



**June 2021**

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Research  
-  
Significant  
Changes &  
Events**

**Snowball Research team**

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## Taronis Fuels, Inc. (TRNF): A micro-cap company attracts a top executive of a \$35 billion industrial gases company as new CEO; Chairman is a former Fidelity fund manager; Another director is a restructuring expert

- Market Cap: \$58 million | Taronis Fuels, Inc. operates as a renewable fuel and power generation company in the United States.
- Major shareholders: Wetherald Thomas: 17.7% | Ross Wilbur L Jr: 13.3%
- Screen: Appointment of new CEO

### BASICS

- The company's first commercially viable product is a metal cutting fuel called "MagneGas". MagneGas is a proprietary synthetic gas comprised primarily of hydrogen.
- The Company also specializes in and supplies the wholesale H.V.A.C. and plumbing supply distributor markets with various gases
- The Company generate substantially all of its revenue through the sale of Gasification Units, industrial gases and welding equipment.

- Mr. Welo has a career of over 20 years in investment management, including 13 years as an award-winning portfolio manager and analyst at Fidelity Management and Research in Boston. At Fidelity, he managed approximately \$8 billion in assets, including the Morningstar Bronze-rated Fidelity Select Industrials Fund and the four-star Fidelity Select Materials Fund.

### WHAT WE LIKE

#### 1. Majority board change

- In February 2021, Thomas Wetherald and Tobias Welo initiated a proxy campaign. Within a couple of months, in April 2021, the company entered into a settlement agreement with the two shareholders.
- Pursuant to it, five out of six directors have been newly appointed to the board.
- Subsequently, the company appointed a new interim CEO (Tobias Welo) and a new CFO (Mary Pat Thompson).
- Chairman
  - In April 2021, the company appointed Tobias Welo as Chairman.

#### 2. Private placement, the appointment of a new CEO and a high-profile director

##### a. Private placement

On June 4, 2021, the company raised \$16.5 million from investors to reduce debt obligations. On the same day, the company appointed a new CEO and a director.

##### b. Track record of new CEO

In June 2021, the company appointed Kevin Foti as CEO.

- A top executive of \$35 billion Praxair: Praxair was the world's third-largest industrial gases company. It was acquired in 2018 for \$35 billion.
- Top executive: Mr. Foti was one of the top 10 executives in the company.
- Moved up the corporate ladder: Mr. Foti joined Praxair in 1983 as a sales applications engineer and climbed the

corporate ladder through a variety of positions, including National Product Manager for Carbon Dioxide and Global Marketing Manager for Helium, to become the President of U.S. Industrial Gases.

### c. Notable director appointment – Wilbur Ross – restructuring expert

On the same day, the company appointed Wilbur Ross as a director. He invested roughly \$4 million (7.8%) in private placement.

- Mr. Ross ran the bankruptcy restructuring practice at N M Rothschild & Sons in New York beginning in the late 1970s. In April 2000, Ross left Rothschild to found WL Ross & Co.
- He has restructured over \$400 billion in assets in the airline, banking, chemical, electric utility, gypsum, home building, marine transport, oil and gas, railcar manufacturing and leasing, real estate, shipyard, steel, and trucking industries.
- Mr. Ross was named by Bloomberg Markets as one of the 50 most influential people in global finance.
- Mr. Ross served as U.S. Secretary of Commerce from 2017 to 2021.
- [https://en.wikipedia.org/wiki/Wilbur\\_Ross](https://en.wikipedia.org/wiki/Wilbur_Ross)

Taronis Fuels is an ideal investment combining a strong core franchise with an exciting disruptive technology. I am highly confident that the team led by Kevin Foti will be a leader in the industry – Mr. Ross

### **3. New Board’s 100-day plan**

On June 4, 2021, the company provided an update on the new Board’s 100-day

plan – i.e., roughly 55 days after the replacement of the prior management team.

### List of changes

- New CEO: On June 3, 2021, the company appointed Kevin Foti as CEO, effective June 14, 2021.
- Cost structure: Management has finished its initial assessment around reducing the high fixed expenses of the company. The next phase of cost actions will focus on operating expense reductions, including sub-leasing certain office space as well as justifying all G&A spend.
- Delinquent 2020 annual report: The company is working openly with the SEC, engaging external forensic audit and IT consultants, and investing in the company’s internal accounting team. This process is progressing well and should be completed in Q4 2021.
- Private placement: In June 2021, the company completed a private placement of approximately \$16.5 million of its shares of common stock at a fixed price of \$3.00 per share to institutional and accredited investors (Wilbur Ross). Subsequently, the company added Wilbur Ross to its Board of Directors.
- MagneGas: As an initial review, the company wanted to expand its distribution in the U.S. market. The company will cease its international MagneGas operations, which offered a lower risk-adjusted return than U.S. opportunities.

### **4. Competitive advantage**

The company’s first commercially viable product is a metal-cutting fuel called “MagneGas.” This is an alternative way to

cut metals when compared to the traditional methodologies that use acetylene and propane.

#### What are the advantages?

- MagneGas is environmentally friendly, renewable, and burns clean. It is a safer alternative to acetylene.
  - Produces the hottest known flame temperature of any metal-cutting fuel
  - Burns two times hotter than normal hydrogen gas
  - EWI has validated that the current generation of MagneGas can cut 30-70% faster than acetylene, depending on the metal thickness
- Patent protected: The Gasification Units are patent protected and the technology has been licensed to the company through an exclusive worldwide license. The company claims that it is the ONLY producer of MagneGas.
- Pricing power: The company has significantly reduced its production costs such that MagneGas is 50% cheaper to produce than acetylene.
- The company has strategic relationships with the largest HVAC backoffice outsource provider in the U.S. and the largest industrial gas distributor in the U.S. The company gains a near-monopoly in the markets it serves through its unique delivery service model.
- Barriers to entry: The transportation of gas products, including MagneGas, in the U.S. is regulated by the U.S. Department of Transportation (DOT). The company is subject to state and local licensing requirements.

#### a) Financial growth

- The company has stated that its 2020 sales increased 51% vs. prior to 2019. The company also predicts double-digit growth through organic activities in 2021.
- The company has stated that they reduced their production costs by 88% from 2012 to 2019 and by 35% in 2020.

(\$ in millions)	2018	2019
Sales Revenue	9.7	21.0
Gross Profit	4.1	10.7
Operating Loss	(4.6)	(4.9)
Net Loss	(4.4)	(5.7)

#### b) Internal investigation & delinquent filings

- After joining the company as CFO in November 2020, Mary Pat Thompson discovered what she believed to be fraudulent accounting practices at the company relating to the underreporting of the cost of goods sold and the overreporting of gross income, in the second and third quarters of fiscal year 2020.
- Subsequently, the board retained a law firm to investigate the allegations.
- In April 2021, the newly reconstituted Board commenced an investigation of the company's previously issued accounting results and hired forensic accountants and external counsel to assist in the investigation of the company's previously issued financial statements. The investigation is in its early stages and the company cannot predict its duration or outcome.
- The company's last filing was 10-Q (quarter ended September 30, 2020) filed on November 19, 2020.

## Harte Hanks, Inc. (HRTH): The new CEO has plenty of challenges

- Market Cap: \$41 million | Harte Hanks is an industry leader in Marketing Services and Execution, Customer Care, Fulfillment and Logistics Services.
- Major shareholders
- Wipro: 14.9% | Westerly Capital Management: 14.5% | Harte Houston H: 9.8% | Fondren Management: 9.8% | Copeland David L: 7.0% | Eidelman Virant Capital: 6.3%
- Screen: Appointment of new CEO

### 1. New CEO

In June 2021, the company appointed Brian Linscott, current COO since January 2020, as CEO.

- Advisor for operational improvement: From 2015 to 2019, he served as a Partner at BR Advisors, where he led the operational improvement of radio and printing companies, developed new partnerships, and facilitated asset transactions.
- PE advisor – assessment and post-acquisition operational strategies: He has also served as Operating Partner at Traverse Pointe Partners since 2014, where he advises a private equity fund on financial and operational assessment of equity investments and developed post-acquisition operational strategies to create stockholder value.
- MD to oversee new business opportunities: From 2013 to 2015, Mr. Linscott served as a Managing Director at Huron Consulting Group, where he managed client relationships, oversaw consulting teams, and developed new business opportunities in Huron's Business Advisory practice.
- CFO of Sun Media – restructuring plan: From 2009 to 2012, Mr. Linscott served as Chief Financial Officer / Senior Vice President at Sun Times

Media, LLC, where he created and executed a restructuring plan that led to substantial EBITDA growth, cash flow improvement, and a successful sale of the company.

