

# SNOWBALL RESEARCH NOTES

MARCH 2022

-  
Significant  
Changes &  
Events

ISSUE 16



SNOWBALL  
RESEARCH

SNOWBALL  
RESEARCH

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## MANUAL

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### 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.

## TEN 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 #1 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.

## **Q&A #2 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. IN SEARCH OF GOOD BUSINESS**

The objective is to identify good businesses irrespective of their valuation and catalyst. So, what is the purpose of doing this? We want to build a solid database of small/micro-cap companies that have good business – recurring business – SaaS/membership and companies that have moat, etc.

## **6. 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.

## **7) 13G , 8) 13F 9) INSIDER BUYING 10) PRICE CRASH**

Self-explanatory.

## TESTIMONIALS

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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 / Raging Capital Management LLC*

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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\*)*

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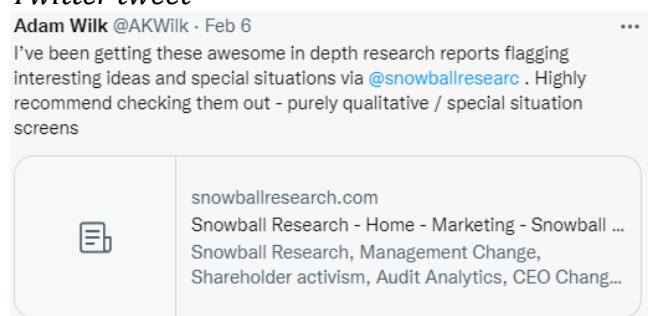
“Your product is a good statistical reminder of companies that are ongoing changes. It exposes me to companies I might not be taking a look at. While limited, it is a good starting point for further investigation.” - *Portfolio Manager (AUM: \$200 million\*)*

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“Very intriguing research” - *Individual Investor*

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### Twitter tweet



- *Adam Wilk, Portfolio Manager, Portfolio Manager of 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, Dec 2021

thebearcave.substack.com

A Hedge Fund Analyst Christmas List

A list of the best free and paid resources for professional investors

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*\* AUM data is extracted from FORM ADV and rounded off*

## Price crash and potential new project

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Dear clients:

When I first joined a buy-side firm in Chennai, India, one of my job responsibilities was filtering stocks from Bloomberg. The portfolio manager was seeded by a famous portfolio manager who had written a book on "special situation" investing.

Subsequently, when I joined the family office based out of Tulsa, OK, one of my job responsibilities was to write "short memos." I'd spend hours and hours in CapitalIQ screening ideas to write a short memo.

This exposure made me realize the importance of shortlisting ideas.

This formed the foundation of this publication.

Through the two publications (Significant Changes & Project-X), clients are exposed to 300+ ideas a year.

I constantly ask myself this: How do I expose more companies to my clients?

### 1. Potential ideas

Even though it is not feasible (right now) for us to write a report for 40-50 companies in a month, I'm toying with the idea of preparing a "short version" of the report for stocks that caught our attention but didn't get featured in our report.

Let's take 13F for example-

In my opinion, when a fund discloses a "new buy" that accounts for a significant percentage of the fund's portfolio, it is worth investigating. We found 20+ companies that fit that criterion. Given our constraints, we couldn't profile all the stocks in the Project-X report.

The only feasible solution is to write a short note about the stocks.

So, preparing "short notes" on interesting ideas could be a potential new project.

No decision has been made. If you have any thoughts on this, please let me know.

### 2. Price crash

We started reviewing stocks that have experienced significant price crash. To start with, our focus is to find stocks that experienced a decline in stock price after several years of stellar performance. This way we avoid researching companies that is consistently declining.

If you have any thoughts on this screening methodology, please let me know.

Thank you for your time.

Best,  
Raghuraman

# 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

### Multiple screens

1. [Yext \(YEXT\): New CEO is an entrepreneur and has funded plenty of tech companies; No base salary for CEO; CEO's RSU \(\\$42M worth\) is tied to stock price](#)

### New CEO

2. [Synalloy Corporation \(SYNL\) appoints the interim CEO on a permanent basis; Significant changes after the involvement of investor-cum-operator and activist investor](#)
3. [A micro-cap therapeutics company, Voyager Therapeutics \(VYGR\), appoints a former top executive who led the R&D team of \\$35 billion Biogen \[short notes\]](#)
4. [While emerging from the accounting fiasco, a nano-cap company, CPI Aerostructures \(CVU\), appoints a new CEO who was responsible for over \\$1.6 billion spending in her prior job](#)
5. [Interface \(TILE\) appoints a new CEO who is a former top executive of the \\$14 billion Newell Brands](#)
6. [Quanterix \(QTRX\) appoints a new CEO who was a former top executive of \\$26 billion PerkinElmer](#)
7. [Domo \(DOMO\)'s new CEO claims that he grew Adobe's cloud business by 10X](#)
8. [CarLotz \(LOTZ\) appoints a new CEO who executed a turnaround of a competitor; Concerned about the business model](#)
9. [Berkeley Lights \(BLI\): After an 80% stock price crash after a short report, the company appointed a CEO who recently sold a company for \\$780 million](#)

### Insider buying

10. [Hillman Solutions \(HLMN\): Positive sales growth in 56 of the company's 57-year history; Insider buying](#)
11. [The Vita Coco Company \(COCO\): Huge market share; 18X revenue growth; Insider buying](#)

### SC13G

12. [Cryoport \(CYRX\): Niche supply chain solution provider for pharma/biopharma industry](#)

### 8-K (Keywords)

13. [Allscripts Healthcare Solutions \(MDRX\): Major divestment](#)
14. [Zuora \(ZUO\): Recurring revenue; FCF turned positive; \\$400 million strategic investment from Silver Lake](#)
15. [Innovid \(CTV\): Huge market share in a growing and large OTT industry; Recent acquisition](#)

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16. [Chicken Soup for the Soul Entertainment \(CSSE\): Recent acquisition; 7% buyback](#)
17. [Sangoma Technologies \(SANG/TSX:STC\): Recent acquisitions; CEO grew the company by 12X within a decade](#)
18. [Bassett Furniture Industries \(BSET\): Divestment; 23% stock buyback; Possibly trading cheaper](#)
19. [BGSF \(BGSF\): Divestment; Migration to high-margin business](#)
20. [Wireless Telecom Group \(WTT\): Divestment](#)
21. [Spok Holdings \(SPOK\): Strategic plan to maximize cash flow and pay dividend; Cut workforce by 31%; Potential dividend yield of 16%](#)
22. [Atlantius Holdings \(ATLC\): 33% buyback \(Short notes\)](#)

### Stock price crash

23. [LGI Homes \(LGIH\): Recent stock price crash; CEO grew the revenue by 60X in a decade](#)

### Shareholder activism: Notes / Observation

24. [Abbott R. Cooper of Driver Management slams the board of Codorus Valley Bancorp about the “Fake Ferrari Loan”](#)
25. [Bizarre rule: The board of Peoples Financial Corp implemented a 50-mile residency radius criteria](#)

### Heads up

26. [CFO resignation: Red flags](#)
27. [Unhappy shareholders](#)

## II. 13D Summary

| Company name                              | M. Cap (\$, mm) | Filer name   | Notes<br>(Each headline below is “clickable” – it is hyper-linked to the 13D notes)   |
|---|-----------------|--|---|
| ADAGIO THERAPEUTICS, INC. (ADGI)          | 394             | ADIMAB, LLC, POLARIS VENTURE PARTNERS V, MITHRIL II LP | <a href="#">Mithril II LP, Adimab, LLC, M28 Capital Management, and Polaris Venture Partners join hands and nominate Board candidates to the board of Adagio Therapeutics</a> |
| AG MORTGAGE INVESTMENT TRUST, INC. (MITT) | 188             | HILL COUNTRY ASSET MANAGEMENT, LP.                     | <a href="#">Hill Country Asset Management seeks discussions with AG Mortgage Investment Trust</a>   |
| EMCORE CORP (EMKR)                        | 137             | CANNELL CAPITAL LLC                                    | <a href="#">Cannell Capital seeks Board seat in EMCORE Corp</a>   |
| DIRTT ENVIRONMENTAL SOLUTIONS LTD (DRTT)  | 109             | 22NW FUND, LP  | <a href="#">22NW Fund Group seeks support for its nominees for DIRTT’s Board</a>  |
| ATHIRA PHARMA, INC. (ATHA)                | 442             | KAYNE RICHARD A  | <a href="#">Athira Pharma: Richard Kayne calls for CEO replacement and seeks two board seats</a>  |
| GENWORTH FINANCIAL INC (GNW)              | 1,913           | KLARQUIST SCOTT  | <a href="#">Scott Klarquist, CIO of Seven Corners Capital Management, launched withhold campaign against the incumbent directors of Genworth Financial</a>                    |
| ARCA BIOPHARMA, INC. (ABIO)               | 34              | FUNICULAR FUND, LP                                     | <a href="#">Funicular Fund expressed its concerns on ARCA biopharma</a>   |
| PRECISION OPTICS CORPORATION, INC. (PEYE) | 34              | KLARQUIST SCOTT  | <a href="#">Scott Klarquist, CIO of Seven Corners Capital Management, announced his stance for the upcoming AGM</a>   |
| NAM TAI PROPERTY INC. (NTP)               | 267             | OASIS MANAGEMENT CO LTD.                               | <a href="#">Oasis Management initiated an active stake in Nam Tai Property</a>  |

|   |        |   |   |
|---|--------|---|---|
| GALAXY GAMING, INC. (GLXZ)                      | 117    | BROWN TICE  | <a href="#">Tice Brown nominated himself to the Board of Galaxy Gaming</a>  |
| ANAPLAN, INC. (PLAN)                            | 9,798  | CORVEX MANAGEMENT LP                              | <a href="#">Sachem Head Capital Management and Corvex Management separately nominated Board candidates to Anaplan</a> |
| BIG LOTS INC (BIG)                              | 1,055  | MILL ROAD CAPITAL III, L.P.                       | <a href="#">Mill Road Capital argues that Big Lots would be worth \$55-\$70 per share</a>                             |
| ALLOT LTD. (ALLT)                               | 258    | LYNROCK LAKE LP                                   | <a href="#">Allot Ltd. had discussions with Lynrock Lake Partners regarding Board composition</a>                     |
| LIFEWAY FOODS, INC. (LWAY)                      | 106    | SMOLYANSKY LUDMILA                                | <a href="#">Edward Smolyansky plans to nominate Board candidates to Lifeway Foods</a>                                 |
| MIDWEST HOLDING INC. (MDWT)                     | 51     | SALEM ANTHONY MICHAEL                             | <a href="#">Midwest Holding to nominate Kevin Sheehan to the Board of Directors at the 2022 AGM</a>                   |
| ATENTO S.A. (ATTO)                              | 355    | KYMA CAPITAL LTD                                  | <a href="#">Kyma Capital urges Atento to explore strategic alternatives</a>   |
| BENEFITFOCUS, INC. (BNFT)                       | 410    | INDABA CAPITAL MANAGEMENT, L.P.                   | <a href="#">Indaba Capital Management entered into an agreement with Benefitfocus</a>                                 |
| BED BATH & BEYOND INC (BBBY)                    | 1,669  | RC VENTURES LLC                                   | <a href="#">Bed Bath &amp; Beyond Inc. announces cooperation agreement with RC Ventures</a>                           |
| NOCOPI TECHNOLOGIES INC/MD/ (NNUP)              | 12     | ERIKSEN CAPITAL MANAGEMENT LLC, LIEBOWITZ MICHAEL | <a href="#">Nocopi Technologies reached an agreement with MSL18 Holdings Group and granted two Board seats</a>        |
| PENNSYLVANIA REAL ESTATE INVESTMENT TRUST (PEI) | 44     | CYGNUS CAPITAL, INC.                              | <a href="#">Cygnus Capital entered into a letter agreement with Pennsylvania Real Estate Investment Trust</a>         |
| TRANSACT TECHNOLOGIES INC (TACT)                | 84     | 325 CAPITAL LLC                                   | <a href="#">325 Master Fund and Harbert Fund reached an agreement with TransAct Technologies</a>                      |
| CATALYST BIOSCIENCES, INC. (CBIO)               | 17     | SINGER JULIAN D.                                  | <a href="#">Julian Singer demands books and records of Catalyst Biosciences</a>                                       |
| NAVIENT CORP (NAVI)                             | 2,531  | SHERBORNE INVESTORS LP                            | <a href="#">Sherborne Investors Management increased its stake in Navient Corp</a>                                    |
| REPUBLIC FIRST BANCORP INC (FRBK)               | 278    | NORCROSS GEORGE E III, DRIVER MANAGEMENT CO LLC   | <a href="#">Norcross Braca Group delivered a letter to the Board of Republic First Bancorp</a>                        |
| TRECORA RESOURCES (TREC)                        | 199    | PANGAEA VENTURES, L.P.                            | <a href="#">Pangaea Ventures/ Ortelius Advisors seeks support for its nominees at Trecora Resources stockholders</a>  |
| TURTLE BEACH CORP (HEAR)                        | 311    | DONERAIL GROUP LP                                 | <a href="#">Donerail nominates a full slate of director candidates at Turtle Beach Corporation</a>                    |
| TWITTER, INC. (TWTR)                            | 34,422 | MUSK ELON   | <a href="#">Elon Musk is not joining the Board of Twitter</a>   |
| WISDOMTREE INVESTMENTS, INC. (WETF)             | 896    | ETFS CAPITAL LIMITED.                             | <a href="#">ETFS Capital and Lion Point nominate three candidates to the Board of WisdomTree Investments</a>          |
| CIRCOR INTERNATIONAL INC (CIR)                  | 484    | GAMCO INVESTORS, INC. ET AL                       | <a href="#">Gamco supports the strategic review announced by CIRCOR International</a>                                 |
| COMMUNICATIONS SYSTEMS INC (JCS)                | #N/A   | GAMCO INVESTORS, INC. ET AL                       | <a href="#">Gamco reiterates its suggestions to vote against the proposed merger of Communications Systems</a>        |
| CONSUMER PORTFOLIO SERVICES, INC. (CPSS)        | 255    | BLACK DIAMOND CAPITAL MANAGEMENT, L.L.C.          | <a href="#">Black Diamond Capital Management nominates Board candidates to Consumer Portfolio Services</a>            |
| Enzo Biochem, Inc. (ENZ)                        | 140    | Roumell Asset Management                          | <a href="#">Roumell Asset Management reduced its stake to below 5% in Enzo Biochem</a>                                |
| GENESCO INC (GCO)                               | 937    | LEGION PARTNERS ASSET MANAGEMENT, LLC             | <a href="#">Legion Partners urges Genesco to repurchase shares</a>  |
| GREEN DOT CORP (GDOT)                           | 1,488  | STARBOARD VALUE LP                                | <a href="#">Starboard secured a board seat in Green Dot Corp</a>  |

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| HUNTSMAN CORP (HUN)                            | 7,523   | STARBOARD VALUE LP                          | <a href="#">Starboard reduced its stake after losing its election in Huntsman Corp</a>   |
| JANUS HENDERSON GROUP PLC (JHG)                | 5,683   | TRIAN FUND MANAGEMENT, L.P.                 | <a href="#">Trian Fund Management increased its stake after securing Board seats in Janus Henderson Group</a>  |
| LEE ENTERPRISES, INC (LEE)                     | 152     | CANNELL CAPITAL LLC                         | <a href="#">Cannell Capital questioned Lee Enterprises regarding corporate governance structures</a>   |
| PEOPLES FINANCIAL CORP /MS/ (PFBX)             | 75      | STILWELL JOSEPH                             | <a href="#">Joseph Stilwell seeks support for his nominee at Peoples Financial Corp</a>  |
| RADIUS HEALTH, INC. (RDUS)                     | 376     | VELAN CAPITAL INVESTMENT MANAGEMENT LP      | <a href="#">Velan Capital Partners and Repertoire Partners nominate Board candidates to Radius Health</a>  |
| TREEHOUSE FOODS, INC. (THS)                    | 1,881   | JANA PARTNERS LLC                           | <a href="#">TreeHouse Foods names Scott Ostfeld, JANA Partners' candidate, to the Board of Directors</a>   |
| ZENDESK, INC. (ZEN)                            | 15,254  | JANA PARTNERS LLC                           | <a href="#">JANA Partners seeks support for its nominees at Zendesk</a>  |
| VENTAS, INC. (VTR)                             | 24,239  | LAND & BUILDINGS INVESTMENT MANAGEMENT, LLC | <a href="#">Land &amp; Buildings Investment Management seeks support for its nominee at Ventas</a>   |
| VELODYNE LIDAR, INC. (VLDR)                    | 412     | HALL DAVID S.                               | <a href="#">David Hall, Founder of Velodyne Lidar, nominates Board candidates to Velodyne Lidar</a>  |
| US FOODS HOLDING CORP. (USFD)                  | 8,150   | SACHEM HEAD CAPITAL MANAGEMENT LP           | <a href="#">Sachem Head files updated preliminary proxy statement at U.S. Foods Holding Corp</a>   |
| SPARTANNASH CO (SPTN)                          | 1,245   | MACELLUM ADVISORS GP, LLC                   | <a href="#">Macellum and Ancora seek support for their nominees at SpartanNash</a>   |
| SOUTHWEST GAS HOLDINGS, INC. (SWX)             | 5,582   | ICAHN CARL C                                | <a href="#">Icahn Partners seeks support for its nominees in Southwest Gas Holdings</a>  |
| SERVOTRONICS INC /DE/ (SVT)                    | 29      | STAR EQUITY FUND, LP                        | <a href="#">Star Equity Fund urges the board of Servotronics to schedule 2022 annual meeting</a>   |
| QUOTIENT TECHNOLOGY INC. (QUOT)                | 571     | ENGAGED CAPITAL LLC                         | <a href="#">Engaged Capital seeks support for its nominees at Quotient Technology</a>  |
| NEW YORK CITY REIT, INC. (NYC)                 | 177     | COMRIT INVESTMENTS 1, LP                    | <a href="#">Comrit Investments nominates a Director Candidate for election to New York City REIT's Board</a>   |
| LIVEPERSON INC (LPSN)                          | 1,830   | STARBOARD VALUE LP                          | <a href="#">Starboard nominates Board candidates to LivePerson</a>   |
| KOHL'S CORP (KSS)                              | 7,844   | MACELLUM ADVISORS GP, LLC                   | <a href="#">Macellum seeks support for its nominees at Kohl's Corp</a>   |
| HASBRO, INC. (HAS)                             | 11,842  | ALTA FOX OPPORTUNITIES FUND, LP             | <a href="#">Alta Fox seeks support for its nominees at Hasbro</a>  |
| GUESS INC (GES)                                | 1,396   | LEGION PARTNERS ASSET MANAGEMENT, LLC       | <a href="#">Legion Partners launches "Vote No" campaign against Guess?, Inc. directors Paul and Maurice Marciano</a>                                       |
| GENWORTH FINANCIAL INC (GNW)                   | 1,913   | KLARQUIST SCOTT                             | <a href="#">Scott Klarquist, CIO of Seven Corners Capital Management, launched withhold campaign against the incumbent directors of Genworth Financial</a> |
| FIRSTHAND TECHNOLOGY VALUE FUND, INC. (SVVC)   | 25      | KLARQUIST SCOTT                             | <a href="#">Scott Klarquist nominates himself to the Board of Firsthand Technology Value Fund</a>  |
| CODORUS VALLEY BANCORP INC (CVLY)              | 226     | DRIVER MANAGEMENT CO LLC                    | <a href="#">Driver Management seeks support for its nominees at Cadorus Valley Bancorp</a>   |
| ARGO GROUP INTERNATIONAL HOLDINGS, LTD. (ARGO) | 1,446   | CAPITAL RETURNS MANAGEMENT, LLC             | <a href="#">Capital Returns Management nominates Board candidates to Argo Group International Holdings</a>   |
| AMERICAN CAMPUS COMMUNITIES INC (ACC)          | 16,039  | LAND & BUILDINGS INVESTMENT MANAGEMENT, LLC | <a href="#">Land &amp; Buildings Investment Management seeks support for its nominee in American Campus Communities</a>                                    |
| MCDONALDS CORP (MCD)                           | 185,278 | ICAHN CARL C                                | <a href="#">Carl Icahn launched an animal welfare-focused proxy fight against McDonald's Corporation</a>   |

|  |        |   |   |
|--|--------|---|---|
| KROGER CO (KR)                           | 42,198 | ICAHN CARL C                                  | <a href="#">Carl Icahn is expanding his animal-welfare campaign to Kroger, after first targeting McDonald's</a> |
| CSX CORP (CSX)                           | 76,381 | LARSON CHRISTOPHER L                          | <a href="#">Chris Larson announced his stance for the upcoming AGM at CSX Corp</a>                              |
| AEROJET ROCKETDYNE HOLDINGS, INC. (AJRD) | 3,477  | STEEL PARTNERS HOLDINGS L.P., DRAKE EILEEN P. | <a href="#">Eileen Drake issues a letter to the shareholders of Aerojet Rocketdyne</a>                          |

### 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 March 2022](#)
- 4) [Significant audit firm changes](#)
- 5) [List of all audit firm changes in March 2022](#)
- 6) [13D Filings](#)
- 7) [13G Filings \(First-time filer\)](#)
- 8) [CEO & CFO changes](#)
- 9) [CEO changes](#)

## **Yext (YEXT): New CEO is an entrepreneur and has funded plenty of tech companies; No base salary for CEO; CEO's RSU (\$42M worth) is tied to stock price; Insider buying**

- Market Cap: \$834 million | Yext is a hosted search-as-a-service platform that empowers businesses to build frictionless digital experiences wherever consumers look for answers.
- Major Shareholders: GROUP INC - 8.5% | BLACKROCK INC. - 8.1% | CHAMPLAIN INVESTMENT PARTNERS, LLC - 6.9% | JANUS HENDERSON GROUP PLC - 5%
- Screen: New CEO, Notable CEO compensation

### **I. BASIC**

- Using Yext's cloud-based platform, the company's customers can automatically sync business information across 50+ directories.
- It could be overwhelming to keep the business information accurate and up to date across all directories.
- Manual updating data across the directories could be time-consuming and complicated.
- The Company has established strategic relationships with approximately 200 third-party service and application providers including Amazon Alexa, Apple Maps, Bing, Cortana, Facebook, Google, Google Assistant, Google Maps, Siri, Yelp and many others.

### **II. RESEARCH**

#### **a) Recent stock price crash and major management shakeup**

- Since November 2021, the company's stock has crashed by half.
- In March 2022, the company announced its outlook for FY 2022. The company expects \$403.3 million to \$407.3 million in revenue. It is a meager 4% increase compared to the FY 2021 revenue. Moreover, it also fell short of the analyst's estimates.
- In March 2022, the company hired a new CEO, CFO, and COO.

#### **b) What we like**

##### **1. Track record of new CEO**

In March 2022, the company appointed Michael Walrath as CEO. He has been the chairman of the board since 2011.

- Mr. Walrath has served as chairman since 2011 and a director since 2008.
- Entrepreneur: Mr. Walrath has founded many companies and invested in various start-ups.
- Sale of Right Media: Mr. Walrath founded Right Media (an online advertising company) and served as its CEO from 2003 to 2007. In April 2007, Right Media was acquired by Yahoo for \$680 million.
- After Right Media, Mr. Walrath co-founded the WGI Group, which has invested in over 75 companies, primarily in the technology space.
- Mr. Walrath was a recipient of the highly prestigious Ernst & Young Entrepreneur of the Year Award in 2007.

##### **2. Recurring revenue**

- The company derives its revenue primarily from subscriptions and associated support to the Yext platform.
- Annual recurring revenue increased 10% year-over-year to \$390 million as of January 31, 2022, compared to \$354 million as of January 31, 2021.

##### **3. Solid revenue growth**

- Organic growth: The Company's revenue has consistently increased from

\$60 million in FY 2015 to \$391 million in FY 2022 due to new customer acquisitions and expanded subscriptions sold to existing customers.

- **FY 2023 outlook:** The Company expects FY 2023 revenue in the range of \$403.3 million to \$407.3 million.
- **Remaining performance obligations ("RPO"):** As of January 2022, the company's RPO was \$405 million. RPO expected to be recognized over the next 24 months was \$379 million.

### 3. Patents

- As of January 31, 2022, the company has fifteen issued US patents, one issued national stage patent, nineteen non-provisional and three provisional US patent applications, two US design patent applications, six international Patent Cooperation Treaty patent applications pending, and sixteen national stage applications outside of the US.

**5. FCF:** After several years of negative free cash flow, the company generated free cash flow of \$8.4 million in FY 2022.

| (\$ in millions) | FY 2020 | FY 2021 | FY 2022 |
|------------------|---------|---------|---------|
| Free cash flow   | (42.5)  | (63.9)  | 8.4     |

### ADDITIONAL REASONS FOR FLAGGING THE STOCK

**1) 12% stock buyback:** In March 2021, the company approved a share repurchase program to repurchase up to an aggregate of \$100 million worth of shares.

| (\$ in millions)     | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|----------------------|---------|---------|---------|---------|---------|---------|
| Revenue              | 124.2   | 170.2   | 228.2   | 298.8   | 354.6   | 390.5   |
| Gross profit         | 87.3    | 126.1   | 170.8   | 221.7   | 268.2   | 292.2   |
| Loss from operations | (42.7)  | (66.6)  | (75.6)  | (122.9) | (94.3)  | (89.9)  |
| Net loss             | (43.1)  | (66.5)  | (74.6)  | (121.5) | (94.6)  | (93.2)  |

### 2) Notable compensation

- **No cash compensation:** Mr. Walrath will not receive any cash compensation, including either a salary and/or a cash bonus.
- **Restricted stock units worth \$42 million:** He will receive a grant of 2,000,000 performance-based restricted stock units ("PSU"). The PSUs are tied to stock price performance. If the company's share price reaches \$21 per share, the PSUs will be worth \$42 million.

#### Details

- **Tranche 1:** 25% of the PSUs become Eligible PSUs upon Stock Price Achievement that equals or exceeds \$15.
- **Tranche 2:** 25% of the PSUs become Eligible PSUs upon Stock Price Achievement that equals or exceeds \$17.
- **Tranche 3:** 25% of the PSUs become Eligible PSUs upon Stock Price Achievement that equals or exceeds \$19.
- **Tranche 4:** 25% of the PSUs become Eligible PSUs upon Stock Price Achievement that equals or exceeds \$21.

If any tranche becomes Eligible PSUs, then 1/16 of the Eligible PSUs of the applicable earned tranche will vest quarterly on each of June 20, September 20, December 20 and March 20, in each case subject to his continued service on each such date. Currently, **Mr. Walrath will receive no other compensation for this new role.**

## Synalloy Corporation (SYNL) appoints the interim CEO on a permanent basis; Significant changes after the involvement of investor-cum-operator and activist investor

- Market Cap: \$166 million | Synalloy Corporation (Nasdaq: SYNL) is a company that engages in a number of diverse business activities including the production of stainless steel and galvanized pipe and tube, the master distribution of seamless carbon pipe and tube, and the production of specialty chemicals.
- Major shareholders: Privet Fund – 18.2% | Upg Enterprises – 7.7% | 180 DEGREE CAPITAL CORP. - 6.1% | DIMENSIONAL FUND ADVISORS LP - 4.7%
- Screen: New CEO

### I. BASICS

#### Metal segment

- The segment contributes roughly 80% of total revenue.
- The company is a manufacturer of welded stainless steel pipes, liquid storage tanks, and specialty pipes & tubes.

#### Specialty chemicals segment

- The segment contributes roughly 20% of total revenue.
- The company manufactures many key raw materials used to make specialty chemicals as well as completes the manufacturing process through contract manufacturing & tolling.
- The company is the sole producer of certain specialty chemicals manufactured for other companies under processing agreements and also produces proprietary specialty chemicals.

### II. WHAT WE LIKE

#### 1. Privet & UPG Group control the board

- In March 2020, Privet (18.2%) teamed up with UPG Enterprises (8%) and secured three board seats in June 2020.
- In November 2020, the company appointed Mr. Christopher Hutter, a representative of UPG Group, as CEO.
- At the [2021 AGM](#), the company's number of board seats was set at four. Out of the four board seats, three are Privet-UPG Group representatives.

#### 2. **Significant changes after the appointment of Mr. Hutter as interim CEO**

- Track record of Christopher G. Hutter
  - In October 2020, the company appointed Mr. Hutter as interim CEO. In March 2022, the company appointed him as permanent CEO.
  - The company's share price more than doubled since his tenure as interim CEO.
  - Mr. Hutter is the Co-Founder and Manager of UPG Enterprises (8% shareholder), an operator of eight industrial companies.
  - Mr. Hutter claims that under his leadership: (i) UPG reached \$725 million in annual revenue (~2.5x Synalloy's revenue) in under a decade; (ii) UPG's Q4 2019 acquisition of the underperforming Morton/Metales has since improved its manufacturing and on-time delivery rate from 68% to 98% as of March 2020; and (iii) UPG's Lamination Specialties has grown to over 300,000 square feet of Efficient Manufacturing Space designed to produce the highest quality electrical steel laminations and has 40 high-speed presses with the capacity to

produce over 100 million pounds of lamination annually.

- Letter from Mr. Hutter:  
<https://www.business-wire.com/news/home/20200528005658/en/UPG-Enterprises-Co-Founder-Chris-Hutter-Issues-Open-Letter-to-Synalloy-Employees-and-Stakeholders-Regarding-the-Path-to-a-Brighter-Future>

I became an investor in Synalloy because of its reputation and potential. After joining the Board, I volunteered to lead the business because I believe that my initial assumptions about the value creation opportunity at the company had been confirmed, and I could play a pivotal role in accelerating our progress. There is no doubt that we have a lot of work ahead of us to achieve these ambitious goals. That said, we have accomplished a lot in a short period of time, and I'm proud of the foundation we have established these past few months. With some very early signs of progress shown during the first quarter. - *Christopher Hutter, interim CEO, conference call, Q1 2021*

#### (a) Major management shake-up

- Five out of the top seven executives have been appointed after June 2020.
  - Interim CEO: Oct 2020
  - EVP - Metals segment: April 2021
  - Chief Legal Officer: July 2021
  - CFO: August 2021
  - EVP - Synalloy Chemicals – November 2021
- New chief for the metals segment
  - In April 2021, the company appointed Tim Lynch as EVP to lead the company's metals segment, which accounted for 80% of FY 2021 total revenue.

- Mr. Lynch most recently held senior positions at the Americas division of Outokumpu, a global leader in the stainless steel market. Prior to Outokumpu, Mr. Lynch served as Vice President of Operations, Optimization, Procurement, and Special Projects at TMS International, an industry leader in outsourced mill services for global steelmakers. Mr. Lynch also served in various management positions at U.S. Steel Corporation, a leading publicly traded steel producer and Fortune 250 Company.

- New chief for the chemical segment

- In November 2021, the company appointed John Zuppo as EVP of Synalloy Chemicals which generated roughly 20% of FY 2021 revenue.
- Mr. Zuppo has served as CEO of DanChem Technologies (which Synalloy acquired on October 22, 2021) from July 2017 to October 2021.
- Prior to DanChem, since 2013, Mr. Zuppo served in various leadership roles at Emerald Performance Materials, a leading producer of advanced specialty chemicals.

<https://www.sec.gov/ix?doc=/Archives/edgar/data/95953/000009595321000098/synl-20211112.htm>

#### (b) Increasing gross margin and profitability

- Note: After being appointed as interim CEO, Mr. Hutter has overseen five complete quarters.

• Improved gross margin

|        | Revenue growth | Gross margin  |
|--------|----------------|---------------|
| Mar-20 | -11.9%         | 9.57%         |
| Jun-20 | -16.0%         | 6.59%         |
| Sep-20 | -19.5%         | 8.43%         |
| Dec-20 | <b>-17.7%</b>  | <b>10.99%</b> |
| Mar-21 | <b>-6.6%</b>   | <b>12.52%</b> |
| Jun-21 | <b>25.7%</b>   | <b>17.3%</b>  |
| Sep-21 | <b>45.4%</b>   | <b>20.8%</b>  |
| Dec-21 | <b>71.2%</b>   | <b>20.8%</b>  |

• Positive operating income

- In fact, after six consecutive operating losses, the company registered positive operating income in Q1 2021.
- Q4 2021 was the fourth straight quarter of positive operating income.

• Record quarter

- In Q4 2021, the company registered record revenue, earnings, and adjusted EBITDA all at the highest levels in the history of the company.
- It is also the third consecutive quarter of year-over-year growth in net sales, net income, and adjusted EBITDA.

(c) Acquisition of DanChem:

- In October 2021, the company acquired DanChem for \$33 million.
- DanChem is a full-service specialty chemicals contract manufacturing organization.
- The DanChem facility has the largest fleet of horizontal reactors in the industry and producing a broad array of diversified products.
- In 2021, DanChem is expected to generate approximately \$30 million in revenue with an approximate 18% adjusted EBITDA margin.

## A micro-cap therapeutics company, Voyager Therapeutics (VYGR), appoints a former top executive who led the R&D team of \$35 billion Biogen [short notes]

- Market cap: \$332 million | Voyager Therapeutics is a gene therapy company, that focuses on the development of treatments and next-generation platform technologies.
- Major Shareholders: TRV GP III, LLC - 16.7% | ECOR1 CAPITAL, LLC - 9.3% | VANGUARD GROUP INC - 5.4% | FEDERATED HERMES, INC. - 1.6%
- Screen: New CEO

### I. BASIC

- The company focus on diseases where it believes a single dose adeno-associated virus, or AAV, gene therapy approach that either increases or decreases the production of a specific protein can either halt or slow disease progression or reduce symptom severity, therefore providing clinically meaningful impact to patients.
- The company's gene therapy platforms enable the company to engineer, optimize, manufacture and deliver AAV-based gene therapies that it believes have the potential to safely provide durable efficacy.
- The company's team of experts in the field of AAV gene therapy first identifies and selects diseases that are well-suited for treatment using AAV gene therapy. Subsequently, the company's engineer and optimize AAV vectors for delivery of the virus payload to the targeted tissue or cells.

### II.WHY ARE WE FLAGGING THIS?

#### 1. Track record of the new CEO

- In March 2022, the company appointed Alfred W. Sandrock, Jr. as CEO.
- He served Biogen for 23 years.
- He served an eight-year term as a chief medical officer at Biogen and was ultimately appointed head of research and development.

- Over the course of his tenure, he led the discovery, development and regulatory approval of numerous medicines, including ADUHELM™, AVONEX®, PLEGRIDY®, SPINRAZA®, TECFIDERA®, and TYSA-BRI®.

#### 2. Strategic initiative: To focus on TACER discovery platform

- In August 2021, the company initiated a strategic initiative and reevaluated its existing product candidate portfolio.
- As a result of this reevaluation, the company intends to invest additional resources in TRACER discovery platform, to expand discovery of TRACER capsids with broad tissue tropism in central nervous system, or CNS, cardiac and other tissues.
- The company also plan to advance innovative gene therapy programs that leverage these TRACER capsids as well as the company's vectorized antibody technology.

#### 3. TRACER™ AAV Capsid Discovery Platform

- Voyager's TRACER™ capsid discovery platform is a broadly applicable, RNA-based functional screening platform that allows for rapid in vivo evolution of AAV9- and AAV5-derived capsids with enhanced tropisms and cell- and tissue-specific transduction properties in multiple species, including non-human primates (NHPs).

