due to supply chain constraints and associated temporary suspension of manufacturing at all three locations
- Motherboard redesign to counter chip shortage: As per the conference call, in early 2022, the company redesigned the motherboard for Inogen One G5 POC to utilize alternative chipsets that currently have a higher level of availability.
- Increase in pricing: In order to mitigate supply related cost inflation, the company increased its price in March 2022. This is in addition to the price hike implemented in September 2021.

## U.S. Market Dynamics Favor POC Adoption



- Favorable Market Dynamics**
- Significant growth opportunity within Portable non-POC
    - Perceived meaningful difference between POCs and tanks<sup>2</sup>
    - Strong patient preference for POCs<sup>2</sup>
  - CMS April 2021 DMEPOS fee schedule resulted in 5-10% increases in oxygen reimbursement rates across the country



<sup>1</sup> Based on 2020 U.S. Medicare claims data and our estimates of the ratio of the Medicare market to the total market. Value excludes Medicare Advantage, Medicaid, cash pay and private insurance  
<sup>2</sup> Inogen quantitative market research conducted in Q4 2021



## Greywood Investments argue that Enthusiast Gaming Holdings has 3X-7X upside

Market cap: \$290 million | The company engages in the media, content, entertainment, and e-sports businesses.

### **Excerpts**

We believe Enthusiast should have a market value of US\$1-2 billion, not the anemic US\$250-300 million market value under the current leadership. With proper leadership and focus we see a realistic path to a US\$4-5 billion company.

Enthusiast has a strong platform from which it could and should, under experienced, knowledgeable and respected leadership, not only maximize its data and technology capabilities for its advertising and subscription businesses but also expand exponentially by expeditiously capitalizing on the explosive growth of gaming as a gateway to the adoption of the many innovative technologies of Web3.0.

Status: Greywood Investments secured Board seats in Enthusiast Gaming

Letter:

[https://www.sec.gov/Archives/edgar/data/1854233/000121390022029165/ea160516-13da4grey\\_enthusia.htm#g\\_001](https://www.sec.gov/Archives/edgar/data/1854233/000121390022029165/ea160516-13da4grey_enthusia.htm#g_001)

## Scopia Capital argues that Verra Mobility Corporation has 47% to 79% potential upside

Market cap: \$2.6 billion | The company provides smart mobility technology solutions and services.

### **Excerpts**

We extensively analyzed VRRM's operations and are impressed with the Company's momentum and its strong earnings power that we believe is underappreciated by the investment community. There are many things that we believe make VRRM an attractive investment. It is a leader in the smart transportation space, supporting long-term ESG initiatives through two strong businesses with highly differentiated platforms, robust market shares, powerful industry tailwinds and meaningful expansion opportunities. It has an extremely strong financial profile with over 90% recurring revenue, a ~20% 5-year organic service revenue CAGR, ~45-50% EBITDA margins, durable competitive moats, low capital intensity and strong free cash flow generation.

The Commercial Services business operates the sole nationwide tolling, title and registration solution for rental car companies and managing violations for commercial fleets. It has 90%+ market share, high barriers to entry and impressive 60%+ EBITDA margins. There are a number of underlying secular trends which should support revenue growth over the medium term including increased cashless tolling, increased toll road demand (especially in

light of the new infrastructure bill), congestion pricing, a shift towards personal vehicles from public transportation and increased transponder take rates. In addition, we believe VRRM has the experience and relationships to successfully expand into Europe, which today is a nascent business with negligible revenue but has a potential Total Addressable Market (TAM) similar to the United States. Further, we believe the business proved its resiliency with the way it navigated the Covid-19 crisis. With one rental car customer going bankrupt and the whole space in dire circumstances, VRRM remained cash flow positive with over 50% EBITDA margins. Now, its 1Q22 revenues have rebounded above 2019 levels (\$289 million of TTM Service revenues), despite volumes still having a fair amount of recovery ahead as the business continues to benefit from the secular tailwinds outlined above.

<b>Commercial Services</b>	<b>2018*</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>1Q22</b>
Revenue	\$241.4	\$276.5	\$180.9	\$261.0	\$73.5
Organic Growth	16%	15%	-35%	44%	61%
EBITDA	\$153.2	\$175.4	\$97.1	\$160.5	\$46.6
Margin	63%	63%	54%	61%	63%

*\*Pro-Forma for HTA Acquisition*

*USD Millions*

The Government Solutions business also has significant market share operating nearly 9,000 speed, red light, school bus and bus lane automated enforcement safety cameras. We believe there are meaningful geographic expansion opportunities and an increasing focus on school speed zones and school bus cameras that should generate more than the Company's low-to-mid single digit growth targets. In fact, the business is currently running 119% above its 2019 revenue levels with additional upside opportunities. New York City is installing additional automated enforcement cameras that raise the recurring service revenue, CrossingGuard has won contracts to install cameras on 6,500 buses and the integration of Redflex should further boost VRRM's growth potential domestically and internationally. Further upside can also come from the Federal Infrastructure bill that allocated \$2.7 billion to increase traffic safety with specific subsidies earmarked for school bus cameras and other automated traffic enforcement cameras.

<b>Government Solutions</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>1Q22</b>
Revenue	\$147.5	\$172.3	\$212.8	\$283.2	\$78.8
Organic Growth	5%	17%	24%	16%	35%
EBITDA	\$56.1	\$66.0	\$84.6	\$107.9	\$25.5
Margin	38%	38%	40%	38%	32%

*\*Organic Growth Excludes Redflex Acquisition*

*USD Millions*

We are also supportive of the recent T2 acquisition as it is a high-quality business with revenue synergies that will help to diversify VRRM further into the "Smart City/Mobility" space. The business operates smart parking operations for universities and small municipalities with ~80% SaaS/Subscription and ~20% hardware revenues. We believe VRRM can leverage its relationships with its 150 municipality customers to accelerate growth.

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Typically, companies with VRRM's high-quality business characteristics, financial results and outlook garner a valuation premium. Instead, the Company trades at a material discount to peers. We believe VRRM will have at least \$1.25/share of earnings power by 2023 meaning the Company is trading at ~12x '23 earnings (vs. Proxy Peer Median ~21x, Payments Peer Median ~19x, see appendix). Sell-side analysts agree with the fact that VRRM is undervalued with the average target price set at nearly \$20.00.<sup>1</sup> Using an average peer 20x multiple (despite VRRM's higher quality business characteristics), the implied share price would be at least \$25, which represents over 60% upside from current levels.

VRRM	Low	Mid	High
Current Price (July 13th)	\$15.35	\$15.35	\$15.35
2023 EPS	\$1.25	\$1.25	\$1.25
Multiple	18.0x	20.0x	22.0x
Valuation	\$22.50	\$25.00	\$27.50
Upside	47%	63%	79%

Historically, we believe VRRM's valuation disconnect and lackluster stock price could be attributed at least in part to governance concerns, communication miscues and more recently the impact of Covid. As Covid receded, the overhang of Platinum Equity's control and selling was removed and the Company committed to laying out a long-term strategic roadmap at the upcoming investor day, we were hopeful 2022 would be the clean year that had eluded VRRM and that the valuation gap would finally narrow. We are not alone in our view that 2022 is a 'put-up-or-shut-up' year for the Company, as was voiced by Keith Housum, North-coast Research Analyst in his May 3<sup>rd</sup> report titled "*VRRM: This is the Make or Break Year.*"

Obviously, we were extremely disappointed when the Company managed to snatch defeat from the jaws of victory once again when accounting issues and a lack of internal controls delayed the 2021 10-K filing, postponed the March investor day and exposed shareholders to a potentially catastrophic default and acceleration of the Company's debt. To add insult to injury, this self-inflicted wound overshadowed both strong 4Q21 results and FY22 guidance.

Although VRRM's stock has recovered from the lows it hit as the debt default loomed, we are halfway through the year and the Company has not made meaningful progress in closing the valuation gap despite strong year-end results and guidance, strong 1Q22 results which included continued outperformance, the long-term renewal of a large commercial customer, a \$125 million buyback announcement and raised FY22 guidance to the high-end of the range with the potential that it would be further raised in 2Q22.

While we are looking forward to the upcoming July investor day and hope it will be a catalyst for the stock, we believe it is important for the Board to recognize that the Company is running out of chances. We are fast approaching the point where a review of strategic alternatives may be necessary to evaluate a potential strategic sale, leveraged buyout, split-up of the businesses, etc. We suspect the answer may be a sale process, in whole or parts, but we are open to the pursuit of any potential solution to achieve fair value. It is incumbent upon the Board to have the same mentality.

We are rooting for VRRM to become fairly valued in the public markets, but we and other investors are losing faith given the self-inflicted issues that are ever present. We want to

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emphasize our continuing desire to work together in a constructive manner. We are hopeful that by making these concerns public, the Board can find the conviction and creativity to take the steps necessary to maximize shareholder value.

## APPENDIX 1

### Proxy and Payments Peer Multiple Valuations

Ticker	Consensus 2023 P/E	Consensus 2023 EV/EBITDA	Consensus 2023 EBITDA Margins	Consensus Revenue Growth ('20-'23 CAGR)
<b>Proxy Peers</b>				
ACIW	12.0x	9.1x	29%	5%
AZPN	29.5x	25.2x	44%	NA
CSGS	16.5x	8.9x	22%	5%
EXLS	22.6x	14.8x	21%	16%
ALRM	29.7x	17.8x	19%	14%
BMI	32.5x	18.7x	21%	11%
FICO	23.0x	17.8x	47%	6%
MANH	44.6x	32.5x	26%	12%
TYL	39.7x	28.0x	25%	22%
BLKB	17.5x	13.7x	25%	9%
EVTC	13.0x	9.7x	44%	7%
GWRE	NA	NA	-1%	8%
OSIS	13.8x	8.2x	17%	2%
WEX	11.2x	7.8x	45%	15%
CRNC	10.7x	7.6x	35%	10%
EVOP	18.9x	10.2x	38%	12%
QTWO	60.0x	37.9x	9%	20%
PRGX	Acquired	-	-	-
CUB	Acquired	-	-	-
EGOV	Acquired	-	-	-
MTSC	Acquired	-	-	-
<b>Average</b>	<b>24.7x</b>	<b>16.7x</b>	<b>27%</b>	<b>11%</b>
<b>Median</b>	<b>20.7x</b>	<b>14.2x</b>	<b>25%</b>	<b>10%</b>
<b>Payments Peers</b>				
V	24.3x	19.5x	71%	14%
MA	25.5x	20.1x	62%	19%
PYPL	15.0x	10.9x	23%	15%
FOUR	18.5x	10.0x	28%	55%
ACIW	12.0x	9.1x	29%	5%
EVOP	18.9x	10.2x	38%	12%
SQ	40.9x	31.9x	6%	30%
FICO	23.0x	17.8x	47%	6%
WEX	11.2x	7.8x	45%	15%
FLT	11.6x	10.5x	55%	16%
ADYEN NA	49.1x	33.2x	65%	40%
<b>Average</b>	<b>22.7x</b>	<b>16.4x</b>	<b>43%</b>	<b>21%</b>
<b>Median</b>	<b>18.9x</b>	<b>10.9x</b>	<b>45%</b>	<b>15%</b>
<b>VRRM</b>	<b>13.9x</b>	<b>10.3x</b>	<b>46%</b>	<b>25%</b>

#### Source

[https://www.sec.gov/Archives/edgar/data/1279150/000092189522002237/ex991to13da106777022\\_071322.htm](https://www.sec.gov/Archives/edgar/data/1279150/000092189522002237/ex991to13da106777022_071322.htm)

## Disappointed Directors

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### **RBB Bancorp (RBB): Disagreements with the Board regarding corporate governance; Historical and potentially current conflicts of interest among certain board members and senior management that were just disclosed to the Board in March 2022**

- In May 2022, Raymond Yu resigned as a director citing disagreements with respect to the Board's director independence and potential conflicts of interest determinations.
- **Company's response:** The Company is not currently aware of any information that would cause the Board to change its general director independence determinations. Board has resolved to investigate the issues raised in Mr. Yu's resignation letter
- **Resignation Letter**  
[https://www.sec.gov/Archives/edgar/data/1499422/000143774922012495/ex\\_373695.htm](https://www.sec.gov/Archives/edgar/data/1499422/000143774922012495/ex_373695.htm)

### **Intellicheck, Inc. (IDN): Restatement was prepared without input or consideration to the governance structure that is in place for Intellicheck**

- In June 2022, Dr. Amelia Ruzzo resigned as a director due to her disagreement with the way the Company and the Board of Directors handled the process relating to the restatements of the financial statements.  
It is after cautious consideration, careful reading of the draft Form 10-K restatements prepared by EisnerAmper, and the concerns that I stated in my May 17, 2022 email that I do not believe I can continue as a Director of Intellicheck. I do not believe that accounting activities and adherence to corporate bylaws are mutually exclusive and am troubled that the restatement was prepared without input or consideration to the governance structure that is in place for Intellicheck.
- **Resignation letter** <https://www.sec.gov/Archives/edgar/data/1040896/000149315222017184/0001493152-22-017184-index.htm>

### **Republic First Bancorp, Inc. (FRBK): Breach of employment agreement**

- In January 2022, George Norcross, a South Jersey Democratic power broker, stated that former T.D. Bank executive Gregory Braca, would be an outstanding candidate to become CEO of Republic First Bancorp.
- In February 2022, Driver Management filed proxy materials seeking support for its nominees. George Norcross supported Driver Management's nominees.
- In May 3, 2022, the company announced it has removed Vernon W. Hill, II as the Company's chairman. Mr. Hill remained as a director and CEO. Directors appointed Harry Madonna, the bank's founder, as Chairman
- In July 2022, Vernon W. Hill, II resigned as CEO. He stated that the board has breached his employment agreement and have violated their fiduciary duties to Republic First Bancorp.
- **Resignation letter 1**, **Resignation letter 2**

## CEO resignation: Red flags

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### **Ontrak, Inc. (OTRK) (M.Cap: \$20 million) - CEO resigned within 15 months**

- Ontrak is a leading AI-powered and telehealth-enabled healthcare company.
- Jonathan Mayhew, who was appointed as CEO in April 2021, resigned in June 2022.

## CFO resignation: Red flags

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### **Charlotte's Web Holdings, Inc. (CWBHF) (M.Cap: \$88 million) - CFO resigned within 3 months**

- Charlotte's Web Holdings is the market leader in full-spectrum cannabidiol ("CBD") hemp extract wellness products
- Lindsey Jensen, who was appointed as CFO in April 2022, resigned in July 2022.

### **Digital Media Solutions, Inc. (DMS) (M.Cap: \$50 million) - CFO resigned within 17 months**

- Digital Media Solutions is a leading provider of technology-enabled digital performance advertising solutions connecting consumers and advertisers
- Vasundara Srenivas, who was appointed as CFO in February 2021, resigned in July 2022.