### 2. Activist investors

#### Houston Harte and Sidus Investment

- In July 2017, the company entered into a cooperative agreement with Sidus Investment and appointed Alfred V. Tobia Jr., who still serves on the Board.
- In 2018, Houston H. Harte (9.9%) changed the majority of the directors and CEO of the company. Average purchase cost: \$9.18 per share.

#### Settlement agreement with Fondren Management

- Fondren Management has had an active stake in the company since 2018.
- In May 2021, the company entered into an agreement with Fondren Management Partners (9.9%) and appointed Bradley Radoff and Genni Combes to the board. The board size was set at six.
- Average purchase cost: \$7.14 per share.

### 3. Current challenges

- The company's revenue has consistently declined over the last 10 years. The company blames the loss of clients for its poor revenue.
- In recent quarters, the company's revenue is improving due to tailwinds from COVID-related project work, which management expects to taper off as 2021 progresses.
- Customer concentration: Approximately 62% of the revenue for FY 2020 was generated by the 25 largest clients.
- In 2019 and 2020, the company took restructuring initiatives to reduce its costs. The company believes that it will deliver an incremental \$6 million to \$8 million in EBITDA improvement in 2022.
  - The company's total debt increased over the last three years,

from debt free in FY 2017 to the current level of \$55 million.

Overall – this is a “wait and watch” situation.

If you read the past conference calls, you will notice one thing – promises. The company's history is full of “initiatives,” “new strategy,” “transformation” and “turnaround.” Unfortunately, the company has experienced only declining revenue – revenue declined from \$614 million in FY 2011 to the current level of \$180 million.

The concern is not about “cost-cutting.” It is about how the new CEO is going to grow the company's revenue.

(\$ in millions)	2017	2018	2019	2020
Revenue	383.9	284.6	217.5	176.9
Operating loss	(40.8)	(26.0)	(21.6)	(10.5)
Loss before income taxes	(51.7)	(0.5)	(24.5)	(18.3)
Loss attributable to common stockholders	(41.8)	14.8	(26.7)	(2.1)

## Granite Construction Incorporated (GVA): A short note about the CEO change

- Market Cap: \$1.8 billion | Granite (GVA) is one of the largest diversified construction and construction materials companies in the United States as well as a full-suite provider in the transportation, water infrastructure and mineral exploration
- Major shareholders: Blackrock: 16.4% | Vanguard Group: 10.7% | FMR: 9.9% | Fuller & Thaler Asset Management: 6.4% | Capital Research Global Investors: 6.3% | Dimensional Fund Advisors: 5.4%
- Screen: Appointment of new CEO

### RESEARCH

#### 1. Accounting fiasco and recent management changes

##### (a) Internal investigations and restatements:

- In February 2020, the company initiated an investigation regarding the reporting for the Heavy Civil operating group. The company announced that it failed to adhere to risk management procedures and a few employees provided incomplete and/or potentially misleading information to auditors.
- In March 2020, the company failed to file the 10-K and subsequently announced its decision to restate the prior financials to rectify the misstatements.
- In February 2021, the company filed its delayed annual report for the year 2019, which included the restated financial statements (2018 and 2017).

##### (b) Recent significant management changes

- December 2020 – EVP and COO
- January 2021 – CFO
- January 2021 – EVP and Chief Strategy Officer
- June 2021 – CEO

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

On June 3, 2021, the company appointed Kyle T. Larkin as CEO.

##### Moved up the corporate ladder to reach the position of CEO:

Kyle T. Larkin joined Granite in 1996 as a project manager. Over the last 25 years, he has moved up the corporate ladder and was appointed as President in 2020. In June 2021, the company appointed him as CEO.

- President - since September 2020
- EVP and COO - February 2020 to December 2020
- SVP and Manager of Construction and Materials Operations – 2019 to 2020
- SVP and Group Manager - 2017 to 2019
- VP and Regional Manager in Nevada - 2014 to 2017
- President of Granite's wholly owned subsidiary, Intermountain Slurry Seal - 2011 to 2014
- Manager of Construction at the Reno area office - 2008 to 2011
- Chief Estimator - 2004 to 2008
- Project Manager, Project Engineer and Estimator at Granite's Nevada Branch - 1996 to 2003

#### 3. Others

##### a. Recent quarterly performance

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- Revenue increased 5.3% to \$669.9 million compared to \$635.9 million in the prior year.
- Gross profit increased 166.1% to \$63.3 million compared to \$23.8 million in the prior year. The gross profit margin increased to 9.5% compared to 3.7% in the prior year.

- Adjusted EBITDA was \$16.9 million compared to (\$18.4) million in the prior year.

#### b. Outlook

The company reaffirms its guidance for 2021:

- Low- to mid-single-digit revenue growth
- Adjusted EBITDA margin of 5.5% to 7.5%

## Veracyte, Inc. (VCYT): A short note about the new CEO

Market Cap: \$2.5 billion | Veracyte is a global genomic diagnostics company that improves patient care by providing answers to clinical questions, informing diagnosis and treatment decisions throughout the patient journey in cancer and other diseases.

#### Major shareholders

Ark Investment Management: 11.33% | Vanguard Group: 9.58% | Blackrock: 9.14% | Artisan Partners Limited Partnership: 6.98% | William Blair Investment Management: 6.83% | Invesco: 6.22%

Trigger: New CEO

#### New CEO:

On May 10, 2021, the company appointed Marc Stapley as CEO.

- CEO of Helix: Marc Stapley served as CEO of Helix, a genomics company, from 2019 to 2021. During his tenure, he built one of the largest COVID-19 testing labs in the United States and established the company as a national leader in viral surveillance.
- Top executive of Illumina (market cap: \$63 billion): Mr. Stapley was one of the top executives in Illumina, a genetic sequencing company with a market cap of \$63 billion and revenue of \$3.2 billion. He served in key managerial positions in Illumina, including CFO

from 2012 to 2017. In his latest role as EVP – Strategy and Corporate Development at Illumina, he was responsible for corporate strategy, business development, and population genomics.

- SVP of Pfizer: Before Illumina, Mr. Stapley served as SVP – Finance at Pfizer Inc. from 2009 to 2012, where he was responsible for global financial processes and systems, leading integration efforts in both the Wyeth and King Pharmaceutical acquisitions and providing oversight to the company's largest technology investment program.

#### Key financials:

(\$ in millions)	2016	2017	2018	2019	2020
Total revenue	65.0	71.9	92.0	120.2	117.3
Gross Profit	39.6	43.8	59.0	83.8	75.9
Loss from operations	(28.8)	(26.5)	(22.2)	(15.1)	(35.3)
Cash and cash equivalents	59.2	33.8	77.9	159.3	349.3

## Servotronics, Inc. (SVT): Ultra-short notes on CEO change

Market Cap: \$20 million | Servotronics design, manufacture and market advanced technology products consisting primarily of control components and consumer products consisting of knives and various types of cutlery and other edged products.  
Major shareholders: Servotronics Inc Empl Stk Ownership Trust: 20.2% | FMR: 5.5%  
Trigger: New CEO appointment

### Internal investigation & CEO's paid administrative leave

- On June 8, 2021, the company placed Kenneth D. Trbovich on a paid administrative leave from his position as CEO of the company pending an internal investigation.
- Even though the company did NOT reveal the nature of the internal investigation, a day before this, the company's Senior Director of Corporate Development (Deneb Pirrone) filed a lawsuit against Mr. Trbovich (CEO) and the company. The complaint alleges certain violations under the New York Human Rights Law relating to Mr. Pirrone's employment by the company as well as intentional and negligent infliction of emotional distress. The complaint

seeks monetary damages in an amount not less than \$5 million.

### New CEO

- During Mr. Trbovich's absence, James C. Takacs (COO of the company) will take over the responsibilities of the CEO of the company.
- Mr. Takacs is a lifelong employee of Servotronics, having joined the company in 1987.
- Mr. Takacs has served in various executive positions during his 34-year tenure. He successfully climbed up the corporate ladder and has previously held positions of increasing responsibility, including Test Technician, Project Engineer, Quality Assurance Manager, Director of Operations, VP – Operations, and SVP – Operations.