- Initial data from the first of many libraries screened in NHPs demonstrated the proprietary capsid variants effectively penetrated the blood-brain barrier and achieved widespread biodistribution and transduction of multiple regions of the brain.
- Separate results have demonstrated the ability of certain capsids to transduce cardiac muscle and to de-target the dorsal root ganglia. Voyager is proceeding with additional capsid campaigns derived from AAV9, AAV5, and other capsid serotypes to identify novel AAV vectors optimized for specific therapeutic applications.

| (\$, mm)        | 2016 | 2017 | 2018 | 2019  | 2020 | 2021 |
|-----------------|------|------|------|-------|------|------|
| Revenue         | 14   | 10   | 8    | 104   | 171  | 37   |
| <i>Growth</i>   |      | -30% | -24% | 1268% | 64%  | -78% |
| EBIT            | -41  | -72  | -91  | -52   | 27   | -74  |
| Net In-<br>come | -40  | -71  | -88  | -44   | 37   | -71  |

## While emerging from the accounting fiasco, a nano-cap company, CPI Aerostructures (CVU), appoints a new CEO who was responsible for over \$1.6 billion spending in her prior job

- Market Cap: \$30 million | CPI Aerostructures, Inc. is a U.S. manufacturer of structural assemblies for fixed wing aircraft, helicopters and airborne Intelligence Surveillance and Reconnaissance and Electronic Warfare pod systems, primarily for national security markets.
- Major Shareholders: ROYCE & ASSOCIATES LP - 7.1% | PACKER PAUL - 6.9% | VANGUARD GROUP INC - 4.8% | DIMENSIONAL FUND ADVISORS LP - 1.9%
- Screen: New CEO

### RESEARCH

#### 1. Emerging from accounting errors; Pending filings

- In June 2021, the company announced the incorrectly reported inventory values and reported income for the year 2020.
- Audit and CFO changes: During this period, the company's CFO (Oct 2021) resigned and the company dismissed its audit firm (Nov 2021).
- Pending filings: Even though in November 2021, the company filed its restated annual report, the company is yet to file the financial statement from the 2<sup>nd</sup> quarter of 2021, i.e., Q2 2021, Q3 2021, and Q4 2021.
- Price crash: During this period, the company's share price crashed from \$7.25 per share to the current price of \$2.50 per share.

#### 1. Track record of new CEO

- New CEO: In March 2022, the company appointed Dorith Hakim as CEO.
- Responsible for \$1.6 billion spending: Ms. Hakim served as group vice president of Parker Hannifin Aerospace, a Fortune 250 company specializing in motion and control technologies, from 2018 to 2021.

- She directed global supply chain for 11 divisions, 25 manufacturing sites and two joint ventures. She was responsible for \$1.6 billion of spend including planning, scheduling, sourcing, procurement, warehousing and logistics over 7 aerospace divisions.
- She negotiated foundational long-term agreements with global partners, securing capacity in a CI framework.
- Ms. Hakim served Triumph Group Inc. (NYSE: TGI) (M.Cap: \$1.5 billion, Revenue: \$1.5 billion) from 2016 to 2018, and at the time of resignation, she served as VP of Corporate Program Management. She led a corporate-wide initiative to reduce cycle times and generated \$75 million of incremental cash for the business.
- Ms. Hakim served as Sikorsky from 2010 to 2016. During her tenure, she was president and general manager of Sikorsky Global Helicopters.
  - During her tenure, the company tripled its size to 1,800 employees and \$1.2 billion revenue in 7 facilities of 354,000 sq. ft., supporting the production and deliveries of up to 250 helicopters per year.
  - She claims that she led the company's first acquisition integration

and transitioned business to a UTC key manufacturing site.

- From November 2009 to August 2010, Ms. Hakim was chief procurement officer at Vought Aircraft, where she was head of supply chain with an over \$1 billion budget across six sites and two subsidiaries.

## 2. Pod: Limited competition

- Pods are removable structures attached to aircraft.
- Example:
  - The Raytheon NGJ-MB pod is an external jamming pod that will disrupt and degrade enemy aircraft and ground radar and communication systems.
  - Raytheon received a \$1 billion sole-source contract for the jamming pod from the U.S. Navy in April 2016, and CPI Aero has a contract with Raytheon to assemble the pod structural housing and air management system.
- The company claims that it has limited competition in pod structure and typically competes with the internal manufacturing arm of its customer.
- The company believes that its unique skills related to integrated pod structures combined with a very efficient

and generally much lower cost structure create a competitive advantage.

## 2. Solid revenue growth projected

- \$100mm revenue projected: Even though the company is yet to file its last three quarterly reports, the company announced that it expects its 2021 revenue to be greater than \$100 million compared to \$87.6 million in 2020 and net income of greater than \$4 million.
- \$500 million backlog: Moreover, the company announced that it is on track to end 2021 with approximately \$500 million in total backlog, up 5% from the end of 2020.
- Recent new orders:
  - February 2022 - \$1.9 million order for Welded Assemblies
  - February 2022 - Contract worth up to \$20 million from Raytheon Intelligence & Space
  - March 2022 - \$4M contract from Collins Aerospace for Airborne Pod System

Overall-

Attracting an executive like her is a big positive for this nano-cap company. Moreover, this appointment increases confidence that the company will emerge from the accounting fiasco. It is worth tracking the company.

## Interface (TILE) appoints a new CEO who is a former top executive of the \$14 billion Newell Brands

- Market Cap: \$762 million | Interface, Inc. is a worldwide commercial flooring company.
- Major Shareholders: BLACKROCK INC. - 15.9% | VANGUARD GROUP INC - 10.7% | CAPITAL WORLD INVESTORS - 7.9% | BARROW HANLEY MEWHINNEY & STRAUSS LLC - 6.5%
- Screen: New CEO

### I. BASIC

- Interface, Inc. is a global commercial flooring company with an integrated collection of carpet tiles and resilient flooring, including luxury vinyl tile (LVT) and nora® rubber flooring.
- Specialties: Commercial flooring, Carpet tile, TacTiles, Modular carpet, LVT, Luxury vinyl tile, Modular resilient flooring, Modular flooring, Sustainability, and Interior design
- A few years ago, nearly 100% of the company's sales were from carpet tile. Today, carpet accounts for approximately 60% of sales and other 40% from the acquisition in 2018, new luxury vinyl tile and others.

- Head of a \$3 billion segment: Ms. Hurd led the Newell Brands' Baby and Writing businesses, since February 2019. This segment contributed about 29% of total revenue.
- Directorship: Ms. Hurd has served on the Board of Directors of Thor Industries since August 2021.

### 2. Recovery of financials

- Stagnant phase: The company's revenue hovered between \$950 million and \$1 billion from 2011 to 2017.
- Growth through Nora acquisition
  - In August 2018, the company acquired Nora Holding GmbH ("Nora") for roughly \$447 million.
  - Revenue (Nora): \$280 million.
  - Entry into rubber flooring: Nora's acquisition helped the company offer rubber flooring products under the established *noraplan* and *nora-ment* brands.
  - Outcome? After the acquisition, the company's revenue increased 18% in 2018 and 14% in 2019.
- Recovery after the COVID-19 pandemic
  - In 2020, the company's revenue decreased due to the impacts of the COVID-19 pandemic.
  - In 2021, due to the recovering commercial market, the revenue increased by approximately 9%.
  - In Q4 2021, the company stated that net sales increased 23% year-over-year to approximately \$340 million, on par with the fourth quarter of 2019.

### Financials:

| (\$ in millions)        | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------|---------|---------|---------|---------|---------|
| Net sales               | 996.4   | 1,179.5 | 1,343.0 | 1,103.2 | 1,200.3 |
| Gross profit            | 386.0   | 429.8   | 532.9   | 410.5   | 432.7   |
| Operating income (loss) | 111.5   | 76.3    | 130.9   | (39.2)  | 104.7   |
| Net income (loss)       | 53.2    | 50.2    | 79.2    | (71.9)  | 55.2    |

### II. WHAT WE LIKE

#### 1. Track record of the new CEO

New CEO: In March 2022, the company appointed Laurel M. Hurd as CEO.

- Ms. Hurd served Newell Brands (Revenue: \$10.5 billion), a consumer goods company, from 1999 to 2022 in various executive positions.
- Top executive of a \$14 billion company: Ms. Hurd was one of the top 10 executives in the company.

- Strong outlook
  - The company expects its net sales growth for the FY 2022 to be approximately 7% to 9% and adjusted gross profit margin of 35.5% to 36.5%.

### 3. New products

- In October 2020, the company introduced the world's first and only carbon-negative carpet products.
- The company stated that the demand for its carbon-neutral and carbon-negative products continues to grow.
- In Q4 2021, carbon-neutral and carbon-negative product orders increased 19% year-over-year, which is the third consecutive quarter with double-digit growth.

- Diversification: In May 2021, the company launched its first vinyl sheet products to meet an expanded breadth of health care segment needs.

### 4. Free cash flow

The company generates positive free cash flow.

| (\$ in millions) | FY 2019 | FY 2020 | FY 2021 |
|------------------|---------|---------|---------|
| Free cash flow   | 67.1    | 56.1    | 58.6    |

### 5. Debt reduction

- The company has been reducing its debt consistently in the last three years from \$619 million in 2019 to \$518 million in 2021.
- The company expects to reduce leverage to approximately 2.0x net debt-to-adjusted EBITDA by the end of 2022.

## Quanterix (QTRX) appoints a new CEO who was a former top executive of \$26 billion PerkinElmer

- Market Cap: \$1 billion | Quanterix is a company that's digitizing biomarker analysis with the goal of advancing the science of precision health.
- Major Shareholders: ARCH VENTURE FUND VI LP - 8.5% | MACQUARIE GROUP LTD - 8.5% | GILDER GAGNON HOWE & COMPANY LLC - 7.6% | BLACKROCK INC. - 6.6%
- Screen: New CEO

### I. BASIC

- The company's platforms are based on a proprietary digital "Simoa" detection technology.
- What is Simoa?
  - Simoa is an ultra-sensitive immunoassay technology that allow detection of proteins and nucleic acids at the lowest possible levels.
  - Simoa is a highly sensitive, automated solution that is revolutionizing new discoveries in the biology of health and disease.
- Advantage: The company's Simoa bead-based platform differs from conventional ELISA in its ability to trap single molecules in tiny microwells, 40 trillionths of a milliliter, that are 2.5 billion times smaller than traditional ELISA wells, allowing for an analysis and digital readout of each individual molecule

### WHAT WE LIKE

#### 1. Track record of the new CEO

In March 2022, the company appointed Masoud Toloue as CEO. He served as the company's president from June 2021.

- Top executive of PerkinElmer:
  - Dr. Toloue joined PerkinElmer (Market Cap: \$23 billion, Revenue: \$5.1 billion) in 2016.
  - He was one of the top executives of the company at the time of his resignation.
  - Diagnostics segment financials:
    - He served as VP and general manager of Diagnostics of

PerkinElmer from July 2019 to January 2021 and as SVP Diagnostics from February 2021 to May 2021.

- The diagnostics segment's revenue increased from \$1.1 billion in FY 2019 to \$2.9 billion in FY 2021 through acquisitions and organic growth.

- Founded and led NGS business: Dr. Toloue served as Bioo Scientific from 2008 to 2016. At Bioo Scientific, he founded and led its NGS business. In 2016, Bioo Scientific was acquired by PerkinElmer for approximately \$60 million, and Bioo Scientific's revenue was around \$11-12 million at the time of its acquisition.

- Co-founder of Genohub: Dr. Toloue also co-founded and led Genohub, where he transformed that company from a supplier of next-generation sequencing matching technology to a leading platform provider for managing sequencing projects globally.

#### 2. Stellar revenue growth

- Prior to 2017, the company generated less than \$20 million in revenue.

- The company's revenue increased from \$22.8 million in 2017 to \$110.5 million in 2021 due to new product introductions.

- Growing installed base: The Company's installed instrument base increased by 32% in 2021 to 708 instruments.

- Expanding workforce: The Company's overall workforce increased

from 126 employees in 2017 to 460 in 2021.

- **2022 guidance:** The Company expects its 2022 revenue to be in the range of \$122 million to \$134 million.

### 3. Recurring revenue

- The instrument needs certain consumables to run, which have to be replaced every time it runs. The recurring revenue is derived through the sale of consumables used to run assays on the company's instruments, and from its growing menu of Simoa digital biomarker assays.
- The company's consumables revenue increased from \$7.6 million in 2017 to

\$55.1 million in 2021. In 2021, it almost increased 100% compared to 2020.

### 4. Growing market

- According to estimates in the Third-Party Research Report, the company believes that its market has the potential to expand to over \$100 billion.
- **Huge untapped opportunity:** The human body contains approximately 20,000 genes and these genes help govern the expression of over 100,000 proteins. The conventional immunoassay technologies helps to detect fewer than 1,300 proteins, which provides a significant opportunity for the company's instruments.

## Domo (DOMO)'s new CEO claims that he grew Adobe's cloud business by 10X

- Market Cap: \$1.7 billion | Domo is the Business Cloud, transforming the way business is managed by delivering Modern BI for AllTM.
- Major Shareholders: JAMES JOSHUA G - 14% | DOMO, INC. - 13.6% | VANGUARD GROUP INC - 7.1% | BLACKROCK INC. - 6.8%
- Screen: New CEO

### I. BASIC

- Through Domo's Business Cloud, data from across the business is collected, stored, prepared, organized, analyzed, visualized, and shared. Algorithms and machine learning can be applied to the data that allow alerts to be triggered and actions invited. Users can receive these notifications on any device and immediately act on the invitation, after which the system can write back to the original system of record
- As of January 31, 2022, the company has more than 2,300 organizations as customers.

- New CEO: In March 2022, the company appointed John Mellor as CEO.
- Internal appointment: Mr. Mellor has served as the chief strategy officer of the company since April 2019.

#### Track record of the new CEO

- Adobe
  - Prior to joining the company, Mr. Mellor served as Adobe Inc.'s (M.Cap: \$220 billion, Revenue: \$15.8 billion) vice president of Strategy & Business Operations from January 2018 to April 2019 and as its VP- Strategy, Alliances & Marketing from October 2009 to January 2018.
  - Mr. Mellor claimed that he grew Adobe's Experience Cloud business unit from \$300 million to nearly \$3 billion in annual revenue through organic growth as well as acquisitions.
- Omniture: Mr. Mellor joined Omniture in 2003, when it was generating \$8 million in revenue annually. During his tenure, Omniture's revenue has increased from \$8 million to approximately \$300 million. In 2009, Adobe acquired Omniture for \$1.8 billion. At that time, Mr. Mellor served as EVP-Strategy.
- Cofounded and sold Viewpoint: During his undergraduate days, Mr. Mellor co-founded Viewpoint, a 3D computer graphics company in 1988. He served as its VP of Marketing and Business Development. In 1998,

#### Financials:

| (\$ in millions)                          | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---|---------|---------|---------|---------|---------|---------|
| Subscription revenue                      | 58.6    | 87.4    | 117.1   | 146.8   | 183.6   | 223.0   |
| Professional services and other - revenue | 15.8    | 21.0    | 25.3    | 26.5    | 26.5    | 34.9    |
| Total revenue                             | 74.5    | 108.5   | 142.4   | 173.3   | 210.1   | 257.9   |
| Gross profit                              | 41.3    | 63.6    | 92.9    | 117.4   | 153.4   | 190.8   |
| Loss from operations                      | (182.8) | (175.7) | (144.0) | (115.2) | (73.0)  | (88.4)  |
| Net loss                                  | (183.1) | (176.5) | (154.3) | (125.6) | (84.6)  | (102.1) |

### II. WHAT WE LIKE

#### 1. Track record of new CEO

##### Background

- Founder/CEO resignation: In March 2022, the company's founder and CEO, Josh James, resigned as CEO.

Viewpoint was sold to Computer Associates for an undisclosed amount.

## 2. Solid revenue growth

- **3X organic revenue growth in 5 years:** The Company's revenue increased from \$74 million in FY 2016 to \$257 million in FY 2021.
- **Record growth:** In Q4 FY 2021, the company's billings grew by 30%, the highest growth in the last 14 quarters. Billings reflect sales to new customers plus subscription renewals and upsells to existing customers.
- The company's remaining performance obligations (RPO) were \$339.0 million as of January 31, 2022, an increase of 20% year over year. RPO expected to be recognized as revenue in the next twelve months was \$221.7 million.
- **Outlook:** The Company expects FY 2022 revenue to be in the range of \$314 million to \$319 million.

## 2. Recurring revenue

- Subscription revenue primarily consists of fees paid by customers to access the company's cloud-based platform, including support services.

- Subscription revenue increased from \$58 million in FY 2016 to \$223 million in FY 2021.
- **Salesforce expansion:** The Company's direct sales force grew by over 25% in FY 2021.
- Net revenue retention rate: The company's subscription net revenue retention rate has averaged over 105% for the years ended January 31, 2020, 2021, and 2022

## III. Owner operator:

- **83% voting right:** The company's founder and former CEO (Joshua G. James) has held an 83.6% voting right in the company as of April 2021
  - Joshua G. James holds 100% of Class A shares. Each Class A share is entitled to 40 votes.
  - It is to be noted that Joshua G. James was also a co-founder of Omniture, where the current CEO worked before.
- Hence, insiders as a group hold an 84.4% voting right in the company.

## CarLotz (LOTZ) appoints a new CEO who executed a turnaround of a competitor; Concerned about the business model

- Market cap: \$125 million | CarLotz is a leading consignment-to-retail used vehicle marketplace.
- Major Shareholders: TRP CAPITAL PARTNERS, LP - 19% | BOR MICHAEL W - 10.2% | TREMBLANT CAPITAL GROUP - 6.3% | BLACKROCK INC. - 4.3%
- Screen: New CEO

### RESEARCH

Track record of Lev Peker

In March 2022, the company appointed Lev Peker as CEO.

Mr. Peker joined CarParts.com in January 2019.

- During his tenure, the company's stock price increased by 19X in June 2021. After the recent price crash, the stock is still up by 7X.
- He executed a complete financial, logistical, and organizational turnaround of the company.
- He consolidated more than 15+ websites into one website, expanded its distribution centers, and revenue grew significantly.
- With all due respect, we also believe that the industry's tailwind helped Mr. Peker to produce stellar revenue. Due to the COVID-19 pandemic, online spare parts companies experienced a significant increase in revenue. This boosted the company's performance. Nevertheless, we acknowledge the fact the CEO took the right step to seize the opportunity instead of squander it.

Now, the question is this – can he turn around CarLotz?

- Founded in 2011, CarLotz currently operates twenty-two retail hub locations in the US.

- The company's hubs act as both physical showrooms with retail sales and as consignment centers where the company can source, process, and recondition newly acquired vehicles.
- The company predominantly source vehicles non-competitively (i.e., vehicles sourced other than from auctions) through the company's consignment to retail sales model, through purchases directly from consumers, and through arrangements with corporate vehicle sourcing partners.

### CarLotz operates on a wafer-thin margin

- Revenue: \$250 million (FY 2021)
- Retail vehicle sales generated a 1.3% gross margin in FY 2021
- Wholesale vehicle sales generated a negative 5% gross margin in FY 2021.
- The company generated a meager \$10.5 million gross profit in the FY 2021. Out of this gross profit, 84% of gross profit is generated from "finance and insurance."
- Even though the company's revenue doubled in FY 2021, the company's gross profit marginally declined to \$10.5 million in FY 2021 compared to \$11.3 million in FY 2020.

#### Our comments

- The business is "structurally" not profitable. The CEO needs to fix the business model.
- In 2021, the company raised \$435 million by issuing shares. The company repaid the debt and is sitting on a cash pile of \$191 million.
- In FY 2021, the company burned \$123 million of cash.
- The CEO has \$191 million at his disposal with no debt. How he will use the cash balance to build the business is a question that we do not know the answer to.
- We need to wait and watch.

## Berkeley Lights (BLI): After an 80% stock price crash after a short report, the company appointed a CEO who recently sold a company for \$780 million

- Market Cap: \$427 million | Berkeley Lights, Inc. (BLI) is a leader in digital cell biology.
- Major shareholders: KHANDROS IGOR Y - 12.9% | ARK INVESTMENT MANAGEMENT LLC - 11.8% | BLACKROCK INC. - 6.7% | VANGUARD GROUP INC - 6.5%
- Screen: New CEO

### I. BASIC

- The company's instruments, software and services are used primarily in the discovery and development stages of the value chain.
  - OptoSelect chips - It can provide precisely control the cell environment, perform a large variety of single-cell assays and real-time image each single cell
  - Three advanced automation systems and instruments - Multi-day cell culture without breaking the continuity and control provisions of a single program run
  - Reagent kits - It support the on-chip analysis on the company' advanced automation systems
  - Software suite - Tailored software packages that enable customers to design, automate and scale reproducible workflows and collect, aggregate, analyze and report data on each cell in each NanoPen.

| (\$ in millions)     | 2018   | 2019   | 2020   | 2021   |
|----------------------|--------|--------|--------|--------|
| Product revenue      | 22.8   | 43.4   | 51.5   | 56.5   |
| Service revenue      | 8.4    | 13.2   | 12.7   | 28.8   |
| Total revenue        | 31.2   | 56.6   | 64.3   | 85.3   |
| Gross profit         | 23.1   | 43.4   | 44.5   | 56.5   |
| Loss from operations | (21.1) | (16.5) | (40.3) | (70.7) |
| Net loss             | (23.3) | (18.3) | (41.5) | (71.7) |

### II. SHORT REPORT & PRICE CRASH

- Short report: In September 2021, Scorpion Capital published a [short report](#) against the company. It stated that it conducted research interviews with users across 14 of BLI's largest

customers and all of them indicated that BLI's machine is a flop.

- Share price crashed: Since then, the company's share price has crashed approximately 80%.
- Company's response: The Company stated that the report contains highly misleading statements, groundless claims and a clear lack of industry understanding.

### III. WHAT WE LIKE

#### 1. Career highlights of the new CEO:

- New CEO: In March 2022, the company appointed Dr. Siddhartha Kadia as its new CEO.
- Sale of EAG Lab for \$780 million:
  - Dr. Kadia served as CEO of EAG Laboratories, a scientific services company providing analytical testing and consulting solutions, from 2014 to 2018. EAG employed over 1,000 persons and was expected to generate revenues in excess of \$220 million in 2017.
  - Sale of the company: In December 2017, EAG Laboratories was acquired by Eurofins Scientific for approximately \$780 million.
- Prior to EAG Laboratories, Dr. Kadia served in several senior executive roles including the president of the Life Sciences Division at Life Technologies Corporation and as a management consultant at McKinsey & Company.

## 2. Consistent organic growth:

- The company's revenue increased from \$31 million in 2018 to \$85 million in 2021 due to the introduction of new instruments.
  - Dec 2016: Beacon system
  - June 2019: Lightning desktop system
  - Jan 2020: Culture station instrument
- Recurring stream:
  - The company generates roughly 23% of its total revenue from a recurring revenue stream that includes an annual license agreement, subscription agreements, consumables, and services.
  - The company's recurring revenue increased 38% to \$19.2 million in 2021.
- Customer base increased: The company has stated that its customer base increased from 45 customers in 2019 to 80 customers in 2021.

3. Notes from ARK Investment Management in September 2021 (holds an 11.8% stake in the company): In ARK's view, Berkeley Lights will be a central actor in developing and manufacturing cell-based products. Berkeley's products will be used by pharmaceutical companies, contract manufacturing organizations (CMOs), contract development and manufacturing organizations (CDMOs), and hospitals to optimize cell therapies. ([Source](#))

## 4. New partnerships:

- In July of 2021, the company announced a strategic collaboration with Thermo Fisher Scientific (M.Cap: \$222 billion) aimed at addressing challenges in commercial-scale viral vector manufacturing. This partnership was initiated in December 2020.
- In August of 2021, the company announced a multi-year agreement with Bayer to develop and perform high-throughput functional screening workflows
- In Q4 2021, the company signed two additional partnership agreements with contract values up to \$8 million.

## 5. Opportunity & outlook

- The company believes that approximately 1,600 companies, academic institutions, and governmental and other organizations are currently focused on developing cell-based products, and it estimates its TAM to be approximately \$23 billion.
- 2022 guidance: The company expects revenue for 2022 to grow approximately 30% compared to 2021.
- Backlog: The additional backlog the company signed is \$42 million in contract value in 2020/2021.

6. Insider buying: In March 2022, the company's insiders bought \$0.85 million worth of shares at an average price of \$5.8 per share.

| Date      | Insider name - Designation  | Shares bought | Average price | Total Amount |
|-----------|-----------------------------|---------------|---------------|--------------|
| 3/11/2022 | Chiminski John (Director)   | 18,000        | 5.18          | 93,272       |
| 3/11/2022 | Lucier Gregory (Director)   | 50,000        | 5.24          | 262,240      |
| 3/10/2022 | Hopfield Jessica (Director) | 80,000        | 6.28          | 502,400      |

## Hillman Solutions (HLMN): Positive sales growth in 56 of the company's 57-year history; Insider buying

- Market Cap: \$2.1 billion | Hillman Solutions Corp. is a leading North American provider of complete hardware solutions.
- Major Shareholders: CCMP CAPITAL, LP - 37% | OAK HILL CAPITAL PARTNERS III, L.P. - 7.8% | JEFFERIES FINANCIAL GROUP INC. - 4.2% | CONESTOGA CAPITAL ADVISORS, LLC - 4.1%
- Screen: Insider buying

### I. BASIC

- Its products include thousands of small parts such as fasteners and related hardware items; threaded rod and metal shapes; keys and accessories; builder's hardware; personal protective equipment, such as gloves and eye-wear.
- It sells its products to hardware stores, home centers, mass merchants, pet supply stores, and other retail outlets
- The company has three separate operating business segments:
  - Hardware and Protective Solutions (72% of revenue) - product categories including fasteners; builders hardware; wall hanging; threaded rod and metal shapes; letters, numbers, and signs ("LNS"); personal protection products; and work gear
  - Robotics and Digital Solutions (17% of revenue) - software-enabled robotic key duplication and engraving solutions that are tailored to the unique needs of the consumer
  - Canada - 11% of revenue

### II. WHAT WE LIKE

#### I. Rich history, #1 market share & largest workforce

- The company was founded in 1964 and is a market leader in the distribution of hardware and home improvement products, personal protective

equipment and robotic kiosk technologies.

- Market share: It holds #1 position in its core market, such as fasteners, hardware, key, engraving, work gear, gloves, etc.

- The company markets and distributes a wide variety of stock keeping units ("SKUs") of small, hard-to-find and hard-to-manage hardware items.

- The Quick-Tag®, FIDO®, and TagWorks® systems have patent protected technology, which is a major barrier to entry.

- Largest workforce: The company's field service organization consists of approximately 772 employees and 93 field managers. The company stated that it believes that it is the largest direct sales force in the industry.

"One, our unrivaled field sales and service teams continue to give us the largest competitive advantage in our space. They help retailers with labor shortages, and we manage the aisle and long standing category and merchandising expertise." - Q4 2021 CC.

- Long standing relationship with customers:

- Home Depot is the single largest customer, representing 21.8%, 24.7%, 26.5% and 27% of total revenue in 2018, 2019, 2020 and 2021 respectively.

- Lowe's is the second largest customer, representing 21.6%,

22.5% and 20.6% of total revenue in 2019, 2020 and 2021 respectively.

## II. Stellar revenue growth

- **Staggering growth:** The company's revenue grew in the last **56 out of 57 years**. The company's organic sales increased at a CAGR of 6% in the last 20 years.
- **6X growth in 20 years:** The company's revenue increased from \$200 million in 2000 to \$1.42 billion in 2021 through acquisitions and organic growth.
- **Acquisition:** The company has done approximately 7 acquisitions since 2017 and spent more than \$585 million till March 2022.
- **Outlook:** The company expects to grow its revenue organically by 6% and its organic Adjusted EBITDA at 10% annually in the next 5 years.
  - Including acquisitions, the company expects its revenue to grow at 10% in the next 5 years.
  - In 2022, the company expects its revenue to be in the range of \$1.5 billion to \$1.6 billion, adjusted

EBITDA to be \$207 to \$227 million and free cash flow to be \$120 to \$130 million.

- The company wants to achieve its \$3 billion revenue target through both organic growth & acquisition.

## III. Huge ownership held by PE funds:

- **PE fund:**
  - In 2014, CCMP Capital Advisors, a private equity investment firm, acquired a controlling interest in Hillman from Oak Hill Capital Partners.
  - As of December 2021, CCMP Capital holds a 37% stake in the company.
- **CEO is a representative of CCMP:**
  - Douglas Cahill has served as the company's CEO since 2019 and as chairman since 2014. Prior to becoming the company's CEO, Mr. Cahill served as the managing director of CCMP from July 2014 to July 2019.
  - As of December 2021, Oak Hill Capital Partners holds a 7.8% stake in the company.

## III. WHY ARE WE FLAGGING THIS?

### Insider buying

- In March 2021, the company's insider bought \$2.1 million worth of shares at an average price of \$10.5 per share.
- The CEO bought \$1.0 million worth of shares at an average price of \$10.6 per share.
- The CFO bought \$0.49 million worth of shares at an average price of \$10.35 per share.

| Date     | Name (Designation)                      | Shares traded | Average share price (\$) | Total amount |
|----------|---|---------------|--------------------------|--------------|
| 3/7/2022 | Streng Jarrod (Chief Marketing Officer) | 9,500         | \$10.45                  | \$99,277     |
| 3/7/2022 | Adinolfi Jon Michael (President)        | 47,830        | \$10.45                  | \$499,823    |
| 3/7/2022 | FAGUNDO RANDALL J (President)           | 9,400         | \$10.55                  | \$99,169     |
| 3/7/2022 | Kraft Robert O. (CFO)                   | 47,500        | \$10.35                  | \$491,768    |
| 3/7/2022 | Cahill Douglas (CEO)                    | 94,786        | \$10.60                  | \$1,004,732  |

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Segment Financials:

| Hardware and Protective Solutions (\$ in millions)     | 2019  | 2020    | 2021    |
|--|-------|---------|---------|
| Segment Revenue  | 853.0 | 1,024.3 | 1,024.9 |
| Segment Income (Loss) from Operations                  | 14.2  | 67.3    | (17.1)  |
| <b>Robotics and Digital Solutions (\$ in millions)</b> |       |         |         |
| Segment Revenue  | 236.0 | 209.2   | 249.5   |
| Segment Income (Loss) from Operations                  | 3.3   | 3.1     | 23.5    |
| <b>Canada (\$ in millions)</b>                         |       |         |         |
| Segment Revenue  | 125.2 | 134.6   | 151.4   |
| Segment Income (Loss) from Operations                  | (9.8) | (4.7)   | 3.9     |

## Our Primary Business Segments

**Hardware & Protective Solutions**

|                                     | Hardware Solutions  | Protective Solutions                                  | Robotics and Digital Solutions                                    |
|-------------------------------------|---|---|---|
| Segment Position                    | <b>#1</b>   | <b>#1</b>   | <b>#1</b>   |
| Hillman-Owned Brands                | <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Fasteners &amp; Specialty</b></p> <p><b>Picture Hanging</b></p> </div> <div style="width: 45%;"> <p><b>Construction Fasteners</b></p> <p><b>Builders Hardware &amp; Metal Shapes</b></p> </div> </div> | <p style="text-align: center;"><b>Work Gloves</b></p> | <p style="text-align: center;"><b>Key and Fob Duplication</b></p> |
| <b>Representative Top Customers</b> |   |   |   |
|                                     |   |   |   |

Source: Third party industry report.

## Hillman at a Glance

| Business Description   | By the Numbers  |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• Founded in 1964; HQ in Cincinnati, OH</li> <li>• The leading distributor of hardware and home improvement products, personal protective equipment and robotic kiosk technologies to a broad range of winning retailers in the U.S., Canada and Mexico</li> <li>• The predominance of our sales come from Hillman-owned brands</li> <li>• Highly attractive ~\$6 billion direct addressable market with strong secular tailwinds</li> <li>• Long-standing strategic partnerships with winning retailers including Home Depot, Lowes, Walmart, Tractor Supply, ACE and independent hardware stores</li> <li>• Provide highly complex logistics, inventory, category management and differentiated in-store merchandising services via ~1,100 person field sales and service team</li> <li>• ~4,000 non-union employees across corporate HQ, 22 N.A. distribution centers, and Taiwan sourcing office</li> </ul> | <p><b>~20 billion</b><br/>Fasteners<br/>Sold per Year</p> | <p><b>~400 million</b><br/>Pairs of Gloves<br/>Sold per Year</p> | <p><b>~125 million</b><br/>Keys Duplicated<br/>per Year</p>    |
|  | <p><b>~112,000</b><br/>SKUs<br/>Managed</p>               | <p><b>~42,000</b><br/>Store Direct<br/>Locations</p>             | <p><b>~34,000</b><br/>Kiosks in<br/>Retail Locations</p>       |
|  | <p><b>#1</b><br/>Position Across<br/>Core Categories</p>  | <p><b>10%</b><br/>Long-Term<br/>Historical<br/>Sales CAGR</p>    | <p><b>56 Years</b><br/>Sales Growth in<br/>57-Year History</p> |
|  | <p><b>~\$1.4bn</b><br/>2021<br/>Sales</p>                 | <p><b>14.4% CAGR</b><br/>2017-2021 Adj.<br/>EBITDA Growth</p>    | <p><b>14.5%</b><br/>2021 Adj.<br/>EBITDA Margin</p>            |

## The Vita Coco Company (COCO): Huge market share; 18X revenue growth; Insider buying

- Market Cap: \$515 million | The Vita Coco Company is a leading platform for brands in the functional beverage category.
- Major Shareholders: VERLINVEST BEVERAGES SA - 37% | KIRBAN MICHAEL - 6.1% | RW VC S.A.R.L. - 6% | GRANAHAN INVESTMENT MANAGEMENT, LLC - 3.3%
- Screen: Insider buying

### I. BASIC

- The company generated roughly 89% of its revenue from packaged coconut water.
- The Vita Coco Company's brands include the leading coconut water, Vita Coco; clean energy drink Runa; sustainable enhanced water, Ever & Ever; and protein-infused water, PWR LIFT.
- The company pioneered packaged coconut water in 2004 and extended its business into other healthy hydration categories.

### II. WHAT WE LIKE

#### 1. 49% market share

- Since its launch in 2004, the company has gradually increased its market share in providing packaged coconut water to 49% in the United States as of December 2021.
- In 2021, the company's market share increased by 7% to 49%, and aims to achieve 51% market share by 2022.
- 76% in UK: The company's enjoys 76% market share as of December 2021 in the UK.
- The company believes that it is the largest brand globally in the coconut and other plant waters category, and one of the largest suppliers of private label coconut water.
- **Growth driven by Vita Coco Company**: The majority of the coconut water category's U.S. growth from 2011 to 2020 was driven by Vita Coco, which contributed over 60% of

total coconut water retail sales growth during that period

#### 2. Three times bigger than its competitor:

- The company claims that the next best competitor in the coconut water business has approximately 10% market share.
- The company is bigger than the next ten brands combined.

#### 3. Strong brand name & global presence

- In the US, according to Numerator, 50% of the consumers report Vita Coco as the only brand they consider within the category.
- Intellectual property: The company has over 30 registered trademarks and over 10 pending trademark applications in the United States, and over 225 registered trademarks and over 25 pending trademark applications in other countries.
- Global presence: The company's coconut water business is available in over 30 countries, with its primary markets in North America, the United Kingdom, and China.

#### 4. 18X revenue growth in last 12 years

- The company's revenue grew from approximately \$20 million in 2009 to \$380 million in 2021.
- Apart from its coconut water business, the company has ventured into plant-based energy drink in 2018 by acquiring Runa and packaged purified water business in 2019.

- **2022 Guidance:** The Company expects its net sales in the range of \$440 to \$455 million and its adjusted EBITDA from \$32 to \$36 million.