### **Lottery.com Inc. (LTRY) (M.Cap: \$42 million) - CFO resigned within 4 months**

- Lottery.com Inc. is a leading provider of domestic and international lottery products and services.
- Ryan Dickinson, who was appointed as CFO in March 2022, resigned in July 2022.

### **RealNetworks, Inc. (RNWK) (M.Cap: \$27 million) - CFO resigned within 16 months**

- RealNetworks is an emerging leader in AI-based software and solutions
- Judd Lee served as CFO from March 2020 to March 2021
- Christine Chambers, who was appointed as CFO in March 2021, resigned in July 2022.

### **LMP Automotive Holdings, Inc. (LMPX) (M.Cap: \$62 million) - CFO resigned within 12 months**

- LMP Automotive Holdings is an e-commerce and facilities-based automotive retailer in the United States
- Robert Bellaflares, who was appointed as CFO in July 2021, resigned in July 2022.

## 13D Summary - June 13, 2022 to July 15, 2022

Company name	M. Cap (\$, mm)	Filer name	Notes (Each headline below is "clickable" – it is hyper-linked to the 13D notes)
<b>INITIATED</b>			
ONCOLOGY INSTITUTE, INC. (TOI)	412	HAVENCREST HEALTHCARE PARTNERS, L.P.	<a href="#">Havencrest Healthcare Partners initiates discussions with Oncology Institute</a>
SOCIETAL CDMO, INC. (SCTL)	39	RAILROAD RANCH CAPITAL MANAGEMENT, LP	<a href="#">Railroad Ranch Capital Management initiates discussions with Societal CDMO, Inc</a>
<b>BOARD SEAT/ AGM RESULTS</b>			
ADAGIO THERAPEUTICS, INC. (ADGI)	369	ADIMAB, LLC, M28 CAPITAL MANAGEMENT LP, MITHRIL II LP, POLARIS VENTURE PARTNERS V, L.P., POPULATION HEALTH EQUITY PARTNERS III, L.P.	<a href="#">The Nominees of the concerned shareholder group were elected to the Board of Adagio Therapeutics</a>
AEROJET ROCKETDYNE HOLDINGS, INC. (AJRD)	3273	STEEL PARTNERS HOLDINGS L.P.	<a href="#">Shareholders of Aerojet Rocketdyne elects new board of directors</a>
ARCA BIOPHARMA, INC. (ABIO)	34	FUNICULAR FUND, LP	<a href="#">Funicular Fund secured a Board seat in ARCA biopharma</a>
BARNES & NOBLE EDUCATION, INC. (BNED)	155	OUTERBRIDGE CAPITAL MANAGEMENT LLC	<a href="#">Outerbridge Capital reaches agreement with Barnes &amp; Noble Education</a>
CALAMP CORP. (CAMP)	247	B. RILEY ASSET MANAGEMENT, LLC	<a href="#">B. Riley Asset Management reaches agreement with Calamp Corp</a>
ENTHUSIAST GAMING HOLDINGS INC. (EGLX)	358	GREYWOOD, LLC	<a href="#">Greywood Investments secured Board seats in Enthusiast Gaming</a>
GLOBAL CORD BLOOD CORP (CO)	362	BLUE OCEAN STRUCTURE INVESTMENT CO LTD	<a href="#">Shareholders led by Blue Ocean announce successful results of the extraordinary general meeting of Global Cord Blood Corporation</a>
GROUPON, INC. (GRPN)	440	BARTA JAN	<a href="#">Jan Barta entered into a co-operation agreement with Groupon</a>
MERCURY SYSTEMS INC (MRCY)	3538	STARBOARD VALUE LP	<a href="#">Starboard Value reaches agreement with Mercury Systems</a>
NEW RELIC, INC. (NEWR)	3082	JANA PARTNERS LLC	<a href="#">JANA Partners secured a Board seat in New Relic</a>
<b>ONGOING</b>			
ALKERMES PLC. (ALKS)	5231	SARISSA CAPITAL MANAGEMENT LP	<a href="#">Sarissa Capital announced its stance for the upcoming AGM at Alkermes</a>
AMARIN CORP PLC\UK (AMRN)	675	SARISSA CAPITAL MANAGEMENT LP	<a href="#">Sarissa Capital Management intends to vote "ABSTAIN" at the AGM of Amarin Corp</a>
CATALYST BIOSCIENCES, INC. (CBIO)	55	SINGER JULIAN D.	<a href="#">Julian Singer seeks support for his nominees at Catalyst Biosciences</a>
CERAGON NETWORKS LTD (CRNT)	223	AVIAT NETWORKS, INC.	<a href="#">Aviat Networks calls out Ceragon Networks' failure to respond to the acquisition proposal and request for EGM</a>
CONSUMER PORTFOLIO SERVICES, INC. (CPSS)	221	BLACK DIAMOND CAPITAL MANAGEMENT, L.L.C.	<a href="#">Consumer Portfolio Services endorsed Black Diamond Capital Management's nominees to the board</a>

FORTE BIOSCIENCES, INC. (FBRX)	21	BML INVESTMENT PARTNERS, L.P.	<a href="#">Forte Biosciences to liquidate and/or return cash to shareholders</a>
MEREO BIOPHARMA GROUP PLC (MREO)	74	RUBRIC CAPITAL MANAGEMENT LP	<a href="#">Rubric Capital Management argues that Mereo Bio-Pharma Group could be worth \$4 per share</a>
NEURONETICS, INC. (STIM)	94	CANNELL CAPITAL LLC	<a href="#">Cannell Capital requested a Board seat in Neuronetics</a>
PASITHEA THERAPEUTICS CORP. (KTTA)	28	CAMAC FUND, LP	<a href="#">Camac Partners requests a special meeting at Pasithea Therapeutics Corp</a>
PEOPLES FINANCIAL CORP /MS/ (PFBX)	70	STILWELL JOSEPH	<a href="#">Joseph Stilwell suggested Peoples Financial Corp explore all possibilities to maximize shareholder value</a>
PHARMACYTE BIOTECH, INC. (PMCB)	49	IROQUOIS CAPITAL MANAGEMENT, LLC	<a href="#">Iroquois Capital nominates a slate of director candidates for the election at Pharmacyte's AGM</a>
REPUBLIC FIRST BANCORP INC (FRBK)	226	NORCROSS GEORGE E III, DRIVER MANAGEMENT CO LLC	<a href="#">Norcross Braca Group delivered a letter to the Board of Republic First Bancorp</a>
ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	43	RADOFF BRADLEY LOUIS , AB VALUE MANAGEMENT LLC	<a href="#">AB Value Management and Bradley L. Radoff nominate Board candidates to the board of Rocky Mountain Chocolate Factory</a>
SCIPLAY CORP (SCPL)	1801	ENGINE CAPITAL, L.P.	<a href="#">Engine Capital sends a letter to the Board of SciPlay regarding ongoing IP agreement negotiations with Light &amp; Wonder</a>
SEACHANGE INTERNATIONAL INC (SEAC)	28	SINGER KAREN	<a href="#">TAR Holdings LLC /Karen Singer seeks leadership change at SeaChange International</a>
SYMBOLIC LOGIC, INC. (EVOL)	18	SINGER KAREN	<a href="#">Karen Singer encourages Symbolic Logic to explore all options related to the de-registration of its Common Stock</a>
TITAN PHARMACEUTICALS INC (TTNP)	17	ACTIVIST INVESTING LLC	<a href="#">Activist Investing seeks support for its nominees at Titan Pharmaceuticals, Inc.</a>
UPHEALTH, INC. (UPH)	84	AZIM SYED SABAHAT, BRAY JEFFERY REX, KATHURIA CHIRINJEEV, PYLYPIV MARIYA	<a href="#">Jeffery R. Bray and his concerned shareholder group filed proxy materials on UpHealth</a>
VERRA MOBILITY CORP (VRRM)	2445	SCOPIA CAPITAL MANAGEMENT LP	<a href="#">Scopia Capital Management argues that Verra Mobility Corporation could be worth \$25 per share</a>
<b>OTHERS</b>			
NEWPARK RESOURCES INC (NR)	281	RADOFF BRADLEY LOUIS	<a href="#">Bradley L. Radoff increased his stake after reaching an agreement with Newpark Resources</a>
RADIUS HEALTH, INC. (RDUS)	486	VELAN CAPITAL INVESTMENT MANAGEMENT LP	<a href="#">Velan-Repertoire to withdraw director nominations due to pending sale of Radius Health</a>
SUPERIOR DRILLING PRODUCTS, INC. (SDPI)	24	STAR EQUITY FUND, LP	<a href="#">Star Equity withdrew its nominations at Superior Drilling Products</a>
TWITTER, INC (TWTR)	34000	MUSK ELON	<a href="#">Elon Musk terminated his merger agreement with Twitter</a>
ZENDESK, INC. (ZEN)	9089	JANA PARTNERS LLC	<a href="#">JANA Partners withdrew its proxy solicitation at Zendesk</a>

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## INITIATED

### **Havencrest Healthcare Partners initiates discussions with Oncology Institute**

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Market Cap: \$411 million | The Oncology Institute, Inc., an oncology company, provides medical oncology services in the United States.

On July 11, 2022, Havencrest Healthcare Partners (21%) stated that it has engaged in discussions with the company's CEO and Chairman of the Board concerning the operations, corporate governance, the composition of the board, and board refreshment, which may include adding a representative of Havencrest Healthcare Partners, and future strategic and capital allocation plans of the company. [Source](#)

### **Railroad Ranch Capital Management initiates discussions with Societal CDMO, Inc**

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Market Cap: \$39 million | Societal CDMO, Inc., a contract development and manufacturing organization, engages in the development, manufacturing, and packaging for various therapeutic dosage forms primarily in the small molecule therapeutic development in the United States and internationally.

On June 27, 2022, Railroad Ranch Capital Management (5.9%) stated that it has engaged, and intends to continue to engage, in communications with the management team and board regarding means to enhance shareholder value. [Source](#)

## BOARD SEAT/ AGM RESULTS

### **The Nominees of the concerned shareholder group were elected to the Board of Adagio Therapeutics**

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Market Cap: \$368 million | Adagio Therapeutics, Inc., a clinical-stage biopharmaceutical company, focuses on the discovery, development, and commercialization of antibody-based solutions for infectious diseases in the United States.

#### Background:

- On March 28, 2022, Mithril II LP, Adimab, LLC, M28 Capital Management and Polaris Venture Partners (together hold 48.6%) formed a group and submitted a notice to the company nominating three candidates for election to the board at the 2022 AGM. [Source](#)
- On April 25, 2022, the concerned shareholder group mailed to the company a supplement to the Notice, notifying the company that the group additionally intended to introduce at

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the 2022 AGM an advisory, non-binding resolution that the board be declassified in advance of the 2023 AGM so that all directors are subject to a stockholder vote on an annual basis.

- On June 6, 2022, the concerned shareholder group filed proxy materials seeking support for its nominees and proposal. [Source](#)

#### Update:

On June 22, 2022, the Nominees of the concerned shareholder group (*i.e.*, Dr. Clive A. Meanwell, Mr. Marc Elia, and Ms. Tamsin Berry) were elected to the board at the 2022 AGM. [Source](#)

### **Shareholders of Aerojet Rocketdyne elects new board of directors**

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Market Cap: \$3.3 billion | Aerojet Rocketdyne Holdings, Inc. designs, develops, manufactures, and sells aerospace and defense products and systems in the United States.

#### Background:

- On January 28, 2022, Steel Holdings (4.9%) delivered a letter to the company nominating a slate of director candidates for election at the 2022 AGM in order to preserve its rights as a stockholder in the event the Lockheed transaction does not close prior to the meeting. Steel Holdings' slate of nominees consists of four of the current eight existing incumbent directors – Warren G. Lichtenstein (Executive Chairman), James R. Henderson, Audrey A. McNiff and Martin Turchin – and three new independent candidates – Aimee J. Nelson, Joanne M. Maguire and Heidi R. Wood. Steel Partners said it supports company's previously announced merger with Lockheed Martin Corp. However, given uncertainty surrounding the prospects of the deal obtaining required governmental approvals, Steel Holdings said, it believes Aerojet Rocketdyne "needs to focus on ensuring that it is optimally positioned to continue the business as a standalone entity in the event the transaction is not consummated." [Source](#)
- On February 7, 2022, Warren G. Lichtenstein, James R. Henderson, Audrey A. McNiff and Martin Turchin (the "Director Plaintiffs") filed suit in the Court seeking, among other things, declaratory relief relating to Steel Holdings' nomination of the Director Plaintiffs and its other nominees for election to the board, a nominal party to the lawsuit, at its 2022 AGM. The Director Plaintiffs filed the lawsuit due to disagreements among the company's evenly divided eight-member Board, which consists of the four Director Plaintiffs and four other directors—Eileen P. Drake, Thomas Corcoran, Kevin Chilton and Lance Lord (the "Director Defendants"), over matters relating to Steel Holdings' nomination and the annual meeting. The Director Plaintiffs believe the disagreements between the Director Plaintiffs and the Director Defendants should be settled by the stockholders through an election at the annual meeting. [Source](#)

- On February 24, 2022, Steel Holdings (5.2%) issued a press release and open letter to shareholders providing an update pertaining to the legal proceeding initiated in the Delaware Court of Chancery by four members of its slate.
  - The Court has granted a Temporary Restraining Order ("TRO") prohibiting Ms. Drake, Mr. Corcoran, Mr. Chilton and Mr. Lord from using Aerojet Rocketdyne's resources to advance their personal positions in a proxy contest while the board is deadlocked over the identity of the company's slate of director candidates for the Annual Meeting
  - The Court's order prohibits any Aerojet Rocketdyne employee, director, advisor or agent from issuing any public statement, press release or corporate disclosure in the name of the company in support of any candidate standing for election at the Annual Meeting without prior written approval from the board or a duly authorized committee of the board.
  - The Court's order prohibits any Aerojet Rocketdyne employee, director, advisor or agent from taking action on behalf of the company or using the company's resources to support the election efforts of any candidate standing for election at the Annual Meeting without prior written approval from the board or a duly authorized committee of the board.
- On March 1, 2022, Eileen Drake (Aerojet Rocketdyne's CEO) and Gen. Kevin Chilton (Ret.), Thomas Corcoran and Gen. Lance Lord (Ret.) (three of its Independent Directors) (collectively, these non-Steel Partners Directors) issued an open [letter](#) to the shareholders stating their belief that Steel Partners is attempting to oust from the Board the CEO and the Independent Directors who have contributed to the company's 5+ years of strong outperformance and replace three of the current Independent Directors with three new directors selected by Mr. Lichtenstein (the "Steel Partners Nominees") so all 7 directors on the board would be comprised of Mr. Lichtenstein and his hand-picked candidates. Eileen Drake and the Independent Directors stated that the Steel Partners proxy fight and litigation and the Steel Partners Nominees are not in the best interests of the company and its shareholders. Accordingly, they have identified four director nominees – Gail Baker, Marion Blakey, Maj. Gen. Charles Bolden, Jr. (Ret.) and Deborah Lee James and urges shareholders to support their nominees.
- On March 14, 2022, the Steel Partners Group issued a [press release](#) and an open letter to the shareholders regarding its vision for enhanced value creation at the company. It stated that it could see a path to helping the Company's Defense and Space units start achieving enhanced operating profits and cash flow. It believes improved unit profit performance, coupled with corporate cost reductions, could position the company to achieve

EBITDA margins of 16% to 18% on a standalone basis by 2024. It envisions these operational and strategy improvements can yield a standalone share price of \$65 or more over the next three years.