## Liberated Syndication (LSYN): Podcast play; Investment by Camac Partners and Hudson Capital; Insider buying; Acquisition

- Market Cap: \$113 million | Liberated Syndication Inc. is a world leading podcast hosting network and has been providing publishers with distribution and monetization services since 2004.
- Major shareholders: Camac Fund: 11.5% | Hudson Executive Capital: 6.4%
- Screen: Insider buying, 13G, 8-k filings

### WHAT WE LIKE

#### 1. Majority board & management shakeup

##### a. Majority board change

- In October 2019, the company entered into a [settlement agreement](#) with Camac Fund (15%, average purchase cost: \$1.9/share) and added two representatives of Camac Fund, Eric Shahinian and Brad Tirpak, to the Board.
- Eric Shahinian founded Camac Partners, LLC.
- Subsequently, two more new directors joined the board. Overall, as of today, four out of the six directors are new (since October 2019).

##### b. Abrupt exit of CEO and CFO

- In August 2020, the company's CEO and CFO resigned.

##### c. Notable directors

- Eric Shahinian
  - Founded Camac Partners, LLC
  - Former Principal at The Baupost Group, LLC
- Brad Tirpak, Chairman of the Board
  - He is a Managing Director of Palm Ventures, an investment company focused on investing in and building businesses in partnership with management teams and a small group of substantial investors.

- Mr. Tirpak worked for more than 13 years as a portfolio manager at Credit Suisse First Boston, Caxton Associates, and Sigma Capital Management.

- Brian Kibby

- As President of McGraw-Hill Higher Education, he led a business with nearly \$1.0 billion in top-line sales, growing digital revenues from a nascent base to over half of all company revenues.
- As CEO of MV Transportation, Mr. Kibby oversaw the creation of a new technology strategy for this \$1.3 billion premiere paratransit provider with 20,000 employees.
- During his time as CEO of Knewton, Mr. Kibby led the creation of Alta, a first-of-its-kind SaaS-based adaptive learning series of products, which led to the acquisition of Knewton by John Wiley & Sons.

#### 2. Insider buying and investment by Camac Partners and Hudson Executive Capital

- In June 2021, the company raised \$25 million through a private placement led by Camac Partners, which was a preexisting shareholder, and a new shareholder, Hudson Executive Capital. Purchase price: \$3.75 per share.

- Bradley Tirpak, Chairman of the Board, bought \$1 million worth of shares at \$3.75 per share in June 2021.

Date	Insider	Shares Traded	Avg Price	Total Amount
2021-06-03 Purchase	Tirpak Bradley M Director	266,667	\$3.75	\$1,000,001
2021-06-03 Purchase	Shahinian Eric Director (Camac Partners)	2,133,334	\$3.75	\$8,000,003

### 3. Podcast industry play

#### a. Basics

- According to Edison Research (March 2021), approximately 80 million Americans – 28% of the U.S. population ages 12+ – are now weekly podcast listeners, a 17% increase over 2020.
- When compared to playing video games or watching TV, listening to a podcast can be done while performing some activities.
- Players in the industry: Apart from the podcast content creators (individuals or production studios), there are three critical players:
  1. Directories – iTunes, Spotify, Overcast, Castbox, etc.
  2. Hosting companies – these companies help the content creators to park their audio file (e.g., Libsyn, Buzzsprout, Podbeam, Blubrry, etc.)
  3. Advertisement networks – these companies connect content creators and potential advertisers (e.g., AdvertiseCast, Art19, etc.)

- Suggested further reading:  
<https://www.edisonresearch.com/the-infinite-dial-2021-2/>  
<https://techcrunch.com/2019/08/21/after-a-breakout-year-looking-ahead-to-the-future-of-podcasting/>

#### b. Libsyn segment

- The company provides a podcast hosting service.
- This segment accounted for roughly 62% of total revenue. The company's revenue increased from \$5.1 million in 2015 to \$24.2 million in 2019. The company's gross margin increased from 70% in 2015 to 86% in 2019.
- Sticky revenue: Generally speaking, switching a hosting provider is a hassle for content creators. This is simply because one has to resubmit all the shows to all podcast directories, and old data analytics won't show up in the new hosting provider's dashboard.
- Low churn rate: With more than 75,000 podcasts on its platform, it had a churn rate of under 3% in Q3 2020.
- The company is the first mover in the industry.
- Podcast shows on the Libsyn platform increased consistently from 28,000 in 2015 to over 69,000 in 2019. This resulted in 5,844,017 active episodes in 2019 versus 2,572,295 in 2015.

#### c. Libsyn's acquisition spree

- Three acquisitions in the past five months: In the last five months, the company acquired Auxbus, a podcast-creation software platform (Feb 2021), and two podcast monetization platforms – Glow (April 2021, \$1.2 million) and AdvertiseCast (June 2021, \$30 million).
- Recent acquisition – AdvertiseCast

- In June 2021, the company acquired AdvertiseCast for \$30 million by raising funds from Hudson Capital and Camac Partners.
- AdvertiseCast provides podcast advertising services.
- AdvertiseCast revenue has grown rapidly, increasing 45% year over year in 2020 to approximately \$12 million.
- This acquisition has helped the company to expand its operations from hosting to advertisement monetization.
- Podcasting is an active M&A market
  - Amazon acquired Wondery (Dec '20) and ART19 (June '21), a podcast hosting company and ad company respectively.
  - Spotify has been on an acquisition spree for the past few years – it acquired production studio Gimlet (2019), podcasting tool platform Anchor (2019), podcast ad company Megaphone (Nov 2020, \$235 million), and podcast discovery platform Podz (June 2021).

#### 4. Pair Networks

- This segment accounts for 37% of revenue.
- In 2017, Pair Networks was acquired for \$16 million by the previous management.
- It is an internet hosting company.
- Even though the hosting business is generally sticky in nature, the company is competing against well-funded and reputable giants like Godaddy, Google Cloud, Amazon Web Service, HostGator, BlueHost, Wix, etc.
- The company was started in 1995 – roughly 25 years ago – so it is running

the business using its old customers. Given the sticky nature, people cannot be bothered to shift to well-established players. It is VERY difficult for this company to compete against the well-funded giants. As such, the management should treat this segment as a cash cow and use the cash generated in this business to grow the podcasting business.

#### 5. Accounting fiasco

- Tax error: In March 2021, the company announced that it had incorrectly reported the personal income related to its restricted stock vesting events in 2017, 2018, and 2019. The company underreported such personal income and failed to report the income in a timely fashion.
- Non-reliance of previously issued financial statements: In May 2021, the company announced that its previous financial statements should no longer be relied upon due to errors in recording local sales and income tax, VAT, and withholding tax related to restricted stock vesting events.
- Due to the same, the company is yet to file its FY 2020 10-K and Q1 2021.
- Our comment: Given Camac Partners' active involvement and the presence of activist investors like Brad Tirpak on the Board, we expect the company to solve the accounting problem swiftly.

Overall:

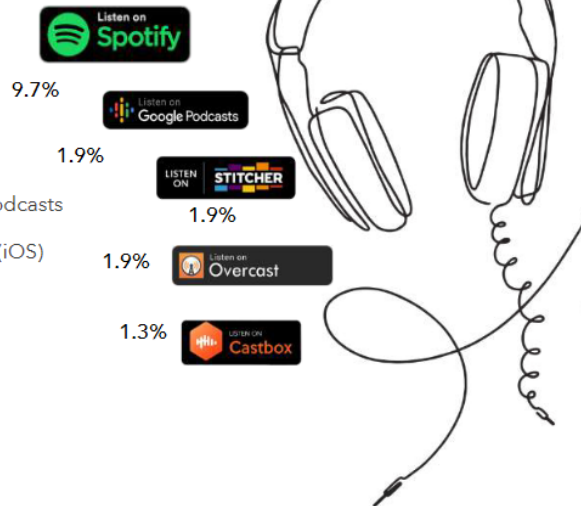
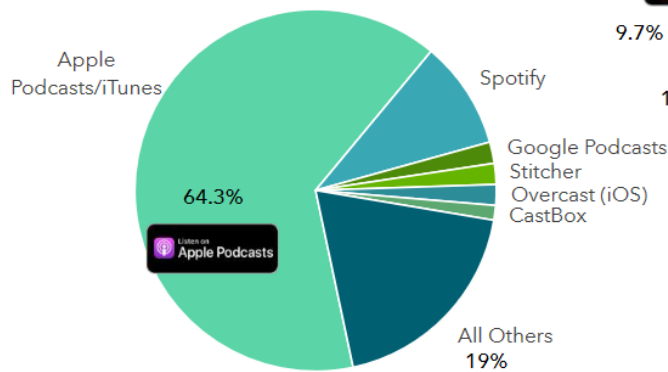
- The company has enviable assets in the podcast industry.
- The company is a potential acquisition target.