#### 5. Debt-free

- Cash: \$29 million
- Debt: Nil

#### 6. Owner-operator

- The company's co-founder and co-CEO, Michael Kirban, owns a 6% stake in the company.

#### 7. Market is expected to grow

- Even though the US coconut water market declined in 2020, a Technavio report stated that the market would grow at a CAGR of approximately 22% from 2021-2025.

#### III. WHY ARE WE FLAGGIN THIS?

##### Insider buying:

In March 2022, the company's insiders bought \$0.95 million worth of share at an average price of \$8.67 per share.

| Date      | Name (Designation)          | Shares traded | Average share price (\$) | Total amount |
|-----------|-----------------------------|---------------|--------------------------|--------------|
| 3/16/2022 | Martin Roper (Co-CEO)       | 100,000       | \$8.75                   | \$875,250    |
| 3/14/2022 | Kenneth Sadowsky (Director) | 10,000        | \$7.87                   | \$78,700     |

#### Suggested further readings

- <https://www.inc.com/magazine/202104/graham-winfrey/zico-vita-coco-coconut-water-rivalry-competitor-coca-cola.html>
- <https://www.prnewswire.com/news-releases/coconut-water-market-health-benefits-of-coconut-water-to-drive-growth-post-the-crisis-301315798.html>
- <https://foodinstitute.com/focus/report-coconut-water-market-on-verge-of-uptick/>

## Cryoport (CYRX): Niche supply chain solution provider for pharma/biopharma industry

- Market Cap.: \$1.5 billion | Cryoport is a global leader in temperature-controlled supply chain solutions for the life sciences industry
- Major Shareholders: Blackstone Holdings III L.P. - 11.8% | ALGER ASSOCIATES INC - 9.6% | FRED ALGER MANAGEMENT, LLC - 9.6% | VANGUARD GROUP INC - 6.7%
- Screen: 13G filing

### I. BASIC

- The company provides temperature-controlled supply chain solutions and products to the life sciences industry.
- Capabilities include core competencies to ship, store and deliver biologics in a cryogenic or temperature-controlled state such as – CAR-T and allogeneic therapies – Human and animal reproductive materials – Vaccines
- Advantage: Cryoport Express® Shippers are designed to be non-hazardous and capable of maintaining temperatures of under -150° for up to 10 days under dynamic condition.
- Global presence: Spread across 15 countries and 33 locations worldwide, the company serve more than 3,000 customers working in biopharmaceutical, animal husbandry, and reproductive medicine companies, universities, research institutions, and government agencies.
- Cryoport has been focused on the cell and gene therapy market for the last seven (7) years. In that time, we have successfully established ourselves as a premier provider of supply chain solutions and now support 602 clinical trials and 8 commercial programs in the space.

### II. WHAT WE LIKE

#### I. Mission-critical supply chain solutions

- The company's temperature-controlled instruments help in the supply chain solutions of the biopharma/pharma market, etc.

- Cell therapy helps to grow, replace, or repair damaged tissue for the treatment of a disease. For example, allogeneic cell therapies (patient receives cells from a donor) require cryogenic temperatures (-150 °C to absolute zero, -273 °C) to maintain safety and efficacy for viable transfer. Hence the company's temperature-controlled instruments play a vital part in it.

#### 2. Advantage over competing services

- Alternative to the company's offerings? Older technologies such as dry ice technology and liquid nitrogen are alternatives to the company's platform.
  - Dry ice: This delivers temperatures of approximately -80°C with standard deviations up to 14°C. Consequently, it provides an environment that allows cellular activity to continue and cells to degrade, impacting cell line performance and cell viability.
  - Liquid nitrogen: Even though it is effective in holding cryogenic temperatures, it is bulky, heavy, expensive, and requires special handling to avoid spillage and accommodate weight restrictions.
  - Both dry ice and liquid nitrogen are classified "hazardous" by IATA and, therefore, are also classified as "dangerous goods." On the other hand, the company's cryogenic solutions are classified as "non-hazardous."

### 3. Stickiness

- The company is supporting a record number of 602 regenerative medicine clinical trials, an increase of 14% from 2020 where cryogenic temperatures are necessary. 74 of these trials are now in Phase 3.

### 4. Solid growth due to acquisition

- In late 2012, the company shifted its focus to become a comprehensive cryogenic logistics solutions provider. Since then, revenue has increased from \$1.1 million in 2012 to \$222 million in 2021, primarily due to acquisitions.
- Recent acquisition: A significant portion of the recent growth is only through acquisitions.
  - Slow growth phase: The Company's revenue grew from \$1.1 million in 2012 to \$19.6 million in 2018.
  - Aggressive growth phase: Since 2019, the company has aggressively executed its acquisition strategy and acquired five companies for roughly \$403 million. As such, revenue grew from \$20 million in FY 2018 to \$222 million in FY 2021.
  - Recent growth: In Q4 2021, the company had 311 new pharma/bi-

opharma customers and eight commercial agreements ramped on a global basis.

### 5. Market growth:

- The company expects its cell & gene therapy market to expand from \$4 billion in 2019 to \$33+ billion in 2024.

### 6. Insider ownership

Jerrell W. Shelton, CEO since November 2012 and chairman since October 2015, holds a 6.3% stake in the company.

### III. WHY ARE WE FLAGGING THIS?

1. Share repurchase: In March 2022, the company announced a repurchase program to repurchase up to \$100 million of its outstanding common stock.

2. 13G by Brown Capital: In February 2022, Brown Capital Management disclosed a 5.96% passive stake in the company.

- Brown Capital Management was founded in 1983 and owns \$14.7 billion in assets under management (as of 03/31/2022).
- Small company investment strategy: Invest in the equity securities of U.S.-based exceptional growth companies (EGCs) with total operating revenues of \$500 million or less at the time of initial investment.

### Financials:

| (\$ in millions)                             | 2019   | 2020   | 2021    |
|--|--------|--------|---------|
| Total revenue                                | 33.9   | 78.6   | 222.6   |
| Gross profit                                 | 17.3   | 36.3   | 96.5    |
| Loss from operations                         | (17.6) | (30.0) | (17.8)  |
| Net loss attributable to common stockholders | (18.3) | (75.0) | (283.7) |

## Allscripts Healthcare Solutions (MDRX): Major divestment

- Market Cap: \$2.6 billion | Allscripts Healthcare Solutions is a leader in healthcare information technology solutions that advance clinical, financial, and operational results.
- Major shareholders: BLACKROCK INC. - 19.4% | VANGUARD GROUP INC - 10.8% | DIMENSIONAL FUND ADVISORS LP - 8.2% | FISHER ASSET MANAGEMENT, LLC - 4.6%
- Screen: 8-K (Keywords)

### RESEARCH

#### 1. Divestment of “hospital and large physician” segment for \$700mm

- This segment accounted for roughly 63% of total revenue.
- In March 2022, the company entered into an agreement to sell this segment for \$700 million.
- It is a loss-making and declining business.
- The transaction is expected to close in Q2 2022.

#### 2. Use the proceeds?

- After-tax proceeds: \$600 million
- The company expects to use the proceeds to continue the share repurchase and in acquisitions to grow Veradigm segment.

#### 3. Veradigm segment

- Founded in November of 2018, Veradigm is a health information technology, analytics, and intervention solutions company.
- This segment’s software enables clients to transition, analyze and coordinate care and improve the quality, efficiency, and value of healthcare delivery across the entire care community.
- Veradigm has over 180 million patient’s records with real-time feeds. Hence Veradigm’s solution is useful for both (i) payers (e.g., insurance,

Medicare) and (ii) medical providers (e.g., hospitals, etc.).

- Hard to replicate? In the Q1 2021 conference call, the CEO claimed that Veradigm is a unique asset base that is impossible to replicate and bragged that some of the company’s competitors have sought the company’s help.
- Veradigm provider platform continues its growth trajectory, adding approximately 500 new practices and 5600 prescribing physicians during Q4 2021

#### 3. Share repurchase plan

- In 2020 and 2021, the company repurchased \$334 million and \$417 million worth of shares.
- New plan to repurchase 10% shares: In January 2022, the company announced a new \$250 million share repurchase plan.

#### Overall-

- The Veradigm segment is growing and profitable. The company expects the segment to grow 6-7% organically and EBITDA to grow by 10%-15% in 2022.
- The company expects the business to generate \$110 million to \$120 million in free cash flow.
- Worth tracking the company

## Zuora (ZUO): Recurring revenue; FCF turned positive; \$400 million strategic investment from Silver Lake

- Market Cap: \$1.9 billion | Zuora is a leading cloud-based subscription management platform provider.
- Major Shareholders: SLAA II (GP) - 17.3% | VANGUARD GROUP INC - 9.8% | TZUO TIEN - 8.9% | BLACKROCK INC. - 7%
- Screen: 8-K (keywords)

### I. BASIC

- Zuora provides the leading cloud-based subscription management platform that functions as a system of record for subscription businesses across all industries.
- Zuora serves more than 1,000 companies around the world, including Box, Ford, Penske Media Corporation, Schneider Electric, Siemens, Xplornet and Zoom.
- Zuora's ERP platform on subscription basic helps the customers in billings,

### II. WHAT WE LIKE

#### 1. Recurring revenue

- **Recurring revenue:** The company generates roughly 83% of revenue from subscription revenue. These are non-cancelable subscription agreements with terms that typically range from one to three years.
- **3X growth in 5 years:** The subscription revenue increased from \$68.2 million in FY 2016 to \$287 million in FY 2021. The growth in subscription revenue is predominantly due to acquisition of new customers as well as increased transaction volume and sales of new products to its existing customers.
- Subscription revenue enjoys a high gross margin of 74%-76% annually.

#### 2. Solid growth:

- The company's total revenue grew consistently from \$92 million in FY 2016 to \$347 million in LTM Jan 2022,

predominantly due to the organic growth of its new software introductions.

- **Gross margin improvement:** The company's FY 2021 gross margin of 59.6% was the highest since its IPO. The increase was due to the company's efforts to shift more of its services work to system integrator partners and improved cost structure.
- **Solid customer base:**
  - The company's customers include over 25 of the Fortune 100 and 12 of the top 15 auto manufacturers.
  - The company has over 747 customers with annual contract value (ACV) of more than \$100,000.

|   | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|---------|---------|---------|---------|---------|---------|
| Customers with ACV equal to or greater than \$100,000 | 292     | 415     | 526     | 624     | 676     | 747     |
| Dollar-based retention rate                           | 104%    | 110%    | 112%    | 104%    | 100%    | 110%    |

#### 3. Improving FCF

| (\$, mm) | FY Jan 2019 | FY Jan 2020 | FY Jan 2021 | FY Jan 2022 |
|----------|-------------|-------------|-------------|-------------|
| FCF      | -37         | -25         | -1.8        | 9.9         |

#### 4. Solid outlook for FY 2023

- Subscription revenue to be in the range of \$338 to \$340 million and total revenue in the range of \$402 to \$406 million.
- Free cash flow to be \$14 to \$17 million and ARR growth to be 21% or higher.

- The company expects 25% growth in subscription revenue by FY 2025 and a free cash flow margin of 10%-15%.

#### 5. Owner-operator:

- Tien Tzuo, co-founder and CEO, has held a 41.2% voting right in the company as of March 31, 2021.

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

#### \$400 million strategic investment from Silver Lake

- In March 2022, the company entered into a \$400 million strategic investment from Silver Lake, a global leader in technology investing.

- In March 2022, the company increased its board size to ten and added Silver Lake's representative to the board.

- Silver Lake has held a 14.4% stake in the company as of March 2022.

- Silver Lake's past investment includes Alibaba & Tesla etc. <https://www.silverlake.com/portfolio/index/PriorInvestments/>

| (\$ in millions)              | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Subscription revenue          | 89.8    | 122.4   | 164.8   | 206.5   | 242.3   | 287.7   |
| Professional services revenue | 23.1    | 48.6    | 70.1    | 69.5    | 63.0    | 58.9    |
| Total revenue                 | 113.0   | 171.1   | 234.9   | 276.0   | 305.4   | 346.7   |
| Gross profit                  | 64.8    | 91.2    | 118.4   | 141.8   | 174.6   | 206.6   |
| Loss from operations          | (39.0)  | (38.0)  | (70.4)  | (85.6)  | (73.8)  | (96.1)  |
| Comprehensive loss            | (39.5)  | (38.4)  | (72.7)  | (83.6)  | (72.5)  | (100.3) |

## Innovid (CTV): Huge market share in a growing and large OTT industry; Recent acquisition

- Market Cap: \$795 million | Innovid powers connected TV (CTV) advertising streaming, personalization, and measurement for the world's largest brands.
- Major shareholders: GENESIS PARTNERS III LP - 14.6% | SC ISRAEL IV GENPAR, LTD. - 13.4% | SEQUOIA CAPITAL ISRAEL IV, L.P. - 13.4% | ION HOLDINGS 2, LP - 10.1%
- Screen: 8-K (keywords)

### I. BASIC

#### a) Shift from traditional paid TV services to OTT

- Consumers are increasingly cutting the cord and streaming TV content OTT through internet-connected devices rather than traditional broadcast, satellite or cable TV.
- Advertisers seeking to engage these audiences are rapidly shifting dollars away from traditional TV mediums towards increasing budgets for connected TV ("CTV").
- Digitally delivered ads can be personalized and measured in real-time, similar to other digital advertising mediums such as internet browser-based formats.

#### b) The company's software?

- The company is the leading independent software platform that provides critical technology infrastructure for the creation, delivery, and measurement of TV ads across CTV, mobile TV and desktop TV environments.

#### c) Revenue model

- The company's revenue model is based on impressions volume and the cost per impression for the company's various ad serving services.
- Ad servers, such as Innovid, provide a pixel that is implemented within an ad. When an ad with that pixel loads, an impression is counted. Counting impressions is essential to how digital

advertising is measured, accounted and paid for.

### II. WHAT WE LIKE

#### 1. Top player & patent

- As of 2021, over 50% of the top 200 brands by US TV ad spending have been used in the company's platform according to Kantar Media and Winmo.
- The company's software is used by more than 40% of major global advertisers to manage ad campaigns in a fragmented CTV market.
- Patent: The company has 13 granted patents, two pending patent applications, and six trademark applications covering a variety of interactive and contextual analysis capabilities.

#### 2. Growing core clients and retention rates

- The company's core client are the ones that generate at least \$100,000 of annual revenue. Core clients typically generated more than 80% of the company's annual revenue from 2019 to 2021.
- Core customers have increased from 77 in 2018 to 109 in 2021.
- Core customer's retention rate improved from 84% in 2018 to 97% in 2021.

#### 3. Organic growth

- The company's revenue grew from \$56 million in 2019 to \$90 million in 2021 due to growth in ad impressions

delivered on the company's platform for both existing and new clients.

- **2022 guidance:** The company expects \$110 million to \$115 million in FY 2022 and expects to achieve positive adjusted EBITDA.

#### 4. Growing industry trend

- As consumers are shifting towards streaming TV content OTT through internet-connected devices, advertisers are also shifting towards CTV ads.
- According to eMarketer, US CTV advertising spending reached \$14.4 billion in 2021, which is 18.2% of total TV ad spending, up from just 3.6% five years ago.
- According to eMarketer, advertising-based video on demand (AVOD) spending is estimated to grow 43% year-over-year, up to \$11.2 billion of ad spend in 2022.

| (\$, mm)     | FY 2019 | FY 2020 | FY 2021 |
|--------------|---------|---------|---------|
| Revenue      | 56.3    | 68.8    | 90.3    |
| Gross profit | 45.8    | 56.4    | 72.5    |
| EBIT         | -6.0    | 1.1     | -5.8    |
|              |         |         |         |
| FCF          | -10.1   | -5.1    | -5.5    |

### III. WHY ARE WE FLAGGING THIS

#### Acquisition:

- In March 2022, the company acquired TVSquared, an independent global measurement and attribution platform for converged TV, for approximately \$160 million.
- TVSquared revenue for the year 2021 is expected to be between \$20 and \$22 million – roughly 8X revenue.
- Combined business positions Innovid as a single source for ad-serving and measurement for converged TV.

Overall- Given the fact that the company's software is used by 40% of major global advertisers, the consumer's migration to OTT services could act as a significant revenue driver for the company. The company's addressable market is large and growing.

## Chicken Soup for the Soul Entertainment (CSSE): Recent acquisition; 7% buyback

- Market Cap: \$115 million | Chicken Soup for the Soul Entertainment is one of the largest operators of streaming advertising-supported video on-demand networks.
- Major Shareholders: Sony Group Corp - 39% | GRANAHAN INVESTMENT MANAGEMENT, LLC - 11.4% | BANK OF AMERICA CORP - 6.1% | ROYCE & ASSOCIATES LP - 6%
- Screen: 8-K (Keywords)

### I. BASIC

- Chicken Soup for the Soul Entertainment owns Crackle Plus, which owns and operates a variety of ad-supported and subscription-based **VOD networks** including Crackle, Chicken Soup for the Soul, Popcornflix, Popcornflix Kids, Truli, Pivotshare, Españolflix and FrightPix
- It also operates as a **worldwide distributor of films and television series** and Chicken Soup for the Soul Television Group
- Chicken Soup for the Soul Entertainment is a subsidiary of Chicken Soup for the Soul, LLC, which **publishes the famous book series** and produces super-premium pet food under the Chicken Soup for the Soul brand name

### II. WHAT WE LIKE

#### 1. Owner-operator:

- William J. Rouhana, Jr. acquired the company in 2008, and since then, he has served as its CEO. He holds a 92.7% voting right in the company – 100% of Class B shares and 5% of Class A shares.
- Notable shareholder: Sony Corp holds 38.7% of Class A shares, which roughly translates to 4.8% of voting right.

#### 2. Transformation from a pure-play book publisher to a media company:

- In 2008, the company was acquired by William J. Rouhana, Jr., current CEO, from its founders.

- The company initially sold its “Chicken Soup for the Soul” book series.
- In 2013, the company ventured into producing TV series, and the company acquired Screen Media and its subsidiary Popcornflix in 2017.
- Screen Media is a global independent television and film distribution company, and Popcornflix is an online advertiser-supported VOD network.
- Screen Media manages **one of the industry’s largest independently owned television and film libraries** consisting of approximately 9,000 feature films and 34,000 episodes of television programming.
- Sony’s involvement:
  - In May 2019, Crackle Plus subsidiary was formed as a co-owned partnership with a subsidiary of Sony Pictures Television.
  - Crackle Plus brands include Crackle, among the most watched ad-supported independent VOD networks, Popcornflix, Popcornflix Kids, Truli, Pivotshare, Españolflix and FrightPix.
  - As of September 30, 2021, Crackle Plus served more than 32 million monthly active visitors through many distribution platforms including Roku, Amazon Fire, Vizio.
  - Screen Media provides content for the Crackle Plus portfolio.
  - Global advertising-based video on demand (AVOD) market is expected

to be around \$56 billion in 2024 (from \$22 billion in 2018).

- Crackle Plus is one of the largest, independent AVOD network groups in the United States, with viewers streaming an average of approximately 30 million programs per month.
- Crackle ranks highest among AVOD streaming services as customer awareness. Recent research from Kantar shows that Crackle viewer penetration increased in Q3 2021 to 4.5% of households.
- **Solid revenue growth:** The entertainment business revenue increased from \$1.5 million in 2015 to \$96 million for the LTM ended September 2021 due to its acquisitions.

| (\$, mm) | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|----------|---------|---------|---------|---------|---------|---------|---------|
| Revenue  | 1.5     | 8.1     | 10.7    | 26.9    | 55.4    | 66.4    | 110.4   |
| Growth   |         | 440%    | 32%     | 151%    | 106%    | 20%     | 66%     |

### III. WHY ARE WE FLAGGING THIS?

#### 1. Recent acquisition to add revenue by 10%

- In March 2022, the company entered into an agreement to acquire the assets of 1091 Media, LLC, comprising its distribution business known as “1091 Pictures” for approximately \$15.5 million.

**Heads-up:** The Company is losing money

| (\$, mm) | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|----------|---------|---------|---------|---------|---------|---------|---------|
| FCF      | 2.6     | -2.5    | -10.8   | -7.8    | -18.7   | -23.5   | -32     |

- The company expects \$10 million of revenue and \$3 million of EBITDA from this acquisition.

- The acquisition is expected to increase the revenue by over 10%.

#### 2. New product

- In March 2022, the company launched its Chicken Soup for the Soul streaming service app in VIZIO.

#### 3. Contract with BBC

- In March 2022, the company entered into a multi-year content deal with BBC Studios that will bring more than 2,500 hours of premium content to all current and future Crackle Plus streaming services.

#### 4. Recent 7% buyback plan

- Since November 2021, the company repurchased approximately \$19.9 million worth of shares completing the previous repurchase plan for \$20 million.

- In February 2022, the company announced an additional \$10 million to its repurchase program.

#### 5. Others

##### • Recent SC13G filings

- In January 2022, Bank of America Corporation disclosed a 6.6% passive stake in the company.
- In February 2022, Ophir Asset Management disclosed a 5.9% passive stake in the company.

## Sangoma Technologies (SANG/TSX:STC): Recent acquisitions; CEO grew the company by 12X within a decade

- Market Cap: \$279 million | Sangoma Technologies is a trusted leader in delivering value-based Communications as a Service (CaaS) solutions for businesses of all sizes.
- Major Shareholders: STAR2STAR HOLDINGS, LLC - 11.3% | PENDERFUND CAPITAL MANAGEMENT LTD. - 7.3% | PEMBROKE MANAGEMENT, LTD - 5.4% | FIERA CAPITAL CORP - 5.8%
- Screen: 8-K (keywords)

### I. BASIC

- Sangoma is a provider of hardware and software components that enable or enhance IP Communications Systems for both telecom and datacom application
- It offers a complete range of value-based Communications as a Service (“CaaS”) solutions for businesses.
- CaaS offerings include Unified Communications as a Service (UCaaS), SIP Trunking as a Service (TaaS), Contact Center as a Service (CCaaS), Desktop as a Service (DaaS), Communications Platform as a Service (CPaaS), Fax as a Service (FaaS) and Video Meetings as a Service (MaaS)
- Services revenue contributed 70.2% and products revenue contributed 29.8% of total revenue for the three-month period ended September 30, 2021

widely used open-source PBX software.

- Together, Sangoma has 5 million users of open-source software, with an average of 50,000 new installs per month.
- Sangoma also offers revenue-generating products and services, beyond the open-source Asterisk or FreePBX software, to users of these open-source software products.

### 2. Market position

- Sangoma was named to the 2021 Gartner® Magic Quadrant™ for Unified Communications as a Service, Worldwide for seven straight years.
- In June 2021, Sangoma was ranked amongst the top 5 UCaaS providers in North America in the annual Omdia UC as a Service (UCaaS) Scorecard. The top 5 companies (2021) were RingCentral, Zoom, Microsoft, 8x8, and Sangoma.

### Financials

| (C\$, mm)                       | FY 2019 | FY 2020 | FY 2021 |
|---------------------------------|---------|---------|---------|
| Revenue                         | 109.6   | 131.4   | 167.3   |
| Gross profit                    | 66.8    | 84.9    | 112.9   |
| Income (loss) before income tax | 2.8     | 5.0     | 5.9     |
| Comprehensive income (loss)     | 1.4     | 3.2     | (18.3)  |

### 3. Huge customer base

- The company as of September 2021 had 167,300 customer base of over 30,000 businesses and includes approximately 1 million cloud seats and 2.5 million total seats.
- The company's gross retention rate is 99%.

### II. WHAT WE LIKE

#### 1. Solid open-source software

- Sangoma is the primary developer and sponsor of the Asterisk project, the world's most widely used open-source communications software, and the FreePBX project, the world's most

#### 4. Turnaround by the CEO

- In 2010, the company appointed William J. Wignall as CEO. At the time, the company was struggling and the company focused only on hardware.
- Subsequently, in 2011, the company started transitioning from being

100% reliant on card/PSTN based products and focused on developing and bringing new products to the market.

- In FY 2015, Sangoma entered the cloud service business through two acquisitions, and in 2016, it added a cloud PBX offering to the SIP trunk and fax service offerings, and it launched a line of IP phones. This has helped add to the recurring revenue part of the business, and in fiscal 2016, Sangoma derived over 40% of its revenue from SaaS services.
- **14X revenue growth:** The company's revenue grew from roughly \$12 million in FY 2011 to \$167 million in FY 2021 through acquisitions and organic growth by focusing more on the SaaS and Cloud from its initial hardware-only portfolio.
- **Record revenue:** The company's FY 2021 was a record \$167 million led by the company's acquisition of Star2Star.
- **Improving margin:** The company's gross margin was 68% of revenue in FY 2021, improving from 65% in FY 2020. In Q2 FY 2022, the company's gross margin increased to 72% due to the acquisition of high-margin Star2Star.
- **Outlook:** The company expects its FY2022 revenue to be in the range of \$215 to \$219 million, with adjusted EBITDA in the range of \$42 to \$44 million.

At the beginning of the decade, Sangoma was a nano-cap stock with about \$10 million in sales, that wasn't growing, which had one hardware product line in a declining space, with no recurring revenue. Since then we have built a full Unified Communications (UC) suite, entered the Cloud business, grown Sangoma's recurring revenue, become a global company with

staff around the world and customers in over 120 countries, have crossed the \$100 million revenue mark, built up solid profitability and cash flow, and dramatically improved the value of your company. The organic product development and sales growth has been accelerated by acquisitions targeting new products, new customers and compounding recurring revenue. - *William J. Wignall, CEO, letter to shareholder, Annual report 2019* Source: <https://www.sangoma.com/content-library/annual-report-2019/>

### 5. Growth through acquisitions:

- In the last 10 years, the company has acquired over 10 companies.
- **Recent notable acquisition: Star2Star**
  - In March 2021, the company acquired Star2Star Communications for approximately \$437 million.
  - Star2Star generated approximately \$79.4 million of revenue in FY 2020, 70% of which was recurring in nature. Star2Star has almost 10,000 business customers.
  - Star2Star generated \$14.7 million of adjusted EBITDA and an adjusted net income of \$2.6 million.
  - Channel Futures ranked the top 24 mergers and acquisitions of 2021 in the channel, placing Sangoma first for its acquisition of Star2Star.

### III. WHY ARE WE FLAGGING THIS?

#### Recent acquisition:

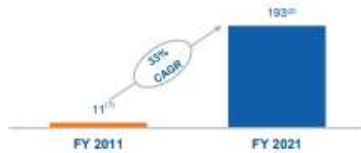
- In March 2022, the company acquired NetFortris Corp. for approximately \$80 million.
- NetFortris has over 6,000 customers in North America, with very low customer concentration.
- Expected annualized revenue: USD \$50 million.

- NetFortris generates over 90% of its revenue in monthly recurring revenue.

## A Complete "Re-Build" of the Company by the Current Management Team

### Scaling the Business

Revenue (US\$m)



### Repositioning the Business

#### In the Past

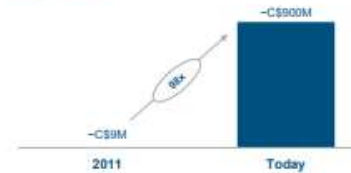
- ~\$10m in Sales
- <\$10m in EV
- No recurring revenue
- North America presence
- SMB only

#### Today

- ~\$200m in Sales
- Nearing C\$0.9B in EV
- 71% services revenue
- Global presence
- SMB to Enterprise

### Enterprise Value Creation

Enterprise Value<sup>(1)(2)</sup>



### Product Suite Expansion

#### In the Past

- Single product company
- All Hardware
- PSTN

#### Today

- Full portfolio
- SaaS company
- Cloud

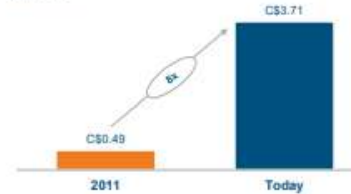
### M&A: 10 Acquisitions in 10 Years



Notes:  
 1. Converted to USD using average USD to CAD exchange rate as of FY 2011 (1.36)  
 2. Enterprise EV Reported FY 2021  
 3. Market EV as of 10/22/21  
 4. Based on 2010 share count, reflecting full vesting of all net Star 2 Star stock consideration

### Shareholder Value Creation

Share Price<sup>(3)</sup>



## 1 Differentiated from Competition by Completeness of Solution Portfolio...

|        | Focus on 1 or 2 key, disparate point solutions |     |        |      |       |              |       |                 |           |  | Fully integrated complete suite of products & services |
|--------|--|-----|--------|------|-------|--------------|-------|-----------------|-----------|--|--|
|        | RingCentral                                    | 8x8 | twilio | zoom | Five9 | NICE Contact | slack | Microsoft Teams | bandwidth |  | SANGOMA  |
| UCaaS  | ✓  | ✓   |        | ✓    |       |              | ✓     | ✓               |           |  | ✓  |
| CCaaS  | ✓  | ✓   |        |      | ✓     | ✓            |       |                 |           |  | ✓  |
| VMaaS  | ✓  | ✓   |        | ✓    |       |              |       | ✓               |           |  | ✓  |
| Collab | ✓  | ✓   |        |      |       | ✓            | ✓     | ✓               |           |  | ✓  |
| ACaaS  |  |     |        |      |       |              |       |                 |           |  | ✓  |
| CPaaS  |  | ✓   | ✓      |      |       |              |       |                 | ✓         |  | ✓  |
| TaaS   |  |     |        |      |       |              |       |                 | ✓         |  | ✓  |
| DaaS   |  |     |        |      |       |              |       |                 |           |  | ✓  |
| FaaS   |  |     |        |      |       |              |       |                 |           |  | ✓  |

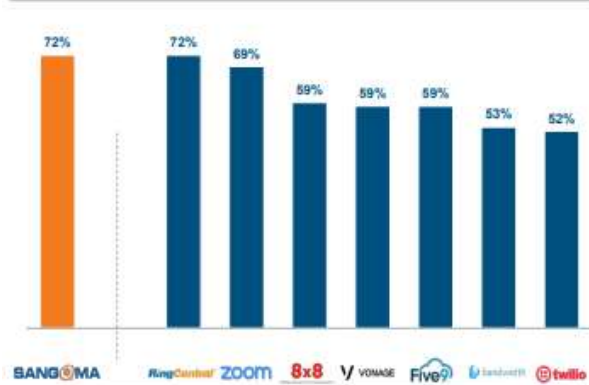
- Suboptimal experience for end users, added cost for customers, Complexity for IT managers

- ✓ Integrated experience for end users
- ✓ Simplicity for IT managers
- ✓ Cost savings for customers
- ✓ All underpinned by full product suite providing 'one throat to choke'
- ✓ And available in Cloud, Prem, Hybrid

**Growth AND Strong Profitability: 72% gross profit margin, 19% adjusted EBITDA margin**

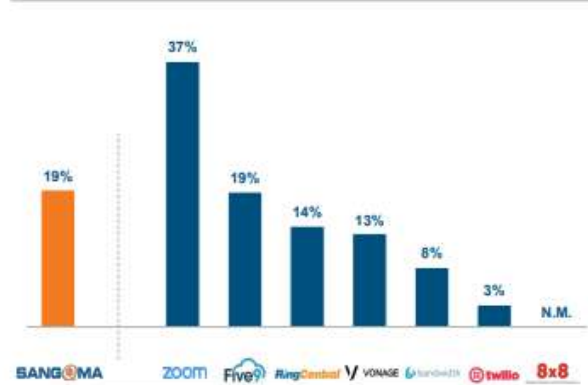
*Access to Cloud Communications SaaS, via a company committed to Growth AND Profitability*

Gross Profit Margin<sup>(1)</sup>



*Combined with 99%+ gross retention rate resulting in highly compelling unit economics*

Adjusted EBITDA Margin<sup>(2)</sup>



*Significant room to increase S&M and R&D spending to accelerate growth*

Notes:  
 1. SANGOMA Q4 FY 2021 per website as published (Adjusted EBITDA excludes S&C)  
 2. SANGOMA FY FY 2021 per website as published (Adjusted EBITDA excludes S&C)

## Bassett Furniture Industries (BSET): Divestment; 23% stock buyback; Possibly trading cheaper

- Market Cap: \$165 million | Bassett Furniture Industries is a leading manufacturer and marketer of high-quality home furnishings.
- Major Shareholders: DIMENSIONAL FUND ADVISORS LP - 7.5% | GAMCO INVESTORS, INC. ET AL - 6.9% | BLACKROCK INC. - 6.6% | VANGUARD GROUP INC - 4.7%
- Screen: 8-K (Keywords)

### I. BASIC

- The company is a retailer, manufacturer, and marketer of branded home furnishings. Its products are sold primarily through a network of Company-owned, licensee-owned branded stores and online.

| (\$ in millions)              | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Revenue                       | 432.0   | 452.5   | 456.8   | 452.0   | 385.8   | 486.5   |
| Income (loss) from operations | 28.1    | 27.0    | 14.0    | (0.6)   | (16.2)  | 25.9    |
| Net income (loss)             | 15.8    | 18.2    | 8.2     | (1.9)   | (10.4)  | 18.0    |

### II) Sale of the logistic segment

- Sale of the logistic segment: In March 2022, the company sold its Zenith Freight Lines for approximately \$87 million.
- The company's logistical services entire revenue is from Zenith Freight Lines.

| Logistical services (\$, mm)              | 2019 | 2020 | 2021 |
|---|------|------|------|
| Logistical services to external customers | 48.2 | 48.1 | 55.6 |
| Income (loss) from Operations             | 1.8  | 1.2  | 1.7  |

### II. WHAT WE LIKE

#### I) Growing financials:

- Consistent growth: The company's revenue consistently increased from \$232 million in FY 2009 to \$457 million in FY 2018, predominately through organic growth and through a few acquisitions.
- In FY 2019, the company exited certain furniture lines and caused a slight decrease in revenue, and in FY 2020, the company's revenue was affected by the COVID-19 pandemic.
- Recovery: Total sales revenue for fiscal 2021 increased \$100 million through growth in Lane Venture line (acquired in FY 2018) of outdoor furniture, the introduction of Bassett Outdoor line of outdoor furniture sold through BHF store network, and the expansion of its wholesale customer base.

#### 3. Possibly trading cheaper

- + Market cap: \$164 million
- + Interest-bearing debt: Nil
- + Lease obligation: \$114 million
- Cash: \$49.5 million
- Expected cash from the divestment: \$87 million
- + Special dividend payment: \$14.5 million (In March 2022, the company declared a special dividend of \$1.50 per share)
- = EV: \$156 million.

#### \$100mm FCF; EV: \$42M

- If you exclude the lease obligation, the EV is a meager \$42 million.
- In the last seven years, the company generated roughly \$100 million of free cash flow in total.

| FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------|---------|---------|---------|---------|---------|---------|
| 20.4    | 17.6    | 21.6    | 11.6    | -7.6    | 30.7    | 3.8     |

#### 4. 23% buyback plan:

- As of February 2022, the company had \$18.5 million available for share repurchase. In March 2022, the company increased the remaining limit of the repurchase plan to \$40 million.

#### 5. Strong backlog

- The company as of February 2022 has a wholesale backlog of \$78.1 million compared to \$14.6 million in February 2020.