- On March 28, 2022, the Steel Partners Group issued an open letter to the shareholders regarding the proxy fight and litigation initiated by them. Kindly [click here](#), to read the full letter.
- On April 4, 2022, Eileen Drake and her group filed proxy materials and delivered a [letter](#) to the shareholders expressing their concerns with Warren G. Lichtenstein proxy contest and litigation.
- On April 22, 2022, Eileen Drake and her group filed proxy materials seeking to call the special meeting for the purpose of considering and voting upon the following proposals, (i) remove all eight members of the board, (ii) elect a new eight-member Board. [Source](#)
- On April 25, 2022, Eileen Drake and her group [announced](#) that they have filed preliminary solicitation materials in connection with their solicitation of consents to call a special meeting of shareholders on June 21, 2022. The preliminary proxy statement is available on [MaximizeAJRDvalue.com](https://MaximizeAJRDvalue.com).
- On April 26, 2022, the Steel Partners Group issued an open [letter](#) to the shareholders soliciting votes for its nominees.
- On April 27, 2022, the Steel Partners Group issued a press release announcing the filing of the Complaint and commenting on the Complaint's allegations regarding Ms. Drake's ongoing efforts to mislead shareholders in violation of federal securities laws and her attempt to orchestrate a self-serving Board coup at her purported Special Meeting. [Source](#)
- On May 4, 2022, Warren Lichtenstein called on the Company's Board to authorize the public release of the memorandum delivered to him and Eileen Drake summarizing the findings and conclusions of the Non-Management Committee of the Board on the months-long investigation into Mr. Lichtenstein's actions. [Source](#)
- On May 4, 2022, Eileen Drake and his group issued a statement that " We are pleased that Executive Chairman Warren Lichtenstein has finally reversed course and conceded the need to release the results of the internal investigation into his misconduct and violations of company policy and Code of Conduct". [Source](#)
- On May 10, 2022, Eileen Drake issued a comprehensive [presentation](#) that details the urgent need for stockholders to support the call for a special meeting of stockholders.

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- On May 12, 2022, the company's Executive Chairman Warren Lichtenstein announced his firm commitment to agree to schedule the 2022 AGM on July 12, 2022. [Source](#)
- On May 16, 2022, the company released a memorandum prepared by the Non-Management Committee of the Board of Directors of the Company (the "Committee") summarizing factual findings and results of the investigation undertaken by the Committee. Specifically, the released report unanimously concluded that the company's Executive Chairman Warren Lichtenstein engaged in a pattern of misconduct by:
  - engaging in unauthorized communications with third parties about pending transactions and executive management, including unauthorized efforts to seek a replacement for the Company's CEO; and
  - violating the board of directors September 2021 "Guidance Related to Conduct Reported to the Company" written instructions directing Mr. Lichtenstein to cease engaging in such unauthorized communications.

#### [Source](#)

- On May 16, 2022, Eileen Drake [announced](#) that Glass, Lewis & Co. has recommended that stockholders consent to the request of special meeting of stockholders sought by the Committee.
- On May 18, 2022, Eileen Drake [announced](#) that Glass, Lewis & Co. has recommended that stockholders consent to the request of special meeting of stockholders sought by the Committee.
- On May 18, 2022, Warren Lichtenstein issued a [press release](#) announcing that his slate of director nominees has recruited Mark Tucker to serve as their CEO candidate to replace Eileen Drake, the current CEO of the company. If elected to the board by the shareholders, the slate expects to take the steps necessary to appoint Mr. Tucker as CEO and task him with fortifying the management team and overseeing operational and financial improvements. Mr. Tucker previously served as the company's COO from 2015 through 2020, which was a period of significant growth and shareholder value creation. He has more than 35 years of experience in the defense and space sectors, including holding senior roles at Northrop Grumman Corporation.
- On June 3, 2022, the Steel Partners Group filed proxy materials soliciting votes for its nominees
- On June 7, 2022, Eileen Drake issued a [presentation](#) that details the urgent need for stockholders to support the call for a special meeting of stockholders.

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- On June 9, 2022, Warren Lichtenstein issued a [presentation](#) that details the case for new leadership following approximately 18 months of financial and operational deterioration.
- On June 14, 2022, the Steel Partners Group filed proxy materials soliciting votes for its nominees
- On June 16, 2022, Eileen Drake issued the following statement, " "We are extremely pleased by the opinion issued today by the Delaware Court of Chancery. There is now a clear path for Aerojet Rocketdyne shareholders to decide the future of the company at the special meeting on June 30. "We also are gratified that the Court rejected Mr. Lichtenstein's request to stifle shareholder voices by invalidating consents and proxies previously issued in connection with the election. And we are pleased—and not at all surprised—that the Court denied Mr. Lichtenstein's baseless request to hold the members of the Drake slate in contempt of the Court's temporary restraining order." [Source](#)
- On June 18, 2022, ISS has recommended that shareholders vote the **WHITE** proxy card "**FOR**" all of the Independent Slate's highly qualified director nominees, led by Eileen Drake, at the Special Meeting of Shareholders on June 30, 2022. [Source](#)
- On June 22, 2022, Glass Lewis has recommended that shareholders vote the **WHITE** proxy card "**FOR**" all of the Independent Slate's highly qualified director nominees, led by Eileen Drake, at the Special Meeting of Shareholders on June 30, 2022. [Source](#)
- On June 27, 2022, Eileen Drake filed proxy materials soliciting votes for its nominees
- On June 28, 2022, the Steel Partners Group filed proxy materials soliciting votes for its nominees

### [Update](#)

At the special meeting of stockholders held on June 30, 2022, the stockholders elected a new eight-member board of directors. Based on the certification of the independent inspector of elections, the new board consists of CEO Eileen P. Drake; incumbent independent directors Gen. Kevin Chilton (USAF, Ret.), Thomas Corcoran and Gen. Lance Lord (USAF, Ret.); and new independent directors Gail Baker, Marion Blakey, Maj. Gen. Charles Bolden (USMC, Ret.) and Deborah James. [Source](#)

## **Funicular Fund secured a Board seat in ARCA biopharma**

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Market Cap: \$33 million | ARCA biopharma, Inc., a clinical-stage biopharmaceutical company, develops and commercializes genetically targeted therapies for cardiovascular diseases.

### **Background:**

- On April 4, 2022, Funicular Fund/ Cable Car Capital (13.5%) stated its belief that the company should immediately narrow its focus to the preservation of shareholder value. It stated that the company should discontinue plans for any additional clinical trials, minimize operating expenses, and refrain from any further investment in its development program. Funicular Fund believes that the persistent discount between the company's market capitalization and its net cash signals the market's disapproval of management's actions. It stated that the company should consider the interests of its stockholders and explore strategic alternatives. [Source](#)
- On April 14, 2022, Funicular Fund/ Cable Car Capital increased its stake to 15.06%.

### **Update:**

On June 15, 2022, Funicular Fund/ Cable Car Capital (17.9%) entered into a [Cooperation Agreement](#) with the company, and pursuant to it, the board has appointed Jacob Ma-Weaver as a Class III director with a term expiring at the 2024 AGM, effective June 15, 2022. Additionally, under the terms of the agreement, the company and Cable Car will initiate a process to identify a mutually acceptable second independent director to join the company's slate of director nominees standing for election at the 2022 AGM. [Source](#)

## **Outerbridge Capital reaches agreement with Barnes & Noble Education**

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Market Cap: \$154 million | Barnes & Noble Education, Inc. operates bookstores for college and university campuses, and K-12 institutions in the United States. It operates in three segments: Retail, Wholesale, and Digital Student Solutions (DSS).

On June 25, 2022, Outerbridge (9.9%) entered into a cooperation agreement with the company and pursuant to it, the company agreed that the board will nominate Rory Wallace (Managing Member of Outerbridge Capital) for election to the board at the 2022 AGM. [Source](#)

### **Past**

- On June 26, 2020, Outerbridge delivered a letter to the company nominating a slate of four director candidates, including Mike Alfred, David Kim, Zachary Levenick and Lowell Robinson, for election to the board at the 2020 AGM. [Source](#)
- On July 20, 2020, Outerbridge Capital entered into a [cooperation agreement](#) with the company and pursuant to it, the company agreed to nominate for election to the board at the 2020 Annual Meeting each of Mr. Robinson and, subject to the satisfactory completion of a customary vetting process, Mr. Zachary Levenick.

- On October 22, 2020, Outerbridge Capital (13.4%) entered into a letter agreement with the company, pursuant to which, the board agreed to grant an exemption under the company's Rights Agreement, dated March 25, 2020 and to consider Outerbridge Capital to be an "Exempt Person" under the Rights Agreement. As a condition to the board granting the Exemption, Outerbridge Capital agreed that, among other things, they will not acquire beneficial ownership of or have an economic interest in securities of the company in an amount that would equal or exceed 14.9% of the then outstanding shares of Common Stock. [Source](#)
- On November 3, 2020, Outerbridge Capital (12.9%) stated that it was pleased with the recent execution and financial performance of the company, particularly with respect to its strong liquidity management, improved operating efficiency, momentum in winning new business, and the accelerating traction and impressive growth of its First Day Complete, bartleby®, and merchandise eCommerce initiatives. It stated its belief that the company is transforming itself into a market-leading digital education platform and are strongly supportive of this transformation. On October 30, 2020, to better align its long-term support of the company with the objectives and liquidity terms of its limited partners, Outerbridge Master sold its entire holding of the company to Outerbridge Special Opportunities, which is an unlevered single-stock vehicle dedicated solely to holding BNED shares. [Source](#)
- On June 25, 2021, Outerbridge Capital reduced its stake to 9.9% and commended the management and the board for their work and other initiatives.
- On July 22, 2021, Outerbridge entered into a [letter agreement](#) with the company, which amends and extends certain provisions set forth under the Cooperation Agreement previously entered into between Outerbridge and the company on June 20, 2020. Pursuant to the Amendment, the company agreed to renominate for election to the board at the 2021 AGM each of Mr. Lowell W. Robinson and Mr. Zachary Levenick, each of whom are current members of the board serving terms set to expire at the 2021 AGM.

## **B. Riley Asset Management reaches agreement with Calamp Corp**

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Market Cap: \$247 million| CalAmp Corp., a connected intelligence company, provides leverages a data-driven solutions ecosystem to people and organizations in the United States, Europe, the Middle East, Africa, Latin America, the Asia-Pacific, and internationally.

### Background:

On May 26, 2022, B. Riley Asset Management (3.76%) stated that on April 29, 2022, it has delivered a notice to the company of its intent to propose six nominees for election to the board at the company's 2022 AGM. [Source](#)

### Update:

On June 21, 2022, B. Riley Asset Management (3.81%) entered into a [cooperation agreement](#) with the company, and pursuant to it, the company agreed to appoint Mr. Cummins to the board within three business days following the execution of the Cooperation Agreement and to include Mr. Cummins in the slate of nominees for election as directors at the company's 2022 AGM.

## Greywood Investments secured Board seats in Enthusiast Gaming

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Market Cap: \$358 million | Enthusiast Gaming Holdings Inc. engages in the media, content, entertainment, and esports businesses in the United States, Canada, and internationally.

### Background

- On May 24, 2022, Greywood Investments (9.3%) announced a campaign to replace Enthusiast's CEO and board members. It sent a letter (refer "[Exhibit A](#)") to the board stating its intention to nominate Board candidates at the upcoming AGM scheduled to be held on June 29, 2022.

### Valuation insight:

Greywood Investments believes Enthusiast should have a market value of US\$1-2 billion, not the anemic US\$250-300 million market value under the current leadership. With proper leadership and focus, Greywood sees a realistic path to a US\$4-5 billion company.

- On July 7, 2022, the company [announced](#) that David Goldhill and Janny Lee, two nominees of Greywood Investments, will join the company's board and stand for election at the Company's AGM on July 19, 2022.

### Update:

On July 12, 2022, Greywood Investments (8.3%) announced that it ceased activities to effect the election of a majority of directors to the board and will vote their shares in accordance with management's recommendations. [Source](#)

## Shareholders led by Blue Ocean announce successful results of the extraordinary general meeting of Global Cord Blood Corporation

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Market Cap: \$362 million | Global Cord Blood Corporation, together with its subsidiaries, provides umbilical cord blood storage and ancillary services in the People's Republic of China.

### Background:

On June 3, 2022, Blue Ocean Structure Investment Co Ltd, together with other shareholders holds 75% delivered to shareholders of the company [notice](#) of an extraordinary general meeting of shareholders and a related proxy statement with respect to the calling of the EGM to be held on June 16, 2022. Blue Ocean expects to solicit proxies to vote in support of each of the proposals listed in the Solicitation Materials, including proposals relating to: (i) the removal of the following directors from office with immediate effect: Ting Zheng, Albert Chen, Mark D. Chen, Jack Chow, Dr. Ken Lu, Jennifer J. Weng and Jacky Cheng; (ii) the election of the following five nominees as directors with immediate effect: Lingyun Zhai, Guojun Liu, Yang Wang, Shi'an Liu and Michael S. Weiss; (iii) the company refraining from the Cellenkos

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Transaction; and (iv) amendments to the company's Articles of Association to eliminate the staggered board of directors and to provide shareholder protective provisions.

### Update

On June 16, 2022, Blue Ocean Structure Investment Co Ltd [announced](#) the successful approval of all resolutions at the EGM.

## **Jan Barta entered into a co-operation agreement with Groupon**

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Market Cap: \$440million | Groupon, Inc. operates online local commerce marketplaces that connect merchants to consumers by offering goods and services at a discount in North America and internationally.

On June 13, 2022, Jan Barta entered into a co-operation agreement with the company and pursuant to it, immediately following the company's 2022 AGM scheduled to be held on June 15, 2022, the company will (i) increase the size of its board to nine directors and (ii) appoint Dusan Senkypl to the board to serve as a new director and appoint Jan Barta to initially serve as a Board observer and then as a new director by November 30, 2022.