	2016	2017	2018	2019
Revenue	8.7	10.5	12.6	14.4
Cost of revenue	2.2	2.3	2.5	2.3
Gross profit	6.5	8.2	10.1	12.1
Podcast shows on the Libsyn platform	35,000	44,000	57,000	69,000
Active episodes	31,93,997	39,68,275	49,06,636	58,44,017
Audience members monthly (in millions)	62	92	111	130

## Top Podcast Download Aggregators Sept 2020



Apple still leads as the number one consumption platform.



## 1847 Goedecker Inc. (GOED): A big-ticket acquisition & insider buying

- Market Cap: \$305 million | 1847 Goedecker Inc. is a one-stop e-commerce destination for appliances, furniture, home goods, and related products.
- Major shareholders: Sabby Management: 9.1% | Empery Asset Management: 6.47% | Altium Capital Management: 6.7%
- Screen: 13G and 8-K

13G: In June 2021, the following funds filed 13G. Sabby Management: 9.1%, Empery Asset Management: 6.47% and Altium Capital Management: 6.7%.

### WHAT WE LIKE?

#### 1. Insider buying

- In the last two months, the company's executive officers and directors have acquired \$1.2 million worth of shares at an average price of \$2.23 per share.
- Clark R. Crosnoe, a director since July 2020, individually acquired \$1.1 million worth of shares at an average price of \$2.24 per share.

Date	Insider	Shares Traded	Avg Price	Total Amount
2021-06-03	Harcum Thomas S. CTO	1,544	\$2.47	\$3,814
2021-06-02	Roberts Ellery Director	22,200	\$2.24	\$49,728
2021-06-02	Milburn Glyn C. Director	2,200	\$2.24	\$4,928
2021-06-02	Crosnoe Clark R. Director	533,200	\$2.24	\$1,194,368
2021-06-01	Harcum Thomas S. CTO	592	\$1.91	\$1,130
2021-05-28	Barry Robert CFO	13,000	\$1.84	\$23,920

#### 2. Recent big-ticket acquisition

This is a case of a small company that swallowed a large appliance retailer.

#### Acquisition of Appliances Connection

- 1847 Goedecker's revenue was \$55.1 million in FY 2020.
- In June 2021, the company acquired Appliances Connection for approximately \$222 million, which resulted in the combined company becoming the nation's largest Direct to Consumer (DTC) reseller of appliances in the country.
- The combined entities are expected to generate approximately \$550 million in revenue and \$37.8 million in EBITDA in 2021.
- The company expects the combined company's revenues for the three months ended March 31, 2021 will be between \$110.0 million and \$122.0 million.
- Recently, USA Today listed Appliances Connection as one of the top seven places to buy appliances online. <https://www.usatoday.com/story/tech/reviewedcom/2020/11/11/7-best-places-buy-large-appliances-online/3761016001/>

Appliances Connection (\$, mm)	2019	2020
Net sales	219.3	312.6
Gross profit	42.5	65.2
Income from operations	9.5	19.4
Net Income	11.1	20

## Thoughts

### 1. How do online retail websites like Appliances Connection Group compete against Amazon and large chain retailers?

- A wide range of selection is the first and foremost advantage. It appears that (based on our limited research) a few products that are available via the Appliances Connection Group are not available on Amazon or at Home Depot. Also, it appears that Appliances Connection delivers to zip codes that are not serviced by big firms like Best Buy.
- Is this edge sustainable? Well, Appliances Connection was sold for \$200 million, an amount that Amazon would be willing to spend in the blink of an eye. As long as Amazon or large retail firms do NOT feel threatened, this competitive advantage will be sustained. The moment Amazon feels threatened, it will engage in a price war.

### 2. Valuation & stock rally

#### 70% crash and insider buying

- On May 28, 2021, the company's stock price crashed by 70% after pricing its public offering. Moreover, the company released a press release announcing that it is unaware of the reason behind the stock price volatility.
- Within two days, on June 2, the company announced the completion of the acquisition of Appliances Connection. This created a unique situation from a valuation perspective, which insiders captured by aggressively buying for between \$1.84 to \$2.47 per share.

#### Valuation

- The company acquired Appliances Connection at an EV/revenue multiple of 0.71x.
- The company expects the combined company to generate \$550 million in revenue in 2021.
- Applying the same multiple, the company would be worth about \$390 million.
- As of now, the company's current market cap is about \$450 million.

We Offer More Inventory and a Wider Assortment of Categories Compared with Competitors

	ACG   APPLIANCE CONNECTION GROUP	amazon	wayfair	HOME DEPOT   BEST BUY   LOWE'S
LUXURY	✓✓✓✓			
PREMIUM	✓✓✓✓			✓
CORE	✓✓	✓	✓	✓✓
	Carries Top 10 Brands in Each Categories	Many are 3rd Party Sellers, not Brand-sponsored or approved products		Limited In-Store Selection Per Brand

13

## Ring Energy, Inc. (REI): Significant changes after the management and board shake-up

- Market Cap: \$258 million | Ring Energy, Inc. is an oil and gas exploration, development, and production company with current operations focused on the conventional development of its Permian Basin assets in West Texas and New Mexico.
- Major shareholders: Kruse William R: 10.1% | Yetiv Jack: 7.7% | Kukes Simon G: 6.6%
- Screen: 13G filing

### RESEARCH

#### 13G

On June 1, 2021, an individual investor Yetiv Jack disclosed a 7.7% passive stake in the company. On the same day, he also filed 13G in Tetra Technologies and CSI Compressco. You can find his articles on [www.seekingalpha.com](http://www.seekingalpha.com).

#### Basics

- Proved reserves as of December 31, 2020 were approximately 76.5 million BOE (barrel of oil equivalent), of which the company is the operator of approximately 97.7%.
- The company's proven reserves are oil-weighted with approximately 87% consisting of oil and 13% consisting of natural gas.
- Of those reserves, approximately 57.5% are classified as proved developed (PD) and 42.5% are classified as proved undeveloped (PUD).

### WHAT WE LIKE

#### 1. Management and board changes after activist involvement

##### a) Simon Kukes' involvement

- Since October 2019, Simon Kukes has been pushing the company to explore strategic alternatives.
- In March 2020, Mr. Kukes expressed his concerns over the high level of debt and high percentage utilization of the company's reserve-based lending

facility and its continued working capital deficit.

- In August 2020, Simon Kukes and Co. delivered a letter to the company stating his intention to nominate a dozen individuals as candidates for the company's board. Subsequently, within three months, in November 2020, he urged the shareholders to withhold votes for all directors.

##### b) Management changes

Within a few months after Mr. Kukes expressed his intention to nominate board candidates, all six top executives were changed.

- October 2020 - CEO
- November 2020 - Executive Vice President of Land, Legal, Human Resources and Marketing
- December 2020 - Executive Vice President of Engineering and Corporate Strategy
- December 2020 - Executive Vice President of Operations
- December 2020 - Vice President of Compliance and General Manager of the Midland, Texas office
- CFO – March 2021

##### c) Majority board change

Four out of seven directors were appointed after 2020.

##### d) Activist opinion about the new CEO

In December 2020, Simon Kukes and Co. raised certain concerns regarding the

qualifications and compensation of the new CEO.

The new CEO appears to have limited positive corporate turnaround experience in the public oil and gas sector as disclosed in Ring Energy's public filings, with his only relevant turnaround experience being two failed prior turnaround attempts including less than 2 years (April 2017 to January 2019) as President and COO of now bankrupt Yuma Energy, Inc., and only 11 months (January 2019 to December 2019) as President and CEO of SandRidge Energy, a period which saw its stock price tumble over 50%.

Compounding the problem, the Board appears to have agreed to a compensation package that is far above market value for a CEO with his lack of experience producing successful oil and gas companies.

It also appears from public records that the CEO had a prior relationship with some of the Board candidates listed in the proxy distributed by Ring Energy. It is possible that such relationship may lead to conflicts of interest between the Board members and the shareholders

## 2. Significant changes after the appointment of a new management team

The company appointed Paul D. McKinney as CEO in October 2020. Over the last nine months, he made the following changes.

### a) Strategic vision

On February 22, 2021, the company announced its new strategic vision. Key focuses:

- free cash flow generation,

- operational excellence,
- rigorous capital discipline,
- cost control, and
- strengthening of the balance sheet through non-core asset sales and steadily paying down debt.