### Strong Brand & Market Position

|                            |   |   |   |
|----------------------------|---|---|---|
| Luxury Priced<br>\$\$\$\$  |  |  |  |
| Upper-Mid Priced<br>\$\$\$ |  |  |  |
| Mid Priced<br>\$\$         |  |  |  |
| Entry Priced<br>\$         |  |  |  |

## BGSF (BGSF): Divestment; Migration to high-margin business

- Market Cap: \$125 million | BGSF, Inc. is a leading national provider of workforce solutions.
- Major Shareholders: PACIFIC RIDGE CAPITAL PARTNERS, LLC - 5.7% | TOCQUEVILLE ASSET MANAGEMENT L.P. - 4.3% | VANGUARD GROUP INC - 4.1% | NORTH STAR INVESTMENT MANAGEMENT CORP. - 4%
- Screen: 8-K (Keywords)

### I. BASIC

- BGSF provides workforce solutions to a variety of industries through its various divisions in IT, Cyber, Finance & Accounting, Creative, Real Estate (apartment communities and commercial buildings), and Light Industrial.
- The Company was ranked by Staffing Industry Analysts as the 79th largest U.S. staffing company and the 48th largest IT staffing firm in the 2021.

### II. WHAT WE LIKE

#### 1. Diversified to high-margin business

- In 2007, the company generated 100% of its revenue in light industrial workforce solutions.
- Subsequently, the company diversified its business to other markets by acquiring more than 12 companies.
- As of now, “professional staffing” accounts for roughly 50% of revenue, real estate staffing accounts for 25%, and light industrial staffing accounts for 25%.

#### 2. Sale of light industrial segment:

- In February 2022, the company signed an agreement to sell substantially all its light industrial segment (“InStaff”) assets for approximately \$32.3 million.
- The transaction is expected to close in the first quarter of 2022.
- Lowest gross margin - out of the three segments:

- Light Industrial segment provides field talent to manufacturing, distribution, logistics and call center client partners.
- This segment generates the lowest gross margin of 14%-15% compared to the professional segment (gross margin: 27%) and real estate (gross margin: 38%).

#### 3. Performance of the remaining segment:

- Real estate segment
  - This segment focus on providing office and maintenance field talent to various apartment communities and commercial buildings. Real estate segment’s revenue increased from \$14.0 million in 2011 to \$92 million in 2021.
- Professional segment
  - This provides highly skilled IT professionals.
  - Professional segment’s revenue increased from \$1.9 million in 2011 to \$147 million in 2021.
  - The IT industry is projected to grow 6% year-over-year.

#### 4. Outcome?

- The company could use the cash proceeds to repay debt (current debt: \$44 million) or to pursue its ongoing acquisition strategy

**5. Annual yield from dividend: 4.7%.**

Remaining Segments revenue:

| <b>Segment Revenue (\$ in millions)</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|---|-------------|-------------|-------------|
| Real Estate                             | 96.4        | 68.7        | 92.0        |
| Professional                            | 123.3       | 138.3       | 147.0       |
| Total                                   | 219.7       | 207.1       | 239.0       |

Pro-forma financials after the sale of InStaff segment:

| <b>(\$ in millions)</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue                 | 198.4       | 206.1       | 219.7       | 207.1       | 239.0       |
| Gross profit            | 57.7        | 64.5        | 69.8        | 66.0        | 80.9        |
| Operating income (loss) | 13.4        | 18.6        | 14.8        | (1.2)       | 14.5        |
| Net income              | 5.8         | 17.5        | 13.2        | 1.4         | 14.1        |

## Wireless Telecom Group (WTT): Divestment

- Market Cap: \$38 million | Wireless Telecom Group is a global designer and manufacturer of advanced RF and microwave components, modules, systems, and instruments.
- Major Shareholders: HIRSCHMAN ORIN - 8.2% | AIGH CAPITAL MANAGEMENT LLC - 8.2% | HOLLOW BROOK WEALTH MANAGEMENT LLC - 8.2% | HORTON CAPITAL PARTNERS, LLC - 6.8%
- Screen: 8-K (Keywords)

### I. BASIC

- It designs and manufactures – **instruments and software** that are used across the lifecycle of wireless connectivity and communication development, deployment and testing.
- It designs and manufactures, a unique set of products including peak power meters, signal generators, phase noise analyzers, signal processing modules, 5G and LTE PHY/stack software, noise sources, and programmable noise generators etc.,

### WHAT WE LIKE

#### I. Sale of Microlab segment

- The Microlab segment accounted for 36.1% of revenue in 2021.
- Sale: In March 2022, the company sold its Microlab segment for \$24.3 million.

#### 2. Remaining businesses enjoy a superior margin

- There were three segments prior to the sale of the Microlab segment – RBS, T&M, and MicroLab.
- T&M and RBS segment enjoys a higher gross margin compared to the recently sold MicroLab segment.
- Gross margin
  - T&M: 57.2%
  - RBS: 52.5%
  - Microlab: 42.2%

#### 3. Test & measurement (“T&M”) segment: Growing revenue and margin

- T&M’s revenue more than doubled from \$11 million in FY 2016 to \$22.7 million in FY 2021.

- In 2021, T&M realized its fifth straight year of gross margin increase due to long-term strategic success in introducing new products with higher margins.
- The company expect to see opportunity in satellite communications, increasing military and defense spending and in semiconductor test environments in future.

| (\$, mm) | 2016  | 2017  | 2018 | 2019  | 2020  | 2021  |
|----------|-------|-------|------|-------|-------|-------|
| Revenue  | 11.13 | 13.38 | 14.2 | 13.57 | 20.55 | 22.68 |
| Growth   |       | 20%   | 6%   | -4%   | 51%   | 10%   |

#### 4. Radio, baseband, software (“RBS”) segment: 5G play

- The company ventured into this business in 2017 by acquiring CommAgility Limited for \$19 million.
- CommAgility is a developer of embedded signal processing and RF modules, and LTE PHY/stack software, for 4G and 5G mobile networks.
- For the recent poor performance, the company blamed uncertainty of future sales of 4G hardware cards, the uncertainty of the growth of 5G software and services revenues due to the early stages of 5G adoption for new technology and expectations for 5G deployments.
- Outlook?
  - CommAgility RBS solutions have long sales cycles, more complex testing for customer acceptance, and complex revenue recognition criteria.
  - The company stated that multiple seven figure contracts within RBS

which are in the funnel and it remain confident of the outcome, but the timing is less certain because its customers are still themselves building cases around the technology building blocks.

- The company believes that it is in the beginning stages of the 5G investment cycle and that it will be

longer than the 10-year 4G cycle. The company expects its addressable market to grow from \$750 million in 2020 to \$1.5 billion in 2025.

## 5. Debt-free

### Remaining segment financials:

| <b>Test and measurement (T&amp;M) (\$ in millions)</b>  | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|---|-------------|-------------|-------------|
| Revenue   | 13.5        | 20.5        | 22.6        |
| Gross Profit  | 7.3         | 11.3        | 12.9        |
|   |             |             |             |
| <b>Radio, baseband, software (RBS) (\$ in millions)</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
| Revenue   | 13.5        | 3.5         | 8.8         |
| Gross Profit  | 5.7         | 1.9         | 4.6         |

### Pro-forma results for the continuing business:

| <b>(\$ in millions)</b> | <b>2020</b> | <b>2021</b> |
|-------------------------|-------------|-------------|
| Net Revenue             | 24.1        | 31.5        |
| Gross Profit            | 13.0        | 17.4        |
| Net (loss)              | (10.6)      | (0.9)       |

## Spok Holdings (SPOK): Strategic plan to maximize cash flow and pay dividend; Cut workforce by 31%; Potential dividend yield of 16%

---

- Market Cap: \$157 million | Spok Holdings, Inc. (NASDAQ: SPOK) is a global leader in healthcare communications.
- Major Shareholders: DEPRINCE RACE & ZOLLO INC - 8.7% | DIMENSIONAL FUND ADVISORS LP - 6.6% | ACACIA RESEARCH CORP - 6.3% | RENAISSANCE TECHNOLOGIES LLC - 6.1%
- Screen: 8-K (Keywords)

### RESEARCH

The company's revenue has declined by 40% in the last ten years, from 234 million in 2011 to \$142 million in 2021.

If the company's revenue is declining, why are we flagging this?

#### 1. The pager is still "mission-critical" in hospitals

- The company generates a significant percentage of revenue from the pager business.
- Approximately 80% of the hospitals in the US use wireless paging.
- Pagers have been a "reliable communication tool" in US hospitals for more than 50 years.
- Why? Hospitals have many dead zones for cell phones. Moreover, hospitals are notorious for inadequate cellular coverage, especially for hospitals located in remote areas with low network penetration. Given the fact that the pager relies on radio frequencies to receive and transmit messages, it remains "mission-critical" for communication inside hospitals.
- Pagers are less hackable.
- Suggested further reading: <https://healthtechmagazine.net/article/2019/06/why-hospital-pager-withstood-test-time>

#### 2. Isn't the revenue declining?

- Even though the company's revenue is declining, the pace of decline has declined in recent years.
- Revenue attrition from the prior year declined from 10% in FY 2015 to 5.2% in FY 2020.

#### 3. Strategic plan: Cut "significant operational cost" and pay dividend

- In February 2022, the company announced a new strategic business plan to maximize free cash flow and return capital to shareholders.
- Discontinue Spok Go®: The Company announced its plan to discontinue Spok Go®. Spok Go® is a part of the software segment, and Spok Go® was introduced in 2020 to revitalize the fading business. Spok Go® was not able to provide the required turnaround product.
- Why Spok GO discontinuation matters? As per the investor [presentation](#), the company increased its R&D by 3X in the last five years predominantly to focus on Spok Go. This will help the company to reduce its R&D spending.

- 31% workforce reduction: The company has decided to eliminate 175 positions (mostly in R&D) – roughly 31% of the total workforce.
- Reducing board size: Four incumbent directors will not stand for re-election at the company's 2022 AGM, and the board size will be reduced to six.
- Maximize cash generation:
  - The company decided to increase the quarterly dividend from \$0.125 to \$0.3125.
  - Annualized dividend yield: 15.8% (\$1.25 /\$7.8)
  - So, the final outcome of the entire process is to maximize the cash generation and pay a massive dividend of \$1.25 per share annually.
- Evaluate the acquisition proposal
  - In August 2021, Acacia Research (and Starboard Value) announced a proposal to acquire the company for \$10.75 per share.
  - Acacia Research Corp holds a 6.5% stake in the company as of August 2021 at an average price of \$8.30 per share.
  - In February 2022, the company announced it is still evaluating the acquisition proposal from Acacia Research.

#### **4. Braeside Investment's active involvement**

- In April 2018, Braeside Investments entered into an agreement with the company and added its representative, Todd Stein, to the board.
- Ownership: 5.6%.
- Approximate purchase cost: \$11.8 per share.
- Current stock price: \$7.89.
- Braeside Investment supports the company's recent strategic action.

Overall –

The company's current plan is to maximize cash flow by cutting down all unnecessary expenses and pay roughly \$25 million in dividends to shareholders.

- If the company continues to pay \$1.25 per share, you will get back the investment in six years.
- If you assume that the company's dividend per share will decline by 4% year-over-year, you will get back the investment in roughly seven years.

## Atlanticus Holdings (ATLC): 33% buyback (Short notes)

- Market Cap: \$684 million | Atlanticus Holdings Corporation is a financial technology company.
- Major shareholders: HANNA DAVID G - 57.9% | HOWARD JEFFREY A. - 5.6% | DIMENSIONAL FUND ADVISORS LP - 4.4% | BLACKROCK INC. - 2.3%
- Screen: 8-K (keywords)

### I. BASIC

- The company's technology and proprietary predictive analytics, lenders can make instant credit decisions utilizing hundreds of inputs from multiple sources and thereby offer credit to consumers overlooked by many providers of financing who focus exclusively on consumers with higher FICO scores.
- The company's revenue is derived from (i) interest income, finance charges and late fees on consumer loans, (ii) other fees on credit products including annual and merchant fees and (iii) ancillary, interchange, and servicing income on loan portfolios.

### II. WHAT WE LIKE

1. The company has a 25-year operating history.

#### 2. Solid growth

| (\$, mm)            | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------|------|------|------|------|------|------|------|------|
| Net interest income | 50   | 52   | 68   | 87   | 124  | 211  | 359  | 465  |
| Net income          | 7.2  | 1.7  | -6.3 | -41  | 7.9  | 26   | 94   | 178  |

### 3. Less than 36% APR

- The APR for receivables originated through the company's private label credit platform range from 0% to 36.0%.
- None of the programs the company service have APRs in excess of 36%.

### 4. Owner operator

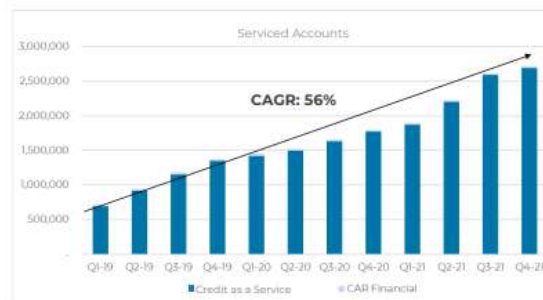
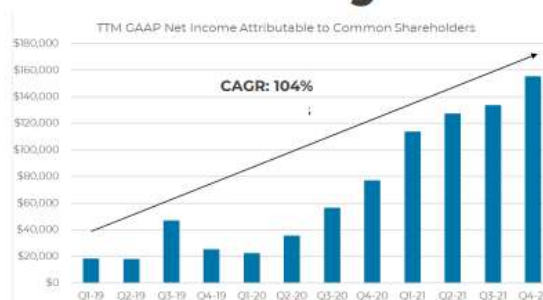
- The company's insiders as a group hold a 49.9% stake in the company.
- David G. Hanna (CEO from 1996 to March 2021), executive chairman of Atlanticus since March 2021, holds a 42.5% stake in the company.

### III. WHY ARE WE FLAGGING THIS?

#### 33% share repurchase plan:

- In March 2022, the company announced a new share repurchase plan to repurchase 5 million shares through June 30, 2024.
- As of March 2022, the company's total outstanding shares were 14.8 million shares.

# Performance Summary



## Valuation Atlanticus vs. Other FinTechs

|        | <b>Atlanticus*</b> | ATLC Share price as of 3/15/22<br><b>\$48.31</b> | <b>Other FinTechs</b><br><small>Neobanks, Digital or AI Lending Platforms</small> |
|--------|--------------------|--|---|
| Metric | Price to Revenue   | 1.3x   | 2x – 21x  |
|        | Price to Earnings  | 6.4x   | 9X-78X<br>(excludes negative NI)  |
|        | ROE                | 72%  | (26%) - 78%<br>(Avg at 25%, including one negative NI)                            |

Financial Metrics based on Q4 2021  
Reported Results

## LGI Homes (LGIH): Recent stock price crash; CEO grew the revenue by 60X in a decade

- Market Cap: \$2.1 billion | LGI Homes is a pioneer in the homebuilding industry, successfully applying an innovative and systematic approach to the design, construction and sale of homes.
- Shareholders: BLACKROCK INC. - 16.2% | VANGUARD GROUP INC - 9.7% | WASATCH ADVISORS INC - 8.6% | CAPITAL INTERNATIONAL INVESTORS - 4.3%
- Screen: Stock price crash

### I. BASIC

- The company is engaged in the design, construction, and sale of new homes.
- LGI Homes has more than 18 years of homebuilding excellence, over which time it has closed more than 50,000 homes and has been profitable every year.

| (\$, mm)           | 2017  | 2018  | 2019  | 2020  | 2021  |
|--------------------|-------|-------|-------|-------|-------|
| Home sales revenue | 1,258 | 1,504 | 1,838 | 2,368 | 3,050 |
| Operating income   | 169.8 | 200.1 | 227.5 | 364.7 | 547.6 |
| Net income         | 113.3 | 155.2 | 178.6 | 323.8 | 429.6 |

### II. WHAT WE LIKE

#### I. Growing financials:

- 10<sup>th</sup> largest residential builder: Founded in 2003, it has been ranked as the 10th largest residential builder in the United States based on units closed.
- Revenue growth: Since 2011, the company grew consistently from \$50 million in 2011 to \$3.0 billion in 2021 due to an increase in homes closed, an increase in the average selling price per home, and selective acquisitions.
- Expansion: The company has grown by expanding its operations from nine markets in four states to 35 markets in 19 states. In 2021, the company expanded its geographic presence in the Mid-Atlantic with the addition of Baltimore, Maryland and Norfolk, Virginia.
- After the sale of 10,442 lots in 2021, the company still has 54,867 owned

lots and 39,978 controlled lots in its pocket.

|               | 2017  | 2018  | 2019  | 2020  | 2021   |
|---------------|-------|-------|-------|-------|--------|
| Home closings | 5,845 | 6,512 | 7,690 | 9,339 | 10,442 |

- Gross margin improvement: Even though the input cost has been increasing, the company's gross margin improved from 23.7% in FY 2019 to 26.8% in 2021 due to its ability to raise the prices higher than increases in input costs.

|              | 2017  | 2018  | 2019  | 2020  | 2021  |
|--------------|-------|-------|-------|-------|-------|
| Gross margin | 25.5% | 25.3% | 23.7% | 25.5% | 26.8% |

- Share repurchase:

- In 2021, the company repurchased \$1.36 million shares for \$193 million.
- In February 2022, the company increased its stock repurchase program by an additional \$200.0 million. Hence the total authorization under the program is to purchase up to \$306.6 million of shares.

### III. WHY ARE WE FLAGGING THIS?

#### i) Price crash:

Since May 2021, the company's stock price crashed by half, from \$183 in May 2021 to the current price of \$90.

#### Reasons

- In November 2021, the company announced that at the end of the third

quarter of 2021, active selling communities decreased to 103 from 110 communities at the end of the third quarter of 2020 due to supply chain impacts and high absorptions.

• Poor recent quarterly performance (Q4 2021)

- Home closings during the fourth quarter of 2021 totaled 2,526, a decrease of 25.9% from 3,408 home closings during the fourth quarter of 2020.

- Home sales revenues for the fourth quarter of 2021 were \$801.1 million, a decrease of \$96.3 million, or 10.7%, over the fourth quarter of 2020.

• Trimmed outlook

- In March 2021, the company trimmed its expectation of home closings between 9,000 and 10,000 compared to its previous guidance of 10,000 and 10,500.

• Normalized demand expected

- In a Q4 2021 conference call, the company's CEO mentioned that he expects that 2022 will bring some normalization of demand.

The desire for homes over the last two years has been unlike anything we've experienced before. And while we believe demand will remain strong, we don't expect that an absorption rate of 8.3 homes per month is sustainable long term.

**ii) Why are we flagging this?**

**a) 14% buyback authorized**

• In February 2022, the company's board expanded the buyback plan by \$200 million. This increased the aggregate amount available for stock repurchases to \$306.6 million as of February 11, 2022.

• This is roughly 14% of the o/s shares.

**b) 49% increase in land portfolio**

• In 2021, the company invested over \$1 billion, expanding its land portfolio to 92,000 owned and controlled lots, an increase of 49%.

**c) Stellar CEO**

• Eric Lipar has been serving as CEO of the company since 2009.

• During his tenure,

- The company's revenue grew from \$50 million to \$3 billion.

- He took the company public in 2013.

- Since 2013, the company's stock price increased by 7X.

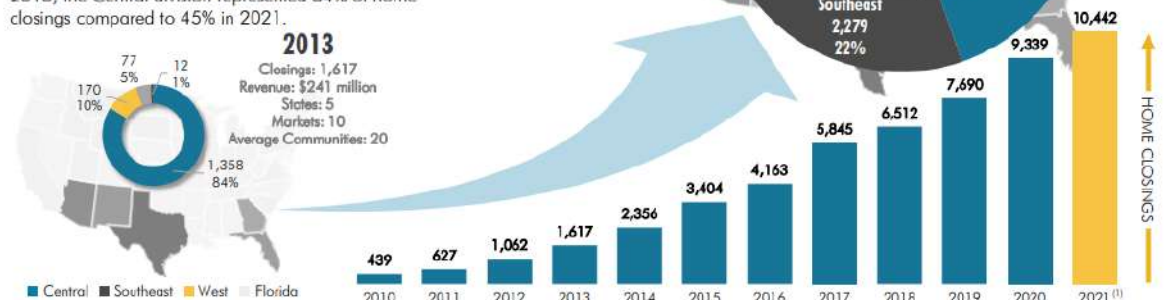
Overall – We expect the CEO to take all the steps to grow the company in the long run. In the company's presentation, the company claims that it plans to double the size of its business through a combination of deepening its positions in existing markets and pursuing selected M&A opportunities.

FOCUS ON GROWTH

## BUILDING OUR BUSINESS

LGI Homes' unique operating model has driven rapid growth. Between 2013 and the year ended December 31, 2021, the Company grew home closings 546% and revenue 1,166% (a compounded annual growth rate of 37%) while expanding from 5 to 19 states and 10 to 35 markets.

Since its initial public offering in 2013, LGI has significantly diversified its business geographically. In 2013, the Central division represented 84% of home closings compared to 45% in 2021.

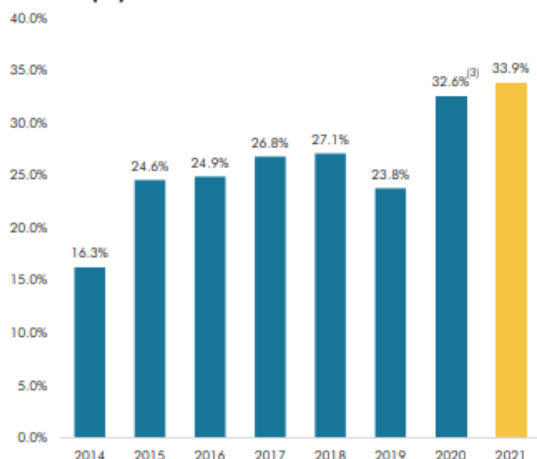


Note: 2010 – 2013 Home Closings are pro forma figures and include Home Closings for the LGI/GTS Joint Ventures not consolidated prior to LGI Homes' IPO in 2013  
 1) As of December 31, 2021

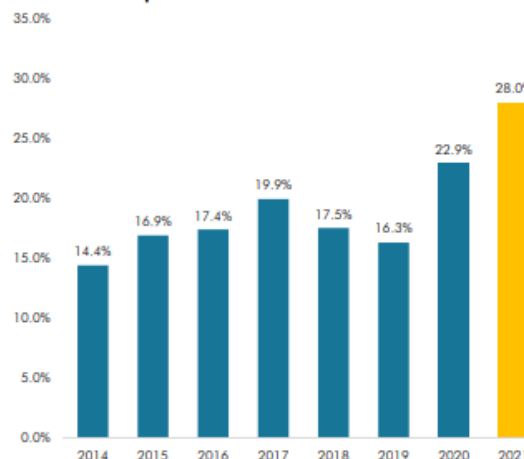
## SUPERIOR RETURNS ON CAPITAL

LGI HOMES' FOCUS ON PROFITABILITY AND CONSERVATIVE CAPITAL STRUCTURE HAS DRIVEN STRONG RETURNS FOR INVESTORS

### Return on Equity <sup>(1) (2)</sup>



### Return on Total Capital <sup>(2) (4)</sup>



## Shareholder activism: Notes / Observation

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### Abbott R. Cooper of Driver Management slams the board of Codorus Valley Bancorp about the “Fake Ferrari Loan”

- On April 7, 2020, the company reported that it expected to take a loss of “approximately \$7.5 million” that arose “primarily from a single, large commercial lending relationship”.
- Abbott R. Cooper of Driver Management announced that he recently learned that the specific cause of the loss was that the loan in question (the “Fake Ferrari Loan”) had been secured by a vehicle that had been alleged to be a “1959 Ferrari Testa Rossa” worth \$45-50 million, yet after an event of default occurred, it was discovered that the car (the “Fake Ferrari”) was not a Ferrari at all, but a replica that was sold at auction for gross proceeds of approximately \$209,000.
- Abbott Cooper believes that the fact that Bank management approved the loan in the first place waste and mismanagement and that, if the Corporation and the Bank were managed properly, any fraud would have been discovered before the loan was made, preventing shareholders from suffering a substantial loss.

Suggested further readings

[https://www.sec.gov/Archives/edgar/data/806279/000147793222001259/cvly\\_ex991.htm](https://www.sec.gov/Archives/edgar/data/806279/000147793222001259/cvly_ex991.htm)

[https://www.sec.gov/Archives/edgar/data/806279/000147793222001259/cvly\\_ex992.htm](https://www.sec.gov/Archives/edgar/data/806279/000147793222001259/cvly_ex992.htm)

### Bizarre rule: The board of Peoples Financial Corp implemented a 50-mile residency radius criteria

In April 2022, Joseph Stilwell delivered a letter to the shareholders. Mr. Stilwell highlighted a strange bylaw under which the board nominee must maintain a principal residence within fifty (50) miles of the main office or a branch office of the Corporation or its bank subsidiary.

We've invested in hundreds of community banks over many years and worked to maximize value at scores of them. Only infrequently have we seen such a poorly performing manager (and his family) so protected by his board. When we first tried to gain a single seat on the board, the directors changed decades of procedure, moving from cumulative to non-cumulative voting, maximizing the Swetman family's voting power. Next, they implemented a 50-mile residency radius bylaw to hinder outsiders from challenging them. They really don't want anyone else in what they apparently believe to be their clubhouse

## CFO resignation: Red flags

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### **Innodata Inc. (INOD) (M.Cap: \$195 million) - CFO resigned within 18 months**

- Innodata is a leading data engineering company.
- Mark A. Spelker, who was appointed as CFO in October 2020, resigned in March 2022, i.e., in 18 months.

### **Privia Health Group, Inc. (PRVA) (M.Cap: \$3.1 billion) - CFO resigned within 3 months**

- Privia Health Group, Inc. is a technology-driven, national physician enablement company
- Jeffrey S. Sherman, who was appointed as CFO in January 2022, resigned in March 2022, i.e., in 3 months.

### **Power Solutions International, Inc. (PSIX) (M.Cap: \$50 million) - CFO resigned within 20 months**

- Power Solutions International is a leader in the design, engineering and manufacture of emission-certified engines and power systems.
- Donald P. Klein, served as interim CFO from July 20, 2020 to January 19, 2021 and full time CFO from January 2021 to April 2022.

### **Drive Shack Inc. (DS) (M.Cap: \$126 million) - CFO resigned within 18 months**

- Drive Shack Inc. is a leading owner and operator of golf-related leisure and entertainment businesses focused on bringing people together through competitive socializing.
- Michael Nichols, who was appointed as CFO in September 2020, resigned in March 2022, i.e., in 18 months.

### **Enjoy Technology, Inc. (ENJY) (M.Cap: \$396 million) - CFO resigned within 15 months**

- Enjoy Technology, Inc. is a technology-powered platform reinventing “Commerce at Home”
- Fareed Khan, who was appointed as CFO in January 2021, resigned in April 2022, i.e., in 15 months.

## Unhappy shareholders

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Note: How do we compute voting %? We only include FOR & AGAINST/WITHHELD votes. Moreover, we ignore broker no votes.

### **Avinger Inc (AVGR, M.cap: \$16 million)**

50% of the shareholders voted AGAINST the company's proposal to effect a reverse stock split and to adjourn the annual meeting

### **Nabriva Therapeutics plc (NBRV, M.cap: 23 million)**

24% of the shareholders voted AGAINST the company's proposal that the board can allot and issue ordinary shares for cash without first offering those ordinary shares to existing shareholders

### **Optical Cable Corp (OCC, M.Cap: 34 million)**

All the five directors received more than 20% withheld votes

### **cbdMD, Inc. (YCBD, M.Cap: 47 million)**

One out of six directors received 23% AGAINST votes

### **Lee Enterprises, Inc (LEE, M.Cap: 153 million)**

Two out of three directors received 25% withheld votes

### **Hurco Companies Inc (HURC, M.Cap: 196 million)**

One out of eight directors received 25% withheld votes

### **ESSA Pharma Inc. (EPIX, M.Cap: \$330 million)**

One out of eight directors received 29% withheld votes

### **Natural Grocers by Vitamin Cottage, Inc. (NGVC, M.Cap: 470 million)**

Both the directors received around 20% withheld votes

### **REV Group, Inc. (REVG, M.Cap: \$765 million)**

Out of three directors, two directors received more than 40% withheld votes and the other director received around 20% withheld votes

### **Marinemax Inc (HZO, M.Cap: \$865 million)**

Out of three directors, one director received around 35% withheld votes

### **Photronics Inc (PLAB, M.Cap: \$929 million)**

One out of seven directors received more than 40% withheld votes

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**Sonos Inc (SONO, M.Cap: 3.4 billion)**

Out of three directors, two directors received more than 20% withheld votes and one director received around 38% withheld votes.

**SPX FLOW, Inc. (FLOW, M.Cap: \$38 million)**

68% of shareholders voted AGAINST the company's compensation proposal

**Leslie's, Inc. (LESL, M.Cap: \$3.8 billion)**

All the three directors received more than 35 % of withheld votes

**MACOM Technology Solutions Holdings, Inc. (MTSI, M.Cap: \$3.5 billion)**

Out of three directors, one director received 26% withheld votes

## 13D Summary: Monthly Report (March 14, 2022 to April 13, 2022)

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### **Mithril II LP, Adimab, LLC, M28 Capital Management, and Polaris Venture Partners join hands and nominate Board candidates to the board of Adagio Therapeutics**

Market Cap: \$558 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.

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](#)

### **Hill Country Asset Management seeks discussions with AG Mortgage Investment Trust**

Market Cap: \$184 million | AG Mortgage Investment Trust, Inc. operates as a residential mortgage real estate investment trust in the United States.

On April 12, 2022, Hill Country Asset Management disclosed an 8.6% active stake in the company. It stated that it intends to engage with the board and management team regarding its operations, performance, and compensation practices, including the company's management relationship with affiliates of Angelo, Gordon & Co. and the company's share buy-back program. Hill Country Asset Management seeks to engage with the company to increase shareholder value. [Source](#)

### **Cannell Capital seeks Board seat in EMCORE Corp**

Market Cap: \$136 million | EMCORE Corporation is engaged in designing and manufacturing indium phosphide (InP) optical chips, components, subsystems, and systems for the broadband and specialty fiber optics market.

On April 11, 2022, Cannell Capital disclosed a 9.98% active stake in the company and sent a [letter](#) to the Chairman of the Board requesting that the company replace two members of the Board immediately.

### **22NW Fund Group seeks support for its nominees for DIRTT's Board**

M.Cap: \$154 million | DIRTT Environmental Solutions Ltd. designs, manufactures, and installs prefabricated interior solutions for use primarily in commercial spaces across various industries and businesses in the United States, Canada, internationally.

Background:

- On October 7, 2021, 22NW Fund (18.4%) stated that it has engaged, and intend to continue to engage, in communications with the management team and Board of Directors regarding means to enhance stockholder value. [Source](#)
- On November 16, 2021, 22NW Fund (18.9%) submitted a requisition of a meeting of shareholders to the company to remove incumbent directors Denis Karkkainen, Shauna King, Todd Lillibridge, Jim Lynch, Steve Parry and Diana Rhoten, and replace them with six candidates, Aron R. English, Cory J. Mitchell, Douglas A. Edwards, Scott L. Robinson, Scott C. Ryan and Kenneth D. Sanders. The Requisition requested that the Meeting be held no later than January 21, 2022. [Source](#)
- In response, DIRTT has called an annual and special meeting of DIRTT shareholders for April 26, 2022
- On December 9, 2021, 22NW Fund provided an update on its requisition for a meeting of shareholders. Notwithstanding the manner in which DIRTT has treated the Requisition and 22NW, its largest shareholder, 22NW announced that it is attempting a constructive settlement with DIRTT by means of submitting a term sheet for a settlement proposal under which Todd Lillibridge, Denise Karkkainen and Steve Parry would retire from DIRTT's board to be replaced by Aron English, Ken Sanders and Scott Robinson. Under the Proposal, 22NW would agree to support the director nominees of the Board at DIRTT's 2022 AGM, which would remain at eight. It is a condition of the Proposal that it is accepted no later than December 15, 2021. If DIRTT accepts the Proposal, 22NW will withdraw the Requisition. [Source](#)
- On December 21, 2021, 22NW Fund provided an update on its requisition for a meeting of shareholders. [Source](#)
- On December 23, 2021, 22NW Fund filed proxy materials seeking support for its nominees.
- On January 5, 2022, 22NW Fund filed proxy materials seeking support for its nominees.
- On January 20, 2022, the company provided an update on the path forward in responding to the requisition issued by 22NW Fund, LP. The Company announced that while it remains focused on realizing its potential as its top priority, it believes it has no choice but to file an application with the Alberta Securities Commission against the Activist and another shareholder for breaching take-over bid and early warning reporting provisions under applicable Canadian securities laws, in order to protect minority shareholders and ensure that all shareholders are provided with full and accurate information. [Source](#)
- On March 4, 2022, 22NW Fund [announced](#) that Alberta Securities Commission has dismissed all claims brought against 22NW by the Board.
- On March 11, 2022, 22NW Fund Group (18.9%) delivered a letter to the company separately from the Requisition, nominating Mary Garden, as well as the Nominees proposed under the Requisition (collectively, the "Updated Nominees") for election to the Board at the annual and special meeting of shareholders scheduled for April 26, 2022. [Source](#)

#### Update:

- On March 22, 2021, 22NW Fund filed proxy materials seeking support for its seven nominees and other shareholder proposals.
- On March 29, 2021, 22NW Fund issued an investor [presentation](#) reiterating its concerns with the performance of the company and seeks support for its nominees at the upcoming AGM.

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- On April 8, 2022, 22NW issued an additional [investor presentation](#) titled “Exposing Dirtt’s Misrepresentations and Omissions” soliciting votes for the election of its slate of highly-qualified director nominees at the annual and special meeting of shareholders.

### **Athira Pharma: Richard Kayne calls for CEO replacement and seeks two board seats**

Market Cap: \$488 million | Athira Pharma, Inc., a late clinical-stage biopharmaceutical company, focuses on developing small molecules to restore neuronal health and stop neurodegradation.

- On March 30, 2022, Richard Kayne (4.8%) filed proxy materials calling for the ouster of the company’s CEO and nominated himself and the former CFO at Novartis for the board of directors. Mr. Kayne issued an open [letter](#) to shareholders criticizing the company’s current CEO, Mark Litton, who he said has “little to no operational, clinical trial or scientific experience, having spent substantially all of his career in business development roles.”
- Kayne recently co-founded a life sciences fund with former Athira CEO Leen Kawas, who resigned from the company last year and left the board in the wake of an investigation into the integrity of data in papers she co-authored that helped to form the initial basis for the company. An investigation by an independent board appointed by the company concluded she had altered data-containing images in her papers. Kawas was replaced by Litton, who holds a Ph.D. in the life sciences and is the former chief business officer at Alder Biopharmaceuticals and VP of business development at Celltech. Litton joined Athira in 2019 as its COO before becoming CEO this past October.
- On April 11, 2022, Richard Kayne (4.8%) filed proxy materials for the election of himself and George Bickerstaff, III, the former CFO of Novartis Pharma AG, to the Board at the Company’s 2022 AGM scheduled to be held on May 19, 2022.

### **Scott Klarquist, CIO of Seven Corners Capital Management, launched withhold campaign against the incumbent directors of Genworth Financial**

Market Cap: \$1.9 billion | Genworth Financial, Inc. provides insurance products in the United States and internationally.

On April 6, 2022, Scott Klarquist, CIO of Seven Corners Capital Management, delivered a letter to the shareholders expressing his dissatisfaction with the company’s executive compensation policies. He urges shareholders to vote WITHHOLD with respect to the election of each Karen E. Dyson, Jill R. Goodman, Melina E. Higgins, and Robert P. Restrepo Jr. to the Board at the annual meeting. [Source](#)

### **Funicular Fund expressed its concerns on ARCA biopharma**

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

On April 4, 2022, Funicular Fund (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](#)

### **Scott Klarquist, CIO of Seven Corners Capital Management, announced his stance for the upcoming AGM**

Market Cap: \$33 million | Precision Optics Corporation, Inc. is engaged in developing and manufacturing optical systems and components, and optical thin-film coatings.