### Past

- On January 31, 2020, MIG Capital (5%) entered into an agreement with the company and pursuant to it, Richard P. Merage will serve as an advisor to the Board of Directors. As an advisor, so long as MIG beneficially owns at least 3.5% of the outstanding shares of Common Stock, Mr. Merage shall be permitted to attend and reasonably participate at portions of all regularly scheduled and special meetings of the Board from February 1, 2020 to April 30, 2020. [Source](#)
- On April 27, 2020, MIG Capital (5.7%) stated that it is encouraged by recent developments at the company, including the leadership and strategy changes and the cost optimization efforts that are underway. Given these positive developments, MIG Capital has determined not to extend Richard P. Merage's status as an advisor to the Board beyond April 30, 2020 in accordance with the terms of the agreement. [Source](#)

## **Starboard Value reaches agreement with Mercury Systems**

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Market Cap: \$3 billion| Mercury Systems, Inc., a technology company, engages in the manufacture and sale of components, products, modules, and subsystems for aerospace and defense industries in the United States, Europe, and the Asia Pacific..

### Background

#### JANA Partners

On December 23, 2021, JANA Partners (6.6%) intends to have discussions with the board and management regarding maximizing value for shareholders including evaluating strategic alternatives including a sale of the company, operations, capital allocation, corporate governance, board composition, and compensation practices. [Source](#)

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### Starboard

On January 13, 2022, Starboard (7.3%) delivered an open [letter](#) to the board stating its belief that the Rights plan adopted by the company on December 27, 2021 is not in the best interests of the shareholders. It urged the board to immediately eliminate the Rights plan. Alternatively, if the company is unwilling to fully remove the Rights Plan, Starboard stated that it would expect the company to, at the very least, (1) raise the ownership threshold which triggers the Rights Plan from 7.5% (or 10% in the case of a passive investor) to 15% for all shareholders and (2) thereafter put the Rights Plan to a vote of all shareholders.

### Update:

On June 23, 2022, Starboard Value entered into an [agreement](#) with the company, and pursuant to it, the company agreed to immediately increase the size of the board from nine (9) to eleven (11) directors and expand the size of Class I directors by two (2) directors and appoint Howard L. Lance (the "Starboard Appointee") and Bill L. Ballhaus (the "JANA Appointee" and together with the Starboard Appointee, the "New Independent Appointees") to the Board as Class I directors.

## **JANA Partners secured a Board seat in New Relic**

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Market Cap: \$3.3 billion | New Relic, Inc., a software-as-a-service company, delivers a software platform for customers to collect telemetry data and derive insights from that data in a unified front-end application.

On June 6, 2022, JANA Partners (5.3%) entered into a cooperation agreement with the company and pursuant to it, on June 13, 2022, each of Kevin Galligan, a Partner of JANA, (the "[JANA Nominee](#)") and Susan D. Arthur (the "[Mutual Nominee](#)" and, together with the JANA Nominee, the "[Agreed Nominees](#)"), was appointed as an independent Class II director of the company with a term expiring at the 2022 AGM and (ii) the company committed to include the Agreed Nominees on the company's recommended slate of nominees for election at the 2022 AGM. [Source](#)

**ONGOING**

## **Sarissa Capital announced its stance for the upcoming AGM at Alkermes**

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Market Cap: \$5.2 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

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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](#)

#### [Update:](#)

On July 6, 2022, Sarissa Capital (8.5%) 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.

### **Sarissa Capital Management intends to vote "ABSTAIN" at the AGM of Amarin Corp**

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Market Cap: \$674 million | Amarin Corporation plc, a pharmaceutical company, engages in the development and commercialization of therapeutics for the treatment of cardiovascular diseases in the United States.

#### [Background:](#)

- On January 24, 2022, Sarissa Capital Management (6.06%) stated that it intends to engage in discussions with the company and others regarding its investment in the shares and ways to maximize the value of the company's assets. [Source](#)
- On June 3, 2022, Sarissa Capital Management expressed its disappointment with the company's first quarter results. Sarissa Capital believes that the meaningful decrease in share price following the earnings announcement reflects the company's insufficient adjustment to changing market conditions for its key drug Vascepa and investor concerns about the ability of leadership as currently constituted to navigate the company during this critical time. Sarissa Capital believes that the expertise and experience of its principals would be extremely beneficial to the company and intend to seek representation on the board. [Source](#)

#### [Update](#)

On June 15, 2022, Sarissa Capital [announced](#) that it intends to vote "ABSTAIN" at the upcoming AGM. It stated that "Even though such a vote will not impact the outcome of the upcoming election of directors, the United Kingdom, the jurisdiction in which Amarin is domiciled, contains laws and rights that protect the shareholder franchise even after the annual meeting. For example, under UK law and Amarin's articles, shareholders, like Sarissa, who own at least 5% of the outstanding shares can call a special meeting of shareholders to remove and replace directors AT ANY TIME. Therefore, immediately after the annual meeting, we could call a special meeting and seek to remove and replace some or all of the Amarin directors with the affirmative vote of the holders of a majority of the outstanding shares."

## **Julian Singer seeks support for his nominees at Catalyst Biosciences**

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Market Cap: \$54 million | Catalyst Biosciences, Inc., a clinical-stage biopharmaceutical company, focuses on developing medicines to address hematology indications.

### **JEC II Associates, LLC**

- On June 21, 2022, JEC II Associates (8%) stated that it has engaged with, and intends to continue to engage with, members of the management team regarding the return of cash to shareholders. It believes that the company should (a) immediately return not less than \$2.15 per share in cash to all shareholders and (b) publicly announce a commitment to return all additional excess cash to shareholders immediately upon completion of its previously announced and ongoing strategic review process and in connection with dissolution and liquidation of the company. [Source](#)
- On June 30, 2022, Mr. Torok, JEC II Associates, contacted the CEO of the company to discuss his views with respect to the company's previously disclosed intention to distribute cash to stockholders as well as the ongoing Delaware Court of Chancery stockholder litigation and the contested AGM initiated by one of the company's stockholders, Julian Singer. Mr. Torok suggested that the company propose to Julian Singer that the company immediately distribute cash to its shareholders in exchange for an agreement from Julian Singer to end his current stockholder litigation and withdraw his director nominations for the AGM. Mr. Torok suggested the company propose an immediate cash distribution of approximately \$55 million (or approximately \$1.75 per share of Common Stock). Mr. Torok intends to continue to engage with members of the management team and other shareholders regarding the return of cash to shareholders in this or other amounts. [Source](#)

### **Julian Singer**

- On July 22, 2019, Julian Singer (3.1%) delivered a letter to the board expressing his concerns about the company's precipitous value destruction and prolonged share price underperformance. In the Letter, Julian Singer stated his belief that the company has strong potential for success as a clinical-stage biopharmaceutical company, noting its recent success in certain clinical trials. Julian Singer stated in the letter that the board should consider taking steps to remediate shareholder concerns to restore investor confidence

and maximize shareholder value, including by adding shareholder representation on the board, adopting best practices for good corporate governance, and retaining an investment bank as an independent adviser to evaluate potential strategic alternatives. Julian Singer stated his belief that the board should work cooperatively with him by voluntarily adding two highly-qualified shareholder representatives to the board. In addition, Julian Singer questioned the company's need for a classified Board. Further, the letter noted the lack of diversity on the board, a plurality voting standard in electing directors with no director resignation policy, and a supermajority voting requirement to amend the governing documents.

- On January 13, 2020, Julian Singer (3.3%) entered into a Co-operation Agreement with the company pursuant to which, within five business days of the execution of the Co-operation Agreement, the board shall irrevocably appoint Sharon Tetlow and Geoffrey Ling, MD (together, the "New Directors") as directors of the company, effective on January 15, 2020.
- On October 26, 2021, Julian Singer (2.1%) stated his belief that shareholder value is at immediate risk unless the company eliminates the classified board, drastically reforms its governance and board structure, and engages an independent financial advisor to explore strategic alternatives, including a sale of the company. He also seeks immediate wholesale changes in the board to include more qualified directors as well as wholesale changes in senior management. He urges Augustine Lawlor to step down as Chairman in light of his overly long tenure as a director and his commitments to serving on other boards and urged the board to appoint a leader who will focus on shareholder interests and value creation. [Source](#)
- On January 5, 2022, Julian Singer (2.5%) stated that in light of the precipitous fall in stock price (recently trading below the critical one dollar mark), outsized pay packages for executives misaligned with declining market capitalization, excessive cash burn with no return, and a belated decision to seek a buyer for the hemophilia assets, Julian Singer believes that management and the board have failed in their duties of oversight and accountability to shareholders. Mr. Singer believes that shareholder value is at immediate risk unless the company eliminates the classified board, drastically reforms its governance and Board structure, and engages an independent financial advisor to explore strategic alternatives, including a sale of the company or its assets. Mr. Singer seeks the immediate end to stock offerings that depress the stock price. He also seeks immediate wholesale changes in the Board of Directors to include more qualified directors as well as wholesale changes in senior management. He urges Augustine Lawlor to step down as Chairman in light of his overly long tenure as a director and his commitments to serving on other boards and urged the board to appoint a leader who will focus on shareholder interests and value creation. [Source](#)
- On January 26, 2022, Julian Singer (2.5%) delivered a [letter](#) to the board seeking voluntary changes to the board and urgent governance reforms.
- On February 23, 2022, Julian Singer (3.95%) argued that the company was unwilling to consider adding more than one of Mr. Singer's recommended candidates. As such, Mr. Singer believes that nominating three candidates to replace the board's three members and submitting a non-binding proposal to declassify the board is the only viable path forward to rebuilding shareholder value. [Source](#)

- On February 28, 2022, Julian Singer stated that as he continues to take the necessary steps to prepare for a potential proxy contest in connection with the 2022 AGM, he intends to continue to engage in discussions with the board and management to engage in possible constructive paths for avoiding a costly proxy contest. [Source](#)
- On March 4, 2022, Julian Singer (5.26%) delivered a notice to the company nominating Shelly C. Lombard, Matthew Stecker, and Igor Volshteyn for election to the Board as Class I directors at the 2022 annual meeting of stockholders. The notice also notified the Company of Julian Singer's intent to present a non-binding stockholder proposal requesting that the board take the necessary steps to declassify the board
- On March 15, 2022, Julian Singer (4.18%) delivered a letter to the company demanding the right to inspect certain books, records, and documents and to make and/or receive copies or extracts therefrom. [Source](#)
- On April 20, 2022, Julian Singer filed a complaint against the company seeking to compel the company to produce the documents responsive to his Inspection Demand and requesting that the Delaware Court of Chancery order the company to pay reasonable attorneys' fees and expenses incurred by him in connection with the Inspection Demand and the related litigation. [Source](#)
- On April 28, 2022, Julian Singer filed proxy materials seeking support for his nominees.
- On May 10, 2022, Julian Singer filed proxy materials seeking support for his nominees.
- On May 23, 2022, the company [announced](#) that it signed a definitive asset purchase and sale agreement with Vertex Pharmaceuticals Incorporated, under which Vertex has acquired Catalyst's portfolio of protease medicines that regulate complement, including CB 2782-PEG, for \$60 million in cash.
- On May 25, 2022, Julian Singer filed proxy materials seeking support for his nominees.
- On June 16, 2022, Julian Singer (6.4%) delivered to the company an update to the notice of nominations and other proposed business that it previously submitted on March 4, 2022 nominating Shelly C. Lombard, Matthew Stecker, and Igor Volshteyn for election to the Board as Class I directors at the 2022 AGM and notifying the company of his intent to present a non-binding stockholder proposal requesting that the board take the necessary steps to declassify the board. [Source](#)
- On June 17, 2022, Julian Singer announced that on June 15, 2022, it filed a complaint, together with a motion for expedited proceedings, in the Delaware Court of Chancery against the company and all of the incumbent members of the Company's Board of Directors seeking declaratory, injunctive, and equitable relief and damages under Section 271 of the Delaware General Corporation Law and Delaware fiduciary duty law. JDS1's complaint alleges, among other things, that the company violated Section 271 of the DGCL when on May 19, 2022, the company, without seeking any vote of the company's stockholders, entered into and closed on the Purchase Agreement
- On July 6, 2022, the company [announced](#) that the Delaware Court of Chancery has rejected Julian Singer's request for an expedited proceeding with respect to the disclosures relating to the recently completed sale of a portion of the product portfolio for up to \$60 million in cash.

[Update:](#)

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On July 14, 2022, Julian Singer filed proxy materials seeking support for his nominees.

## **Aviat Networks calls out Ceragon Networks' failure to respond to the acquisition proposal and request for EGM**

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Market Cap: \$223 million | Ceragon Networks Ltd. provides wireless backhaul and fronthaul solutions that enable cellular operators and other wireless service providers.

### Background:

- On June 27, 2022, Aviat Networks (5%) determined to seek member support to demand that the company convene a special meeting. Under the company's Articles of Association, a special general meeting of members shall be convened upon the written request of members holding more than 5% of the votes of the outstanding voting shares in the company. If a sufficient number of members support Aviat's efforts to call the Special Meeting, Aviat intends to solicit member support in favor of proposals seeking to (i) increase the size of the board to nine, (ii) remove Ira Palti, Yael Langer, David Ripstein, (and any new director(s) appointed by the board since the conclusion of the 2021 AGM of Shareholders) as directors of the company and (iii) appoint Michelle R. Clayman, Paul Delson, Jonathan F. Foster, Dennis R. Sadlowski and Craig Weinstock (collectively, the "**Nominees**") as directors of the company. On June 27, 2022, Aviat issued a letter to shareholders seeking support to convene the Special Meeting. Also, it sent a [letter](#) to the Chairman of the Board and CEO of the company regarding the rejection of its acquisition proposal. [Source](#)
- On July 6, 2022, Aviat Networks (5.1%) issued an open [letter](#) to the board urging the company to schedule an extraordinary meeting of shareholders. As Ceragon's third largest shareholder, Aviat is entitled to call this meeting and believes Ceragon's silence represents its continued refusal to engage constructively with Aviat and act in the best interests of shareholders.

### Update:

On July 12, 2022, Aviat issued a [letter](#) to the shareholders requesting them to (1) demand the board engage in negotiations with Aviat regarding a potential transaction and (2) vote for the new independent director nominees proposed by Aviat at an extraordinary meeting of the shareholders.

## **Consumer Portfolio Services endorsed Black Diamond Capital Management's nominees to the board**

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Market Cap: \$220 million | Consumer Portfolio Services, Inc. operates as a specialty finance company in the United States.