### b) Operational changes, cost-cutting, FCF generation, and debt repayment

- HQ change & office shutdown: In January 2021, the company moved its corporate headquarters to The Woodlands, Texas. During the first quarter of 2021, the company downsized its Midland office. The company also closed its Tulsa office and Andrews field office in Q1 2021.
- Cost-cutting: In Q1 2021, despite flat revenue, the company's operating expense declined by 21%.
- Strong free cash flow
  - Free cash flow totaled \$39.7 million in 2020 compared with \$(28.8) million in 2019.
  - Q1 2021 produced a free cash flow of \$2.9 million in the first quarter of 2021, marking the sixth consecutive quarter of free cash flow generation.
- Debt repayment
  - In 2020, the company paid down \$75 million of bank debt, including \$47 million in the fourth quarter of 2020.
  - In Q1 2021, the company reduced debt by \$7.5 million by utilizing a portion of free cash flow.
- Potential divestiture of non-core assets
  - In the fourth quarter of 2020, the company entered into an agreement with an intended buyer to sell the company's Delaware assets, which was subsequently canceled.
  - The company is planning to launch a sales process during the second quarter of 2021 to divest all of the

company's Delaware Basin assets to repay its debt.

- Debt

(\$, mm)	Debt
FY 2019	369.6
Q1 2020	368.7
Q2 2020	376.8
Q3 2020	361.5
FY 2020	314.9

**3. New CEO's thoughts on Ring Energy**

- Ring enjoys a low decline, long-life conventional production base, characteristic of wells in the Central Basin Platform in the Northwest shelf.
- Compared to many shale producers, the company does not have high production declines and the capital expenditure required to maintain its production levels are relatively low.
- The company has an inventory of high rate of return drilling opportunities with very low breakeven costs.

"I am very proud of all that we have accomplished and the strategic vision that we are implementing. We have generated free cash flow every quarter since Q4 2019, while paying down \$75 million of debt in 2020. Our focus remains clear with our strategy centered around five key pillars: free cash flow generation, operational excellence, rigorous capital

discipline, cost control, and strengthening our balance sheet through non-core asset sales and steadily paying down debt. As we look to 2021, our preliminary guidance is underpinned by our new strategy. We have a disciplined capital program that is expected to be fully funded by operational cash flow and is designed to maintain production levels with the potential for some minimal growth. Our production portfolio is characterized by the long life and shallow declines of predominately the San Andres formation which meaningfully reduces the capital needed to maintain production. We have continued to implement efficiencies in the field to reduce monthly operating costs to further improve margins. We have stabilized our production and improved the operational efficiencies of our Delaware Basin assets and are currently investigating commercializing a large portion of the salt-water disposal infrastructure there in preparation of launching a Delaware Basin Asset sales process during the second quarter 2021. The bottom line is we are focused on improving our balance sheet and are forecasting strong free cash flow well into the future which will allow us to continue to steadily pay down debt while increasing shareholder value," - Mr. McKinney.

## Recent Developments & 2021 Capex

### 2020 Developments

- During Q1'20 Ring drilled four horizontal San Andres wells on its Northwest Shelf assets (2 – 1.0 mile, 2 – 1.5 mile) in Yoakum County, Texas. All four new drills reported IP's, plus two additional horizontal wells drilled in previous quarters. The average IP rate for all six of the horizontal wells IP'd in Q1'20 was 558 Boe/d, or 107 BOE/1000' on an average lateral length of 5,246'. The four new wells drilled in Q1'20 averaged over 600 Boe/d using a larger frac and refined completion technique. The Company also performed nine conversions from electrical submersible pumps ("ESP") to rod pumps (4 NWS, 5 CBP)
- During Q2'2020 the Company suspended its drilling program due to COVID-19, and temporarily shut-in the majority of its production due to the collapse in oil prices. By Q3'2020 most of the Company's production was back online and averaged only 15% lower than Q1'2020's average volume. During Q2'2020 the Company performed four conversions from ESP to rod pumps (2 NWS / 2 CBP), and in Q3'2020 the Company performed eight conversions (6 NWS / 2 CBP) to reduce overall operating costs and lower costly workovers
- At the beginning of Q4'2020 the Company announced Paul D. McKinney as the new Chairman of the Board and CEO. A new Executive Management Team was also announced, and the Company's headquarter was moved to The Woodlands, Texas, and the Midland, Texas office was downsized. During the Q4'2020 the Company reduced its debt by \$47 million and ended the year with \$313 million outstanding against its redetermined \$350 million borrowing base as of December 31, 2020. In early December the Company reinitiated its drilling program and drilled two new 1.5-mile horizontal San Andres wells, followed by a 1.5 mile and 1.0-mile horizontal San Andres wells in January. All four new horizontal wells will be completed by the first of March 2021. Additionally, the Company performed eight conversions (4 NWS / 4 CBP) bringing the annual total to 29 conversions. Despite the collapse in oil prices, the hedge program put in place in 2019 protected the Company's cash flow and enabled the Company to remain Free Cash Flow positive through all four quarters of 2020 (fifth consecutive)

### 2021 Capex

- On February 22, 2021, Ring announced in its Q4'2020 Operational and Financial Update that it estimated its 2021 Capex spending would be from \$44-48 million. The Company expects all 2021 capital expenditures to be fully funded by cash on hand and cash from operations, with excess free cash flow planned to be used for debt reduction. The Capex includes the following:
  - Drill 6 to 8 new horizontal San Andres wells
  - Complete 8-10 new horizontal San Andres wells
    - Maintain to minimal production growth for FY 2021 of 3% to 8%
  - Conversions from Electric Submersible Pumps (ESP) to rod pumps as needed
  - Perform downhole workover projects
  - Surface work on storage facilities and compressor improvements
  - Reduce costs and improve efficiencies wherever possible



## Consistently Generating Free Cash Flow

Established Operator of *Conventional Permian Assets*

Delivering competitive and sustainable returns by developing, acquiring, exploring for, and commercializing oil and natural gas resources VITAL TO THE WORLD'S HEALTH AND WELFARE

- 6 consecutive quarters generating FCF<sup>1</sup> Q4'19 – Q1'21
- Reduced debt by **\$75 MM** in 2020
  - Targeting additional debt reduction in 2021
- Year-end 2020 Proved Reserves<sup>2</sup>
  - 76.5 MMBoe with PV-10 of \$638 MM
    - 87% Oil / 62% Developed
    - PDP – 38.4 MMBoe with PV10 of \$397 MM



7,960 Boe/d  
1Q21 Avg Net Sales  
March '21- 9,094 Boe/d



\$19.0 MM / \$2.9 MM  
1Q21 EBITDA / FCF<sup>1</sup>



76.5 MMBoe/PV10 \$638MM  
2020 SEC Proved Reserves  
87% / 13%  
Oil / Gas



107,296 / 79,429  
Gross / Net Acres



CTR's Capex \$6.6 MM  
1Q21 9 CTR's  
25 Cap. Workovers<sup>3</sup>



D&C Capex ~ \$8.0 MM  
1Q21 4 Hz wells

Ring Energy, INC	NYSE American - REI
Share Price (5/11/21)	\$2.36
Market Cap	~\$234.3 MM
52 Week Range	\$0.43 - \$3.36
Daily Share Vol. (90 day avg.)	5.7 MM



1) FCF = Adj EBITDA – net interest expense – capital / divestiture proceeds  
2) SEC Proved reserves based on SEC Prices of \$35.75 per BO & \$1.985 per MMBTU  
3) Cap. Workovers include re-activations, stimulations, re-completions, cleanouts and workovers that add proved reserves

## Blucora, Inc. (BCOR): Significant changes executed by the new management team

- Market Cap: \$846 million | Blucora, Inc. is a leading provider of technology-enabled, tax focused financial solutions.
- Major shareholders: Lafitte Capital: 9.6% | Dimensional fund: 7.7% | Vanguard: 6.8% | First Wilshire: 5.1% | ezc corp
- Screen: 8-K & 13D

### RESEARCH

#### 1. 13D

##### Ancora Advisors lost the proxy fight:

- In February 2021, Ancora Advisors (3.4%) nominated four candidates for election to the Board at the 2021 AGM.
- Ancora Advisors urged the company to consider selling its TaxAct business.
- At the AGM held on April 21, 2021, the shareholders elected the company's director nominees.
- During the proxy campaign, the company argued that the company's board proactively change its management team, including the CEO and CFO.