On March 21, 2022, Scott Klarquist, CIO of Seven Corners Capital Management, announced his intent to WITHHOLD his vote for incumbent director Peter H. Woodward, the only company nominee up for election this year. [Source](#)

### **Oasis Management initiated an active stake in Nam Tai Property**

Market Cap: \$285 million | Nam Tai Property Inc., through its subsidiaries, owns, develops, and operates technology parks in the People's Republic of China.

On April 11, 2022, Oasis Management disclosed a 19.96% active stake in the company and stated that it intends to have discussions with the management and other shareholders regarding ways to maximize shareholder value, including matters concerning the Issuer's corporate governance, dividend policy, board composition, business, operations, management, strategy, and future plans of the Issuer. It stated that it may also take further steps, including engaging in discussions with shareholders, management, the board, and other interested parties regarding such matters as strategic alternatives including exploring a sale of the company. [Source](#)

#### Past

- On May 27, 2020, Iszo Capital (9.8%) seeks actions for the removal of board members. It also intends to advocate a strategic review of the assets, including potential divestitures and outright sale of the company, and develop a capital allocation strategy that maximizes the long-term value for all shareholders. [Source](#)
- On July 20, 2020, IsZo Capital delivered a letter to the shareholders seeking support to convene a meeting of shareholders for the purpose of providing shareholders an opportunity to reconstitute Nam Tai's Board of Directors by removing a majority of the incumbent directors and installing six highly-qualified and independent individuals. IsZo Capital stated that Kaisa, which is a conflicted minority shareholder, has packed the Board and management team with allies and family members. IsZo Capital stated its belief that reconstituting the Board and removing Kaisa insiders from leadership roles at Nam Tai is the only way to end this dangerous and destructive tailspin.

- On September 14, 2020, Iszo Capital (10%) delivered to the company written requests of members holding more than 30% of the votes of the outstanding voting Shares to demand that the company convene a meeting whereat proposals seeking to (i) remove Ying Chi Kwok, Dr. Wing Yan “William” Lo, Vincent Fok, Professor Si Zong Wu and Dr. Aiping Lyu as directors of the company and (ii) appoint Michael Cricenti, Cindy Chen Delano, Bo Hu, Leung Lin Cheong Louis (Louis Leung), Paula J. Poskon and Jeffrey Tuder as directors of the company shall be voted upon. Source
- On September 21, 2020, the company announced that its Board has appointed Dr. Lai Ling Tam to the role of Executive Chairman of the Board, Mr. Jiabiao Wang, current General Manager of China Operations, as Chief Executive Officer and Mr. Wai Hang Wan, David, CPA, as Chief Financial Officer.
- On September 22, 2020, IsZo issued a press release commenting on the company’s troubling decision to appoint three individuals affiliated with Kaisa Group Holdings Limited (“Kaisa”) to the roles of Executive Chairman, CEO and CFO. IsZo expressed its belief that the company’s insulting and tone deaf responses to the overwhelming demand for a meeting of members validates the urgent need for credible and wholesale leadership changes. IsZo urged the company to cease further delay and promptly schedule the Special Meeting legally requested by more than half of shareholders unaffiliated with Kaisa, whereat shareholders will have an opportunity to reconstitute the Board by removing a majority of the incumbent directors and installing six highly-qualified and independent individuals: Michael Cricenti, Cindy Chen Delano, Bo Hu, Louis Leung, Paula J. Poskon, and Jeffrey Tuder.
- On October 19, 2020, IsZo issued a press release announcing that it had commenced legal proceedings against the company, Kaisa Group Holdings Limited’s wholly-owned subsidiary Greater Sail Limited (“Kaisa-Greater Sail”) and West Ridge Investment Company Limited (“West Ridge”) in the Eastern Caribbean Supreme Court (the “Court”). IsZo’s action seeks to invalidate the company’s \$170 million private placement that distributed 16,051,219 Shares to Kaisa-Greater Sail and 2,603,366 Shares to West Ridge, which equated to approximately 47.6% of the company’s outstanding Shares on a pre-issuance basis, and an order requiring the company to convene the meeting of members that was requisitioned by approximately 40% of the outstanding Shares on September 11, 2020. IsZo noted that on October 14, 2020, the Court had granted IsZo’s request for injunctions designed to protect shareholders as the legality of the transaction is contested.
- On March 3, 2021, the Eastern Caribbean Supreme Court (the “Court”) ruled in IsZo’s favor and voided the company’s \$170 million private placement, which had distributed more than 16 million Shares to Kaisa Group Holdings Limited’s (“Kaisa”) wholly-owned subsidiary Greater Sail Limited, taking its ownership from 23.9% to 43.9% of the outstanding Shares, and more than 2.6 million Shares to West Ridge Investment Company Limited. The Court found that the Board acted for an improper purpose when initiating the dilutive transaction in October 2020. It was determined that execution of the private placement was a breach of the directors’ fiduciary duties and was undertaken to give Kaisa *de facto* control of the company in response to a requisition from approximately 40% of the out-standing Shares to convene a meeting of shareholders to remove and replace the Kaisa-affiliated directors from the Board. As part of the ruling, the Court ordered the company to convene the Special Meeting. Source
- On April 23, 2021, IsZo (14.1%) issued a press release commenting on the stay granted by the Eastern Caribbean Court of Appeal (“Court of Appeal”) adjourning the company’s special meeting scheduled for April 26, 2021. IsZo highlighted that the Court of Appeal

granted the stay while aware that 97% of shareholders excluding Kaisa had voted to reconstitute the board. IsZo made clear it remains committed to protecting shareholders' best interests and promised to provide additional information once available. IsZo also called on the company to explain its \$150.2 million investment into a Credit Suisse Supply Chain Fund ostensibly connected to Greensill Capital.

- According to the certified voting results from the company's special meeting of shareholders held on November 30, 2021, all six of IsZo's director nominees, Michael Cricenti, Cindy Chen Delano, Bo Hu, Leung Lin Cheong Louis (Louis Leung), Paula J. Poskon and Jeffrey Tuder, were resoundingly elected to the board. [Source](#)
- On December 1, 2021, Peter R. Kellogg holding 18.4%, disclosed that he had voted his shares in favor of the IsZo slate of directors at the special meeting. [Source](#)
- On December 10, 2021, IsZo Capital increased its stake to 16.7%

### **Tice Brown nominated himself to the Board of Galaxy Gaming**

Market Cap: \$105 million | Galaxy Gaming, Inc., a gaming company, designs, develops, manufactures, markets, acquires, and licenses proprietary casino table games and associated technology, platforms, and systems for the gaming industry.

#### Update

On March 16, 2022, Tice Brown (5.9%) sent a notice to the Board that he planned to nominate himself to the Board at the Company's 2022 AGM. The notice also notified that he intends to introduce a non-binding proposal requesting that the Board take the necessary steps to declassify the Board. [Source](#)

#### Past

- On August 2, 2019, Robert G. Pietrosanto, a shareholder of the company, filed [proxy materials](#) nominating three candidates for election to the Board. He expressed his concerns regarding Board's failure to act in the best interest of stockholders.
- On August 7, 2019, the company [announced](#) that the nominations filed by Robert Saucier and Robert Pietrosanto are invalid due to numerous failures by Mr. Saucier, Mr. Pietrosanto, and their proposed nominees to comply with material provisions of Galaxy's bylaws, including the requirement to timely provide advanced notice of their purported slate of nominees to Galaxy.
- On August 28, 2019, the Company's shareholders elected the company's designees to the board.

### **Sachem Head Capital Management and Corvex Management separately nominated Board candidates to Anaplan**

Market Cap: \$7.5 billion | Anaplan, Inc. provides a cloud-based connected planning platform to connect organizations and people.

On March 17, 2022, Sachem Head Capital Management (4.95%) and Corvex Management (3.7%) disclosed that they separately submitted to the company a formal notice of intent to nominate candidates for election to the board at the 2022 AGM. They stated that on March 7, 2022, Mr. Meister, Corvex Management, and Scott Ferguson, Sachem Head Capital Management, orally agreed to coordinate and cooperate in certain of their activities with regard to the company. Thereafter, on March 7, 2022, Mr. Meister held a telephone

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call with the company's CEO and informed him that Corvex and Sachem Head had, as of that day, agreed to coordinate their activities with respect to the company and as a result had formed a "group". In that call, the parties discussed the fact that Corvex had in its Notice nominated one individual, Mr. Meister, and, separately, an affiliate of Sachem Head had nominated three individuals for election at the annual meeting, at which three directors are to be elected.

[Source 1](#), [Source 2](#)

## **Mill Road Capital argues that Big Lots would be worth \$55-\$70 per share**

M.Cap: \$1.1 billion | Big Lots, Inc. (NYSE: BIG) is a discount retailer operating 1,421 BIG LOTS stores in 47 states with product assortments in the merchandise categories of Furniture, Seasonal, Soft Home, Food, Consumables, Hard Home, and Electronics, Toys & Accessories.

### Mill Road Capital

On March 15, 2022, Mill Road Capital (5.1%) issued a letter to the shareholders expressing praise for the management team and its successful implementation of a strategic plan, and encouraging the board to engage a financial advisor and pursue a sale process. Mill Road Capital believes a sale process could maximize value for the shareholders at an assumed purchase price of \$55-\$70 per share. [Source](#)

### Past

On March 6, 2020, Macellum Advisors and Ancora Advisors (together 11%) nominated nine candidates for election to the Board at the 2020 AGM. On April 22, 2020, Macellum Advisors and Ancora Advisors entered into a [settlement agreement](#) with the company, and pursuant to it, the company agreed to increase the size of its Board from nine (9) to eleven (11) and to appoint each of Andrew Clarke and Aaron Goldstein (the Investor Group Designees) to fill the vacancies created as a result of such expansion with terms expiring at the 2020 AGM.

## **Allot Ltd. had discussions with Lynrock Lake Partners regarding Board composition**

Market Cap: \$310 million | Allot Ltd. provides network intelligence and security solutions to protect and personalize the digital experience in Europe, Asia, Oceania, the Middle East, Africa, and the Americas.

### Background

- On August 23, 2021, Outerbridge Capital Management (7.3%) stated that it was pleased with the company's increased efforts to highlight its cybersecurity business to investors. Outerbridge Capital noted that the company has forecasted 400% revenue growth, to \$25 million, for its Allot Secure SECaaS product line in its 2022 Fiscal Year; based on this and on developments in the cybersecurity market broadly, Outerbridge Capital believes that \$100 million or more of Allot Secure revenue is attainable in the company's 2024 Fiscal Year. Outerbridge Capital believes that NetProtect may also generate \$100 million or more of annual revenue in the coming years. Outerbridge Capital believes the

present value of these opportunities, combined with the company's healthy core business and cash balances, significantly exceeds \$1 billion. [Source](#)

- On November 15, 2021, Outerbridge Capital Management stated that they remain encouraged by the rate and quality of new customer wins for the company's burgeoning cybersecurity business, and they are pleased by the company's decision to showcase its security-as-a-service (SECaaS) annual recurring revenue (ARR) to investors on a quarterly basis. Outerbridge Capital Management stated its belief that the share price remains deeply undervalued and, accordingly, the Outerbridge Capital has held and plans to continue holding discussions with the management team and board on topics related to optimizing financial reporting, board composition, and enhancing value for all shareholders. [Source](#)
- On February 18, 2022, Outerbridge Capital (10.3%) delivered a letter to the Board reiterating its belief in the company's potential and its support of the CEO and management team, but also noting certain concerns with worrisome actions taken by the company recently, including its recent dilutive capital raise and the Board's failure to deliver shareholder value over the course of the prior few years. Outerbridge believes that the company's share price is dramatically undervalued, particularly given the leading market share in network-based security as a service ("SECaaS") solutions, recent deal signings, strategic partnerships, and profitable core business in deep packet inspection ("DPI") and network traffic management. Illustratively, and notwithstanding recent execution issues, Outerbridge believes the net present value of the company's SECaaS business is between \$10 and \$20 per share, while the net present value of the company's DPI business is between \$10 and \$15 per share, for a total sum of the parts valuation of between \$20 and \$35 per share, while the company's closing share price today was just \$7.62. Outerbridge believes that this divergence between the current share price and the intrinsic value of the company signals the market's significant lack of confidence in the Board and requires immediate attention. To this end, Outerbridge has proposed the appointment of a shareholder representative to the Board to strengthen the Board's public markets acumen and shareholder alignment and to ensure that appropriate processes and consideration are followed on important matters affecting all shareholders. [Source](#)

### Update

- On March 30, 2022, Lynrock Lake Partners (21.8%) stated that in light of a proposal by Outerbridge Capital to add a shareholder representative to the Board, a director of the company invited Ms. Cynthia Paul of Lynrock Lake Partners to have a discussion on March 28, 2022. The two parties discussed the composition of the Board in an effort to enhance value for all shareholders. [Source](#)

### **Edward Smolyansky plans to nominate Board candidates to Lifeway Foods**

Market Cap: \$110 million | Lifeway Foods, Inc. produces and markets probiotic-based products in the United States and internationally.

### Background

- On October 15, 2021, Ludmila Smolyansky, Chairperson of the Board, and Edward Smolyansky, COO of the company, disclosed a 38.4% stake and stated that Edward Smolyansky intends to nominate up to three directors at the 2021 AGM. [Source](#)

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- On February 21, 2022, the concerned shareholders (38.2%) notified the Board of their belief that the Company should replace the Company's CEO, and commence an exploration of the Company's strategic alternatives. [Source](#)

### Update

On March 11, 2022, Edward Smolyansky notified the corporate secretary of the company of his intent to nominate himself, Ludmila Smolyansky, Robert Whalen, Austin Hollis and Iana Trifonova for election to the Board at the 2022 AGM. As Mr. Smolyansky continues to prepare for a potential proxy context in connection with the 2022 AGM, he intends to continue to engage in discussions with the Board regarding his belief that the Company should replace the Company's CEO, and commence an exploration of the Company's strategic alternatives. [Source](#)

### **Midwest Holding to nominate Kevin Sheehan to the Board of Directors at the 2022 AGM**

Market Cap: \$51 million | Midwest Holding Inc., a financial services company, engages in life and annuity insurance business in the United States.

On April 8, 2022, A. Michael Salem, Managing Member of AMS Advisors, (9.4%) entered into a [Cooperation Agreement](#) with the company and pursuant to it, the company agreed to nominate Kevin Martin Sheehan to the Board at the company's upcoming 2022 annual meeting of shareholders. Sheehan has served as Managing Director of Mellon Stud Ventures, LLC, an investment firm, since 2016.

### **Kyma Capital urges Atento to explore strategic alternatives**

Market Cap: \$443 million | Atento S.A., together with its subsidiaries, provides customer relationship management, and business process outsourcing services and solutions in Brazil, the Americas, Europe, the Middle East, and Africa.

### Background

On December 17, 2021, Kyma Capital (5%) disclosed that in May 2021, it nominated a director candidate for election to the Board. It stated that over the course of several months, it engaged in a constructive dialogue with the Board regarding the undervaluation and available opportunities to maximize shareholder value. As a result of these discussions, Kyma Capital believes there are clear gaps in corporate governance that are detrimental to minority shareholders. [Source](#)

### Update

On March 14, 2022, Kyma Capital together with other concerned shareholders (hold 9.1%) delivered a letter to the company demanding that the Board immediately undertakes a process to explore strategic alternatives with the goal of selling the company to the highest bidder via a competitive sales process. They stated that they will seek to nominate three independent directors to the Board at the upcoming shareholders meeting in May to ensure a full and transparent sales process. Finally, upon reaching 10% of the outstanding shares, these shareholders intend to invoke Art 1400-3 of the Luxembourg Companies Law to formally request information regarding specific management acts. [Source](#)

## **Indaba Capital Management entered into an agreement with Benefitfocus**

Market Cap: \$416 million | Benefitfocus, Inc. provides cloud-based benefits management platform for consumers, employees, employers, insurance brokers, carriers, and suppliers in the United States.

### Background:

In March 2021, Indaba Capital Management nominated two Board candidates. At the AGM held on June 30, 2021, shareholders elected incumbent directors to the Board.

### Update:

On April 4, 2022, Indaba Capital Management (11.8%) entered into a [Cooperation Agreement](#) with the company. Pursuant to the cooperation agreement, the company appointed Alexander Lerner, an Investment Partner at Indaba, as a Class II member of the Board with a term expiring at the 2022 AGM.

## **Bed Bath & Beyond Inc. announces cooperation agreement with RC Ventures**

Market Cap: \$2 billion | Bed Bath & Beyond Inc., together with its subsidiaries, operates a chain of retail stores. It sells a range of domestics merchandise, including bed linens and related items, bath items, and kitchen textiles; and home furnishings, such as kitchen and tabletop items, fine tabletop, basic housewares, general home furnishings, consumables, and various juvenile products.

### Background

#### RC Ventures

On March 6, 2022, RC Ventures (9.8%) delivered a [letter](#) to the Board encouraging them to adjust the company's strategy and explore alternative paths to value creation. Specifically, RC Ventures expressed its belief that the company should narrow its focus to fortify operations and maintain the right inventory mix to meet demand, while simultaneously exploring strategic alternatives that include separating buybuy Baby, Inc. and a full sale of the company.

### Update

On March 25, 2022, the company entered into a [cooperation agreement](#) with RC Ventures and pursuant to it, three of RC Ventures' director designees – Marjorie L. Bowen, Shelly C. Lombard, and Ben Rosenzweig – will join the Board, and they will also stand for election as part of the Company's slate at the 2022 AGM.

### Past

#### Legion Partners, Macellum Advisors, and Ancora Advisors

- On March 26, 2019, Legion Partners, Macellum Advisors, and Ancora Advisors formed a group (together 5%) and issued a [press release](#) nominating sixteen candidates for election to the Board at the 2019 annual meeting of shareholders.

- On May 28, 2019, the Investor Group and the company entered into a cooperation and support agreement, and pursuant to it, the company agreed to increase the size of its Board from nine to thirteen and to appoint four representatives of Investor Group to fill the vacancies with terms expiring at the 2019 annual meeting of shareholders. [Source](#)

## **Nocopi Technologies reached an agreement with MSL18 Holdings Group and granted two Board seats**

Market Cap: \$14 million | Nocopi Technologies, Inc. develops and distributes document security products in the United States and internationally.

### Background:

- On May 6, 2021, Eriksen Capital Management and Cedar Creek Partners stated its belief that the company should practice good governance. Eriksen stated, "According to SEC filings, Nocopi has not held an annual meeting since 1999. It appears that other than the CEO over twenty years ago, none of its directors have ever been approved by shareholders. The share price is roughly the same as it was when the current CEO took over more than twenty years ago. In 2018, a shareholder group representing 20% of the shares of the company filed a 13D noting many of these same concerns. Instead of holding an annual meeting, the company responded by changing its bylaws in order to make it incredibly difficult for shareholders to nominate directors. We find this kind of behaviour unacceptable." [Source](#)
- On July 22, 2021, Eriksen Capital Management increased its stake to 8.4%.
- On August 16, 2021, Eriksen Capital Management increased its stake to 10% and reiterated its concerns.
- On August 26, 2021, Eriksen Capital Management announce that it has received sufficient support from its fellow stockholders to request the call of a special meeting of stockholders.
- On November 9, 2021, Eriksen Capital Management (10.1%) issued a [press release](#) expressing its frustration that the board rejected the request to call a special meeting (signed by 25% of the o/s shareholders) as failing to comply with company bylaws. It urges all shareholders to contact the company and the board and voice their displeasure at their abysmal treatment of shareholders.
- On December 6, 2021, Eriksen Capital Management (11.4%) requested via email to Nocopi's CFO, for Nocopi to provide a copy of their director's questionnaire in order for them to nominate director(s) at the next annual meeting, which Nocopi stated it intends to hold in the spring of 2022. [Source](#)
- On February 14, 2022, Eriksen Capital disclosed that on February 2, 2022, Nocopi filed an 8-K with its revised bylaws, board class assignments and an annual meeting date of June 16, 2022. The board class assignments appear designed to prevent shareholders from voting on certain existing directors, including CEO Michael Feinstein and Director Marc Rash until 2024. CEO Michael Feinstein has not stood for election by shareholders since 1999, and Mr. Rash has never been approved by shareholders since his appointment in September 2017. On February 4, 2022, Cedar Creek Partners ("CCP") communicated to David Collins, a representative at the IR firm hired by Nocopi, that CCP would be interested in having discussions on a settlement to avoid the cost of a proxy battle. It has not received any response to the offer. On February 11, 2022 counsel for Eriksen Capital and CCP hand delivered and emailed to Nocopi a director nomination of Mr.

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Eriksen for the Class I director position being voted on at the 2022 annual meeting along with a shareholder proposal to declassify the board. [Source](#)

- On March 24, 2022, Eriksen Capital filed proxy materials seeking support for its nominee and urged shareholders to vote for a shareholder proposal to declassify the board. [Source](#)

#### Update

On March 29, 2022, the company entered into a Nomination and Standstill [Agreement](#) with MSL18 Holdings Group (13.7%) and pursuant to it, the company has agreed to appoint and nominate Mr. Matthew C. Winger and an additional qualified person to be named by the MSL18 Holdings Group to the Board.

### **Cygnus Capital entered into a letter agreement with Pennsylvania Real Estate Investment Trust**

Market Cap: \$53 million | Pennsylvania Real Estate Investment Trust is a publicly-traded real estate investment trust that owns and manages quality properties in compelling markets.

#### Background:

- On February 18, 2022, Cygnus Capital delivered a letter to the company nominating two director candidates, Ryan J. Levenson and Christopher Swann, for election to the Board as Preferred Stock Trustees at the company's 2022 annual meeting of shareholders. [Source](#)
- On February 28, 2022, Cygnus Capital issued an open [letter](#) to the shareholders seeking support for its nominees.

#### Update

On March 25, 2022, Pennsylvania Real Estate Investment Trust entered into a [letter agreement](#) with Cygnus Capital pursuant to which the Trust agreed to include Christopher Swann and Kenneth Hart to the board as Preferred Trustees for election to the Board at the Trust's upcoming 2022 annual meeting. Effective upon the filing of the Trust's proxy materials in accordance with the letter agreement, Cygnus agreed to withdraw its previous nomination of Ryan J. Levenson to serve as one of the two additional Trustees.

### **325 Master Fund and Harbert Fund reached an agreement with TransAct Technologies**

M.Cap: \$102mm | TransAct Technologies Incorporated designs, develops, assembles, and markets transaction-based and specialty printers and terminals in the United States and internationally.

#### Background

##### 325 Master Fund and Harbert Fund

On February 8, 2022, 325 Master Fund and Harbert Fund (together hold 6.5%) collectively delivered a letter to the company nominating two candidates, Audrey P. Dunning

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and Daniel M. Friedberg, for election to the Board at the 2022 AGM. They also submitted two non-binding proposals that the Board take all necessary steps in its power to (i) declassify the Board so that all directors are elected on an annual basis and (ii) separate the Chairman and CEO roles, such that the position of Chairman of the Board may not be held by any individual who is also an officer of the Company. [Source](#)

#### Update

On March 30, 2022, 325 Master Fund and Harbert Fund entered into a [cooperation agreement](#) with the company. The terms of the Cooperation Agreement include, among others, (i) the appointment of both Daniel M. Friedberg and Audrey P. Dunning to the Board, which will increase in size from five to seven directors, (ii) the continuation of the commitment by the company to declassify the Board by submitting to stockholders a binding proposal at the 2022 AGM, and (iii) an agreement by the company to separate the roles of Board Chair and CEO in advance of the 2022 AGM.

#### Past

##### Harbert Discovery Fund

- On March 10, 2020, Harbert Discovery Fund disclosed 5.5% and stated that it had and anticipates having further conversations with members of the management and board of directors regarding possible ways to enhance shareholder value. [Source](#)
- On August 4, 2020, Harbert Discovery Fund increased its stake to 6.6%.

##### Grand Slam Asset Management

- On December 18, 2018, Grand Slam Asset Management (7.36%) sent a [letter](#) to the Board discussing its concerns about the company's financial performance and its current intent to (i) support the expansion of the Board to include additional industry veterans and (ii) support the replacement of the Wall Street-experienced director with a director who has both Wall Street experience and who is, and has been, heavily committed to the company's success from both an operating and stock performance perspective.
- On May 20, 2019, Grand Slam Asset Management (7.36%) sent another [letter](#) to the Board discussing, among other things, (i) its support of Emanuel Hilario and Ms. Olinger (newly nominated directors) for election to the Board and (ii) its gratitude to the Board and management for open communication and increased shareholder outreach. [Source](#)
- At the [AGM](#) held on May 28, 2019, Emanuel Hilario and Ms. Olinger were elected to the Board.

### **Julian Singer demands books and records of Catalyst Biosciences**

Market Cap: \$20 million | Catalyst Biosciences, Inc., a clinical-stage biopharmaceutical company, focuses on developing medicines to address hematology indications.

#### Background:

- On July 22, 2019, Julian Singer (3.1%) delivered a letter to the board expressing his concerns with 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](#)

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- 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

#### Update:

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 make and/or receive copies or extracts therefrom. [Source](#)

### **Sherborne Investors Management increased its stake in Navient Corp**

Market Cap: \$2.5 billion| Navient Corp is a provider of asset management and business processing solutions for education, health care, and government clients at the federal, state, and local levels.

#### Background

##### Sherborne Investors Management

- On March 4, 2022, Sherborne Investors Management disclosed a 6.8% active stake in the company. It stated that it has engaged in discussions with management regarding the company's capital allocation and future strategic direction. It has also discussed possible board representation. [Source](#)
- On March 11, 2022, Sherborne Investors Management increased its stake to 8.2%.

#### Update

On March 18, 2022, Sherborne Investors Management increased its stake to 19.4%.

#### **Past**

##### Canyon Capital Advisors

In April 2019, Canyon Capital Advisors nominated four candidates to the board. In May 2019, Canyon Capital Advisors reached an agreement with the company and secured two Board seats. In January 2020, Canyon Capital Advisors sold its entire stake in the company.

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

Market Cap: \$271million | 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](#)

## (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.

## Update

### George E. Norcross, III

- 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 the offer to inject \$50 million into the bank, purchase up to a majority of the 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.

### Driver Management

On April 13, 2022, Driver Management delivered a [letter](#) to the Board stating that in February 2022, it had demanded a shareholder list. Still, the company has not yet provided the list. To that end, Driver Management assumes that the company's refusal is intended to interfere with both the ability to solicit proxies for the 2022 Annual Meeting and shareholders' right to elect directors of their choosing.

## **Pangaea Ventures/ Ortelius Advisors seeks support for its nominees at Trecora Resources stockholders**

Market Cap: \$216 million | Trecora Resources primarily manufactures and sells various specialty petrochemicals products and specialty waxes in the United States.

### Background:

#### Bradley L. Radoff

- On September 9, 2021, Bradley L. Radoff (3.6%) stated his belief that the company's current share price does not reflect the underlying intrinsic value of its business. Bradley L. Radoff has engaged with, and intends to continue to engage with, members of the management and board regarding a range of methods to enhance shareholder value, including a potential sale of the company
- On November 17, 2021, Bradley L. Radoff (5%) stated that he was disappointed by the company's November 3, 2021 announcement regarding its failed M&A opportunity. Bradley L. Radoff continues to believe that a sale of the company is the best risk-adjusted path forward for the company and its stockholders, and that the board should publicly announce a strategic review process seeking the sale of the company. Bradley L. Radoff does not believe that the current board is acting in the best interests of stockholders and are strongly considering nominating a competing slate of proven director candidates with track records of creating stockholder value for election to the board at the upcoming 2022 AGM. [Source](#)
- On March 14, 2022, Bradley L. Radoff increased its stake to 6%.

#### Pangaea Ventures/ Ortelius Advisors

- On November 2, 2021, Pangaea Ventures/ Ortelius Advisors (11%) stated that it has engaged in discussions with the company and its management and certain members of its board on issues that relate to corporate governance, Board composition, and shareholder value-enhancing strategies. [Source](#)
- On February 7, 2022, Pangaea Ventures/ Ortelius Advisors (11.3%) submitted a notice of its intent to nominate a slate of six candidates for election to the Board at the 2022 AGM. [Source](#)

### Update:

- On March 22, 2022, Pangaea Ventures/ Ortelius Advisors delivered an open [letter](#) to the shareholders reiterating its concerns and seeks support for its nominees.
- On April 1, 2022, Pangaea Ventures/ Ortelius Advisors filed proxy materials seeking support for its nominees.

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- On April 12, 2022, Pangaea Ventures/ Ortelius Advisors filed proxy materials seeking support for its nominees.

## **Donerail nominates a full slate of director candidates at Turtle Beach Corporation**

Market Cap: \$342 million| Turtle Beach Corporation operates as an audio technology company.

### Background:

- On August 9, 2021, The Donerail Group (6.4%) stated that it had been engaged with the Board and management for the past five months regarding a number of value-creating and governance-enhancing topics. In a [letter](#) to the company dated July 19, 2021, Donerail made an offer on April 27, 2021, to acquire the company at \$34.50 per share.
- On August 19, 2021, Donerail issued a [press release](#) announcing that the company had rejected Donerail's updated offer of \$36.50 per Share. Since submitting its increased \$36.50 per share offer, the Board has indicated to Donerail that \$36.50 per share is inadequate and that the Board would only be open to re-engaging if Donerail provides a proposal at a meaningfully higher price, thereby effectively rejecting Donerail's \$36.50 all-cash offer that would provide certain, immediate and meaningful value to the shareholders. Donerail further highlighted its concerns that the company's reactions to Donerail's proposals demonstrate the entrenchment of the Board and its unwillingness to genuinely consider opportunities to maximize value for all the shareholders.
- On December 22, 2021, Donerail (7.4%) issued a [press release](#) announcing that it had submitted the Revised Offer to acquire the company at \$32.86 per share.
- On March 3, 2022, Donerail Group withdrew its acquisition offer and issued a letter to shareholders stating that it intends to nominate a full slate of director candidates for election to the Board at the 2022 AGM. It expressed its disappointment with the company's fourth-quarter 2021 results and 2022 annual guidance. [Source](#)

### Update:

- On March 22, 2022, Donerail Group nominates a full slate of six candidates for election to the Board at the 2022 AGM. Further, Donerail Group announced that SCW Capital Management and Harbert Fund Advisors have joined with them to effect change at the company. Together they hold 8.5%. It has launched [www.ResetTurtleBeach.com](http://www.ResetTurtleBeach.com) for updates on its campaign for change. [Source](#)
- On April 6, 2022, Donerail Group (8.5%) issued a [letter](#) to the shareholders soliciting vote for its nominees

## **Elon Musk is not joining the Board of Twitter**

Market Cap: \$40 billion| Twitter, Inc. operates as a platform for public self-expression and conversation in real-time.

- 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

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- On April 9, 2022, Elon R. Musk informed the company that he was not joining the Board. [Source](#)

## **ETFs Capital and Lion Point nominate three candidates to the Board of WisdomTree Investments**

Market Cap: \$809million | WisdomTree Investments, Inc., through its subsidiaries, operates as an exchange-traded funds (ETFs) sponsor and asset manager..

### Background

On March 8, 2022, ETFs Capital Limited (10.5%) and Lion Point Capital (3.1%) stated that it seeks changes to the composition of the Board and management. ETFs Capital intends to attempt to work constructively with the company to arrive at a solution that puts the company in the best position to unlock value for the benefit of all stockholders and expect to have a dialogue with members of the Board to this end. In light of an upcoming key deadline for the 2022 AGM, ETFs Capital reserve their right to take their case for Board representation directly to the stockholders. [Source](#)

### Update:

On March 18, 2022, ETFs Capital Limited (18.6%) and Lion Point Capital (3.1%) nominated three candidates for election to the Board at the 2022 AGM. [Source](#)

## **Gamco supports the strategic review announced by CIRCOR International**

Market Cap: \$583 million | CIRCOR International, Inc. designs, manufactures, and markets engineered products and sub-systems worldwide.

On March 14, 2022, the company announced that in February 2022, its Board initiated a full review of potential strategic alternatives. On March 17, 2022, Gamco (7.86%) announced that it supports the company's strategic review.

### Past

- On April 30, 2019, Gamco proposed to acquire the company. On May 13, 2019, the company rejected the offer. [Source](#)
- On February 6, 2020, Gamco nominated two candidates to the Board. On April 7, 2020, the company announced that it would promptly add Mr. Bruce M. Lisman to its board following the 2020 annual meeting. As a result, Gamco (11.67%) has withdrawn its nominees for election as directors and will vote its shares in favor of the election of the company's nominees at the 2020 annual meeting. [Source](#)

## **Gamco reiterates its suggestions to vote against the proposed merger of Communications Systems**

Market Cap: \$19 million| Communications Systems, Inc., through its subsidiaries, manufactures and sells connectivity infrastructure products for broadband and voice communications in North America, Europe, the Middle East, Africa, and internationally.

Background:

- On January 28, 2020, Gamco (10.74%) stated that it intends to nominate Mr. Michael R. Zapata for election to the Board. [Source](#)
- On April 13, 2020, the company announced that its Board would nominate Mr. Zapata for election as a director at the 2020 Annual Meeting, scheduled for June 17, 2020. [Source](#)

Update:

- On March 8, 2022, GAMCO's proxy voting committee announced its intent to vote "Against" the company's agreement and plan of merger with Pineapple Energy, LLC.
- On March 16, 2022, the company held its special meeting of shareholders. It announced that the company did not receive the affirmative vote of at least two-thirds of the company's total shares required to approve the merger.
- The company adjourned the special meeting with respect to the merger proposal until March 23, 2022. The GAMCO's proxy voting committee reiterates its intent to vote "Against" the merger at shareholders' March 23rd special meeting.

### **Black Diamond Capital Management nominates Board candidates to Consumer Portfolio Services**

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

Background:

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](#)

Update:

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 its intent to nominate the Proposed Nominees, Mr. Deckoff and James E. Walker III. [Source](#)

### **Roumell Asset Management reduced its stake to below 5% in Enzo Biochem**

Market Cap: \$145 million | Enzo Biochem (ENZ) is a pioneer in molecular diagnostics, leading the convergence of clinical laboratories, life sciences, and intellectual property

through the development of unique diagnostic platform technologies that provide numerous advantages over previous standards

Background:

(a) Harbert Discovery Fund:

- In February 2020, Harbert Discovery Fund secured two board seats after winning a proxy campaign. In September 2020, the fund called for the immediate resignation of the CEO after two of Harbert's nominees resigned abruptly. In January 2021, Harbert Discovery Fund sent a letter to the board's independent members stating that it voted against the re-election of Dr. Rabbani and the company's other nominees. The letter further expressed disappointment that the company did not address a series of questions that were submitted to the company in advance of the 2020 annual meeting of shareholders. Later, the company announced that Dr. Rabbani did not receive a majority of the votes cast and tendered his resignation to the board. The board announced that it is yet to accept the resignation and will wait for 90 days to decide on this.
- On March 16, 2021, Harbert Discovery Fund (10.73%) sent a [letter](#) to the Board calling on them to pursue strategic alternatives and enter into discussions with potential acquirers. The letter also expressed disappointment in the Board's apparent decision to not accept Dr. Rabbani's resignation.
- On October 27, 2021, Harbert Discovery Fund (10.68%) sent a letter (refer [Exhibit 12](#)) to the independent members of the Board, urging them (i) to make corporate governance changes that ensure newly appointed CEO, Hamid Erfanian, will have the authority to manage the business without interference from Dr. Rabbani; and (ii) to fulfill his or her fiduciary duties and represent the interests of all shareholders.