### Background:

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- On December 9, 2021, Black Diamond Capital Management (19.21%) has engaged, and expect to continue to engage, in constructive communications with the company about, among other things, adding a member to the board. [Source](#)
- On March 10, 2022, Black Diamond Capital Management (22.05%) contacted the CFO and CEO of the company in order to continue ongoing discussions regarding the composition of the board. During the call, Black Diamond Capital indicated to the CEO and CFO that it would like to propose two nominees, Mr. Deckoff and James E. Walker III to sit on the board and expressed its desire for the Proposed Nominees to be nominated and elected to the board through an amicable process and with the backing of the company. On March 14, 2022, Black Diamond Capital Management submitted a nomination letter to the company stating their intent to nominate the Proposed Nominees, Mr. Deckoff and James E. Walker III. [Source](#)

#### Update:

On June 28, 2022, the company's CEO [announced](#) his endorsement of Black Diamond Capital Management's proposed nominees for election at the company's 2022 AGM.

### **Forte Biosciences to liquidate and/or return cash to shareholders**

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

#### Background

##### 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](#)

#### Update:

##### 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.

##### BML Investment Partners

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](#)

## Rubric Capital Management argues that Mereo BioPharma Group could be worth \$4 per share

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Market Cap: \$60 million| Mereo BioPharma Group plc, a biopharmaceutical company, develops and commercializes therapeutics for the treatment of oncology and rare diseases in the United Kingdom and internationally.

### Background:

- On May 26, 2022, Rubric Capital Management (12.82%) stated its belief that the company needs to take immediate steps to maximize shareholder value. It stated its belief that any plan must include a rapid optimization of the company's expenses to maintain its existing cash balances as well as maximize the value of the license and collaboration agreement for Setrusumab. [Source](#)
- On June 9, 2022, Rubric Capital Management (13.1%) delivered a [letter](#) to the company discussing in further detail some of the issues set forth in its previous 13D.

### Valuation insight

"We believe the board must immediately launch a review of the company's assets with a view to winding down clinical operations and partnering alvelestat and the company's other compounds to the extent possible with an eye to maximizing the value of the cash and rights to setrusumab. The conclusion to us is clear: Mereo shares could be worth more than \$4.00 per ADS on a risk-adjusted basis without ascribing any value to alvelestat or etiglimab, but the market is ascribing over negative \$600 million to the current Board stewardship of the company and its assets."

### Update

On June 14, 2022, Rubric Capital Management increased its stake to 14.07%

## Cannell Capital requested a Board seat in Neuronetics

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Market Cap: \$96 million| Neuronetics, Inc., a commercial stage medical technology company, designs, develops, and markets products for patients with neurohealth disorders in the United States and internationally.

On June 21, 2022, Cannell Capital (12.94%) had a call with Robert Cascella, Chairman of the Board of the Company, during which it requested the appointment of a certain board member. In the opinion of Cannell Capital, the addition of this candidate would benefit all owners of the company because: (i) his domicile is in the same city as the company; (ii) he enjoys a predilection to buy a lot of stock in the company; and (iii) he manifests robust experience

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and execution in the medical technology industry. From his appointment as CEO of his predecessor company in 2010 to its purchase, the stock of this company appreciated 1,000%. [Source](#)

## **Camac Partners requests a special meeting at Pasithea Therapeutics Corp**

Market Cap: \$28 million | Pasithea Therapeutics Corp., a biotechnology company, engages in research and discovery of treatments for psychiatric and neurological disorders.

### **Background:**

- On June 1, 2022, Camac Partners and Leonite Capital (together 5.8%) sent a [letter](#) to the company outlining its concerns, including (1) the 83% decline in the stock price since IPO; (2) the substantial discount to the company's cash value per share implied by the current valuation; (3) and concerns regarding the compensation paid to the members of the board. The letter notes Camac Fund's belief that the board should be significantly reconstituted.
- On June 23, 2022, Camac Partners and Leonite Capital together expressed their concerns regarding the company's dilutive and reactionary acquisition of Alpha-5 integrin, LLC. Also, they intend to WITHHOLD on the election of all of the sitting directors at Pasithea's upcoming AGM. In addition, they intend to convene a special meeting of stockholders at the earliest possible opportunity to remove and replace all of the sitting directors. [Source](#)
- At the [AGM](#) held on June 23, 2022, all the incumbent directors were re-elected to the board.
- On July 1, 2022, Camac Partners filed proxy materials requesting a special meeting for the following proposals, (i) To remove, without cause, Dr. Tiago Reis Marques, Dr. Yassine Bendiabdallah, Professor Lawrence Steinman, Simon Dumesnil, and Dr. Emer Leahy as directors of Pasithea, (ii) To vote on a proposal related to the filling of vacancies on the board that arise as the result of the removal of one or more directors by stockholders, (iii) To repeal each provision or amendment of the Bylaws adopted by the board without the approval of Pasithea's stockholders after April 13, 2021, and (iv) Transact such other business as may properly come before the Special Meeting. [Source](#)

### **Update:**

On July 14, 2022, Camac Partners filed proxy materials reiterating its proposals.

## **Joseph Stilwell suggested Peoples Financial Corp explore all possibilities to maximize shareholder value**

Market Cap: \$70 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

- 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 a 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.

### Update:

On July 12, 2022, Joseph Stilwell (11.2%) stated his belief that the company should explore all possibilities to maximize shareholder value. [Source](#)

## **Iroquois Capital nominates a slate of director candidates for the election at Pharmacyte's AGM**

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Market Cap: \$48 million | PharmaCyte Biotech, Inc., a biotechnology company, focuses on developing and commercializing cellular therapies for cancer and diabetes in the United States.

### Background:

- On June 23, 2022, Iroquois Master Fund (6.1%) delivered a [letter](#) to the company nominating a slate of seven director candidates for election to the board at the 2022 AGM. Also, on June 23, 2022, Iroquois Master Fund issued a press release and public letter to stockholders detailing its views on why the board needed to be materially reconstituted by a

majority of directors, including that the board has attempted to downplay serious concerns and has deflected accountability for (i) shifting timelines and missed milestones related to the commencement of the company's Phase 2b clinical trial, (ii) chronic stock price underperformance, (iii) dismal corporate governance and investor communication practices and (iv) its lack of alignment with the stockholders, evidenced in part by the incumbent directors' failure ever to purchase a single share in the open market.

- On July 5, 2022, Iroquois Master Fund filed proxy materials seeking support for its nominees and expressed its concerns regarding the company's severe stock price underperformance, constantly changing timelines and missed milestones with respect to its Phase 2b clinical trial, dismal corporate governance and investor communication practices, and misaligned executive compensation structure. [Source](#)

#### Update:

- On July 8, 2022, Iroquois Master Fund (6.3%) delivered a letter and accompanying written consent to the company consenting to Iroquois' submitted proposals to, among other things, expand the size of the board by eight (8) members and elect Iroquois' slate of Nominees, consisting of the original seven (7) nominees nominated by Iroquois for election to the board and one (1) additional nominee, Leo Abbe, a Partner at Iroquois Capital, to fill the resulting eight (8) vacancies, by the written consent of the stockholders in lieu of a meeting. [Source](#)
- On July 11, 2022, Iroquois issued a [press release](#) and public letter to stockholders announcing that Iroquois is undertaking the Consent Solicitation due to what it believes are the apparent efforts taken by the company and its board to delay the 2022 AGM and to obstruct Iroquois' ability to communicate with stockholders in connection therewith. In the press release, Iroquois also reiterated their deep concerns with the egregious corporate governance, executive compensation and investor communication practices at the company.

Mr. Waggoner has already gone on the record and publicly announced that "shareholder value is key to our success" in connection with the board's announcement of a \$10 million buyback program. What the board has failed to concede is that all of its recent initiatives, the commitment to hold quarterly earnings conference calls, the concession that the board lacks capital markets experience and is in need of refreshment, the approval of executive compensation arrangements which the company wishes to bury in its upcoming 10-K filing and which purport to align management incentives with stockholders, and the return of stockholder capital through buybacks, were all suggestions made by Iroquois over the past seven months that only came to fruition when Iroquois made its concerns and such recommendations public.

## **Norcross Braca Group delivered a letter to the Board of Republic First Bancorp**

Market Cap: \$226 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

- 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 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](#)

#### (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 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

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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 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.

### [Update](#)

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](#)

## **AB Value Management and Bradley L. Radoff nominate Board candidates to the board of Rocky Mountain Chocolate Factory**

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Market Cap: \$43 million | Rocky Mountain Chocolate Factory, Inc., together with its subsidiaries, operates as a confectionery franchisor, manufacturer, and retail operator.

### Background

- On May 12, 2022, AB Value Management (7.5%) delivered a letter to the company providing notice of nomination of Mr. Berger for election as a director to be included in the proxy statement in connection with the company's 2022 annual meeting of stockholders [Source](#)
- On May 27, 2022, AB Value Management and Bradley L. Radoff (together 17.4%) entered into a Joint Filing and Solicitation Agreement and nominated Andrew T. Berger, Mary Bradley, Richard Degnan, Correne S. Loeffler, Suchit Majmudar and Bradley L. Radoff for election to the board at the 2022 annual meeting of stockholders. [Source](#)
- On July 1, 2022, AB Value Partners delivered a letter to the company withdrawing its nomination of Andrew T. Berger, Richard Degnan, Suchit Majmudar, and Bradley L. Radoff for election to the board at the Annual Meeting. AB Value Partners and Mr. Radoff intend to file a definitive proxy statement with the SEC to solicit proxies to elect Mary Bradley and Correne Loeffler to the board at the Annual Meeting. [Source](#)

### [Update](#)

On July 14, 2022, AB Value Partners filed proxy materials seeking support for its nominees.

### **PAST**

#### **AB Value Management**

- On December 3, 2019, AB Value Management (7.68%) entered into a co-operation agreement with the company, and pursuant to it, the company agreed to nominate two candidates of AB Value Management for election to the board at the Annual Meeting.

- On June 16, 2021, AB Value Management (7.52%) began discussions with the company regarding desired changes to its Board membership, structure, management, and strategy. Further, it stated that if sufficient changes are not made, AB Value Management intends to nominate and seek to elect additional persons to the board at the 2021 AGM. AB Value Management believes that the shares are significantly undervalued and believes that the transformation of the board will be the initial step towards rectifying the company's operating margins and revenue growth. Representatives of AB Value Management appointed to the Board in December 2019 still serve on the board. Source
- On June 28, 2021, AB Value Management (7.52%) delivered a letter to the company (i) nominating a slate of five (5) director candidates, including Mr. Berger, Ms. Thompson, Mr. Riegel, Ms. Taylor and Ms. Parish, for election to the board at the 2021 AGM and (ii) submitting a business proposal for consideration by stockholders at the 2021 AGM. Source
- On July 21, 2021, the company announced corporate governance and leadership changes in response to discussions with its shareholders. The board committed to separate the roles of Chairperson of the Board and CEO. Additionally, in connection with the separation of the Chairperson and CEO roles, the board has begun the process of engaging an executive search firm to assist in identifying a new CEO for the company. It is expected that Mr. Merryman will continue in an executive role with the company following the appointment of a new CEO.
- On August 3, 2021, AB Value Management (7.51%) commented on a number of recent announcements by the company that, in AB Value's view, raise serious additional concerns about the Company's Board, poor governance, and management which continue to harm shareholders.
- On August 15, 2021, AB Value, Bradley Radoff, and the nominees entered into a Joint Filing and Solicitation Agreement in which the filers agreed to solicit proxies or written consents for proposals submitted to stockholders for approval and the election of the Nominees at the 2021 AGM and AB Value agreed to bear all- preapproved expenses incurred by the parties in connection with the Joint Solicitation. Source
- On September 20, 2021, AB Value, Bradley Radoff, and the Nominees issued a presentation soliciting votes for the election of their slate of director nominees at the 2021 AGM.
- On September 23, 2021, AB Value announced that AB Value had filed a lawsuit in the Court of Chancery of the State of Delaware against the company and certain members of its board seeking to rescind and declare invalid the board's resolutions shrinking the number of board seats up for election from seven to six right before the company's 2021 AGM.
- On September 3, 2021, AB Value, Bradley Radoff, and the Nominees filed proxy materials nominating seven candidates to the board at the upcoming annual meeting of shareholders.
- On September 13, 2021, AB Value, Bradley Radoff, and the Nominees filed proxy materials seeking support for their nominees.
- On September 20, 2021, AB Value, Bradley Radoff, and the Nominees issued a presentation soliciting votes for the election of their slate of director nominees at the 2021 AGM.

- On September 22, 2021, AB Value Management announced that it filed a lawsuit in the Court of Chancery against the company and certain members of its board, seeking to rescind and declare invalid the board's resolutions shrinking the number of board seats up for election from seven to six right before the company's 2021 AGM.
- On September 27, 2021, AB Value Management acknowledged that ISS has recommended its clients vote on the BLUE proxy card to elect each of the Concerned Shareholders of Rocky Mountain's candidates—Andrew T. Berger, Mark Riegel, Sandra Elizabeth Taylor, and Rhonda J. Parish—and for the group's proposal to redeem any poison pill previously issued and to abstain from adopting or extending future any poison pill absent shareholder approval within the previous 12 months (the "Poison Pill Redemption Proposal"). Glass Lewis also recommended that shareholders vote for Mr. Riegel and Ms. Taylor, and for the Poison Pill Redemption Proposal on the BLUE proxy card. Source
- On October 4, 2021, AB Value Management commented on the company's desperate last-minute rescindment of its poison pill (which originated in the 1990s), merely four days before the company's 2021AGM scheduled for October 6, 2021. "Although we welcome the termination of such a shareholder-unfriendly device, this decision by the Company's Board of Directors (the 'Board') deserves no applause. AB Value has been urging the board to redeem the pill since its first proxy contest against the company nearly 2.5 years ago. Only after unrelenting pressure from us and the proxy advisory firms, the board rescinded the poison pill," commented Andrew T. Berger, managing member of AB Value.
- At the AGM held on October 6, 2021, stockholders voted to elect four directors nominated by the company: Brett Seabert, Jeffrey Geygan, Gabriel Arreaga, and Elisabeth Charles; and two directors nominated by AB Value Management LLC. Source

#### Global Value Investment Corp

- On June 24, 2021, Global Value Investment Corp (GVIC) (5.86%) nominated five candidates for election to the board. The Nomination Notice also includes a proposal concerning the repeal of any provision or amendment to the company's bylaws adopted by the board without stockholder approval after December 6, 2019. GVIC believes that the Common Stock is undervalued and that the election of the Nominees to the board will be enable the company to effect an operating plan developed by GVIC designed to:
  - expand the company's North American retail franchise and distribution footprint
  - enhance the company's franchisee support system
  - contemporize and simplify the company's franchise agreement
  - assess the company's corporate function and manufacturing operations
  - evaluate the company's wholly owned subsidiary, U-Swirl International, Inc., and develop a plan to rehabilitate or dispose of it
  - refocus the company's capital allocation strategy and align executive compensation with clear goals centered around returns on shareholder capital; and
  - improve the company's corporate governance practices
- On August 12, 2021, the company announced that it reached a co-operation agreement with Global Value Investment Corp (8.10%). Pursuant to the co-operation agreement, the board appointed Jeffrey R. Geygan, CEO and President of Global Value Investment Corp, to serve as a member of the board with a term expiring at the 2021 AGM.