#### 2. Recurring revenue, oligopoly

##### (a) Wealth management (Avantax)

- The company generates roughly 55% of total revenue from this segment.
- The company provides tax-focused wealth management solutions. It works with a nationwide network of financial professionals that operate as independent contractors.
- Long-standing relationships: By the nature of the business, CPAs develop deep, long-lasting relationships with their clients and have insight into their tax and wealth management needs. The trust built in these long-standing relationships provides a solid foundation to recommend a client to a trusted Avantax Planning Partners in-house financial professional.

- Recurring revenue: Roughly 85% of the segment's total revenue is recurring in nature – the company earns a commission or fee that is paid on certain mutual funds and variable annuities held by clients.
- The company claims that Avantax Wealth Management is the only firm that marries tax planning and preparation with financial planning and advisory for all Americans.
- Its total client assets increased consistently from \$38.7 billion in 2016 to \$83 billion in 2020.

##### (b) Tax preparation

- The company generates roughly 45% of total revenue from TaxAct, a leading provider of digital tax preparation solutions.
- As per Ancora Advisors, TaxAct participates in a true oligopoly (TurboTax/H&R Block) as the #3 player with ~7-8% market share.

#### 3. Management changes

Seven out of the top eight executives were appointed after 2019 – out of which, seven executives were appointed/promoted after April 2020.

- Jan 2019: President, TaxAct
- January 2020 – CEO
- April 2020 – CFO
- April 2020: Chief marketing officer
- April 2020: Chief Human Resources Officer

- April 2020: SVP - Operational Performance (promotion)
- April 2020: President, Wealth Management (promotion)

**Board changes:** Four out of ten directors were appointed after 2020.

#### **4. Significant changes after the appointment of a new executive team**

Between Jan 2020 and April 2020, the company appointed a new CFO and four more executives.

##### **a) TaxAct**

- **Improved customer service?**
  - **TaxAct:** The latest complaint filed on bbb.org was in October 2020.
  - <https://www.bbb.org/us/ia/cedar-rapids/profile/computer-software-developers/taxact-0664-22001061/complaints>
- **Comparative advertising:** When compared to past website content, the latest website compares the pricing with that of TurboTax:  
<https://www.taxact.com/>
- TaxAct's total customer retention rate has increased from 61% in 2019 to 66% in 2020. Conversion rate increased from 39% in 2019 to 42% in 2020. Unique visitors increased from 19.8 million in 2019 to 24.7 million in 2020, and new users increased from 1.5 million to 1.6 million.

##### **b) Wealth management**

- In July 2020, the company acquired HK Financial Services, a CPA-focused registered investment advisor, for \$100 million.
- **Lead platform acquisition:** In March 2021, the company acquired Guidevine, a lead-generation and marketing platform. Since launching in

2014, GuideVine technology has been used by hundreds of financial services firms and more than half a million consumers who were searching for a financial services expert.

- **Two new wealth managers:** In April 2021, the company brought on two new wealth managers – Legacy Capital Advisors, LLC (\$126 million in client assets) and Maestro Wealth Advisors (\$133 million in client assets).
- Added more than 200 new financial professionals in 2020 (excluding attrition), and continued the company's recruiting efforts in 2021.

##### **c) Culture**

- The company's Glassdoor rating increased from 3.3 in Spring 2020 to 4.7 in Spring 2021.
- Culture alignment score increased from 57% in Spring 2020 to 72% in Spring 2021.

#### **4. Strong recent financials**

- In the recent Q1 2021, the company's total revenue increased to \$278.4 million, or 6% year-over-year. Free cash flow increased to \$45.1 million in Q1 2021 vs. \$39.1 million during Q1 2020, or a 15% increase.
- On June 15, 2021, the company raised its previously issued outlook after experiencing strong demand for its tax software during the two weeks of tax season.

<https://www.sec.gov/Archives/edgar/data/1068875/000119312521190510/d155997dex991.htm>

#### **5. Miscellaneous – the sum of the parts analysis**

The below slide is from Ancora Advisors' presentation during the proxy campaign.


<b>Sum-of-the-Parts Analysis</b>				
(\$ in mm, except per share)				
	<b>EBITDA 2021</b>	<b>Multiple</b>		
<b>TaxAct</b>	\$75.0	12.0x	13.0x	14.0x
<b>Wealth Management</b>	\$80.0	10.0x	11.0x	12.0x
<b>Corporate</b>	(\$21.5)	11.0x	12.0x	13.0x
<b>Total</b>	\$135.0	11.0x	12.0x	13.0x
EV		\$1,480.0	\$1,615.0	\$1,750.0
Gain on sale impact		153.1	171.9	195.6
Net debt (cash)		404.2	404.2	404.2
NOL		(153.1)	(171.9)	(195.6)
Equity value		\$1,075.8	\$1,210.8	\$1,345.8
Diluted shares		48.1	48.1	48.1
<b>Pre corporate overhead SOTP value per share</b>		<b>\$26.94</b>	<b>\$30.16</b>	<b>\$33.38</b>
% to current		59.5%	78.6%	97.6%
<i>Less: corporate overhead per share</i>		(\$4.57)	(\$4.99)	(\$5.40)
<b>Post corporate overhead SOTP value per share</b>		<b>\$22.36</b>	<b>\$25.17</b>	<b>\$27.98</b>
% to current		32.4%	49.0%	65.6%

Taxact: Comparison with TurboTax (Comparative advertising) - <https://www.taxact.com/>

## File for at least 20% less than TurboTax®

- ✓ Get your guaranteed maximum refund for less
- ✓ Over 80 Million returns e-filed since 2000

Get Started



**Save 20%**

**Free**

★★★★★ 4.8

Simple filers, dependents, unemployment and retirement.

**\$0.00**

TurboTax: \$0.00

Start for Free

State Additional  
Pay only when you file

**Save 20%**

**Deluxe** Most Popular

★★★★★ 4.7

Homeowners, deductions, credits and adjustments.

**\$47.95**

TurboTax: \$60.00

Start for Free

State Additional  
Pay only when you file

**Save 20%**

**Premier**

★★★★★ 4.4

Investments, sale of home and rental property.

**\$71.95**

TurboTax: \$90.00

Start for Free

State Additional  
Pay only when you file

**Save 20%**

**Self Employed**

★★★★★ 4.5

Freelancers, contractors and small business owners.

**\$94.95**

TurboTax: \$120.00

Start for Free

State Additional  
Pay only when you file

Solid progress repositioning Blucora

## Summary of Key Repositioning Actions in 2020 / 2021



<sup>1</sup> Gross figure for Financial Professionals.

<sup>2</sup> As a percent of revenue, reflects comparison of 2020 vs. midpoint of 2021E guidance.

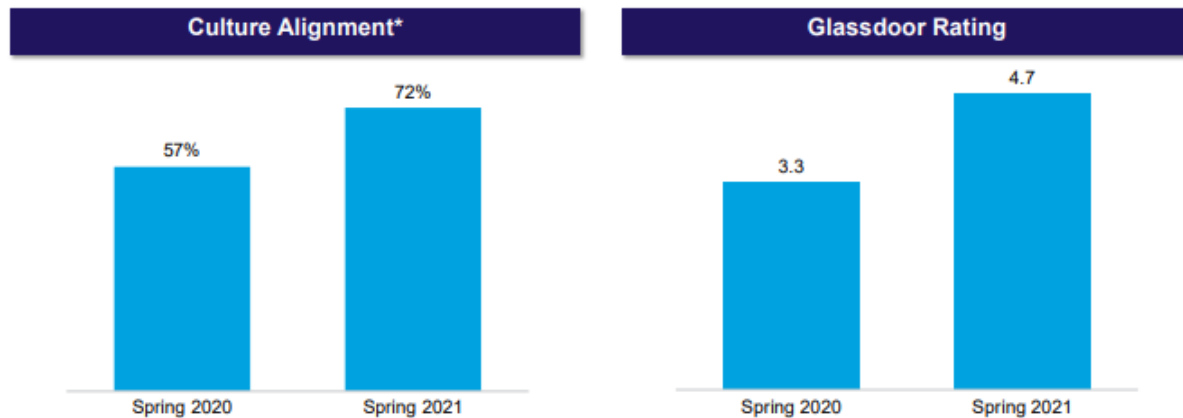
<sup>3</sup> Change in internal Employee Engagement Surveys taken in 2020 and 2021

10

BLUCORA

Solid progress repositioning Blucora

## Transforming Our Culture to Maximize Potential



*"The people here at Blucora are supportive, collaborative and caring. I have been very impressed with the interactions I've had with all levels across the organization. Leadership is solidifying and stable. Communications are forthcoming and show that leadership truly care about their employees. The work is exciting and we are given the tools and resources needed to perform our jobs effectively."*

- Employee Review on Glassdoor

2

\* Culture survey results: Response relates to alignment with the following statement: "I feel I am part of a unified team, where people stick together".