(b) Roumell Asset Management:

- In November 2020, in a surprising move, Roumell Asset Management ("RAM") nominated two director candidates for election to the board at the 2021 AGM. The company rejected the nomination letter. On January 5, 2021, RAM issued a press release announcing the annual meeting's preliminary results. Based on a preliminary tally, Dr. Rabbani received over 55% of the voting shares against his re-election. On January 14, 2021, RAM delivered a letter to two non-executive independent directors of the company, requesting the opportunity to discuss the voting results of the annual meeting and the nominees and RAM's other business proposals.
- On May 5, 2021, RAM delivered a [letter](#) to the non-executive independent directors of the company stating his belief that by refusing to accept the resignation of Dr. Elazar Rabbani, an incumbent director who failed to receive a majority of the votes cast at the AGM held on January 4, 2021, the members of the Board acted against the will of the shareholders and did not fulfill their duties as stewards of shareholder interests. The May 5 Letter also urged the company to begin providing more timely updates on the initiatives previously started, including hiring executive search firm Korn Ferry to identify CEO candidates, hiring the former CEO of LabCorp, Gary M. Huff, as the Board's strategic consultant, and hiring a financial advisor to evaluate strategic alternatives.
- On September 29, 2021, RAM (6%) delivered a letter to the company nominating a slate of two director candidates, consisting of Mr. Terino and Ms. Meline for election to the Board at the upcoming AGM and submitting one precatory business proposal requesting that the Board take all necessary steps in its power to declassify the Board. [Source](#)

(c) James G. Wolf

- On October 1, 2021, James G. Wolf stated that he may nominate himself for election as a director of the Company at the next AGM if he is not nominated by the Board [Source](#)
- On November 15, 2021, James G. Wolf (6.73%) reiterated that he may nominate himself to the Board. [Source](#)

(b) Bradley L. Radoff

- On October 6, 2021, Mr. Radoff (6.4%) announced that he has nominated himself and Lorrie A. Carr for election to the Board at the 2021 AGM. He stated his belief that the company desperately needs to improve its corporate governance practices and refresh the Board in order to generate shareholder value. Mr. Radoff stated that not only has the incumbent Board overseen drastic Share price underperformance, it has routinely disregarded the will of shareholders, including by failing to accept the resignation of Dr. Elazar Rabbani following his failure to receive a majority of the votes cast at the 2020 AGM despite the company's majority voting standard in uncontested elections. [Source](#)
- On October 19, 2021, Mr. Radoff issued an open [letter](#) to Dr. Mary Tagliaferri and Dr. Ian B. Walters, who joined the Board in November 2020. Mr. Radoff urges to consider the following; (i) The Board needs to take swift action to prevent Dr. Rabbani from perpetually controlling the Company, as if it is his own private fiefdom, (ii) The Board needs to transparently update shareholders on its months-long strategic review, (iii) The Board should pursue a negotiated resolution with shareholders who have nominated director candidates, rather than force another costly contested election.
- On October 22, 2021, Mr. Radoff increased his stake to 7.5%
- On November 19, 2021, Mr. Radoff (6.4%) filed [proxy materials](#) nominating two director nominees to the Board.
- On December 2, 2021, Mr. Radoff filed proxy materials seeking support for his nominees.
- On December 27, 2021, Mr. Radoff increased his stake to 8.9%
- On January 3, 2022, Bradley L. Radoff entered into a [Cooperation Agreement](#) with the company. Pursuant to the Cooperation Agreement, the company agreed to immediately appoint Hamid Erfanian and Mr. Radoff to the Board as Class I directors with terms expiring at the upcoming 2021 AGM, whereat they will be nominated for re-election, in place of Dov Perlisky and Rebecca Fischer, who each resigned from the Board on January 3, 2022. Mr. Radoff was also appointed as the Chairman of the Audit Committee and as a member of the Nominating/ Governance Committee and Compensation Committee. In addition, at the 2021 Annual Meeting the company will propose an amendment to its Charter and seek shareholder approval to declassify the Board such that, if passed, directors standing for election at and subsequent to the 2021 Annual Meeting will stand for election to one-year terms.

Update:

On March 25, 2022, Roumell Asset Management reduced its stake to 4.98%.

## **Legion Partners urges Genesco to repurchase shares**

Market Cap: \$1 billion | Genesco Inc. is a retailer and wholesaler of footwear, apparel and accessories.

On March 17, 2022, Legion Partners (6.2%) stated its belief that the current market price of the shares does not reflect the company's intrinsic value. It stated that as of January 29, 2022, the company's balance sheet had over \$320 million in cash (over \$23 per Share, which equates to approximately 33% of the current market price of the shares as of March 17, 2022). While Legion Partners strongly applauded the significant share repurchase executed by the company in the last year totaling \$82.8 million, which equated to 9% of the outstanding shares at an average per-share price of under \$61, Legion Partners believes more share repurchases should be immediately executed in an accelerated manner to further return value to shareholders. The company appears to be taking steps to achieve this goal by approving an additional \$100 million share repurchase authorization in February 2022. However, Legion Partners believes that the company should immediately explore options to execute an accelerated Share repurchase of at least \$200 million to act more quickly in this critical value creation effort. Legion Partners noted that the company's enterprise value utilizing the current market price of the shares of \$70 per share, imply that the shares are trading for roughly 3.5x Legion Partners' estimate of the company's EBITDA for the current fiscal year of \$187 million (note: Legion Partners' view of EBITDA is nearly identical to sell-side consensus estimates). This valuation highlights the absurd valuation disconnect in shares. [Source](#)

On March 31, 2022, Legion Partners increased its stake to 6.8%.

### Past

- On April 24, 2018, Legion Partners Asset Management and 4010 Capital entered into a [cooperation agreement](#) with the company and pursuant to it, the company increased the size of its Board by two and immediately appointed two new independent directors to the Board with a term expiring at the 2018 AGM.
- On April 12, 2021, Legion Partners Holdings (5.6%) delivered a letter to the company nominating a slate of seven candidates for election to the Board at the 2021 AGM
- On May 21, 2021, the company [announced](#) the appointments of three new independent directors, former Chairman and Chief Executive Officer of Deckers Brands, Angel Martinez; Chief Financial Officer of Valvoline Inc. and former Chief Financial Officer of DSW Inc., Mary Meixelsperger; and former Chief Executive Officer of Tractor Supply Company, Greg Sandfort, to the Genesco Board
- On May 24, 2021, Legion Partners (5.9%) announced that in light of the partial refresh of the Board, it notified the company of the withdrawal of three candidates and continues to solicit proxies to elect four nominees to the Board. [Source](#)
- At the [AGM](#) held on July 21, 2021, shareholders elected all the company's director nominees to the Board.
- On September 13, 2021, Legion Partners (6.1%) stated that it is concerned that the company's publicly stated strategic plan is flawed, especially with respect to the pursuit of "synergistic acquisitions to add growth." It stated that in its view, the company has an extremely poor track record of executing acquisitions and rather than wasting shareholder resources on such an endeavor, Legion Partners believes the capital would be far better utilized repurchasing the company's Shares. [Source](#)

## Starboard secured a board seat in Green Dot Corp

M.Cap: \$1.4 billion | Green Dot Corporation (Green Dot) is the bank holding company of Green Dot Bank. The Company is a provider of reloadable prepaid debit cards and cash reload processing services in the United States.

On March 14, 2022, the company announced the appointment of Mr. Feld, Managing Member of Starboard (9.6%), as a member of the Board, effective March 11, 2022. [Source](#)

### Past

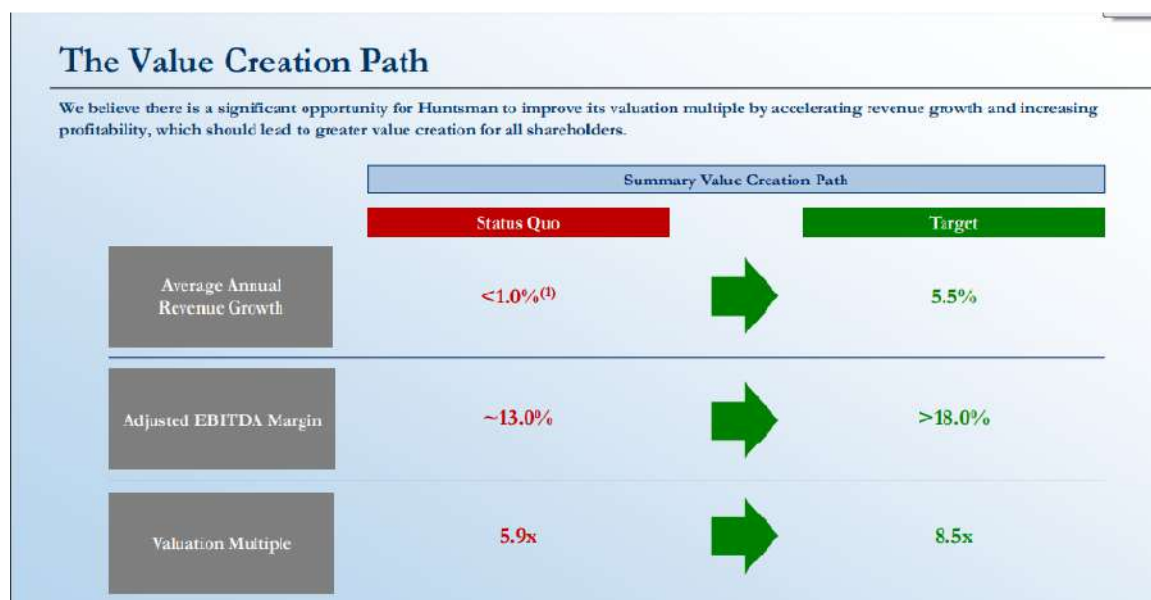
In March 2016, Harvest Capital nominated three board candidates, and in May 2016, two of its nominees were elected to the board at the 2016 AGM.

## Starboard reduced its stake after losing its election in Huntsman Corp

Market Cap: \$8 billion | Huntsman Corporation is a global diversified chemicals manufacturer.

### Background

- In an October 2021 Active-Passive Investor Summit, Starboard issued a [presentation](#) stating that there is a significant opportunity for Huntsman to improve its valuation multiple by accelerating revenue growth and increasing profitability, which should lead to greater value creation for all shareholders.



- On January 12, 2022, Starboard filed its Amendment No. 1 to the SC 13D with respect to the company announcing its nomination of a slate of director nominees for election at the annual meeting. [Source](#)
- On January 20, 2022, Starboard (8.6%) filed proxy materials seeking support for its nominees.

- On February 3, 2022, Starboard filed proxy materials seeking support for its nominees.
- On February 10, 2022, Starboard issued a press release and delivered a [letter](#) to stockholders highlighting company's history of failed operational execution, long-term stock price underperformance and missed promises. It urges all shareholders to vote FOR its four nominees.
- On February 17, 2022, Starboard issued a [letter](#) expressing its displeasure to the company in connection with the company's repeated questions and requests for information regarding Starboard and its nominees following the delivery of Starboard's nomination notice to the company. Starboard argued that its nomination notice included all of the information required of Starboard and its nominees pursuant to the Company's Sixth Amended and Restated Bylaws.
- On February 25, 2022, Starboard (8.8%) filed proxy materials seeking support for its nominees.
- On March 1, 2022, Starboard issued a detailed [presentation](#) titled "Transforming Huntsman Corporation," outlining Starboard's views on Huntsman, the challenges that plagued the company historically and continue to exist today, opportunities to drive improved performance, and details surrounding Starboard's slate of director nominees.
- On March 4, 2022, Starboard issued an open [letter](#) to the shareholders highlighting the company's history of failed operational execution, long-term share price underperformance, missed promises, poor governance and compensation practices, and problematic ESG practices. It urges shareholders to vote for its nominees.
- On March 7, 2022, Starboard's director candidate James Gallogly delivered a [letter](#) to David Stryker, the Company's EVP and General Counsel, highlighting various false and misleading statements with respect to Mr. Gallogly's background and experience that were published by the Company in recent communications and filings.
- On March 8, 2022, Starboard issued a [supplemental presentation](#) responding to various false and misleading statements and mischaracterizations made by Huntsman in its recent investor presentation.
- On March 13, 2022, Glass Lewis has recommended that shareholders vote "FOR ALL" of Huntsman's director nominees on the WHITE proxy card at its 2022 AGM. [Source](#)

## Update

- On March 14, 2022, Starboard [announced](#) that ISS has recommended that shareholders vote on Starboard's **BLUE** proxy card to elect Starboard nominees, James L. Gallogly and Jeffrey C. Smith, to the Board.
- On March 22, 2022, Egan-Jones recommends shareholders vote on Starboard's **BLUE** Proxy Card to elect all four of Starboard's nominees at upcoming annual meeting. [Source](#)
- On March 25, 2022, the company [announced](#), based on preliminary vote results provided by its proxy solicitor following the company's 2022 annual meeting of stockholders, that huntsman shareholders have voted to elect all 10 of its director nominees.
- On April 6, 2022, Starboard reduced its stake to 6.8%.

## **Triam Fund Management increased its stake after securing Board seats in Janus Henderson Group**

Market Cap: \$5.4 billion | Janus Henderson Group plc is an asset management holding

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entity. Through its subsidiaries, the firm provides services to institutional, retail clients, and high net worth clients. It manages separate client-focused equity and fixed income portfolios.

#### Background:

- In October 2020, Trian Fund Management disclosed a 9.9% activist stake and stated that it intends to further discuss with the board and/or management and may encourage the company to explore certain strategic combinations. [Source](#)
- On July 19, 2021, Trian Fund Management increased its stake to 13%.
- On October 4, 2021, Trian Fund Management (14.43%) stated that it has met with the company's Non-Executive Chairman Richard Gillingwater and CEO Richard M. Weill to discuss, and they intend to continue to discuss with members of the board and/or management from time to time, various strategic and operational initiatives that Trian Fund believes can generate value, including recommendations relating to the company's operations, organizational structure, technology, product offerings, talent development and retention strategies, capital allocation and dividend policies and corporate governance (such as initiatives relating to the company's executive compensation design, organizational documents, and management and Board composition, including Board representation). [Source](#)
- On November 16, 2021, Trian Fund Management (15.43%) stated that it continues to engage in discussions with the board and/or management regarding various strategic and operational initiatives that they believe can generate value. As part of those discussions, Trian Fund Management has proposed changes to the composition of the board, including the addition of independent directors unaffiliated with them. [Source](#)
- On December 13, 2021, Trian Fund Management increased its stake to 16.63%.
- On January 6, 2022, Trian Fund Management increased its stake to 16.72%.
- On February 1, 2022, the company increased the size of its Board and appointed each of Nelson Peltz, CEO and a Founding Partner of Trian Management, and Ed Garden, CIO and a Founding Partner of Trian Management, as Independent Non-Executive Directors effective as of such date. The company has agreed to include Mr. Peltz and Mr. Garden on its slate of director nominees in its proxy statement for its 2022 AGM. The Board has appointed Mr. Peltz to the Nominating and Corporate Governance Committee, and it has appointed Mr. Garden to the Nominating and Corporate Governance Committee and the Compensation Committee. [Source](#)
- On March 9, 2022, Trian Fund Management increased its stake to 17.61%.

#### Update:

On March 31, 2022, Trian Fund Management increased its stake to 18.85%.

### **Cannell Capital questioned Lee Enterprises regarding corporate governance structures**

Market Cap: \$152 million | Lee Enterprises, Incorporated (LEE) provides local news and information, and advertising services in the United States.

#### Background:

[Alden Global Capital, LLC, Strategic Investment Opportunities LLC and MNG Enterprises](#)

- On November 22, 2021, Alden Global Capital, LLC, together with MNG Enterprises and Strategic Investment Opportunities LLC (together 6.3%) delivered a Non-Binding Proposal to the board in respect of a potential offer by Alden to acquire all of the outstanding shares of common stock at a price per share equal to \$24.00 in cash. [Source](#)
- On November 29, 2021, the shareholder group announced that they delivered a notice of nomination of three individuals to serve on the board. [Source](#)
- On December 9, 2021, the company issued a press release announcing that the board rejected the Alden Proposal.
- On December 15, 2021, MNG Enterprises filed a complaint with respect to the company's rejection of its previously reported director nominees. [Source](#)
- On January 27, 2022, the shareholder group delivered a [letter](#) to the company withdrawing the nomination of Carlos Salas, one of its original Board candidates, in light of the decision to focus its proxy contest efforts on the replacement of two of the company's director nominees, Ms. Junck and Mr. Moloney, both of whom are extremely long-tenured and have been re-nominated in apparent contravention of the company's director retirement policy.
- On January 28, 2022, MNG Enterprises delivered to the company a letter requesting to inspect a complete list of the company's stockholders and certain other corporate records as permitted by applicable state law (the "Stockholder List Demand Letter"). The purpose of the Stockholder List Demand Letter is to enable MNG Enterprises to communicate with the stockholders in connection with its solicitation and any other matters that may properly come before the annual meeting. [Source](#)
- On February 3, 2022, the shareholder group issued a statement regarding the company. Kindly [click here](#) to read the statement.
- On February 8, 2022, the shareholder group filed proxy materials seeking support for its nominees. [Source](#)
- On February 15, 2022, the company [announced](#) that the Delaware Chancery Court has upheld the decision by Lee's Board of Directors to reject the director nomination notice submitted by Alden Global Capital, LLC
- On February 15, 2022, Alden Global Capital issued a [statement](#) in response to the Delaware Chancery Court's decision to uphold Lee's invalidation of Alden's two highly qualified and fully independent director candidates and announced that its affiliate would be filing preliminary proxy materials with the SEC for a "Vote No" campaign seeking shareholder support to compel the resignations of two extremely long-tenured and deeply entrenched incumbent candidates – Mary Junck and Herbert Moloney III – and to send a clear message that meaningful governance improvements and Board enhancements are required at Lee to turn around years of poor performance. Also, the shareholder group issued a presentation entitled "Independent and Experienced Leadership is Required to Create Stockholder Value at Lee Enterprises – VOTE AGAINST the election of Mary Junck and Herb Moloney"
- On February 16, 2022, the shareholder group sent a [letter](#) to the board discussing their concerns with the current plurality voting standard for the election of directors at the Annual Meeting and their views that the board was clearly using the plurality voting standard as a tool to entrench themselves further and avoid accountability to the stockholders.
- On February 22, 2022, the shareholder group filed proxy materials seeking support to vote **WITHHOLD** on the re-election of Mary E. Junck and Herbert W. Moloney III as directors whom they believe are most responsible for the Company's history of poor performance and poor governance. Also, a member of the Stockholder Group, Strategic

Investment Opportunities LLC filed a complaint in the Court of Chancery of the State of Delaware with respect to the company's determination that the election of directors at the Annual Meeting is "contested" and that a plurality voting standard applies. [Source](#)

- On March 2, 2022, Communications Workers of America urges shareholders to vote FOR the three director nominees put forward by the Lee Enterprises' Board on the WHITE proxy card and to REJECT Alden Global Capital's "vote no" campaign on the BLUE proxy card. [Source](#)
- On March 10, 2022, the company [announced](#) that at the AGM, shareholders overwhelmingly voted to re-elect Lee's three director nominees.

### Cannell Capital

- In 2019, Cannell Capital recommended shareholders to vote AGAINST the election of incumbent directors. At the AGM held on February 20, 2019, all the incumbent directors were re-elected to the board.
- On February 19, 2021, Cannell Capital (8.64%) stated that it had enjoyed a telephone call with Lee Enterprises Chairman Mary E. Junck in which it proposed and requested a reply to a recommendation for the addition of a new member to the board of directors. Cannell Capital believes that the company is undervalued and that this new member of the board's appointment would go a long way toward decreasing the discount between LEE's market value and its estimate of LEE's economic value. On February 26, 2021, Ms. Junck replied to Cannell Capital, dismissing its recommendation and request. While Cannell Capital applauds the progress that the company has made, it believes that there is considerably more work to be done and that changes to the board of directors would benefit all shareholders. [Source](#)
- On August 31, 2021, Cannell Capital (6.84%) sent a letter to the Chairwoman of the Board calling upon all owners to infuse the Lee board with more forward-thinking people to accomplish its mission and increase value for all shareholders. In its letter, Cannell Capital included two attachments: its thesis, which values Lee's current shares at \$205 per share *assuming* (a very important assumption) new stewardship, and a list of questions for Lee. Cannell reiterates the morality and benevolent intent of Lee's management and the BOD. To read more, [click here](#).
- On September 23, 2021, Cannell Capital increased its stake to 8.21%.
- On January 26, 2022, Cannell Capital decreased its stake to 7.24%.

### Update:

On April 11, 2022, Cannell Capital increased its stake to 9.3% and disclose the list of [questions](#) regarding corporate governance structures.

### PAST

### Praetorian Capital Management

On December 8, 2021, Mr. Kupperman, Praetorian Capital Management (7.31%), submitted a [letter](#) to the board regarding the takeover proposal by Alden Global Capital, LLC issued on November 22, 2021. He stated that Alden's proposed purchase price is insufficient and opportunistic, grossly undervaluing the business.

### Valuation insight

I believe the shares are worth north of \$100 today and likely worth a few hundred each if the digital transformation continues at the current pace. The only reason that the shares trade where they do, is that investors have yet to realize that while the traditional print newspaper business slowly declines, the digital business has been growing rapidly, becoming an increasingly substantial percentage of the total business. Based on third quarter, 2021 numbers, LEE's digital business grew revenue by 48.3% over the prior year, with digital subscriber count growing by 50.5%. A full 33.4% of the company's revenue and almost half of the company's adjusted EBITDA now comes from this rapidly growing digital business. I believe that by 2023, approximately half of revenue and two-thirds of adjusted EBITDA will come from the digital business.

LEE has produced Trailing Twelve Month (TTM) Adjusted EBITDA of \$116.2 million and this is despite the effects of COVID on the local marketing business and before the full synergies of the B.H. Media merger could be realized. I believe the company can earn north of \$150 million of Adjusted EBITDA in 2023 and if LEE traded at 15 times Enterprise Value (E.V.) to Adjusted EBITDA (adjusted for debt paydown), it would still trade at a discount to more dominant papers like the New York Times (NYT) at approximately 20 times EV/EBITDA, yet trade for north of \$300 per share.

### Joseph Stilwell seeks support for his nominee at Peoples Financial Corp

Market Cap: \$75 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 director at the Issuer's 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.

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Update:

- 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.

### **Velan Capital Partners and Repertoire Partners nominate Board candidates to Radius Health**

Market Cap: \$397 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](#)

Update:

On March 11, 2022, Velan Capital Partners and Repertoire Partners delivered a letter to the company nominating four candidates for election to the Board at the 2022 AGM. [Source](#)

### **TreeHouse Foods names Scott Ostfeld, JANA Partners' candidate, to the Board of Directors**

Market Cap: \$1.8 billion | TreeHouse Foods, Inc. operates as a consumer packaged food and beverage manufacturer in the United States and internationally.

Background:

- On January 29, 2021, JANA Partners (7.5%) delivered a notice to the company of their intent to propose three nominees for election at the 2021AGM.
- On March 2, 2021, JANA Partners (7.4%) entered into a cooperation agreement with the company, and pursuant to it, TreeHouse will appoint to its board two new independent directors: John P. Gainor Jr. (one of the nominees of JANA Partners) and Kenneth I. Tuchman.
- On November 8, 2021, the company [announced](#) its plan to explore strategic alternatives, including a possible sale of the Company or a transaction to allow the Company to focus on its higher-growth Snacking & Beverages business by divesting a significant portion of its Meal Preparation business.
- On December 30, 2021, JANA Partners (9.2%) stated that it has nominated two Board candidates and intends to have constructive discussions with the board and management regarding avenues to resolve the company's undervaluation and total stockholder return, including evaluating a sale of the company, operations, capital allocation,

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changes to the composition of the Board, corporate governance and compensation practices. [Source](#)

- On January 27, 2022, JANA Partners (9.2%) delivered a notice to the company of its intent to propose Wendy Beck, Christopher Sliva, and Scott Ostfeld for election at the 2022 AGM. JANA has nominated three nominees (rather than two) in the event that John P. Gainor Jr. is not renominated by the company for re-election at the 2022 annual meeting. [Source](#)

#### Update:

On April 12, 2022, JANA entered into a [letter agreement](#) with the company. Pursuant to it, the company agreed to appoint Mr. Ostfeld to the Board as of the date hereof for a term expiring at the 2023 annual meeting of stockholders.

### **JANA Partners seeks support for its nominees at Zendesk**

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 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 urged shareholders to vote AGAINST the transaction.
- On February 25, 2022, the company [announced](#) that it had terminated its 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.

#### Update

- 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 end its transparent and costly entrenchment tactics and immediately schedule a date for its 2022 annual meeting.

### **Land & Buildings Investment Management seeks support for its nominee at Ventas**

Market Cap: \$25 billion | Ventas, an S&P 500 company, operates at the intersection of two powerful and dynamic industries – healthcare and real estate.

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#### Background:

- On March 7, 2022, Land & Buildings Investment Management issued an open [letter](#) to the shareholders expressing concerns with the performance of the company and nominated its Founder and CIO Jonathan Litt for election at the upcoming 2022 AGM.
- On March 7, 2022, Land & Buildings Investment Management filed proxy materials seeking support for its nominee. [Source](#)

#### Update

- On April 6, 2022, Land & Buildings issued an [Investor Presentation](#) titled “Curing a Decade of Underperformance” reiterating its concerns and seeks support for its nominees.
- On April 11, 2022, Land & Buildings issued a Rebuttal [Investor Presentation](#) titled “Responding to the Company’s underwhelming ‘Winning Strategy’”

### **David Hall, Founder of Velodyne Lidar, nominates Board candidates to Velodyne Lidar**

Market Cap: \$1.2 billion | Velodyne Lidar, Inc. develops and produces lidar sensors for use in industrial, 3D mapping, drones, and auto applications in North America, the Asia Pacific, Europe, the Middle East, and Africa.

#### Background:

- On February 12, 2021, David S. Hall (58.4%), founder and executive chairman of the board, delivered a letter to the company nominating Eric Singer, managing member of VIEX Capital Advisors, for election to the board at the 2021 AGM. [Source](#)
- On March 2, 2021, David S. Hall (58.4%) resigned as a director of the company stating that he was felt marginalized in the boardroom and did not believe his input had been respected by the other members of the Board. [Source](#)
- On March 10, 2021, David S. Hall (54.7%) issued a [letter](#) to the Board stating that he resigned from the Board because he had numerous concerns about the strategic direction and current leadership of Velodyne Lidar. He stated his belief that the Board has fostered an anti-stockholder culture and that Velodyne Lidar’s corporate governance is broken. Perhaps most unsettling was the Board’s decision to rubberstamp an increased compensation package for Mr. Gopalan despite the Company releasing weak Q4 2020 earnings and missing year end forecasts.
- At the AGM held on June 10, 2021, Eric Singer was elected to the Board as a Class I director to hold office until the 2024 AGM and until his successor is elected or appointed. [Source](#)
- On July 16, 2021, Anand Gopalan delivered notice of his intent to resign as CEO of the company and from the board of directors effective as of July 30, 2021. [Source](#)
- On October 21, 2021, David Hall [announces](#) intent to nominate two director candidates for election at the company’s 2022 AGM.
- On November 3, 2021, David Hall issued a [statement](#) in response to the Company’s November 1, 2021 [announcement](#) regarding changes to its Board. David Hall condemns moving Chairman Michael Dee from a Class II Director to a Class III Director to avoid having him stand for re-election at the 2022 AGM. David Hall urges the board to welcome new directors with integrity, open-mindedness, and technology experience.

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- On March 11, 2022, David Hall (10.1%) announced his intent to submit a shareholder proposal seeking to remove Michael Dee from the Board for cause. Since the Board is classified, stockholders can only remove a director for cause and only by the affirmative vote of the holders of at least 66 2/3% of the outstanding shares. David Hall believes cause exists to remove Mr. Dee from the Board because, in his view, Mr. Dee has controlled the Board and directed it to take actions to the detriment of all stockholders in breach of his fiduciary duties. As previously announced in October 2021, he nominates three candidates for election to the Board at the 2022 AGM. [Source](#)

Update:

On March 15, 2022, David Hall issued a [letter](#) regarding his decision to submit a business proposal seeking the removal of Chairman Michael Dee for cause and nominate three candidates for election to the Board at the 2022 AGM.

## Sachem Head files updated preliminary proxy statement at U.S. Foods Holding Corp

Market Cap: \$8.2 billion | U.S. Foods Holding Corp., through its subsidiary, U.S. Foods, Inc., markets and distributes fresh, frozen, and dry food and non-food products to foodservice customers in the U.S.

Background:

On February 15, 2022, Sachem Head Capital Management (8.7%) announced that it had nominated seven candidates for election to the board at the 2022 AGM.

Valuation Insight

Over the next few years, there is a significant opportunity for U.S. Foods to improve operational execution, resulting in adjusted EBITDA margins closer to Sysco's domestic business. With renewed focus at the Board level, we believe the company can realize \$300 million in profit upside over consensus EBITDA estimates, leading to a clear path to achieving \$4.00 in earnings per share in the coming years. Assuming valuation levels more in-line with peers as the market regains faith in better execution, **we believe there could be greater than 100% upside from current stock price levels.**

[Source](#)

On February 22, 2022, Sachem Head Capital Management commented on the Company's earnings announcement as, (i) US Foods' new 2022 guidance would still be a disappointing result relative to the Company's closest peer, (ii) Long-term guidance still falls significantly short of the Company's full potential, (iii) The margin gap vs. Sysco remains relevant, and within the Company's control and, (iv) Sachem Head believes stockholders will see through attempts to distract them with misleading personal attacks. Kindly [click here](#) to read the entire statement.

Update:

- On March 17, 2022, Sachem Head Capital Management filed proxy materials seeking support for its nominees at the 2022 AGM. [Source](#)
- On April 11, 2022, Sachem Head Capital Management filed proxy materials updating that it plans to reduce its slate of seven director nominees to five director nominees.

## Macellum and Ancora seek support for their nominees at SpartanNash

Market Cap: \$1.3 billion | SpartanNash Company distributes and retails grocery products. It operates in three segments: Food Distribution, Military, and Retail.

On March 18, 2022, Macellum Advisors and Ancora Holdings ("the Investor Group") (together 4.5%) issued a press release and a [letter](#) to the shareholders nominating three candidates for election to the Board at the 2022 AGM. The investor group stated their belief that the leadership has failed to implement basic operating initiatives while leaving \$1 billion of owned real estate sitting idle on the balance sheet which has resulted in poor operating results and sustained share price underperformance. Moreover, they believe the Board's failure to effectively develop succession plans has resulted in constant chaos in the C-suite, with **four changes to the Company's Chief Executive Officer role in five years** yet no clear strategy for value creation. In light of the numerous concerns outlined in their letter, they are now seeking to accomplish the following for the benefit of all shareholders: (i) Elect their three-member slate, (ii) Replace Chairman Douglas Hacker, Director Margaret Shan Atkins, and Director William Voss, (iii) Ensure the Company finally has a credible and clear operating plan for delivering enhanced value, (iv) Ensure a properly refreshed Board is comparing a new operating plan to strategic alternatives.

### Valuation Insight

"Our analysis suggests there is still substantial interest from outside parties willing to pay a meaningful premium for the whole Company, its real estate or its assets. As detailed in our letter, we believe there are alternatives to continuing the status quo that can unlock at least \$50 per share for shareholders, based on a sum-of-the-parts analysis using the after-tax value of the Company's owned real estate (\$787 million) combined with 10x EBITDA for the Company's Food Distribution business and 7x EBITDA for its Retail business".

On April 4, 2022, Macellum Advisors and Ancora Holdings filed proxy materials seeking support for their nominees.

## Icahn Partners seeks support for its nominees in Southwest Gas Holdings

Market Cap: \$4.7 billion | Southwest Gas Holdings, Inc., through its subsidiaries, purchases, distributes, and transports natural gas in Arizona, Nevada, and California.

### Background:

- On October 4, 2021, the company announced that it had agreed to acquire Questar Pipeline Co, a gas transportation and storage business owned by Dominion Energy Inc (D.N), for \$1.98 billion.
- On October 4, 2021, Carl Icahn (4.91%) sent a letter to the Board stating that a purchase of Questar Pipeline for around \$2 billion would diminish shareholder value. Icahn stated that the company should instead focus on improving share price performance.

- On October 11, 2021, the company [announced](#) that it had adopted a short-term stockholder rights plan. The Rights Plan is designed to protect stockholder interests by reducing the likelihood that any person or group would gain control of Southwest Gas Holdings through the open-market accumulation of the Company's shares without appropriately compensating Southwest Gas Holdings' stockholders for control.
- On October 20, 2021, Carl Icahn published an open [letter](#) to stockholders which serves as a rebuttal to the [Management's letter](#) dated October 13, 2021. Carl Icahn stated the reasons and reiterated that his proxy contest and tender offer are in the interest of all stakeholders. He urged shareholders to vote for his upcoming slate and decide whether to tender their shares or participate in long-term value creation.
- On October 27, 2021, Carl Icahn submitted an unsolicited tender offer to acquire the outstanding shares of the company for \$75 per share in cash.
- On November 9, 2021, the company announced that its board, after a thorough review with the assistance of its external financial and legal advisors, has unanimously determined that the tender offer from Carl Icahn is inadequate, undervalues the company, is structurally coercive, and is not in the best interests of all of its stockholders. Accordingly, the board recommends that stockholders not tender any of their shares into the offer.
- Subsequently, Carl Icahn issued an open [letter](#) to the shareholders stating, "The statement issued today by the SWX board in response to our tender offer is almost inexplicable and frankly the height of hypocrisy. At the same time that they're telling stockholders their stock is worth more than our \$75 offer, they're amazingly also saying they've determined to issue up to \$1 billion of new stock, equivalent to almost 25% of the current market capitalization, in order to finance an ill-advised acquisition that will provide NO synergies and NO growth! That stock issuance would likely be at a valuation well below the currently depressed market price of \$68. In other words, it's fine for the board, in their infinite wisdom, to sell a block of SWX stock at somewhere below \$68, but they're advising YOU not to sell at \$75."
- On November 12, 2021, Carl Icahn issued an open [letter](#) to the board reiterating his proposal.
- On November 15, 2021, Carl Icahn issued a [presentation](#) titled, "Ratepayers and shareholders are suffering at the hands of the board and management."
- On November 24, 2021, Carl Icahn issued a [presentation](#) titled, "Customers should not suffer from poor management and bad decisions." In his presentation, Carl Icahn reiterated that he has nominated ten candidates for election to the board and launched a tender offer to purchase any and all shares of SWX's common stock that are tendered into the offer. The two proposals are independent of each other. Carl Icahn estimates that his slate could deliver customer savings of at least \$9 per year over the next 10 years with the potential for much more.
- On December 15, 2021, Carl C. Icahn released [presentations](#) regarding Southwest Gas Holdings.
- On December 21, 2021, the company announced that the Court issued a ruling denying the motion of Icahn Partners for a temporary restraining order with respect to Southwest Gas' permanent financing for its acquisition of Dominion Energy Questar Pipeline LLC. Icahn unsuccessfully sought to constrain the ability of Southwest Gas to raise permanent financing for the Company's acquisition of Questar. [Source](#)
- On January 3, 2022, the company [announced](#) that it had completed the acquisition of Dominion Energy Questar Pipeline, LLC, and its subsidiaries and certain affiliates.

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- On January 26, 2022, Icahn Enterprises [announced](#) that it had extended the expiration date of its tender offer until February 23, 2022.
- On February 15, 2022, Carl C. Icahn filed proxy materials seeking support for his nominees. [Source](#)
- On February 23, 2022, Icahn Enterprises [announced](#) that it has extended the expiration date of its tender offer until March 23, 2022.
- On March 2, 2022, the company announced it will move forward with its plan to complete the separation of Centuri within nine to 12 months.
- On March 7, 2022, Carl Icahn delivered a [letter](#) to the shareholders criticizing the company's plans to spin off and warned the shareholders not to be fooled by the company.