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## Engine Capital sends a letter to the Board of SciPlay regarding ongoing IP agreement negotiations with Light & Wonder

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Market Cap: \$309 million | SciPlay Corporation develops, markets, and operates a portfolio of social games for mobile and web platforms in North America and internationally.

### Background:

- On March 11, 2022 Engine Capital (8.1%) delivered a letter to the company nominating two candidates for election to the board at the 2022 AGM. [Source](#)
- On May 31, 2022, Engine Capital (7.4%) delivered a letter to the company withdrawing its nomination of Alan L. Bazaar and Bradley T. Favreau for election to the board at the AGM. [Source](#)

### Update:

On June 17, 2022, Engine Capital delivered a [letter](#) to the independent members of the board requesting that 1) any negotiation to extend this IP agreement be made by a newly created special committee of the board and 2) the board appoint a Lead Independent Director. At the time of going public, SciPlay paid \$255 million for a perpetual licensing agreement that entitled the Company exclusive access to all content created at Light & Wonder until the third anniversary of the IP License Agreement and non-exclusive access to all IP created or acquired after the third anniversary. As indicated on its most recent earnings call, SciPlay is currently negotiating an extension of this IP agreement with Light & Wonder.

## TAR Holdings LLC /Karen Singer seeks leadership change at SeaChange International

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Market Cap: \$28 million| SeaChange International, Inc. is engaged in the delivery of multistcreen video. The company's products and services facilitate the aggregation, licensing, management and distribution of video and advertising content for cable television system operators, telecommunications companies, satellite operators, and media companies.

### Background:

On June 24, 2022, TAR Holdings LLC /Karen Singer (13.4%) stated their belief that the company should look to refresh and reduce the board seat, more specifically removing and replacing their Chairman Bob Pons. They expressed their opinion that Mr. Pons oversaw a massive reduction in revenue, which led to the destruction of shareholder value, all while compensating himself generously as the Company's Chairman of the Board, and Interim CEO, respectively. [Source](#)

### Update:

On July 11, 2022, TAR Holdings LLC /Karen Singer (14.6%) stated that they continue to feel strongly that the replacement of Chairman Bob Pons is necessary following the massive destruction of shareholder value under his watch. Also, they announced their stance to vote on a slate at the upcoming annual meeting that does not include Mr. Pons

#### Past

- On January 22, 2019, TAR Holdings LLC /Karen Singer disclosed 13.7% and stated that their representatives have engaged with the Chairman of the Board to convey few of his concerns with the company and its business. They stated their belief that they are disappointed with the company's poor operational and financial results. Also, they stated that if the company does not promptly take action to remediate the current condition, they may seek representation on the board. [Source](#)
- On February 28, 2019, TAR Holdings LLC /Karen Singer entered into an [agreement](#) with the company regarding the composition of the board and certain other matters. Pursuant to the agreement, the company agreed to take all necessary actions to (i) set the size of the board at eight members, (ii) appoint Robert M. Pons to the board as a Class II director with a term to expire at the 2019 annual meeting of stockholders and (iii) appoint Jeffrey M. Tudor to the board as a Class III director with a term to expire at the 2020 annual meeting of stockholders.
- On June 7, 2019, TAR Holdings LLC /Karen Singer increased their stake to 20.1%.

### **[Karen Singer encourages Symbolic Logic to explore all options related to the de-registration of its Common Stock](#)**

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Market Cap: \$18 million | Symbolic Logic, Inc., a research and development organization, focuses on developing proprietary algorithms that model and predict the behaviour of dynamic systems.

#### Background:

- In February 2010, the company and Karen Singer reached an agreement, and the company agreed to (i) add one individual recommended by Singer to the board and (ii) increase the threshold on the poison pill from 22.5% to 25%.
- In March 2010, Karen Singer sent a letter to the board requesting the company amend the threshold on their poison pill from 25% to 30%.
- In April 2010, the company entered into a settlement agreement with Karen Singer. Under the terms of the agreement, the company agreed that it would add two individuals recommended by Singer to the Board's Compensation Committee. The company also decided to change the threshold on its poison pill from 25% to 29%.
- On October 15, 2021, the company entered into definitive agreements to sell all of the assets of its Customer Acquisition and Network Services division ('Activation') as well as its CVML and Loyalty Business ('Marketing') to PartnerOne Capital for a base purchase price of \$40 million. [Source](#)

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- On October 15, 2021, Karen Singer (20.8%) entered into a voting agreement to vote in favor of the proposed transaction.
- On March 16, 2022, Karen Singer increased her stake to 34.4%.
- On June 30, 2022, Ms. Singer announced that the company's cost structure would be more favorable if it were no longer a public company, which could significantly improve stockholder value. Accordingly, Ms. Singer strongly encourages the company to explore all options related to the de-registration of its Common Stock. [Source](#)

**Update:**

On July 11, 2022, Ms. Singer (39.3%) strongly encouraged the company to explore all options related to the de-registration of its Common Stock. [Source](#)

### **Activist Investing seeks support for its nominees at Titan Pharmaceuticals, Inc.**

Market Cap: \$16 million | Titan Pharmaceuticals, Inc., a pharmaceutical company, develops therapeutics for the treatment of chronic diseases.

**Background:**

- On April 25, 2022, Activist Investing disclosed a 5.6% active stake in the company stating, "We invested in TTNP due to the company's stated intention to explore and evaluate strategic alternatives, including a possible reverse merger. We believe significant value can be unlocked at the company and will be monitoring its developments with interest." [Source](#)
- On June 9, 2022, Activist Investing increased its stake to 9.9%.
- On July 8, 2022, Activist Investing (25.2%) delivered a special meeting request letter to expand the size of the board by six (6) members and elect Activist Investing's slate of nominees, Avraham Ben-Tzvi, Peter L. Chasey, Eric Greenberg, David E. Lazar, Matthew C. McMurdo and David Natan, to fill the resulting vacancies. [Source](#)
- On July 11, 2022, Activist Investing filed proxy materials seeking support for its nominees.

**Update:**

On July 14, 2022, Activist Investing filed proxy materials soliciting votes for the following proposals; (i) to increase the size of the board by six (6) members, so that the board will be constituted by eleven (11) members in total, (ii) Subject to Proposal 1 being approved, to elect Avraham Ben-Tzvi, Peter L. Chasey, Eric Greenberg, David E. Lazar, Matthew C. McMurdo and David Natan to the board. [Source](#)

### **Jeffery R. Bray and his concerned shareholder group filed proxy materials on UpHealth**

Market Cap: \$103 million | UpHealth, Inc. operates as a digital health services company. It provides a patient-centric digital health technologies and tech-enabled services to manage

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health and integrate care in the areas of integrated care management, virtual care infrastructure, and services.

#### Background:

- On June 2, 2022, Jeffery R. Bray, Chief Legislative Affairs Officer of the Company, (50.3%) entered into a voting agreement with other shareholders of the company and pursuant to it, they agreed vote the shares in favor of the Bylaws Amendment and in favor of the election to the board of directors of the company of director nominees selected by the Stockholder Group at the 2022 annual meeting of stockholders. They delivered a [letter](#) to the company requesting that the board meet with the Stockholder Group to discuss their concerns and confirm in writing that the board of directors will permit the Stockholder Group to nominate a slate of directors for election at the 2022 annual meeting of stockholders.
- On June 6, 2022, Jeffery R. Bray, Dr. Mariya Pylypiv, Syed Sabahat Azim, Richa Sana Azim, Dr. Azfar Malik, Alfonso Gatmaitan, Dr. Chirinjeev Kathuria, and other stockholders (collectively, the "[UpHealth Concerned Stockholders](#)") filed a civil complaint in the Court of Chancery in the State of Delaware against certain members of the company's board of directors, Avi Katz, Raluca Dinu, Agnes Rey-Giraud, Neil Miotto, Nathan Locke and Moshe Bar-Siman-Tov, and the company, as a nominal defendant. The plaintiffs also filed a June 6, 2022 motion to expedite the court's adjudication of the allegations and requested relief set forth in the complaint, and on June 8, 2022, the court granted the motion in part and ordered a preliminary injunction hearing to be held on June 23, 2022, to determine whether the June 28, 2022 annual meeting should be enjoined. [Source](#)
- On June 10, 2022, UpHealth Concerned Stockholders [announced](#) that they issued an open letter urging stockholders to STOP, LOOK and LISTEN before taking any action in response to the company's solicitation of proxies for the 2022 AGM. The UpHealth Concerned Stockholders strongly urge stockholders **NOT** to return the white proxy card or voting instruction form the company.
- On June 21, 2022, UpHealth Concerned Stockholders filed proxy materials urging stockholders **NOT** to return the white proxy card or voting instruction form the company.

#### Update:

On June 21, 2022, Jeffery Bray sent to UpHealth, Inc. a "Notice of Intention to Nominate Persons for Election to the Board of Directors" in which Mr. Bray informed the company of his intention to nominate three specific individuals, Martin Angle, Harpal Sandhu and William Owens, for election as directors of the company at its 2022 AGM. On June 23, 2022, the Delaware Court held the preliminary injunction in Amendment No. 2 to the Schedule 13D filed by UpHealth Concerned Stockholders with the SEC on June 10, 2022. On June 24, 2022, the Delaware Court granted Plaintiffs' motion for preliminary injunction enjoining the Annual Meeting. [Source](#)

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## Scopia Capital Management argues that Verra Mobility Corporation could be worth \$25 per share

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Market Cap: \$2.4 billion | Verra Mobility Corporation provides smart mobility technology solutions and services in the United States, Canada, and Europe.

### Background

- On December 30, 2021, Sarah Farrell, a Partner at Inclusive Capital Partners (6.7%), was appointed board member. [Source](#)
- On February 3, 2022, Scopia Capital Management (5%) stated that it has engaged, and intends to continue to engage, in communications with the board and management team regarding opportunities to enhance stockholder value. [Source](#)

### Update:

On July 14, 2022, Scopia Capital Management (5.3%) sent a [letter](#) to the board expressing admiration for the strength and market positioning of the businesses and support for its strategic growth objectives; however, Scopia Capital conveyed its increasing frustration with the stock price performance and valuation, which they do not believe accurately reflect the company's intrinsic value. Scopia Capital emphasized its desire to work together with the board in a constructive manner to drive value for all shareholders and indicated that it might be necessary for the board to commence a strategic review process.

### Valuation insight

Using an average peer 20x multiple (despite VRRM's higher quality business characteristics), the implied share price would be at least \$25, which represents over 60% upside from current levels.

## OTHERS

## Bradley L. Radoff increased his stake after reaching an agreement with Newpark Resources

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Market Cap: \$281 million | Newpark Resources, Inc. supplies products, as well as rentals and services primarily to the oil and natural gas exploration and production industry.

### Background

- On February 9, 2022, Bradley L. Radoff disclosed a 5.5% active stake in the company and stated that he has engaged and intends to continue to engage, in communications with the management team and board regarding means to enhance stockholder value and improve corporate governance. [Source](#)

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- On February 17, 2022, the company announced that it has entered into a [cooperation agreement](#) with Bradley L. Radoff, pursuant to which Donald "Donnie" Young will be appointed to the board, effective March 1, 2022. With Mr. Young's appointment, the board will increase in size by one director. In addition, as part of the Cooperation Agreement, the company agreed to nominate a diverse candidate with either transactional or industrial expertise for election to the board at the 2022 AGM in place of an incumbent director who will not stand for re-election.

#### Update:

On July 6, 2022, Bradley L. Radoff increased his stake to 7.8%.

### **Velan-Repertoire to withdraw director nominations due to pending sale of Radius Health**

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Market Cap: \$485 million | Radius Health, Inc., a biopharmaceutical company, develops and commercializes endocrine and other therapeutics.

#### Background:

- On March 7, 2022, Velan Capital Partners and Repertoire Partners (together 5.8%) stated that they have engaged, and intend to continue to engage, in communications with the board and management team regarding opportunities to enhance stockholder value and improve corporate governance. [Source](#)
- On March 11, 2022, Velan Capital Partners and Repertoire Partners delivered a letter to the company nominating four candidates for election to the at the 2022 AGM. [Source](#)
- On April 18, 2022, Velan Capital Partners and Repertoire Partners filed proxy materials seeking support for their nominees.
- On May 24, 2022, Velan Capital Partners and Repertoire Partners filed proxy materials seeking support for their nominees.
- On June 7, 2022, Velan Capital Partners and Repertoire Partners (together 7.7%) mailed a [letter](#) to the stockholders detailing the board's troubling track record of value destruction and calling on stockholders to send a strong message to the board at the upcoming AGM to be held on July 8, 2022 that meaningful change is immediately required. Velan-Repertoire also launched a website, fixradius.com, which contains important stockholder materials in connection with its campaign.
- On June 16, 2022, the Rubric Capital (14.62%) issued a press release announcing that it sent a [letter](#) to the board informing the company that it intends to vote for the Velan-Repertoire slate at the upcoming annual meeting of stockholders.
- On June 21, 2022, the Velan-Repertoire Group issued a detailed [presentation](#) on the need for board-level change at the company in connection with the upcoming Annual Meeting to be held on July 8, 2022. In the presentation, Velan-Repertoire details the troubling share price underperformance, lack of stockholder alignment, minimal management oversight, poor governance, entrenchment tactics and lack of accountability that have

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persisted at Radius under the leadership of the incumbent Board, which has resulted in significant destruction of stockholder value.

- On June 23, 2022, the company [announced](#) that it has entered into a definitive agreement to be acquired by Gurnet Point Capital and Patient Square Capital in a transaction valued at approximately \$890 million.
- On June 24, 2022, the Velan-Repertoire Group [commented](#) on the company's proposed sale, " While we are pleased that other parties also recognize there is untapped value in Radius and its assets, we are continuing to evaluate whether this deal represents a fair price for stockholders. We look forward to discussing the terms of this transaction with other stockholders and reviewing further disclosures about the rationale and process leading up to this decision."

#### [Update:](#)

On July 11, 2022, the Velan-Repertoire Group announced that due to the pending sale of the company, the Velan-Repertoire Group has determined to withdraw its slate of nominees for election to the board at the Annual Meeting. [Source](#)

### **[Star Equity withdrew its nominations at Superior Drilling Products](#)**

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Market Cap: \$24 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 the 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](#)

#### [Update:](#)

On July 12, 2022, Star Equity Fund (9.41%) withdrew its nomination of Robert G. Pearse and BaShara Boyd for election to the board. [Source](#)

## **Elon Musk terminated his merger agreement with Twitter**

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Market Cap: \$34 billion | Twitter, Inc. operates as a platform for public self-expression and conversation in real-time.