BLUCORA

## Eargo, Inc. (EAR): Disruptor in the hearing aid industry

- Market Cap: \$1.4 billion | Eargo, Inc. (NASDAQ: EAR) is a medical device company. The company market and sell its hearing aids direct to consumers with a personalized, consumer-centric approach.
- Nea Management: 16.8% | New Enterprise: 11.7% | Alger Associates: 11.4%
- Screen: 13G filing

**13G:** In June 2021, Alger Associates disclosed a 11.4% passive stake in the company.

### WHAT WE LIKE

#### 1. Disruptor in the hearing aid industry

- **Invisible hearing aid:** Eargo hearing aids are the first and only virtually invisible, rechargeable, completely-in-canal, FDA regulated, exempt Class I and Class II devices for the treatment of hearing loss.
- Interestingly, the product costs 50% less than traditional hearing aids.
- In 2018, Eargo was voted by Time Magazine as one of the best inventions in 2018.
- **Patents:** As of December 31, 2020, the company had 22 issued U.S. patents, and 16 patents outside the United States.
- **Customer satisfaction:** From June 2018 to August 2020, the average net promoter score, or NPS, was over 45. NPS is a customer metric to measure customer experience. The company claims that 45 demonstrates high customer satisfaction.
- **Consumer-centric business model:** The company sells its hearing aids directly to consumers with a personalized approach by delivering customer care. Once a customer purchases an Eargo system, the company's licensed hearing professionals provide convenient telecare-based clinical

support for as long as they own the device. The company believes that this premium support is highly differentiated and contributes to its strong customer ratings.

- Note: Eargo's hearing aids are a great option for those with mild to moderate hearing loss.
- Suggested further reading:
  - <https://time.com/collection/best-inventions-2018/5454218/eargo-max/>
  - <https://www.health.com/health-reviews/eargo-hearing-aids-review>

#### 2. Strong financials

- In 2017, the company released its first hearing aid, the Eargo Plus. In 2018, it released its popular entry-level hearing aid, the Eargo Max.
- The company's revenue grew organically from \$6.6 million in 2017 to \$69 million in 2020.
- In FY 2020, the gross shipment was 38,243, up approximately 68% YoY.
- **Strong outlook:** The company increased its 2021 outlook for revenue from between \$87-\$93 million to between \$89-\$93 million.
- **Latest quarter results:** Revenue increased by 74.0% during the three months ended March 31, 2020 to \$22.0 million during the three months ended March 31, 2021, primarily due to increasing volumes of Eargo Neo HiFi hearing aid systems shipped.

(\$ in millions)	2017	2018	2019	2020
Revenue	6.6	23.1	32.7	69.1
Gross profit	2.1	11.7	17.0	47.2
Loss from operations	(18.3)	(31.5)	(44.0)	(31.5)
Loss before income taxes	(24.6)	(33.7)	(44.4)	(39.8)
Net loss attributable to common stockholders	(24.6)	(33.7)	(44.4)	(30.0)

## EARGO ADDRESSES THESE LIMITATIONS



**TRADITIONAL HEARING AIDS**

- STIGMATIZED, VISIBLE, UNATTRACTIVE
- EAR CANAL OCCLUSION, DISCOMFORT
- BATTERY CHANGING HASSLE
- DISEMPowering, CUMBERSOME PROCESS
- B2B, LAYERS OF COST
- \$4,600 AVERAGE COST<sup>1,2</sup>

1. Eargo Estimates of hearing aids sold through traditional channels in the United States  
2. Cost data is on a per pair basis



**EARGO**

- ◉ VIRTUALLY INVISIBLE
- ◉ COMFORTABLE, NON-OCCLUSIVE
- ◉ RECHARGEABLE, EASY-TO-USE
- ◉ EMPOWERING, CONSUMER-CENTRIC PROCESS
- ◉ DTC, VERTICALLY INTEGRATED
- ◉ \$1,850 - \$2,950<sup>2</sup>

## TRANSFORMING THE HEARING AID INDUSTRY

### Large Market with Significant Unmet Need

- ✓ 43M U.S. adults have hearing loss<sup>1,2</sup>, but only ~27% owned a hearing aid in 2019<sup>3</sup>

### Low Penetration Due To

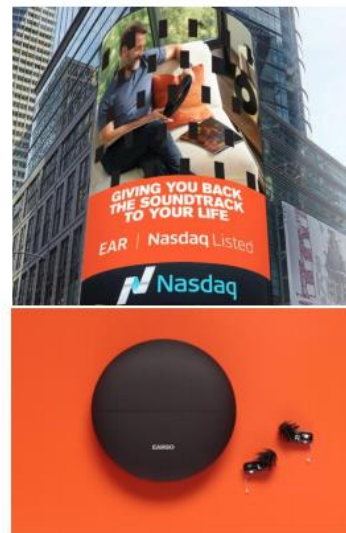
- ✓ Stigma of visible hearing aids (~88% of 2019 U.S. market)
- ✓ Discomfort of existing in-the-ear hearing aids (~12% of 2019 U.S. market)
- ✓ High cost
- ✓ Inconvenient, cumbersome experience; many visits to the audiologist

### Eargo Addresses This Unmet Need

- ✓ Virtually invisible, in-the-ear, FDA regulated, exempt product; high-quality audio
- ✓ Comfortable, all-day wear
- ✓ Lower cost to consumer
- ✓ Efficient, DTC model offers education, purchase and telecare support from home

### Strong Financial Profile

- ✓ \$22.4M 4Q20 net revenue, up 110.8% YoY
- ✓ \$69.2M FY20 net revenue, up 110.9% YoY



## Dream Finders Homes, Inc. (DFH): An asset-light homebuilder who rapidly became the 11<sup>th</sup> largest private builder within 13 years

- Market Cap: \$2.1 billion | Dream Finders Homes is one of the nation's fastest growing homebuilding companies, with industry leading returns on shareholder's equity.
- Major shareholders: Boston Omaha: 14.86% | Mangolia Group: 6.2% | Vanguard: 4.2%
- Screen: 13F

### 13F

- Established in 212, The Magnolia Group, LLC is privately held and is owned 100% by Adam K. Peterson, its founder and Managing Member.
- The Magnolia Group employs its value-oriented strategy through bottom-up fundamental analysis to make investment decisions.
- The Magnolia Group runs a concentrated portfolio. Top six stocks accounted for roughly 92% of total portfolio (13F value).
- Dream Finders Homes is a "new" pick of the fund in Q1 2021 – This company accounts for roughly 6% of total portfolio.

### BASICS

- The company design, build and sell homes in high growth markets, including Jacksonville, Orlando, Denver, the Washington D.C. metropolitan area and Austin, and, with the acquisition of H&H Homes in October 2020, Charlotte and Raleigh.
- Insiders' ownership:
- Directors and executive officers as a group holds 89.3% of the combined voting rights in the company.

### WHAT WE LIKE

#### 1. Asset-light model

- The company generally does not engage in land development and buys (a) finished lot option contracts and (b) land bank option contracts.
  - Finished lot option – right to purchase finished lots at market prices from various land sellers
  - Land bank partners – by paying deposits based on the aggregate purchase price of the finished lots
- The company believes that its asset-light model reduces its balance sheet risk relative to other homebuilders that own a higher percentage of their land supply.
- As of September 30, 2020, 99% of the company's owned and controlled lots were controlled through finished lot option contracts and land bank option contracts compared to the average among public homebuilder companies of 46%.

#### 2. 11<sup>th</sup> largest private homebuilder

- The company rose from the 80th largest private homebuilder on the *Professional Builder* list in 2015 to the 11th largest on *Professional Builder's* 2020 Housing Giants list based on 2019 revenue.

#### 3. Strong financial performance

- Strong revenue growth: In 2020, the company delivered its third consecutive year of over 100% pre-tax earnings growth after the record full-

year 2020 results. DFH closed over 3,150 homes in 2020, an increase of 54% over the homes closed in 2019.