Update:

- On March 14, 2022, Icahn Enterprises increased its offer price to 82.60 per share.
- On March 23, 2022, Icahn Enterprises [announced](#) that it had extended the expiration date of its tender offer until April 21, 2022.
- On March 28, 2022, the company rejected Carl Icahn's revised unsolicited tender offer
- On March 28, 2022, Carl C. Icahn filed proxy materials seeking support for his nominees. [Source](#)
- On April 4, 2022, Carl C. Icahn issued a presentation seeking support for its nominees.
- On April 12, 2022, Carl C. Icahn issued a [presentation](#) seeking support for its nominees. Icahn stated that if his slate of nominees were elected, the company share price could be worth \$114 to \$144 per share. Also, Icahn presented a new Board plan to explore best path to unlock shareholder value.

## **Star Equity Fund urges the board of Servotronics to schedule 2022 annual meeting**

Market Cap: \$36 million | Servotronics, Inc. designs, manufactures, and markets control components and consumer products in the United States and internationally.

Background:

On March 2, 2022, Star Equity Fund filed proxy materials soliciting votes for the election of its director nominees at 2022 AGM. It stated that under the incumbent board's watch, the Company's previous CEO abused his authority and perpetuated a culture of harassment at the expense of employees and shareholders (as alleged by a lawsuit filed by a former employee on June 7, 2021), with an internal investigation finding that he committed willful malfeasance in violation of his employment agreement with the Company. In addition, the incumbent board has overseen and continued to support the Company's unprofitable Consumer Products Group without having taken meaningful action to maximize shareholder value. In addition, the incumbent board has a track record of poor corporate governance. Proxy advisory firms ISS and Glass Lewis have cited numerous issues with Servotronics's board of directors and the Company's corporate governance, including in its report on the Company's 2021 annual meeting. [Source](#)

Update:

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On April 8, 2022, Star Equity Fund filed [proxy materials](#) urging the company to schedule 2022 AGM.

## Engaged Capital seeks support for its nominees at Quotient Technology

Market Cap: \$712 million | Quotient Technology Inc. operates as a digital media and promotions technology company that offers power integrated digital media and promotions programs for brands and retailers.

### Background:

- On November 17, 2021, Engaged Capital (6%) issued a public [letter](#) to the board expressing its concerns with the company's consistently poor performance, both in regards to share price and operations. Engaged Capital believes that rather than taking decisive action to remedy the weak operating and share price underperformance, the board has selfishly focused on employing strategies to further entrench itself. Also, on November 17, 2021, Engaged Capital delivered a letter to the company formally requesting an exemption to be granted by the board under the NOL Pill to allow Engaged Capital to acquire up to 9.99% of the then outstanding shares.
- On January 10, 2022, Engaged Capital (6.5%) issued a [letter](#) to the Board warning that the company should not pursue a potential share sale. Engaged said it has learned that the Quotient's CEO Steven Boal has allegedly reached out to third parties regarding the sale of 19.9% of the company outstanding shares. Engaged Capital claims that a share sale would be an effort at vote buying ahead of a likely proxy contest. Engaged threatened that if the Quotient board proceeds with such a transaction, it plans to start legal action against the company.
- On March 1, 2022, Engaged Capital (6.5%) delivered a letter to the company nominating Christopher B. Hetrick and Matthew O'Grady for election to the board at the 2022 AGM. [Source](#)

### Update

- On March 25, 2022, Engaged Capital filed proxy materials stating that it remains committed to seeking the election of Christopher Hetrick and Matthew O'Grady at the upcoming annual meeting. [Source](#)
- On April 13, 2022, Engaged Capital filed proxy materials seeking support for its nominees.

## Comrit Investments nominates a Director Candidate for election to New York City REIT's Board

Market Cap: \$86 million | New York City REIT, Inc. (NYSE: NYC) is a publicly traded real estate investment trust listed on the NYSE that owns a portfolio of high-quality commercial real estate located within the five boroughs of New York City.

### Background:

- On December 1, 2021, Comrit Investments nominated a director candidate to the Board. It stated that it is concerned that despite stockholders enduring stock price depreciation of approximately 60% over the past 15 months, the Company paid more than \$11.2

million in 2020 and \$10.5 million in 2019 in management fees and reimbursements to its advisor and property manager, which are entities owned and controlled by AR Global Investments, LLC. It also expressed its concerns that in addition to holding the dual Chairman and CEO role at NYC REIT, Michael Weil is the CEO of AR Global. [Source](#)

- On January 4, 2022, Comrit Investments issued a [press release](#) and delivered a letter to the stockholders of the Company. It expressed its concerns on the performance of the company and urged shareholders to vote for its nominee.

#### Update

On March 11, 2022, Comrit Investments filed proxy materials seeking support for its nominee.

### **Starboard nominates Board candidates to LivePerson**

Market Cap: \$1.8 billion | LivePerson, Inc., together with its subsidiaries, provides conversational commerce solutions.

#### Background:

On February 25, 2022, Starboard (8.5%) sent a letter to the company nominating a slate of director candidates, including Peter A. Feld, John R. McCormack, Vanessa Pegueros, and Yael Zheng, for election to the Board at the 2022 AGM. [Source](#)

#### Update

On April 7, 2022, Starboard (9.7%) delivered a [letter](#) to the Board highlighting its concerns with the company's stock price underperformance, deteriorating financial performance, missed expectations, execution issues and poor corporate governance practices. Further, it stated that it remains open to working constructively with the company to reach a mutually agreeable resolution.

### **Macellum seeks support for its nominees at Kohl's Corp**

Market Cap: \$7.5 billion | Kohl's Corporation operates as a retail company in the United States. Its stores and Website offer apparel, footwear, accessories, beauty, and home products.

#### Background:

- In February 2021, Macellum Advisors along with Ancora Holdings Inc, Legion Partners Asset Management LLC, and 4010 Capital LLC (together holds 9.5%) nominated a slate of nine candidates for election to the Board at the company's 2021 AGM. They also set forth recommendations to improve the company's strategy, including changes in merchandising, inventory management, customer engagement, and expense rationalization, as well as the potential to unlock \$7-8 billion of real estate value trapped on the company's balance sheet through sale-leaseback transactions.
- In March 2021, the investor group withdrew its nomination of four candidates, and with the withdrawal, it intends to solicit proxies to elect the remaining nominees (five candidates) to the board.
- On April 13, 2021, the Investor Group entered into a settlement agreement with the company. As part of the agreement, two new independent directors nominated by the

Investor Group will join the Kohl's board. Moreover, an additional independent director identified by Kohl's and the investor group will join the board at the same time.

- On January 18, 2022, Macellum Advisors (5%) delivered a [letter](#) to the shareholders regarding the need for more meaningful boardroom change and its intent to nominate director candidates. It contends that Kohl's, which holds \$7bn-\$8bn in real estate assets, could trade at up to \$100 per share with an optimized balance sheet and improved execution. Also, it suggests Kohl's to explore strategic alternatives, including a potential sale to one of the many well-capitalized financial sponsors apparently interested in the company.
- On January 25, 2022, Macellum Advisors issued an open [letter](#) to the Board regarding the need to immediately appoint a shareholder representative to support a credible review of strategic alternatives.
- On February 4, 2022, the company [announced](#) that it has determined, following a review with its independent financial advisors and upon the recommendation of its Finance Committee, that the valuations indicated in the current expressions of interest which it has received do not adequately reflect the Company's value in light of its future growth and cash flow generation. Also, it has adopted a limited-duration shareholder rights plan
- On February 4, 2022, Macellum Advisors issued a statement in response to the Company's announcement that its Board has rejected recent indications of interest and adopted a two-tiered shareholder rights plan that seems particularly punitive to any investor that may seek more active engagement with the Board. [Source](#)
- On February 10, 2022, Macellum Advisors (5%) [announced](#) that it had nominated a slate of ten candidates for election to the Board at the 2022 AGM. In connection with its nomination, Macellum issued an open letter to the shareholders regarding the need for substantial and urgent boardroom change following the company's most recent anti-shareholder actions.
- On February 18, 2022, Macellum Advisors filed proxy materials seeking support for its nominees.
- On February 22, 2022, Macellum Advisors launched a website to communicate with the Company's stockholders regarding the annual meeting. The website address is <https://KeepKohlsAccountable.com>
- On February 24, 2022, Macellum Advisors highlighted the Company's apparent pattern of anti-shareholder actions and poor corporate governance following Macellum's nomination of ten highly qualified and independent individuals for election to the Board. [Source](#)
- On March 3, 2022, Macellum Advisors filed proxy materials seeking support for its nominees.
- On March 4, 2022, Macellum Advisors highlighted key concerns with the company's strategy. The central issues remain: (1.) an inability to grow sales versus 2019 levels, (2.) gross margin gains that are looking increasingly one-time in nature due to dramatic deceleration and management's plan to increase inventories, (3.) an inability to contain costs and (4.) poor capital allocation and balance sheet optimization. [Source](#)
- On March 10, 2022, Macellum Advisors filed proxy materials seeking support for its nominees.

Update:

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On April 4, 2022, Macellum Advisors issued a [letter](#) to the Board regarding the need for a transparent update on the company's sale process and urged shareholders to vote for its nominees.

### **Alta Fox seeks support for its nominees at Hasbro**

Market Cap: \$11.8 billion | Hasbro, Inc., together with its subsidiaries, operates as a play and entertainment company.

#### Background:

On February 17, 2022, Alta Fox Capital Management (2.5%) nominated five candidates for election to the board at the 2022 AGM. It issued a [presentation](#) entitled, "The Alta Fox Path to 100%+ upside."

With a reconstituted Board and properly incentivized management team, we see a clear path for taking Hasbro to at least \$200 per share and enabling the company to rebuild trust with its most passionate customers and fans. This path includes:

- Simplifying and improving the corporate structure by spinning out the Wizards of the Coast ("WOTC") segment, which is a hidden gem with a completely different growth, margin and valuation profile than the Consumer Products and Entertainment segments.
- Establishing a transparent and value-enhancing capital allocation policy for WOTC that prioritizes reinvestment in core franchises such as Magic: The Gathering and Dungeons & Dragons, while reducing speculative bets on non-core video game franchises in hyper-competitive categories.
- Replacing the stale "Brand Blueprint" strategy with a modern operating plan focused on profitably growing the Consumer Products and Entertainment segments
- Restructuring executive compensation to be more aligned with shareholder value creation
- Improving disclosure practices and investor communication to regain institutional trust and justify a fair valuation for all of Hasbro.

On March 3, 2022, Alta Fox Capital Management filed proxy materials seeking support for its nominees.

#### Update:

- On April 4, 2022, the company [announced](#) that Elizabeth Hamren, COO of Discord Inc., and Blake Jorgensen, EVP of Special Projects, and former CFO and COO, at Electronic Arts Inc., have been appointed to the Board, effective April 1, 2022.
- On April 4, 2022, Alta Fox Capital Management addressed the Company's seemingly defensive and reactionary expansion of its Board ahead of the 2022 AGM. [Source](#)
- On April 13, 2022, Alta Fox Capital Management filed proxy materials seeking support for its nominees.

## Legion Partners launches “Vote No” campaign against Guess?, Inc. directors Paul and Maurice Marciano

Market Cap: \$1.3 billion | Guess?, Inc. designs, markets, distributes, and licenses lifestyle collections of apparel and accessories for men, women, and children..

### Background:

On February 8, 2022, Legion Partners Asset Management issued a public letter to the Board calling for the removal of company's co-founders and directors Paul and Maurice Marciano. It stated that for more than a decade, a pattern of appalling sexual assault and harassment allegations had been made against Paul Marciano, while his brother Maurice Marciano appeared to turn a blind eye as a former Chairman of the Board. Now, new sexual assault and harassment allegations have surfaced against Paul Marciano. Legion Partners believes that it is the responsibility of the rest of the Board to finally take action and immediately remove Paul Marciano from his executive role and both brothers from the Board – or at the very least commit that they will not be renominated at the upcoming 2022 AGM. [Source](#)

### Update:

- On March 16, 2022, Legion Partners Asset Management (2.5%) filed proxy materials reiterating its concerns and urged shareholders to **WITHHOLD** their vote on the re-election of Paul and Maurice Marciano. [Source](#)
- On March 23, 2022, Legion Partners Asset Management filed proxy materials reiterating its concerns. [Source](#)
- On March 31, 2022, Legion Partners issued a press release and [Investor Presentation](#) titled “Addressing the Marciano Discount” in connection with a “Vote No” campaign opposing the re-election of Paul and Maurice Marciano to the Company’s Board of Directors at the upcoming 2022 AGM.
- On April 12, 2022, Legion sent an e-mail to shareholders of the Company in which it stated about Gretchen Carlson, the woman who sued former Chairman and CEO Roger Ailes at Fox News for harassment and retaliation 5 1/2 years ago and inadvertently ignited the latest iteration of the #metoo movement. Gretchen Carlson stated, " I’m writing today about Guess? Inc. (GES) and its upcoming annual meeting scheduled for April 22, 2022. There is a very important “vote no” campaign being undertaken by Legion Partners against directors Paul and Maurice Marciano, in large part due to the long history of numerous allegations, lawsuits, and costly settlements related to alleged sexual harassment and assault against Paul Marciano. This situation is garnering significant media and shareholder attention, and I believe there will be a focus on how shareholders exercise their votes on this critical matter". [Source](#)

## Scott Klarquist, CIO of Seven Corners Capital Management, launched withhold campaign against the incumbent directors of Genworth Financial

Market Cap: \$1.9 billion | Genworth Financial, Inc. provides insurance products in the United States and internationally.

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On April 6, 2022, Scott Klarquist, CIO of Seven Corners Capital Management, delivered a letter to the shareholders expressing his dissatisfaction with the company's executive compensation policies. He solicits shareholders to vote WITHHOLD with respect to the election of each of Karen E. Dyson, Jill R. Goodman, Melina E. Higgins, and Robert P. Restrepo Jr. to the Board at the annual meeting. [Source](#)

## Scott Klarquist nominates himself to the Board of Firsthand Technology Value Fund

Market Cap: \$26 million | Firsthand Technology Value Fund, Inc. is an externally managed, closed-end, non-diversified management investment company. The Fund's investment objective is to seek long-term growth of capital.

### Background:

#### Scott Klarquist

- On January 20, 2022, Scott Klarquist, CIO of Seven Corners Capital Management, issued a [presentation](#) to the shareholders titled "Time for change at SVVC" expressing his concerns on the stock price performance over the past ten years. He urged the shareholders (i) to vote AGAINST all of SVVC's incumbent director nominees and AGAINST SVVC's executive compensation and (ii) to vote in favour of any shareholders proposal to terminate FCM's management agreement.
- On March 11, 2022, Scott Klarquist issued an open [letter](#) to the shareholders reiterating his proposals.

### Update:

On March 28, 2022, Scott Klarquist filed proxy materials nominating himself as a director candidate for election to the Board at the Company's upcoming 2022 AGM. [Source](#)

### Past

#### Donald R Chambers

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

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

There are two primary reasons for the proposal:

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

### Source

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

### Bulldog Investors

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

### **Driver Management seeks support for its nominees at Codorus Valley Bancorp**

Market Cap: \$209 million | Codorus Valley Bancorp, Inc. operates as the bank holding company for PeoplesBank, which provides community banking services.

#### Background:

- On June 29, 2021, Driver Management (6.3%) stated its belief that the board should immediately hire a financial advisor and conduct a comprehensive review of all available options for increasing shareholder value, including a sale of the company.
- On August 17, 2021, Mr. Cooper participated in a conference call with the management and lead directors and reiterated his belief that the company could currently command a price and valuation per share in a sale higher than any valuation the public market might put on CVLY in the foreseeable future and that CVLY's board of directors should immediately engage a financial advisor and determine what price could be obtained in a sale.
- On August 23, 2021, Mr. Cooper sent a letter to the independent directors of the board expressing his concerns on corporate governance practices. He urged the board to separate the roles of chairman and CEO, reinstate independent oversight of the executive management team and hold Mr. Miller accountable for years of underperformance.
- On September 3, 2021, Mr. Cooper (6.5%) sent a letter to the lead independent directors of the board expressing his concerns that CVLY's executive compensation practices encourage risk-taking while failing to hold executives accountable for loan losses and other credit costs and doing nothing to align management's interests with those of shareholders.
- On September 15, 2021, the company announced that as part of its long-term succession plan, the board of directors had appointed Craig L. Kauffman as president and CEO

of the company effective October 1, 2021. Mr. Kauffman will succeed Larry J. Miller, who had served as president and CEO since 1986. Mr. Miller will serve as executive chair of the company and will continue in his role as executive chair of Peoples- Bank until December 31, 2021.

- On October 4, 2021, Mr. Cooper (6.5%) sent a letter to the lead independent directors of the board seeking clarification on whether Mr. Miller's tenure as a member of the board will cease as of December 31, 2021.
- On October 29, 2021, Driver Management filed a motion to compel statutory inspection and examination of corporate books and records (the "Motion to Compel") against the company in the Court of Common Pleas of York County, Pennsylvania.
- On November 15, 2021, Mr. Cooper (6.72%) sent a [letter](#) to the board regarding the restricted stock unit agreement dated November 9, 2021, between the company and the company's CEO.

If the Board believes that it will take three years for the Corporation to get to (current) peer levels of profitability, it is entirely unclear how and why the Board could possibly conclude that finding a buyer willing to pay a significant premium to the current trading price of the Common Stock now would not be in the best interests of shareholders: the only logical explanation is that the Board is putting other interests ahead of those of shareholders. Please either (i) confirm that the Board is putting other interests (such as the interest of current directors in keeping their board seats) before those of shareholders or (ii) promptly take action that would demonstrate otherwise.

- On December 20, 2021, the company [announced](#) several updates to the composition of its Board, as well as initiatives to further enhance its corporate governance practices. As part of the Company's long-term succession plan, the Board of Directors has appointed current PeoplesBank Director Keith Cenekofsky, CPA as director of the Company effective January 1, 2022. The Company also announced the appointments of Cynthia A. Dotzel, CPA and J. Rodney Messick to new positions on the Company's Board, effective January 1, 2022, until the annual reorganization meeting in May 2022. The Board also announced that as part of its ongoing corporate governance review, it has approved and adopted the Amended and Restated By-laws of the Corporation. The Board has adopted a majority vote standard for uncontested director elections.
- On December 20, 2021, Mr. Cooper sent a [letter](#) to the Board regarding the company's restated bylaws and stated that it would nominate candidates for election to the Board at the 2022 AGM.
- On January 10, 2022, Driver Management sent a letter to the Board. Kindly [click here](#) to read the entire letter.
- On January 18, 2022, and January 21, 2022, Driver Management sends a letter ([Letter 1](#), [Letter 2](#)) to the CEO of the company stating that while the stock is trading around \$22 per share, representing only the slightest premium to tangible book value), Driver Management believes there are a number of interested parties who might offer shareholders consideration worth in excess of \$31 per share (implying a valuation of approximately 1.5x tangible book value) in a sale.
- On January 26, 2022, Driver Management sends a [letter](#) to the CEO of the company that condemns CEO's recent statement regarding consolidation in the banking industry.
- On February 2, 2022, Driver Management nominates three candidates for election to the Board at the 2022 AGM. [Source](#)
- On March 8, 2022, Driver Management (6.8%) issued a [letter](#) to the company requesting to inspect certain books and records. It also disclosed a [letter](#) sent to the CEO of the

company on March 3, 2022, requesting information about the circumstances under which the Fake Ferrari Loan was made, Mr. Kauffman's relationship with the borrower, and whether CVLY obtained its own appraisal of the Fake Ferrari before making the Fake Ferrari Loan or if CVLY had relied entirely on the appraisal provided by the borrower.

- On March 14, 2022, Driver Management made public key documents filed by the Company in federal court regarding the questionable \$8.04 million loan it issued for a replica Ferrari vehicle. The documents can be viewed here. [Exhibit 1](#), [Exhibit 2](#). [Source](#)

#### Update:

On April 4, 2022, Driver Management filed proxy materials seeking support for its nominees.

### **Capital Returns Management nominates Board candidates to Argo Group International Holdings**

Market Cap: \$1.4 billion | Argo Group International Holdings, Ltd. underwrites specialty insurance and reinsurance products in the property and casualty markets.

On March 11, 2022, Capital Returns Management filed proxy materials nominating two candidates for election to the Board at the 2022 AGM. Also, Capital Returns Management stated its belief that the Board should retain an independent financial advisor to engage in a comprehensive strategic review of all opportunities, including a focus on the sale of the whole Company, to achieve maximum value for shareholders

#### Source

#### Past

In January 2020, the company entered into a cooperation agreement with Voce Capital Management to effect changes to the composition of the Board

### **Land & Buildings Investment Management seeks support for its nominee in American Campus Communities**

Market Cap: \$7.75 billion | American Campus Communities, Inc. ("ACC") is the largest owner, manager and developer of high-quality student housing communities in the United States.

#### Background:

- On December 17, 2021, Land & Buildings Investment Management filed proxy materials soliciting votes for the election of its director nominee, Corey Lorinsky, at the 2022 AGM. [Source](#)
- On February 17, 2022, the company disclosed that on January 5, 2022, it privately communicated to Land & Buildings that the Board has determined that Mr. Lorinsky would not be an additive member to the Board. On January 18, 2022, ACC received another letter from Land & Buildings in which Mr. Litt demanded that he or his colleague be added to the Board, saying, "*Both myself (sic) and Corey Lorinsky, my partner of over ten*

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*years, are uniquely qualified to be on the Board of ACC and we remain open to resolving the nomination." On February 15, 2022, ACC received a letter from Land & Buildings in which it does not propose to acquire ACC, but claims that it is "indicating its willingness to offer to acquire" ACC for \$57.00 per share. [Source](#)*

Update:

On March 25, 2022, Land & Buildings Investment Management filed proxy materials seeking support for its nominee.

### **Carl Icahn launched an animal welfare-focused proxy fight against McDonald's Corporation**

Market Cap: \$174 billion | McDonald's Corporation operates and franchises McDonald's restaurants in the United States and internationally.

On March 21, 2022, Carl Icahn announced that in February 2022, he nominated two Board candidates and expressed his concerns over the treatment of pigs.

### **Carl Icahn is expanding his animal-welfare campaign to Kroger, after first targeting McDonald's**

Market Cap: \$40 billion | The Kroger Co. operates as a retailer in the United States. The company operates combination food and drug stores, multi-department stores, marketplace stores, and price impact warehouses.

On March 30, 2022, Carl Icahn (less than 1%) filed proxy materials stating that he is planning to nominate two candidates for the Board. Mr. Icahn voiced his concerns regarding animal welfare and the use of gestation crates in pork production. Icahn also criticized compensation disparities between Kroger CEO Rodney McMullen and the grocer's median worker. [Source](#)

### **Chris Larson announced his stance for the upcoming AGM at CSX Corp**

Market Cap: \$76 billion | CSX Corporation, together with its subsidiaries, is a transportation company. The Company provides rail-based transportation services, including rail service and the transport of intermodal containers and trailers.

Chris Larson, an employee and conductor for CSX Transportation is a stockholder of CSX Corporation, in which he beneficially owns, in aggregate, approximately 135 shares of common stock. On April 13, 2022, Chris Larson filed proxy materials seeking shareholder support for the following at the AGM scheduled to be held on May 4, 2022. (i) To elect Shareholder Board Nominee Chirs Larson to the Board of Directors of CSX Corporation, and to serve until the 2023 annual meeting of shareholders, (ii) To ratify the selection of independent registered public accounting firm, and (iii) To conduct an advisory vote on the compensation of the Company's executive officers. [Source](#)

Past:

- In January 2017, Mantle Ridge, an investment firm formed by Paul Hilal requested four Board seats and Mr. Harrison be engaged immediately as CEO of the company. Paul Hilal is a former executive of Pershing Square Capital Management.
- In March 2017, the company entered into an [agreement](#) with Mantle Ridge and pursuant to it, the Board appointed Hunter Harrison as CEO. The Letter Agreement also provides for the appointments of Mr. Harrison, Paul C. Hilal, Dennis H. Reilley, Linda H. Riefler, and John J. Zillmer (Mantle Ridge representatives) to the Board, effective immediately
- On April 20, 2017, Mantle Ridge filed proxy materials seeking shareholders vote for the reimbursement resolution. [Source](#)
- At the [AGM](#) held on June 5, 2017, shareholders voted in favour of the reimbursement resolution.

## **Eileen Drake issues a letter to the shareholders of Aerojet Rocketdyne**

Market Cap: \$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 the company's previously announced merger with Lockheed Martin Corp. However, given the 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 stockholders should settle the disagreements between the Director Plaintiffs and the Director Defendants 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 urged 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.

#### Update

- On April 4, 2022, Eileen Drake and his group filed proxy materials and delivered a [letter](#) to the shareholders expressing their concerns with Warren G. Lichtenstein proxy contest and litigation.

## **TABLES – March 11, 2022 till April 12, 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> |
|---------------------------------------|-----------------------|-----------------------------|-------------------------|---|--|--------------------------------|
| Youngevity International, Inc. (YGYI) | OTC                   | 4                           | 147                     | 12/31/2019                              | 6/25/2021                                    | 8                              |
| IEH CORP (IEHC)                       | OTC                   | 29                          | 32                      | 3/31/2020                               | 10/8/2020                                    | 7                              |
| LIBERATED SYNDICATION INC (LSYN)      | OTC                   | 54                          | 25                      | 9/30/2020                               | 11/16/2020                                   | 5                              |
| TARONIS FUELS INC (TRNF)              | OTC                   | 35                          | 28                      | 9/30/2020                               | 11/19/2020                                   | 5                              |
| EVO TRANSN & ENERGY SVCS INC (EVOA)   | OTC                   | 53                          | 179                     | 12/31/2020                              | 2/1/2022                                     | 4                              |
| IFRESH INC (IFMK)                     | OTC                   | 31                          | 94                      | 12/31/2020                              | 2/22/2021                                    | 4                              |
| CPI Aerostructures, Inc. (CVU)        | NYSE American         | 36                          | 88                      | 3/31/2021                               | 12/27/2021                                   | 3                              |
| VIEW, INC.(VIEW)                      | NasdaqGM              | 1,389                       | 35                      | 3/31/2021                               | 5/17/2021                                    | 3                              |
| EACO CORP (EACO)                      | OTC                   | 117                         | 229                     | 5/31/2021                               | 7/15/2021                                    | 3                              |
| EARGO, INC. (EAR)                     | NasdaqGS              | 246                         | 79                      | 6/30/2021                               | 8/12/2021                                    | 2                              |
| UNICO AMERICAN CORP (UNAM)            | NasdaqGM              | 17                          | 32                      | 9/30/2021                               | 3/29/2022                                    | 1                              |
| PFSWEB INC(PFSW)                      | NasdaqCM              | 284                         | 286                     | 9/30/2021                               | 3/10/2022                                    | 1                              |
| VERRA MOBILITY CORP (VRRM)            | NasdaqCM              | 2,602                       | 481                     | 9/30/2021                               | 11/4/2021                                    | 1                              |
| IDEANOMICS, INC. (IDEX)               | NasdaqCM              | 408                         | 99                      | 9/30/2021                               | 11/23/2021                                   | 1                              |
| CIRCOR INTERNATIONAL INC (CIR)        | NYSE                  | 543                         | 770                     | 9/30/2021                               | November 2021                                | 1                              |
| LEGACY HOUSING CORP (LEGH)            | NASDAQ                | 631                         | 194                     | 9/30/2021                               | November 2021                                | 1                              |
| FEDNAT HOLDING CO (FNHC)              | NASDAQ                | 22                          | 246                     | 9/30/2021                               | November 2021                                | 1                              |
| NEWAGE, INC. (NBEV)                   | NASDAQ                | 76                          | 440                     | 9/30/2021                               | November 2021                                | 1                              |
| HF FOODS GROUP INC. (HFFG)            | NASDAQ                | 341                         | 715                     | 9/30/2021                               | November 2021                                | 1                              |
| REPUBLIC FIRST BANCORP INC (FRBK)     | NASDAQ                | 309                         | 156                     | 9/30/2021                               | November 2021                                | 1                              |
| ALPINE 4 HOLDINGS, INC. (ALPP)        | NASDAQ                | 207                         | 47                      | 9/30/2021                               | November 2021                                | 1                              |
| SELECTIS HEALTH, INC. (GBCS)          | OTC Markets           | 21                          | 25                      | 9/30/2021                               | November 2021                                | 1                              |

|  |             |     |     |           |               |   |
|--|-------------|-----|-----|-----------|---------------|---|
| GULF RESOURCES, INC. (GURE)                      | NASDAQ      | 45  | 46  | 9/30/2021 | November 2021 | 1 |
| FAST RADIUS, INC. (FSRD)                         | NASDAQ      | 111 | 20  | 9/30/2021 | November 2021 | 1 |
| ISUN, INC. (ISUN)                                | NASDAQ      | 51  | 28  | 9/30/2021 | November 2021 | 1 |
| UPHEALTH, INC. (UPH)                             | NYSE        | 195 | 99  | 9/30/2021 | November 2021 | 1 |
| AMERICAN VIRTUAL CLOUD TECHNOLOGIES, INC. (AVCT) | NASDAQ      | 92  | 110 | 9/30/2021 | November 2021 | 1 |
| SCION TECH GROWTH II (SCOB)                      | NASDAQ      | 422 | 421 | 9/30/2021 | November 2021 | 1 |
| VIRTRA, INC (VTSI)                               | NASDAQ      | 66  | 22  | 9/30/2021 | November 2021 | 1 |
| QUMU CORP (QUMU)                                 | NASDAQ      | 31  | 25  | 9/30/2021 | November 2021 | 1 |
| SRAX, INC. (SRAX)                                | NASDAQ      | 126 | 26  | 9/30/2021 | November 2021 | 1 |
| UNRIVALED BRANDS, INC. (UNRV)                    | OTC Markets | 80  | 39  | 9/30/2021 | November 2021 | 1 |
| VIKING ENERGY GROUP, INC. (VKIN)                 | OTC Markets | 69  | 40  | 9/30/2021 | November 2021 | 1 |
| CBAK ENERGY TECHNOLOGY, INC. (CBAT)              | NASDAQ      | 114 | 40  | 9/30/2021 | November 2021 | 1 |
| ZW DATA ACTION TECHNOLOGIES INC. (CNET)          | NASDAQ      | 26  | 46  | 9/30/2021 | November 2021 | 1 |
| ELYS GAME TECHNOLOGY, CORP. (ELYS)               | NASDAQ      | 55  | 46  | 9/30/2021 | November 2021 | 1 |
| BITNILE HOLDINGS, INC. (NILE)                    | NYSE        | 71  | 52  | 9/30/2021 | November 2021 | 1 |
| COSMOS HOLDINGS INC. (COSM)                      | NASDAQ      | 36  | 56  | 9/30/2021 | November 2021 | 1 |
| TOUGHBUILT INDUSTRIES, INC (TBLT)                | NASDAQ      | 23  | 57  | 9/30/2021 | November 2021 | 1 |
| IQSTEL INC (IQST)                                | OTC Markets | 94  | 62  | 9/30/2021 | November 2021 | 1 |
| INVESTVIEW, INC. (INVU)                          | OTC Markets | 251 | 74  | 9/30/2021 | November 2021 | 1 |
| BM TECHNOLOGIES, INC. (BMTX)                     | NYSE        | 104 | 87  | 9/30/2021 | November 2021 | 1 |
| SONIDA SENIOR LIVING, INC. (SNDA)                | NYSE        | 214 | 211 | 9/30/2021 | November 2021 | 1 |
| SPAR GROUP, INC. (SGRP)                          | NASDAQ      | 28  | 255 | 9/30/2021 | November 2021 | 1 |
| ZOVIO INC (ZVO)                                  | NASDAQ      | 27  | 301 | 9/30/2021 | November 2021 | 1 |
| LMP AUTOMOTIVE HOLDINGS, INC. (LMPX)             | NASDAQ      | 55  | 318 | 9/30/2021 | November 2021 | 1 |
| P3 HEALTH PARTNERS INC. (PIII)                   | NASDAQ      | 325 | 584 | 9/30/2021 | November 2021 | 1 |

|   |             |       |     |           |               |   |
|---|-------------|-------|-----|-----------|---------------|---|
| CONSENSUS CLOUD SOLUTIONS, INC. (CCSI)      | NASDAQ      | 1,197 | 700 | 9/30/2021 | November 2021 | 1 |
| BROADWAY FINANCIAL CORP \DE\ (BYFC)         | NASDAQ      | 69    | 20  | 9/30/2021 | November 2021 | 1 |
| BROAD STREET REALTY, INC. (BRST)            | OTC Markets | 70    | 23  | 9/30/2021 | November 2021 | 1 |
| VOLTA INC. (VLTA)                           | NYSE        | 521   | 29  | 9/30/2021 | November 2021 | 1 |
| CLEARONE INC (CLRO)                         | NASDAQ      | 20    | 30  | 9/30/2021 | November 2021 | 1 |
| BIMI INTERNATIONAL MEDICAL INC. (BIMI)      | NASDAQ      | 16    | 31  | 9/30/2021 | November 2021 | 1 |
| DOLPHIN ENTERTAINMENT, INC. (DLPN)          | NASDAQ      | 49    | 32  | 9/30/2021 | November 2021 | 1 |
| SG BLOCKS, INC. (SGBX)                      | NASDAQ      | 26    | 37  | 9/30/2021 | November 2021 | 1 |
| XCEL BRANDS, INC. (XELB)                    | NASDAQ      | 27    | 37  | 9/30/2021 | November 2021 | 1 |
| MICT, INC. (MICT)                           | NASDAQ      | 75    | 41  | 9/30/2021 | November 2021 | 1 |
| GWG HOLDINGS, INC. (GWGH)                   | NASDAQ      | 177   | 42  | 9/30/2021 | November 2021 | 1 |
| BURGERFI INTERNATIONAL, INC. (BFI)          | NASDAQ      | 83    | 44  | 9/30/2021 | November 2021 | 1 |
| REED'S, INC. (REED)                         | NASDAQ      | 24    | 47  | 9/30/2021 | November 2021 | 1 |
| PRIMEENERGY RESOURCES CORP (PNRG)           | NASDAQ      | 136   | 71  | 9/30/2021 | November 2021 | 1 |
| 4FRONT VENTURES CORP. (FFNTF)               | OTC Markets | 655   | 93  | 9/30/2021 | November 2021 | 1 |
| ONTRAK, INC. (OTRK)                         | NASDAQ      | 44    | 103 | 9/30/2021 | November 2021 | 1 |
| GAN LTD (GAN)                               | NASDAQ      | 198   | 104 | 9/30/2021 | November 2021 | 1 |
| ION GEOPHYSICAL CORP (IO)                   | NYSE        | 25    | 105 | 9/30/2021 | November 2021 | 1 |
| LIFEWAY FOODS, INC. (LWAY)                  | NASDAQ      | 111   | 114 | 9/30/2021 | November 2021 | 1 |
| CYPRESS ENVIRONMENTAL PARTNERS, L.P. (CELP) | NYSE        | 18    | 142 | 9/30/2021 | November 2021 | 1 |
| REDBOX ENTERTAINMENT INC. (RDBX)            | NASDAQ      | 105   | 297 | 9/30/2021 | November 2021 | 1 |