### Background:

- On April 4, 2022, Elon R. Musk, CEO of Tesla, (9.1%) entered into a [letter agreement](#) with the company in which the company agreed to appoint him to the board
- On April 9, 2022, Elon R. Musk informed the company that he is not joining the board. [Source](#)
- On April 13, 2022, Elon R. Musk delivered a [letter](#) to the company which contained a non-binding proposal to acquire all of the outstanding Common Stock for all cash consideration valuing the Common Stock at \$54.20 per share
- On April 25, 2022, the company [announced](#) that it has entered into a definitive agreement to be acquired by an entity wholly owned by Elon Musk, for \$54.20 per share in cash in a transaction valued at approximately \$44 billion. Upon completion of the transaction, Twitter will become a privately held company.

### Update

On July 8, 2022, Elon Musk sent a [letter](#) to the company notifying that he is terminating his merger agreement.

## **JANA Partners withdrew its proxy solicitation at Zendesk**

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Market Cap: \$14 billion | Zendesk, Inc., a software development company, provides software as a service solutions for organizations in the United States, Europe, the Middle East, Africa, the Asia Pacific, and internationally.

### Background:

- On October 28, 2021, the company and Momentive have entered into a definitive agreement under which Zendesk will acquire Momentive, including its iconic SurveyMonkey platform.
- On February 16, 2022, JANA Partners LLC issued a [letter](#) to the board outlining what JANA believes to be significant strategic and operational missteps on the part of the board and announcing that JANA has identified and nominated four individuals to stand for election to the board at the company's 2022 AGM. It opposed the Momentive transaction and urges shareholders to vote AGAINST the transaction.
- On February 25, 2022, the company [announced](#) that it has terminated merger agreement with Momentive after it did not receive the approval of its stockholders to adopt the proposal to issue shares of Zendesk common stock in connection with the proposed transaction at the Stockholder Meeting held on February 25, 2022.

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- On March 17, 2022, JANA Partners (2.5%) filed proxy materials seeking support for its nominees.
- On April 7, 2022, JANA Partners sent a [letter](#) to the board calling them to put an end to its transparent and costly entrenchment tactics and immediately schedule a date for its 2022 annual meeting.
- On June 8, 2022, JANA Partners (2.5%) filed proxy materials seeking support for its nominees.
- On June 9, 2022, the company [announced](#) that its board has conducted and completed a comprehensive review of strategic alternatives aimed at enhancing stockholder value.

### [Update](#)

On June 24, 2022, JANA Partners withdrew its proxy materials filed in connection with the 2022 AGM and ceased any related solicitation. [Source](#)

## **TABLES – June 15, 2022 till July 18, 2022**

### **Audit: Non-Timely (NT) filings**

<b>Company name (Ticker)</b>	<b>Stock exchange</b>	<b>Market cap. (\$, mm)</b>	<b>Revenue (\$, mm)</b>	<b>Last filed form 10-Q/10-K period</b>	<b>Last filed form 10-Q/10-K filing date</b>	<b>No. of pending quarters</b>
IEH CORP (IEHC)	OTC	29	32	3/31/2020	10/8/2020	8
Youngevity International, Inc. (YGYI)	OTC	4	147	9/30/2020	6/22/2022	6
EACO CORP (EACO)	OTC	117	229	5/31/2021	7/15/2021	4
CPI Aerostructures, Inc. (CVU)	NYSE American	36	88	9/30/2021	5/16/2022	2
IDEANOMICS, INC. (IDEX)	NasdaqCM	408	99	9/30/2021	11/23/2021	2
CIRCOR INTERNATIONAL INC (CIR)	NYSE	543	770	9/30/2021	11/12/2021	2
LEGACY HOUSING CORP (LEGH)	NASDAQ	631	194	9/30/2021	11/9/2021	2
NEWAGE, INC. (NBEV)	NASDAQ	76	440	9/30/2021	11/9/2021	2
HF FOODS GROUP INC. (HFFG)	NASDAQ	341	715	9/30/2021	11/15/2021	2
REPUBLIC FIRST BANCORP INC (FRBK)	NASDAQ	309	156	9/30/2021	11/8/2021	2
SELECTIS HEALTH, INC. (GBCS)	OTC Markets	21	25	9/30/2021	11/15/2021	2
VIRTRA, INC (VTSI)	NASDAQ	66	22	9/30/2021	11/15/2021	2
SRAX, INC. (SRAX)	NASDAQ	126	26	9/30/2021	11/15/2021	2
LMP AUTOMOTIVE HOLDINGS, INC. (LMPX)	NASDAQ	55	318	9/30/2021	11/16/2021	2
P3 HEALTH PARTNERS INC. (PIII)	NASDAQ	325	584	9/30/2021	11/18/2021	2
LIFEWAY FOODS, INC. (LWAY)	NASDAQ	111	114	9/30/2021	11/15/2021	2
FITLIFE BRANDS, INC. (FTLF)	OTC	47	27	9/30/2021	11/12/2021	2
BM TECHNOLOGIES, INC. (BMTX)	NYSE American	92	95	12/31/2021	5/10/2022	1
MICT, INC. (MICT)	NASDAQ	75	41	12/31/2021	6/17/2022	1
UNICO AMERICAN CORP (UNAM)	NasdaqGM	17	32	12/31/2021	7/11/2022	1

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EVO TRANSN & ENERGY SVCS INC (EVOA)	PACIFIC GREEN	53	179	12/31/2021	6/30/2022	1
FRIEDMAN INDUSTRIES INC (FRD)	NYSE	62	259	12/31/2021	2/24/2022	1
PACIFIC GREEN TECHNOLOGIES INC. (PGTK)	PACIFIC GREEN	39	25	12/31/2021	2/14/2022	1
TECHPRECISION CORP (TPCS)	OTC	51	19	12/31/2021	2/17/2022	1

## Non-Reliance on Previously Issued Financial Statements

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Date	Notes	Link
Barnes & Noble Education, Inc. (BNED)	147	1,490	6/27/2022	The Company identified out of period adjustments primarily related to income tax benefit related to the recording of an additional deferred tax valuation allowance, and restructuring and other charges related to severance costs	<a href="#">Link</a>

## Audit: Non-Timely (NT) filers who have filed their respective filings in June 2022

Company name	No. of filed 10-K/10-Q forms	Market cap. (\$, mm)	Revenue (\$, mm)	Pending quarter	Rectified date
KAIVAL BRANDS INNOVATIONS GROUP, INC. (KAVL)	1	32	24	4/30/2022	6/21/2022
BODY & MIND INC. (BMMJ)	1	16	30	4/30/2022	6/21/2022
CHINA GREEN AGRICULTURE, INC. (CGA)	1	71	228	3/31/2022	7/1/2022
INTELLICHECK, INC. (IDN)	1	36	16	3/31/2022	6/17/2022
VIEW, INC.(VIEW)	1	1,389	35	3/31/2022	6/28/2022
DOLPHIN ENTERTAINMENT, INC. (DLPN)	2	49	32	12/31/2021	7/18/2022
INNSUITES HOSPITALITY TRUST (IHT)	1	23	6	4/30/2022	7/1/2022

## Significant audit firm changes

Company Name	Date	Market cap. (\$, mm)	Revenue (\$, mm)	Trigger	Notes	Link
KEMPHARM, INC (KMPH)	6/17/2022	145	21	Material weaknesses	A material weakness existed because certain controls over non-routine transactions were not designed at the appropriate level of precision to ensure the accuracy of calculations supporting non-routine transactions	<a href="#">Link</a>
AMERICAN WOODMARK CORP (AMWD)	7/1/2022	748	1,860	Material weaknesses	Material weaknesses involved ineffective general information technology controls related to information technology change management within the Made to Order business environment and ineffective risk assessment, control activities and monitoring activities related to the enterprise resource planning system implemented in the fourth quarter of fiscal 2022. T	<a href="#">Link</a>
Qumu Corp (QUMU)	7/8/2022	14	23	Going Concern	The Company has experienced recurring operating losses and its cash resources available to execute its business plan over the next twelve months raise substantial doubt about its ability to continue as a going concern	<a href="#">Link</a>
TPCO Holding Corp. (GRAMF)	7/8/2022	70	167	Material weaknesses	The Company lacks a sufficient number of adequately skilled professionals to appropriately analyze, record and disclose accounting matters timely and accurately while maintaining appropriate segregation of duties.	<a href="#">Link</a>

## List of all audit firm changes

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Outgoing audit firm	Newly appointed audit firm	Link
6/15/2022	Forafic Global PLC (AFRI)	190	236	Marcum LLP	UHY LLP	<a href="#">Link</a>
6/17/2022	KEMPHARM, INC (KMPH)	145	21	RSM US LLP	Ernst & Young LLP	<a href="#">Link</a>
6/21/2022	SANDRIDGE ENERGY INC (SD)	809	193	Deloitte & Touche LLP	Moss Adams LLP	<a href="#">Link</a>
6/21/2022	SpringBig Holdings, Inc. (SBIG)	137	24	WithumSmith+Brown PC	Marcum LLP	<a href="#">Link</a>

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6/22/2022	SUPERIOR GROUP OF COMPANIES, INC. (SGC)	282	540	Mayer Hoffman McCann P.C.	Grant Thornton LLP	<a href="#">Link</a>
6/23/2022	Grove Collaborative Holdings, Inc. (GROV)	1,140	372	WithumSmith+Brown, PC	Ernst & Young LLP	<a href="#">Link</a>
6/23/2022	ALTA EQUIPMENT GROUP INC. (ALTG)	302	1,280	UHY LLP	Deloitte & Touche LLP	<a href="#">Link</a>
6/24/2022	CARNIVAL CORP (CCL)	12,750	3,500	PricewaterhouseCoopers LLP	Deloitte & Touche LLP	<a href="#">Link</a>
6/27/2022	Aridis Pharmaceuticals, Inc. (ARDS)	25	3	Mayer Hoffman McCann P.C.	Baker Tilly US, LLP	<a href="#">Link</a>
6/27/2022	BIOCEPT INC (BIOC)	17	63	Mayer Hoffman McCann P.C.	RSM US LLP	<a href="#">Link</a>
6/30/2022	CACI INTERNATIONAL INC /DE/ (CACI)	6,510	6,120	Ernst & Young LLP	PricewaterhouseCoopers LLP	<a href="#">Link</a>
6/30/2022	FlexShopper, Inc. (FPAY)	20	122	EisnerAmper	Grant Thornton LLP	<a href="#">Link</a>
7/1/2022	AMERICAN WOODMARK CORP (AMWD)	748	1,860	KPMG LLP	Ernst & Young LLP	<a href="#">Link</a>
7/1/2022	ProPhase Labs, Inc. (PRPH)	208	111	Friedman LLP	Morison Cogen LLP	<a href="#">Link</a>
7/8/2022	Qumu Corp (QUMU)	14	23	KPMG LLP	Marcum LLP	<a href="#">Link</a>
7/8/2022	TPCO Holding Corp. (GRAMF)	70	167	MNP LLP	Marcum LLP	<a href="#">Link</a>
7/11/2022	MedAvail Holdings, Inc. (MDVL)	118	27	PricewaterhouseCoopers LLP	Baker Tilly US, LLP	<a href="#">Link</a>
7/18/2022	MITEK SYSTEMS INC (MITK)	417	132	Mayer Hoffman McCann P.C.	BDO USA, LLP	<a href="#">Link</a>

### 13D Filings

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Filer Name
6/14/2022	MEREO BIOPHARMA GROUP PLC (MREO)	74	36	RUBRIC CAPITAL MANAGEMENT LP
6/16/2022	AMARIN CORP PLC\UK (AMRN)	675	536	SARISSA CAPITAL MANAGEMENT LP

6/16/2022	GLOBAL CORD BLOOD CORP (CO)	362	1,240	BLUE OCEAN STRUCTURE INVESTMENT CO LTD
6/16/2022	RADIUS HEALTH, INC. (RDUS)	404	217	RUBRIC CAPITAL MANAGEMENT LP
6/17/2022	CATALYST BIOSCIENCES, INC. (CBIO)	46	7	SINGER JULIAN D.
6/17/2022	HEALTHCARE REALTY TRUST INC (HR)	3,900	546	LAND & BUILDINGS INVESTMENT MANAGEMENT, LLC
6/21/2022	CATALYST BIOSCIENCES, INC. (CBIO)	42	7	JEC II ASSOCIATES, LLC
6/21/2022	ARCA BIOPHARMA, INC. (ABIO)	34	0	FUNICULAR FUND, LP
6/21/2022	NEW RELIC, INC. (NEWR)	3,082	786	JANA PARTNERS LLC
6/22/2022	NEURONETICS, INC. (STIM)	94	57	CANNELL CAPITAL LLC
6/22/2022	SCIPLAY CORP (SCPL)	1,732	613	ENGINE CAPITAL, L.P.
6/22/2022	CALAMP CORP. (CAMP)	247	281	B. RILEY ASSET MANAGEMENT, LLC
6/23/2022	PHARMACYTE BIOTECH, INC. (PMCB)	43	0	IROQUOIS CAPITAL MANAGEMENT, LLC
6/24/2022	SEACHANGE INTERNATIONAL INC (SEAC)	29	29	SINGER KAREN
6/24/2022	SUPERIOR DRILLING PRODUCTS, INC. (SDPI)	27	15	STAR EQUITY HOLDINGS, INC.
6/24/2022	ADAGIO THERAPEUTICS, INC. (ADGI)	369	0	ADIMAB, LLC
6/24/2022	ADAGIO THERAPEUTICS, INC. (ADGI)	369	0	M28 CAPITAL MANAGEMENT LP
6/24/2022	ADAGIO THERAPEUTICS, INC. (ADGI)	369	0	MITHRIL II LP
6/24/2022	ADAGIO THERAPEUTICS, INC. (ADGI)	369	0	POLARIS VENTURE PARTNERS V, L.P.
6/24/2022	ADAGIO THERAPEUTICS, INC. (ADGI)	369	0	POPULATION HEALTH EQUITY PARTNERS III, L.P.
6/24/2022	MERCURY SYSTEMS INC (MRCY)	3,538	949	STARBOARD VALUE LP
6/27/2022	CERAGON NETWORKS LTD (CRNT)	176	293	AVIAT NETWORKS, INC.
6/27/2022	SOCIETAL CDMO, INC. (SCTL)	39	63	RAILROAD RANCH CAPITAL MANAGEMENT, LP
6/28/2022	CONSUMER PORTFOLIO SERVICES, INC. (CPSS)	221	229	BLACK DIAMOND CAPITAL MANAGEMENT, L.L.C.
6/28/2022	UPHEALTH, INC. (UPH, UPH-WT)	84	147	AZIM SYED SABAHAT
6/28/2022	UPHEALTH, INC. (UPH, UPH-WT)	84	147	BRAY JEFFERY REX
6/28/2022	UPHEALTH, INC. (UPH, UPH-WT)	84	147	KATHURIA CHIRINJEEV
6/28/2022	UPHEALTH, INC. (UPH, UPH-WT)	84	147	PYLYPIV MARIYA