## Non-Reliance on Previously Issued Financial Statements

| Company Name                    | Market cap. (\$, mm) | Revenue (\$, mm) | Date      | Notes   | Link                 |
|---------------------------------|----------------------|------------------|-----------|---|----------------------|
| UpHealth, Inc. (UPH)            | 322                  | 99               | 3/30/2022 | An incorrect accounting conclusion regarding a contract with a customer, which resulted in the incorrect recognition of revenue   | <a href="#">Link</a> |
| Tattooed Chef, Inc. (TTCF)      | 952                  | 202              | 3/11/2022 | The Company did not properly record the tax effects associated with the Company's issuance of 825,000 shares of its common stock to Harrison Co. in June 2021 as partial consideration for services rendered in connection with the Company's de-SPAC transaction   | <a href="#">Link</a> |
| Sema4 Holdings Corp. (SMFR)     | 834                  | 218              | 3/14/2022 | The Company identified an adjustment to the classification of certain expenses related to the genetic counseling department reported in cost of services that should have been reported in selling and marketing in the Company's prior period financial statements | <a href="#">Link</a> |
| Array Technologies, Inc. (ARRY) | 1,990                | 821              | 3/29/2022 | The company determined that certain projects should instead be considered multiple performance obligations and accounted for as either over-time or point-in-time depending on the nature of the underlying contractual terms.                                      | <a href="#">Link</a> |
| Cano Health, Inc. (CANO)        | 936                  | 1,460            | 3/14/2022 | The restatement results from the Company's correction of its accounting for Medicare Risk Adjustment ("MRA") revenue within Medicare Advantage contracts. The correction changes the timing of the revenue recognition for the MRA revenue.                         | <a href="#">Link</a> |

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

| Company name                                   | No. of filed 10-K/10-Q forms | Market cap. (\$, mm) | Revenue (\$, mm) | Nt filed date | Pending quarter | Rectified date |
|--|------------------------------|----------------------|------------------|---------------|-----------------|----------------|
| ALTA EQUIPMENT GROUP INC (ALTG)                | 1                            | 383                  | 1,140            | 3/10/2022     | 12/31/2021      | 3/31/2022      |
| ARGO GROUP INTERNATIONAL HOLDINGS, LTD. (ARGO) | 1                            | 1,455                | 2,130            | 3/1/2022      | 12/31/2021      | 3/16/2022      |
| BIOLIFE SOLUTIONS INC (BLFS)                   | 1                            | 2,144                | 74               | 3/2/2022      | 12/31/2021      | 3/31/2022      |
| RIOT BLOCKCHAIN, INC. (RIOT)                   | 1                            | 2,291                | 65               | 3/1/2022      | 12/31/2021      | 3/16/2022      |
| PORCH GROUP, INC. (PRCH)                       | 1                            | 586                  | 159              | 3/1/2022      | 12/31/2021      | 3/16/2022      |
| TATTOOED CHEF, INC. (TTCF)                     | 1                            | 1,341                | 184              | 3/2/2022      | 12/31/2021      | 3/16/2022      |

|                                       |   |       |       |            |            |           |
|---------------------------------------|---|-------|-------|------------|------------|-----------|
| TELOS CORP (TLS)                      | 1 | 747   | 223   | 3/1/2022   | 12/31/2021 | 3/28/2022 |
| PLBY GROUP, INC. (PLBY)               | 1 | 942   | 174   | 3/1/2022   | 12/31/2021 | 3/16/2022 |
| PAYA HOLDINGS INC. (PAYA)             | 1 | 1,484 | 206   | 3/1/2022   | 12/31/2021 | 3/15/2022 |
| CELSIUS HOLDINGS, INC. (CELH)         | 1 | 3,171 | 246   | 3/1/2022   | 12/31/2021 | 3/16/2022 |
| SUPERNUS PHARMACEUTICALS, INC. (SUPN) | 1 | 1,500 | 564   | 3/1/2022   | 12/31/2021 | 4/13/2022 |
| ARRAY TECHNOLOGIES, INC. (ARRY)       | 1 | 2,117 | 821   | 3/2/2022   | 12/31/2021 | 4/6/2022  |
| GOHEALTH, INC. (GOCO)                 | 1 | 1,121 | 1,060 | 3/2/2022   | 12/31/2021 | 3/16/2022 |
| ZIFF DAVIS, INC. (ZD)                 | 1 | 4,617 | 1,740 | 3/1/2022   | 12/31/2021 | 3/15/2022 |
| ADVANCED ENERGY INDUSTRIES INC (AEIS) | 1 | 3,460 | 1,450 | 3/1/2022   | 12/31/2021 | 3/16/2022 |
| BLINK CHARGING CO. (BLNK)             | 1 | 1,367 | 10    | 2/25/2022  | 12/31/2021 | 3/16/2022 |
| DESKTOP METAL, INC. (DM)              | 1 | 1,327 | 64    | 3/2/2022   | 12/31/2021 | 3/15/2022 |
| REDWIRE CORP (RDW)                    | 2 | 606   | 103   | 11/15/2021 | 9/30/2021  | 4/11/2022 |

## Significant audit firm changes

| Company Name               | Date      | Market cap. (\$, mm) | Revenue (\$, mm) | Trigger                                 | Notes   | Link                 |
|----------------------------|-----------|----------------------|------------------|---|---|----------------------|
| Tattooed Chef, Inc. (TTCF) | 3/25/2022 | 1,000                | 213              | Restatement and the material weaknesses | In March 2022, the company concluded that its financial statement for 2021 should no longer be relied upon due to material errors.  | <a href="#">Link</a> |
| DXP ENTERPRISES INC (DXPE) | 3/29/2022 | 508                  | 1,110            | Material weakness                       | The Company did not properly assess the progress toward completion around long-lived project and manufacturing contracts.   | <a href="#">Link</a> |
| Certara, Inc. (CERT)       | 3/30/2022 | 3,620                | 286              | Material weakness                       | Identified a material weakness related to the Company's information technology general controls over the Company's cloud-based software system that supports project set-up and time submissions for services provided to the Company's customers | <a href="#">Link</a> |

## List of all audit firm changes in March 2022

| Date      | Company Name                                    | Market cap. (\$, mm) | Revenue (\$, mm) | Outgoing audit firm         | Newly appointed audit firm  | Link                 |
|-----------|---|----------------------|------------------|-----------------------------|-----------------------------|----------------------|
| 3/11/2022 | APOLLO INVESTMENT CORP (AINV)                   | 863                  | 209              | Pricewaterhouse-Coopers LLP | Deloitte & Touche LLP       | <a href="#">Link</a> |
| 3/11/2022 | SOUTH PLAINS FINANCIAL, INC. (SPFI)             | 499                  | 221              | Weaver and Tidwell, L.L.P.  | BKD, LLP                    | <a href="#">Link</a> |
| 3/14/2022 | FIRST COMMUNITY BANKSHARES INC /VA/ (FCBC)      | 502                  | 145              | Dixon Hughes Goodman LLP    | Elliott Davis, PLLC         | <a href="#">Link</a> |
| 3/14/2022 | LINDBLAD EXPEDITIONS HOLDINGS, INC. (LIND)      | 865                  | 147              | Marcum LLP                  | Ernst & Young LLP           | <a href="#">Link</a> |
| 3/17/2022 | Generations Bancorp NY, Inc. (GBNY)             | 29                   | 14               | BKD, LLP                    | Bonadio & Co., LLP          | <a href="#">Link</a> |
| 3/18/2022 | Olo Inc. (OLO)                                  | 1,960                | 149              | Ernst & Young LLP           | Deloitte & Touche LLP       | <a href="#">Link</a> |
| 3/18/2022 | PENNSYLVANIA REAL ESTATE INVESTMENT TRUST (PEI) | 62                   | 293              | KPMG LLP                    | BDO USA LLP                 | <a href="#">Link</a> |
| 3/18/2022 | LANDS' END, INC. (LE)                           | 512                  | 1,640            | Deloitte & Touche LLP       | BDO USA, LLP                | <a href="#">Link</a> |
| 3/21/2022 | Enstar Group LTD (ESGR)                         | 4,860                | 716              | KPMG Audit Limited          | Pricewaterhouse-Coopers LLP | <a href="#">Link</a> |
| 3/21/2022 | PACIFIC PREMIER BANCORP INC (PPBI)              | 3,440                | 841              | Crowe LLP                   | Deloitte & Touche LLP       | <a href="#">Link</a> |
| 3/23/2022 | LUNA INNOVATIONS INC (LUNA)                     | 213                  | 88               | Grant Thornton LLP          | Ernst & Young LLP           | <a href="#">Link</a> |
| 3/25/2022 | Tattooed Chef, Inc. (TTCF)                      | 1,000                | 213              | BDO USA, LLP                | Deloitte & Touche LLP       | <a href="#">Link</a> |
| 3/25/2022 | Forge Global Holdings, Inc. (FRGE)              | 2,370                | 128              | With-Smith+Brown, PC        | Ernst & Young LLP           | <a href="#">Link</a> |
| 3/25/2022 | Innoviva, Inc. (INVA)                           | 1,350                | 392              | Grant Thornton LLP          | Deloitte & Touche LLP       | <a href="#">Link</a> |
| 3/29/2022 | Hillman Solutions Corp. (HLMN)                  | 2,070                | 1,430            | KPMG LLP                    | Deloitte & Touche LLP       | <a href="#">Link</a> |

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|           |                                    |       |       |                               |                             |                      |
|-----------|------------------------------------|-------|-------|-------------------------------|-----------------------------|----------------------|
| 3/29/2022 | DXP ENTERPRISES INC (DXPE)         | 508   | 1,110 | McConnell & Jones LLP         | Pricewaterhouse-Coopers LLP | <a href="#">Link</a> |
| 3/18/2022 | GOLD RESOURCE CORP (GORO)          | 200   | 125   | Plante & Moran, PLLC          | BDO USA, LLP                | <a href="#">Link</a> |
| 3/29/2022 | NEW PEOPLES BANK-SHARES INC (NWPP) | 56    | 37    | Elliott Davis, LLC            | Yount Hyde & Barbour PC     | <a href="#">Link</a> |
| 3/30/2022 | GrowGeneration Corp. (GRWG)        | 627   | 422   | Plante & Moran, PLLC          | Grant Thornton LLP          | <a href="#">Link</a> |
| 3/30/2022 | Certara, Inc. (CERT)               | 3,620 | 286   | CohnReznick LLP               | RSM US LLP                  | <a href="#">Link</a> |
| 3/30/2022 | Fast Radius, Inc. (FSRD)           | 139   | 20    | Marcum LLP                    | Deloitte & Touche LLP       | <a href="#">Link</a> |
| 3/31/2022 | Via Renewables, Inc. (VIA)         | 124   | 393   | Ernst & Young LLP             | Grant Thornton LLP          | <a href="#">Link</a> |
| 4/4/2022  | System1, Inc. (SST)                | 1,220 | 624   | Marcum LLP                    | Pricewaterhouse-Coopers LLP | <a href="#">Link</a> |
| 4/6/2022  | RCM TECHNOLOGIES, INC. (RCMT)      | 123   | 180   | Macias, Gini & O'Connell, LLP | WithumSmith+Brown, PC       | <a href="#">Link</a> |
| 4/7/2022  | VYNE Therapeutics Inc. (VYNE)      | 38    | 15    | Pricewaterhouse-Coopers LLP   | Baker Tilly US, LLP         | <a href="#">Link</a> |
| 4/7/2022  | BIOLIFE SOLUTIONS INC (BLFS)       | 1,020 | 119   | BDO USA, LLP                  | Grant Thornton LLP          | <a href="#">Link</a> |
| 4/8/2022  | SMITH MIDLAND CORP (SMID)          | 100   | 52    | BDO USA, LLP                  | Dixon Hughes Goodman LLP    | <a href="#">Link</a> |

## 13D Filings

| Date      | Company Name                     | Market cap. (\$, mm) | Revenue (\$, mm) | Filer Name                         |
|-----------|----------------------------------|----------------------|------------------|------------------------------------|
| 4/4/2022  | ARCA BIOPHARMA, INC. (ABIO)      | 34                   | 0                | FUNICULAR FUND, LP                 |
| 3/30/2022 | ADAGIO THERAPEUTICS, INC. (ADGI) | 424                  | 0                | ADIMAB, LLC                        |
| 3/30/2022 | ADAGIO THERAPEUTICS, INC. (ADGI) | 424                  | 0                | MITHRIL II LP                      |
| 3/30/2022 | ADAGIO THERAPEUTICS, INC. (ADGI) | 424                  | 0                | POLARIS VENTURE PARTNERS V, L.P.   |
| 3/22/2022 | ALLOT LTD. (ALLT)                | 261                  | 146              | OUTERBRIDGE CAPITAL MANAGEMENT LLC |
| 3/30/2022 | ALLOT LTD. (ALLT)                | 261                  | 146              | LYNROCK LAKE LP                    |
| 3/23/2022 | ATENTO S.A. (ATTO)               | 367                  | 1,490            | KYMA CAPITAL LTD                   |

|           |   |       |       |  |
|-----------|---|-------|-------|--|
| 3/31/2022 | AMREP CORP. (AXR)                               | 65    | 55    | DAHL JAMES H                             |
| 3/25/2022 | BED BATH & BEYOND INC (BBBY)                    | 1,711 | 8,440 | RC VENTURES LLC                          |
| 3/15/2022 | BIG LOTS INC (BIG)                              | 1,032 | 6,150 | MILL ROAD CAPITAL III, L.P.              |
| 4/5/2022  | BENEFITFOCUS, INC. (BNFT)                       | 414   | 263   | INDABA CAPITAL MANAGEMENT, L.P.          |
| 3/16/2022 | CATALYST BIOSCIENCES, INC. (CBIO)               | 18    | 7     | SINGER JULIAN D.                         |
| 3/17/2022 | CIRCOR INTERNATIONAL INC (CIR)                  | 487   | 770   | GAMCO INVESTORS, INC. ET AL              |
| 3/14/2022 | CONSUMER PORTFOLIO SERVICES, INC. (CPSS)        | 263   | 211   | BLACK DIAMOND CAPITAL MANAGEMENT, L.L.C. |
| 3/14/2022 | DIRTT ENVIRONMENTAL SOLUTIONS LTD (DRTT)        | 112   | 148   | 22NW FUND, LP                            |
| 3/11/2022 | EHEALTH, INC. (EHTH)                            | 266   | 538   | HUDSON EXECUTIVE CAPITAL LP              |
| 4/11/2022 | EMCORE CORP (EMKR)                              | 137   | 167   | CANNELL CAPITAL LLC                      |
| 3/25/2022 | ENZO BIOCHEM INC (ENZ)                          | 141   | 118   | ROUMELL ASSET MANAGEMENT, LLC            |
| 3/16/2022 | EVOLVING SYSTEMS INC (EVOL)                     | 22    | 27    | SINGER KAREN                             |
| 4/11/2022 | REPUBLIC FIRST BANCORP INC (FRBK)               | 278   | 156   | NORCROSS GEORGE E III                    |
| 3/31/2022 | GENESCO INC (GCO)                               | 937   | 2,420 | LEGION PARTNERS ASSET MANAGEMENT, LLC    |
| 3/15/2022 | GREEN DOT CORP (GDOT)                           | 1,506 | 1,430 | STARBOARD VALUE LP                       |
| 3/22/2022 | TURTLE BEACH CORP (HEAR)                        | 311   | 366   | DONERAIL GROUP LP                        |
| 4/6/2022  | HUNTSMAN CORP (HUN)                             | 7,523 | 8,450 | STARBOARD VALUE LP                       |
| 3/21/2022 | COMMUNICATIONS SYSTEMS INC (JCS)                | #N/A  | 7     | GAMCO INVESTORS, INC. ET AL              |
| 3/31/2022 | JANUS HENDERSON GROUP PLC (JHG)                 | 5,683 | 2,770 | TRIAN FUND MANAGEMENT, L.P.              |
| 4/11/2022 | LEE ENTERPRISES, INC (LEE)                      | 155   | 785   | CANNELL CAPITAL LLC                      |
| 3/17/2022 | LIFEWAY FOODS, INC. (LWAY)                      | 106   | 114   | SMOLYANSKY LUDMILA                       |
| 4/12/2022 | MIDWEST HOLDING INC. (MDWT)                     | 51    | 30    | SALEM ANTHONY MICHAEL                    |
| 4/12/2022 | AG MORTGAGE INVESTMENT TRUST, INC. (MITT)       | 187   | 103   | HILL COUNTRY ASSET MANAGEMENT, LP.       |
| 4/4/2022  | NAVIENT CORP (NAVI)                             | 2,524 | 2,270 | SHERBORNE INVESTORS LP                   |
| 3/30/2022 | NOCOPI TECHNOLOGIES INC/MD/ (NNUP)              | 12    | 2     | LIEBOWITZ MICHAEL                        |
| 4/11/2022 | NAM TAI PROPERTY INC. (NTP)                     | 267   | 153   | OASIS MANAGEMENT CO LTD.                 |
| 3/28/2022 | PENNSYLVANIA REAL ESTATE INVESTMENT TRUST (PEI) | 46    | 293   | CYGNUS CAPITAL, INC.                     |
| 4/4/2022  | PEOPLES FINANCIAL CORP /MS/ (PFBX)              | 75    | 32    | STILWELL JOSEPH                          |
| 3/17/2022 | ANAPLAN, INC. (PLAN)                            | 9,809 | 592   | CORVEX MANAGEMENT LP                     |

|           |                                     |        |       |  |
|-----------|-------------------------------------|--------|-------|--|
| 3/17/2022 | ANAPLAN, INC. (PLAN)                | 9,809  | 592   | SACHEM HEAD CAPITAL MANAGEMENT LP      |
| 3/15/2022 | RADIUS HEALTH, INC. (RDUS)          | 410    | 230   | VELAN CAPITAL INVESTMENT MANAGEMENT LP |
| 3/11/2022 | SCIPLAY CORP (SCPL)                 | 325    | 606   | ENGINE CAPITAL, L.P.                   |
| 3/31/2022 | TRANSACT TECHNOLOGIES INC (TACT)    | 84     | 39    | 325 CAPITAL LLC                        |
| 3/31/2022 | TRANSACT TECHNOLOGIES INC (TACT)    | 84     | 39    | HARBERT DISCOVERY FUND, LP             |
| 4/12/2022 | TREEHOUSE FOODS, INC. (THS)         | 1,931  | 4,330 | JANA PARTNERS LLC                      |
| 3/14/2022 | TRECORA RESOURCES (TREC)            | 198    | 273   | RADOFF BRADLEY LOUIS                   |
| 4/11/2022 | TWITTER, INC. (TWTR)                | 36,709 | 5,080 | MUSK ELON                              |
| 3/11/2022 | VELOCITY LIDAR, INC. (VLDR)         | 436    | 62    | HALL DAVID S.                          |
| 3/22/2022 | WISDOMTREE INVESTMENTS, INC. (WETF) | 893    | 304   | ETFS CAPITAL LIMITED.                  |

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

| Date      | Company name                             | M.Cap | Revenue | Fund name   |
|-----------|--|-------|---------|---|
| 3/14/2022 | VIEMED HEALTHCARE, INC. (VMD)            | 205   | 117     | Cove Street Capital, LLC                                      |
| 3/14/2022 | MARKETWISE, INC. (MKTW)                  | 126   | 549     | Cruz Fernando   |
| 3/14/2022 | MARKETWISE, INC. (MKTW)                  | 126   | 549     | Kelly Jared M   |
| 3/14/2022 | Southern States Bancshares, Inc. (SSBK)  | 200   | 60      | STRATEGIC VALUE BANK PARTNERS LLC                             |
| 3/15/2022 | SINCLAIR BROADCAST GROUP INC (SBGI)      | 1,965 | 6,130   | Thomas Steven Anargyros                                       |
| 3/15/2022 | SINCLAIR BROADCAST GROUP INC (SBGI)      | 1,965 | 6,130   | Wallace Paul  |
| 3/16/2022 | RAPID MICRO BIOSYSTEMS, INC. (RPID)      | 354   | 23      | KENNEDY LEWIS MANAGEMENT LP                                   |
| 3/18/2022 | IDEAYA Biosciences, Inc. (IDYA)          | 486   | 28      | Logos Global Management LP                                    |
| 3/18/2022 | AEROJET ROCKETDYNE HOLDINGS, INC. (AJRD) | 3,163 | 2,190   | MILLENNIUM MANAGEMENT LLC                                     |
| 3/21/2022 | LIMESTONE BANCORP, INC. (LMST)           | 147   | 52      | FJ Capital Management LLC                                     |
| 3/21/2022 | ZimVie Inc. (ZIMV)                       | 629   | 1,030   | Camber Capital Management LP                                  |
| 3/22/2022 | HUDSON TECHNOLOGIES INC /NY (HDSN)       | 281   | 193     | Goldberg Capital Management                                   |
| 3/23/2022 | Bowlero Corp. (BOWL)                     | 1,796 | 658     | Apollo Management Holdings GP, LLC                            |
| 3/23/2022 | PRUDENTIAL BANCORP, INC. (PBIP)          | 131   | 27      | Chicago Capital Management, LLC                               |
| 3/23/2022 | FLEXSTEEL INDUSTRIES INC (FLXS)          | 116   | 534     | Steven H. Bertsch Declaration of Trust dated November 6, 2020 |

|           |   |       |       |   |
|-----------|---|-------|-------|---|
| 3/24/2022 | SOC Telemed, Inc. (TLMD)                | 301   | 81    | Beryl Capital Management LLC                |
| 3/24/2022 | VOLT INFORMATION SCIENCES, INC. (VOLT)  | 132   | 894   | Beryl Capital Management LLC                |
| 3/24/2022 | IBEX Ltd (IBEX)                         | 276   | 459   | Chishti Muhammad Ziaullah                   |
| 3/24/2022 | Leafly Holdings, Inc. /DE (LFLY)        | 339   | 40    | Meteora Capital, LLC                        |
| 3/24/2022 | FLUIDIGM CORP (FLDM)                    | 272   | 131   | RA CAPITAL MANAGEMENT, L.P.                 |
| 3/28/2022 | Coca-Cola Consolidated, Inc. (COKE)     | 4,609 | 5,560 | HARRISON DEBORAH S                          |
| 3/28/2022 | Groupon, Inc. (GRPN)                    | 575   | 967   | RPD Fund Management LLC                     |
| 3/28/2022 | Coca-Cola Consolidated, Inc. (COKE)     | 4,609 | 5,560 | Wells Sue Anne H.                           |
| 3/30/2022 | HighPeak Energy, Inc. (HPK)             | 2,175 | 220   | Alamo Borden County IV, LLC                 |
| 4/4/2022  | INTRICON CORP (IIN)                     | 223   | 125   | Beryl Capital Management LLC                |
| 4/1/2022  | RED ROBIN GOURMET BURGERS INC (RRGB)    | 244   | 1,160 | Soviero Asset Management, LP                |
| 4/1/2022  | Talkspace, Inc. (TALK)                  | 271   | 114   | HARBOR SPRING MASTER FUND, LP               |
| 4/1/2022  | SciPlay Corp (SCPL)                     | 331   | 606   | COWEN AND COMPANY, LLC                      |
| 4/4/2022  | ImmunoGen, Inc. (IMGN)                  | 1,222 | 70    | ADAGE CAPITAL PARTNERS GP, L.L.C.           |
| 4/7/2022  | CompoSecure, Inc. (CMPO)                | 531   | 268   | LMR Partners LLP                            |
| 4/8/2022  | SB FINANCIAL GROUP, INC. (SBFG)         | 140   | 64    | Cutler Capital Management, LLC              |
| 4/8/2022  | AGENUS INC (AGEN)                       | 640   | 296   | Deep Track Capital, LP                      |
| 4/8/2022  | HOOKIPA Pharma Inc. (HOOK)              | 100   | 20    | EcoR1 Capital, LLC                          |
| 4/8/2022  | U.S. WELL SERVICES, INC. (USWS)         | 73    | 260   | INTEGRATED CORE STRATEGIES                  |
| 4/8/2022  | Citi Trends Inc (CTRN)                  | 257   | 992   | Soviero Asset Management, LP                |
| 4/8/2022  | Hamilton Beach Brands Holding Co (HBB)  | 162   | 658   | THIRD AVENUE MANAGEMENT LLC                 |
| 4/8/2022  | MANTECH INTERNATIONAL CORP (MANT)       | 3,537 | 2,550 | Warren Jennifer A.                          |
| 4/11/2022 | Harbor Custom Development, Inc. (HCDI)  | 26    | 72    | Tiburon Opportunity Fund, L.P.              |
| 4/11/2022 | Ponce Financial Group, Inc. (PDLB)      | 257   | 91    | PRICE T ROWE ASSOCIATES INC /MD/            |
| 4/12/2022 | OppFi Inc. (OPFI)                       | 361   | 239   | LMR Partners LLP                            |
| 4/11/2022 | CompoSecure, Inc. (CMPO)                | 494   | 268   | Tikvah Management LLC                       |
| 4/12/2022 | AdTheorent Holding Company, Inc. (ADTH) | 772   | 165   | Hana Alternative Asset Management Co., Ltd. |
| 4/11/2022 | P3 Health Partners Inc. (PIII)          | 1,866 | 584   | AMERIPRISE FINANCIAL INC                    |
| 4/12/2022 | P3 Health Partners Inc. (PIII)          | 1,881 | 584   | LMR Partners LLP                            |
| 4/11/2022 | Warby Parker Inc. (WRBY)                | 3,457 | 541   | FMR LLC                                     |
| 4/11/2022 | FIGS, Inc. (FIGS)                       | 3,493 | 420   | FMR LLC                                     |

## 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 |
|---|----------------------|------------------|----------------|----------------|---|
| Lottery.com Inc. (LTRY)                       | 155                  | 50               | 11/4/2021      | 3/14/2022      | 4.3   |
| Bally's Corp (BALY)                           | 1,460                | 1,320            | 4/13/2021      | 3/14/2022      | 11.2  |
| Wingstop Inc. (WING)                          | 3,488                | 283              | 3/14/2022      | 8/27/2021      | 6.6   |
| CarParts.com, Inc. (PRTS)                     | 379                  | 582              | 3/15/2022      | 3/15/2022      | 0   |
| FTC Solar, Inc. (FTCI)                        | 478                  | 213              | 9/14/2021      | 3/15/2022      | 6.1   |
| Cerence Inc. (CRNC)                           | 1,265                | 388              | 12/15/2021     | 3/15/2022      | 3   |
| Eagle Bancorp Montana, Inc. (EBMT)            | 149                  | 93               | 3/16/2022      | 3/16/2022      | 0   |
| TEAM INC (TISI)                               | 61                   | 875              | 3/18/2022      | 11/12/2021     | 4.2   |
| TherapeuticsMD, Inc. (TXMD)                   | 174                  | 87               | 11/12/2021     | 3/18/2022      | 4.2   |
| AERIE PHARMACEUTICALS INC (AERI)              | 426                  | 194              | 12/16/2021     | 3/18/2022      | 3.1   |
| SYNALLOY CORP (SYNL)                          | 172                  | 295              | 3/21/2022      | 8/30/2021      | 6.8   |
| Purple Innovation, Inc. (PRPL)                | 511                  | 726              | 3/22/2022      | 8/24/2021      | 7   |
| BIODELIVERY SCIENCES INTERNATIONAL INC (BDSI) | 577                  | 167              | 3/22/2022      | 3/22/2022      | 0   |
| ORASURE TECHNOLOGIES INC (OSUR)               | 507                  | 234              | 3/23/2022      | 9/2/2021       | 6.7   |
| MIDWEST HOLDING INC. (MDWT)                   | 72                   | 30               | 11/22/2021     | 3/25/2022      | 4.1   |
| OppFi Inc. (OPFI)                             | 413                  | 239              | 2/28/2022      | 3/25/2022      | 0.8   |
| Forge Global Holdings, Inc. (FRGE)            | 3,525                | 128              | 3/25/2022      | 3/25/2022      | 0   |
| AgileThought, Inc. (AGIL)                     | 210                  | 151              | 8/26/2021      | 3/28/2022      | 7.1   |
| DAILY JOURNAL CORP (DJCO)                     | 428                  | 51               | 3/28/2022      | 3/28/2022      | 0   |
| Latch, Inc. (TSIA)                            | 661                  | 41               | 6/10/2021      | 3/29/2022      | 9.7   |
| Professional Holding Corp. (PFHD)             | 303                  | 74               | 2/28/2022      | 3/31/2022      | 1   |
| Stem Holdings, Inc. (STMH)                    | 15                   | 34               | 4/4/2022       | 4/4/2022       | 0   |
| Oncology Institute, Inc. (TOI)                | 585                  | 203              | 11/18/2021     | 4/4/2022       | 4.6   |
| MARATHON DIGITAL HOLDINGS, INC. (MARA)        | 2,706                | 150              | 4/30/2021      | 4/5/2022       | 11.3  |

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|  |       |       |           |            |     |
|--|-------|-------|-----------|------------|-----|
| Core Scientific, Inc./tx (CORZ)            | 2,761 | 266   | 1/24/2022 | 4/5/2022   | 2.4 |
| SHARPS COMPLIANCE CORP (SMED)              | 98    | 79    | 4/6/2022  | 2/28/2022  | 1.2 |
| Embecta Corp. (EMBC)                       | 1,790 | 1,170 | 4/6/2022  | 4/6/2022   | 0   |
| Dave & Buster's Entertainment, Inc. (PLAY) | 2,065 | 1,300 | 4/6/2022  | 12/15/2021 | 3.7 |
| FTC Solar, Inc. (FTCI)                     | 392   | 271   | 9/14/2021 | 4/8/2022   | 6.9 |
| Orion Group Holdings Inc (ORN)             | 73    | 601   | 4/12/2022 | 4/12/2022  | 0   |
| XL Fleet Corp. (XL)                        | 242   | 16    | 11/1/2021 | 4/12/2022  | 5.4 |
| Quotient Technology Inc. (QUOT)            | 591   | 521   | 3/29/2022 | 4/13/2022  | 0.5 |

## CEO changes

| Date      | Company Name                       | Internal/ External appointment | CEO Name                | Market cap. (\$, mm) | Revenue (\$, mm) | Link                 |
|-----------|------------------------------------|--------------------------------|-------------------------|----------------------|------------------|----------------------|
| 3/11/2022 | Kaspian Holdings Inc. (KSPN)       | Internal                       | Brock Kowalchuk         | 16                   | 153              | <a href="#">Link</a> |
| 3/14/2022 | Unrivaled Brands, Inc. (UNRV)      | Internal                       | Tiffany Davis           | 82                   | 39               | <a href="#">Link</a> |
| 3/14/2022 | PHOTRONICS INC (PLAB)              | Internal                       | Constantine Macricostas | 1,003                | 702              | <a href="#">Link</a> |
| 3/14/2022 | Wingstop Inc. (WING)               | Internal                       | Michael Skipworth       | 3,488                | 283              | <a href="#">Link</a> |
| 3/15/2022 | CarLotz, Inc. (LOTZ)               | External                       | Lev Peker               | 201                  | 212              | <a href="#">Link</a> |
| 3/15/2022 | CarParts.com, Inc. (PRTS)          | Internal                       | David Meniane           | 379                  | 582              | <a href="#">Link</a> |
| 3/16/2022 | Eagle Bancorp Montana, Inc. (EBMT) | Internal                       | Laura F. Clark          | 149                  | 93               | <a href="#">Link</a> |
| 3/16/2022 | MERCER INTERNATIONAL INC. (MERC)   | External                       | Juan Carlos Bueno       | 915                  | 1,800            | <a href="#">Link</a> |
| 3/16/2022 | BRADY CORP (BRC)                   | Internal                       | Russell R. Shaller      | 2,346                | 1,240            | <a href="#">Link</a> |
| 3/16/2022 | WD 40 CO (WDFC)                    | Internal                       | Steven A. Brass         | 2,647                | 498              | <a href="#">Link</a> |
| 3/16/2022 | FULTON FINANCIAL CORP (FULT)       | Internal                       | Curtis J. Myers         | 2,857                | 936              | <a href="#">Link</a> |
| 3/17/2022 | BRINKS CO (BCO)                    | Internal                       | Mark Eubanks            | 3,161                | 4,200            | <a href="#">Link</a> |

|           |   |          |                       |       |        |                      |
|-----------|---|----------|-----------------------|-------|--------|----------------------|
| 3/18/2022 | TEAM INC (TISI)                               | Internal | Keith D. Tucker       | 61    | 875    | <a href="#">Link</a> |
| 3/21/2022 | SYNALLOY CORP (SYNL)                          | Internal | Christopher Hutter    | 172   | 295    | <a href="#">Link</a> |
| 3/21/2022 | ANAPTYSBIO, INC (ANAB)                        | Internal | Daniel Faga           | 733   | 63     | <a href="#">Link</a> |
| 3/21/2022 | Huron Consulting Group Inc. (HURN)            | Internal | C. Mark Hussey        | 1,027 | 906    | <a href="#">Link</a> |
| 3/21/2022 | Cronos Group Inc. (CRON)                      | Internal | Michael Gorenstein    | 1,677 | 74     | <a href="#">Link</a> |
| 3/22/2022 | Voyager Therapeutics, Inc. (VYGR)             | Internal | Alfred Sandrock       | 326   | 37     | <a href="#">Link</a> |
| 3/22/2022 | Purple Innovation, Inc. (PRPL)                | Internal | Robert T. DeMartini   | 511   | 726    | <a href="#">Link</a> |
| 3/22/2022 | BIODELIVERY SCIENCES INTERNATIONAL INC (BDSI) | Internal | Joseph Ciaffoni       | 577   | 167    | <a href="#">Link</a> |
| 3/23/2022 | LUXFER HOLDINGS PLC (LXFR)                    | Internal | Andrew "Andy" Butcher | 486   | 374    | <a href="#">Link</a> |
| 3/23/2022 | ORASURE TECHNOLOGIES INC (OSUR)               | Internal | Nancy J. Gagliano     | 507   | 234    | <a href="#">Link</a> |
| 3/25/2022 | Forge Global Holdings, Inc. (FRGE)            | Internal | Kelly Rodriques       | 3,525 | 128    | <a href="#">Link</a> |
| 3/28/2022 | DAILY JOURNAL CORP (DJCO)                     | External | Steven Myhill-Jones   | 428   | 51     | <a href="#">Link</a> |
| 3/28/2022 | Delek US Holdings, Inc. (DK)                  | Internal | Avigal Soreq          | 1,497 | 10,650 | <a href="#">Link</a> |
| 3/29/2022 | Quotient Technology Inc. (QUOT)               | Internal | Matthew Krep-sik      | 652   | 521    | <a href="#">Link</a> |
| 4/4/2022  | Stem Holdings, Inc. (STMH)                    | Internal | Matthew J. Cohen      | 15    | 34     | <a href="#">Link</a> |
| 4/5/2022  | Array Technologies, Inc. (ARRY)               | External | Kevin Hostetler       | 1,427 | 821    | <a href="#">Link</a> |
| 4/6/2022  | SHARPS COMPLIANCE CORP (SMED)                 | Internal | W. Patrick Mulloy     | 98    | 79     | <a href="#">Link</a> |
| 4/6/2022  | Embeta Corp. (EMBC)                           | Internal | Devdatt Kurdi-kar     | 1,790 | 1,170  | <a href="#">Link</a> |

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|           |  |          |                       |       |       |                      |
|-----------|--|----------|-----------------------|-------|-------|----------------------|
| 4/6/2022  | Dave & Buster's Entertainment, Inc. (PLAY) | Internal | Christopher Morris    | 2,065 | 1,300 | <a href="#">Link</a> |
| 4/12/2022 | Orion Group Holdings Inc (ORN)             | Internal | Austin J. Shan-felter | 73    | 601   | <a href="#">Link</a> |