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6/28/2022	BARNES & NOBLE EDUCATION, INC. (BNED)	155	1,530	OUTERBRIDGE CAPITAL MANAGEMENT LLC
6/30/2022	SYMBOLIC LOGIC, INC. (EVOL)	19	0	SINGER KAREN
7/5/2022	FORTE BIOSCIENCES, INC. (FBRX)	20	0	FUNICULAR FUND, LP
7/6/2022	ALKERMES PLC. (ALKS)	5,231	1,200	SARISSA CAPITAL MANAGEMENT LP
7/6/2022	ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	41	33	AB VALUE MANAGEMENT LLC
7/6/2022	ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	41	33	RADOFF BRADLEY LOUIS
7/6/2022	NEWPARK RESOURCES INC (NR)	281	650	RADOFF BRADLEY LOUIS
7/7/2022	AEROJET ROCKETDYNE HOLDINGS, INC. (AJRD)	3,273	2,200	STEEL PARTNERS HOLDINGS L.P.
7/7/2022	FORTE BIOSCIENCES, INC. (FBRX)	21	0	BML INVESTMENT PARTNERS, L.P.
7/7/2022	REPUBLIC FIRST BANCORP INC (FRBK)	226	156	NORCROSS GEORGE E III
7/8/2022	TITAN PHARMACEUTICALS INC (TTNP)	19	1	ACTIVIST INVESTING LLC
7/8/2022	TWITTER, INC. (TWTR)	28,129	5,240	MUSK ELON
7/11/2022	ONCOLOGY INSTITUTE, INC. (TOI)	412	210	HAVENCREST HEALTHCARE PARTNERS, L.P.
7/11/2022	SYMBOLIC LOGIC, INC. (EVOL)	18	0	SINGER KAREN
7/12/2022	ENTHUSIAST GAMING HOLDINGS INC. / CANADA (EGLX)	358	185	GREYWOOD, LLC
7/12/2022	PEOPLES FINANCIAL CORP /MS/ (PFBX)	70	27	STILWELL JOSEPH
7/13/2022	SUPERIOR DRILLING PRODUCTS, INC. (SDPI)	24	15	STAR EQUITY FUND, LP
7/14/2022	VERRA MOBILITY CORP (VRRM)	2,445	631	SCOPIA CAPITAL MANAGEMENT LP
7/18/2022	YATRA ONLINE, INC. (YTRA)	136	1,990	MAK CAPITAL ONE LLC
7/19/2022	FORTE BIOSCIENCES, INC. (FBRX)	19	0	FUNICULAR FUNDS, LP
7/20/2022	CERAGON NETWORKS LTD (CRNT)	222	293	SAMBERG JOSEPH D

### 13G Filings (First-time filer)

Date	Company name	M.Cap	Reve- nue	Fund name
6/29/2022	Blueknight Energy Partners, L.P. (BKEP)	189	117	HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.
6/15/2022	Real Good Food Company, Inc. (RGF)	37	105	DRIEHAUS CAPITAL MANAGEMENT LLC

6/29/2022	KLX Energy Services Holdings, Inc. (KLXE)	52	476	GENDELL JEFFREY L
6/23/2022	TACTILE SYSTEMS TECHNOLOGY INC (TCMD)	156	213	MILLENNIUM MANAGEMENT LLC
6/15/2022	RE/MAX Holdings, Inc. (RMAX)	693	348	MAGNOLIA CAPITAL FUND, LP
6/23/2022	Symbotic Inc. (SYM)	717	397	AFFUSO ANTHONY
6/22/2022	VAALCO ENERGY INC /DE/ (EGY)	461	228	MILLENNIUM MANAGEMENT LLC
6/21/2022	Axogen, Inc. (AXGN)	347	127	Point72 Asset Management, L.P.
6/29/2022	Liberty TripAdvisor Holdings, Inc. (LTRPA)	81	1,040	MILLENNIUM MANAGEMENT LLC
6/28/2022	MARRIOTT VACATIONS WORLD-WIDE Corp (VAC)	4,702	2,990	Senvest Management, LLC
6/22/2022	UserTesting, Inc. (USER)	797	162	StepStone Group LP
6/22/2022	BIOLIFE SOLUTIONS INC (BLFS)	667	139	MILLENNIUM MANAGEMENT LLC
6/24/2022	SIGA TECHNOLOGIES INC (SIGA)	944	139	D. E. SHAW & CO, L.P.
6/28/2022	ADMA BIOLOGICS, INC. (ADMA)	380	94	MILLENNIUM MANAGEMENT LLC
6/27/2022	Vertex Energy Inc. (VTNR)	805	131	MILLENNIUM MANAGEMENT LLC
6/24/2022	CatchMark Timber Trust, Inc. (CTT)	510	102	Versor Investments LP
6/17/2022	Global Blood Therapeutics, Inc. (GBT)	1,734	211	Deep Track Capital, LP
6/16/2022	ARVINAS, INC. (ARVN)	2,039	65	Avidity Partners Management LP
6/30/2022	CEDAR REALTY TRUST, INC. (CDR)	396	125	Weiss Asset Management LP
7/1/2022	PRECISION BIOSCIENCES INC (DTIL)	95	103	GREAT POINT PARTNERS LLC
7/5/2022	Turtle Beach Corp (HEAR)	215	320	Shay Capital LLC
7/6/2022	ICAD INC (ICAD)	108	33	HIRSCHMAN ORIN
7/8/2022	Retail Value Inc. (RVIC)	26	40	Ursa Fund Management, LLC
7/11/2022	DUCK CREEK TECHNOLOGIES, INC. (DCT)	1,921	293	BROWN CAPITAL MANAGEMENT LLC
7/11/2022	PEABODY ENERGY CORP (BTU)	2,952	3,360	FMR LLC
7/11/2022	Leafly Holdings, Inc. /DE (LFLY)	190	45	LMR Partners LLP
7/11/2022	SWK Holdings Corp (SWKH)	230	58	M3 PARTNERS LP
7/15/2022	SHARPS COMPLIANCE CORP (SMED)	165	69	Beryl Capital Management LLC
7/15/2022	ZimVie Inc. (ZIMV)	462	1,000	BALYASNY ASSET MANAGEMENT LLC
7/15/2022	CARVANA CO. (CVNA)	3,774	14,070	Luxor Capital Group, LP
7/15/2022	Coupa Software Inc (COUP)	4,545	755	Meritage Group LP
7/18/2022	Oyster Point Pharma, Inc. (OYST)	119	27	Paradigm Biocapital Advisors LP

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7/18/2022	NEWPARK RESOURCES INC (NR)	298	650	ADAGE CAPITAL PARTNERS GP, L.L.C.
7/18/2022	STRATASYS LTD. (SSYS)	1,248	637	Nano Dimension Ltd.

## CEO & CFO changes

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	CEO (8-k date)	CFO (8-k Date)	Number of months between the appointment of CEO and CFO
Epsilon Energy Ltd. (EPSN)	144	48	6/24/2022	6/24/2022	0
Ontrak, Inc. (OTRK)	25	61	6/28/2022	6/28/2022	0
Chord Energy Corp (CHRD)	2,150	1,750	7/7/2022	7/7/2022	0
Chord Energy Corp (CHRD)	2,150	1,750	7/7/2022	7/7/2022	0
COMSCORE, INC. (SCOR)	181	371	7/8/2022	7/8/2022	0
SERVICESTOURCE INTERNATIONAL, INC. (SREV)	150	200	7/20/2022	7/20/2022	0
Troika Media Group, Inc. (TRKA)	49	35	7/1/2022	5/25/2022	1.2
Sema4 Holdings Corp. (SMFR)	555	202	5/2/2022	6/14/2022	1.4
DIRTT ENVIRONMENTAL SOLUTIONS LTD (DRTT)	113	156	6/22/2022	5/4/2022	1.6
Zevia PBC (ZVIA)	189	146	4/26/2022	6/16/2022	1.7
UNITED FIRE GROUP INC (UFCS)	846	1,010	7/7/2022	3/22/2022	3.6
UNITED FIRE GROUP INC (UFCS)	846	1,010	7/7/2022	3/22/2022	3.6
WD 40 CO (WDFC)	2,762	516	3/16/2022	7/6/2022	3.7
FEDERAL NATIONAL MORTGAGE ASSOCIATION FANNIE MAE (FNMA)	898	115,937	4/8/2022	12/1/2021	4.3
XpresSpa Group, Inc. (XSPA)	61	89	1/21/2022	6/14/2022	4.8
INNOVATIVE SOLUTIONS & SUPPORT INC (ISSC)	117	27	1/14/2022	7/12/2022	6
Landos Biopharma, Inc. (LABP)	33	18	6/21/2022	11/10/2021	7.4
WORLD WRESTLING ENTERTAINMENT INC (WWE)	4,484	1,170	6/22/2022	11/5/2021	7.6
GRAFTECH INTERNATIONAL LTD (EAF)	1,962	1,410	6/28/2022	11/1/2021	8
Lottery.com Inc. (LTRY)	54	84	11/4/2021	7/6/2022	8.1
Vinco Ventures, Inc. (BBIG)	215	19	7/14/2022	10/19/2021	8.9
HAWAIIAN ELECTRIC INDUSTRIES INC (HE)	4,479	2,990	10/5/2021	7/6/2022	9.1

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PETMED EXPRESS INC (PETS)	449	273	8/30/2021	7/14/2022	10.6
BK Technologies Corp (BKTI)	41	43	7/20/2021	7/7/2022	11.7

## CEO changes

Date	Company Name	Internal/ External appointment	CEO Name	Market cap. (\$, mm)	Revenue (\$, mm)	Link
6/21/2022	Landos Biopharma, Inc. (LABP)	External	Gregory Oakes	33	18	<a href="#">Link</a>
6/21/2022	AZIYO BIOLOGICS, INC. (AZYO)	Internal	C. Randal Mills	87	46	<a href="#">Link</a>
6/21/2022	BARNES GROUP INC (B)	Internal	Thomas J. Hook	1,630	1,270	<a href="#">Link</a>
6/22/2022	CYANOTECH CORP (CYAN)	Internal	Matthew K. Custer	21	37	<a href="#">Link</a>
6/22/2022	DIRTT ENVIRONMENTAL SOLUTIONS LTD (DRTT)	External	Benjamin Urban	113	156	<a href="#">Link</a>
6/22/2022	KVH INDUSTRIES INC \DE\ (KVHI)	Internal	Brent C. Bruun	156	171	<a href="#">Link</a>
6/22/2022	WORLD WRESTLING ENTERTAINMENT INC (WWE)	Internal	Stephanie McMahon	4,484	1,170	<a href="#">Link</a>
6/24/2022	MamaMancini's Holdings, Inc. (MMMB)	External	Adam L. Michaels	47	59	<a href="#">Link</a>
6/24/2022	Epsilon Energy Ltd. (EPSN)	External	Jason Stabell	144	48	<a href="#">Link</a>
6/28/2022	Ontrak, Inc. (OTRK)	Internal	Terren S. Peizer	25	61	<a href="#">Link</a>
6/28/2022	GRAFTECH INTERNATIONAL LTD (EAF)	External	Marcel Kessler	1,962	1,410	<a href="#">Link</a>
6/29/2022	BED BATH & BEYOND INC (BBBY)	Internal	Sue Gove	399	7,870	<a href="#">Link</a>
6/29/2022	VIASAT INC (VSAT)	Internal	Mark Dankberg	2,284	2,790	<a href="#">Link</a>
6/30/2022	TRECORA RESOURCES (TREC)	Acquisition	Brad Crocker	233	301	<a href="#">Link</a>
7/1/2022	Troika Media Group, Inc. (TRKA)	Internal	Sadiq (Sid) Toama	49	35	<a href="#">Link</a>

7/5/2022	EVOLUTION PETROLEUM CORP (EPM)	Internal	Kelly W. Loyd	170	81	<a href="#">Link</a>
7/5/2022	Xerox Holdings Corp (XRX)	Internal	Steve Bandrowczak	2,165	7,000	<a href="#">Link</a>
7/6/2022	Mativ Holdings, Inc. formerly: SCHWEITZER MAUDUIT INTERNATIONAL INC (SWM)	Merger	Julie A. Schertell	660	1,560	<a href="#">Link</a>
7/7/2022	UNITED FIRE GROUP INC (UFCS)	External	Kevin Leidwinger	846	1,010	<a href="#">Link</a>
7/7/2022	TENNECO INC (TEN)	Merger	Jim Voss	1,598	17,950	<a href="#">Link</a>
7/7/2022	Chord Energy Corp (CHRD)	Merger	Daniel E. Brown	2,150	1,750	<a href="#">Link</a>
7/8/2022	COMSCORE, INC. (SCOR)	Internal	Jonathan Carpenter	181	371	<a href="#">Link</a>
7/11/2022	FutureFuel Corp. (FF)	Internal	Thomas McKinlay	299	322	<a href="#">Link</a>
7/11/2022	GAP INC (GPS)	Internal	Bob Martin	3,223	16,160	<a href="#">Link</a>
7/13/2022	FREQUENCY ELECTRONICS INC (FEIM)	Internal	Thomas McClelland	67	54	<a href="#">Link</a>
7/14/2022	RED ROBIN GOURMET BURGERS INC (RRGB)	Internal	G.J. Hart	125	1,230	<a href="#">Link</a>
7/14/2022	Vinco Ventures, Inc. (BBIG)	External	Theodore Farnsworth	215	19	<a href="#">Link</a>
7/18/2022	CODEXIS, INC. (CDXS)	Internal	Stephen Dilly	466	122	<a href="#">Link</a>
7/19/2022	Lazydays Holdings, Inc. (LAZY)	External	John North	163	1,340	<a href="#">Link</a>
7/20/2022	SERVICOURCE INTERNATIONAL, INC. (SREV)	Merger	Christopher A. Caldwell	150	200	<a href="#">Link</a>
7/20/2022	Mayville Engineering Company, Inc. (MEC)	External	Jagadeesh (Jag) A. Reddy	152	478	<a href="#">Link</a>
7/20/2022	Cardlytics, Inc. (CDLX)	External	Karim Temsamani	486	282	<a href="#">Link</a>
7/20/2022	Invitae Corp (NVTA)	Internal	Kenneth D. Knight	537	481	<a href="#">Link</a>