- The company has been profitable every year since its inception and has never taken an inventory impairment.
- Highest ROE: The company generated returns on equity of 41% for the 12 months ended September 30, 2020, and 34% for the year ended December 31, 2019, substantially exceeding the average returns on equity among public homebuilder companies of 15%

and 13%, respectively, for the same periods.

- Strong outlook
  - Home closings increased to 1,002 homes for the first quarter of 2021, a 94.6% increase over the 515 home closings in the first quarter of 2020.
  - 2,424 homes were in backlog at the end of 2020, valued at \$865.1 million, increases of 183.8% and 158.4%, respectively, over the 854 homes in backlog valued at \$334.8 million at the end of 2019.

(\$ in millions)	2018	2019	2020
Revenue	522.2	744.2	1,133.8
Net and comprehensive income	23.2	44.8	84.5
EBITDA	37.1	70.5	120.8



2021 Rank: 27

2020 Rank: 35

2019 Rank: 38

2018 Rank: 55

2017 Rank: 54

2016 Rank: 90

2015 Rank: 103

2014 Rank: 0

2013 Rank: 0

## Carriage Services, Inc. (CSV): Insider buying

- Market Cap: \$686 million | Carriage Services is a leading provider of funeral and cemetery services and merchandise in the United States. Carriage operates 173 funeral homes in 26 states and 32 cemeteries in 12 states.
- Major shareholders: Dimensional Fund Advisors: 7.57% | Blackrock: 7.46% | Ameriprise Financial: 6.30% | Renaissance Technologies: 5.78% | Global Alpha Capital Management: 5.41%
- Screen: Insider buying

### BASICS

- Funeral home and cemetery operations are managed by a team of experienced industry and sales professionals with substantial leadership experience
- Funeral and cemetery arrangements sold prior to death occurring are referred to as preneed contracts.

### RESEARCH

#### 1. Insider buying

- Melvin C. Payne, the co-founder of the company, has served as its CEO since its inception in 1991 and holds an 8.6% stake in the company.
- Insider buying: In the last four months, the company's top executives acquired \$0.35 million worth of shares at an average share price of \$35.4 per share.

Date	Insider	Shares traded	Avg price	Total amount
10-06-2021	Metzger Steven D (CAO)	1,000	\$38.19	\$38,190
03-06-2021	Quezada Carlos R. (COO)	1,000	\$37.47	\$37,470
19-05-2021	Quezada Carlos R. (VP)	1,000	\$37.07	\$37,070
23-03-2021	Manceaux Christopher (VP)	842	\$35.86	\$30,194
18-03-2021	Phillips Shawn R (VP)	1,000	\$36.2	\$36,200
15-03-2021	Schappaugh Peggy (VP)	500	\$35.86	\$17,930
04-03-2021	FINGERHUT BARRY K (Director)	3,000	\$33.78	\$101,340

05-03-2021	Metzger Steven D (VP)	1,000	\$33.5	\$33,500
24-02-2021	Quezada Carlos R. (VP)	750	\$33.71	\$25,282

#### 2. Competitive advantage

- The company believes that it is a market leader in most of its markets.
- The company is one of the top four funeral home and cemeteries providers in the United States.
- Industry concentration: Service Corporation International, StoneMor, Inc., Park Lawn, and Carriage collectively represent approximately 20% of funeral and cemetery revenue in the U.S.

#### 3. CEO and culture

##### a) Shareholder letter

When was the last time you read a CEO's letter which was 50 pages long?

<https://investors.carriageservices.com/static-files/7bed20e8-1668-48a7-8170-6664c5173136>

<https://investors.carriageservices.com/annual-reports-proxy-investor-materials>

##### b) Strategic Vision and Principles Group

- On June 2, 2021, the company announced executive team appointments and the formation of a four-member Strategic Vision and Principles Group of the eight-member Executive Team. Ben Brink, Steve Metzger, and Carlos Quezada were

promoted to Executive Vice President roles.

- **Goal:** The goal in forming this Strategic Vision and Principles Group was to achieve the high and sustainable operating and financial performance required to drive five-year 40% compounded CSV share price returns from \$14.38 on May 15, 2020 to \$77.34 by the end of 2024.
- Target stock price at the end of 2024: \$77.34 per share; current share price as of June 15, 2021: \$38.21 per share.
- What also caught our attention is the way the CEO referred to the executives. It is not a typical boilerplate template.

Ben was a “no brainer” obvious choice

It would be an understatement to say that over the last twelve years Ben has gained the equivalent of a Harvard/Columbia MBA as my “Battle Tested and Fully Vested Foxhole Buddy” through several major transition phases of Carriage, a Badge of Honor that only a few others share thirty years after Carriage’s founding.

#### 4. Improving financials

- Record total revenue of \$329.4 million in 2020 and record total field EBITDA of \$141.9 million. Revenue increases are from broad market share gains and

increases in the number of deaths related to the COVID-19 pandemic.

- The company had a record first quarter 2021 performance in four of five operating and financial reporting segments to start 2021, as total revenue increased \$19.1 million or 24.7% to \$96.6 million; field EBITDA increased \$15.7 million or 52.1% to \$45.8 million.
- **Guidance:** The company expects to decrease its debt by \$370-\$380 million by 2022.
- **Free cash flow:** The company generated \$38.8 million and \$70 million adjusted free cash flow in 2019 and 2020 respectively. In Q1 2021, the company generated \$27.1 million adjusted free cash flow. The company expects to generate \$67-\$71 million adjusted free cash flow in 2022.
- **Latest quarter results:** Revenue for the three months ended March 31, 2021 increased \$19.1 million compared to the three months ended March 31, 2020, as the company experienced a 15.7% increase in total funeral contracts primarily due to a peak spike in COVID-related deaths in the first quarter of 2021 when compared to the first quarter of 2020, which resulted in market share gains.

## Enviva Partners, LP (EVA): Insider buying

- **Market Cap:** \$2.1 billion | Enviva Partners is a publicly traded master limited partnership that aggregates a natural resource, wood fiber, and processes it into a transportable form, wood pellets.
- **Major shareholders:** Riverstone Holdings / Enviva Development Holdings: 33.9% | Inclusive Capital Partners: 14.2%
- **Screen:** Insider buying

### BASICS

The company earn revenue by supplying wood pellets to customers under off-take contracts. Off-take contracts – as per the agreements, the customer need to take a fixed quantity of product at a stated price and the customer will have to compensate the company is the customer doesn't buy the fixed quantity as per the agreement.

### WHAT WE LIKE

#### 1. Insider buying

- In June 2021, Inclusive Capital Partners, LP purchased \$39.9 million worth of shares at \$45.5 per share. Inclusive Capital Partners' ownership increased from 12.2% to 12.9%, and Jeffrey W. Ubben has been serving on the Board since June 2020.
- John C. Bumgarner, Jr., a director since 2015, purchased \$1.49 million worth of shares at \$45.5 per share.

#### 2. Competitive advantage

- Enviva is the world's largest supplier of utility-grade wood pellets in a highly fragmented industry with numerous small, single-plant operators.
- **Off-take contracts:** The company earns revenue by supplying wood pellets to customers under off-take contracts. As per the agreement, the customer needs to buy a fixed quantity of product at a stated price from the company, and the customer will have to compensate the company if the customer doesn't buy

the fixed quantity as per the agreement.

- **Long-term contracts:** The majority of contracts are long-term in nature and a typical contract term is up to 20 years. As of April 1, 2021, the company has a total weighted-average remaining term of approximately 12.8 years and a total product sales backlog of approximately \$14.5 billion.
- **Price escalator:** The company's contract agreement also includes escalation clauses, which help the company to cover its unexpected costs due to price fluctuations of raw materials, etc. Price escalators protect against erosion of underlying cost position and provide an opportunity for margin expansion.
- **Strategic facilities:** The company's facilities are located in geographic regions with low input costs and favorable transportation logistics.
- It operates nine industrial-scale wood pellet production plants strategically located in the Mid-Atlantic and Gulf Coast regions of the United States, geographic areas in which wood fiber resources are plentiful and readily available.
- **"Build and copy" approach:** The company employs a "build and copy" approach to constructing production plants and terminals.

- **23rd consecutive dividend:** In April 2021, the company announced the declaration of its 23rd consecutive quarterly distribution increase. It declared a distribution of \$0.785 per common unit for the first quarter of 2021, an increase of 15.4% over the corresponding period in 2020.
- **Latest quarter results:** Net revenue increased by \$36.6 million, or 17.9%,

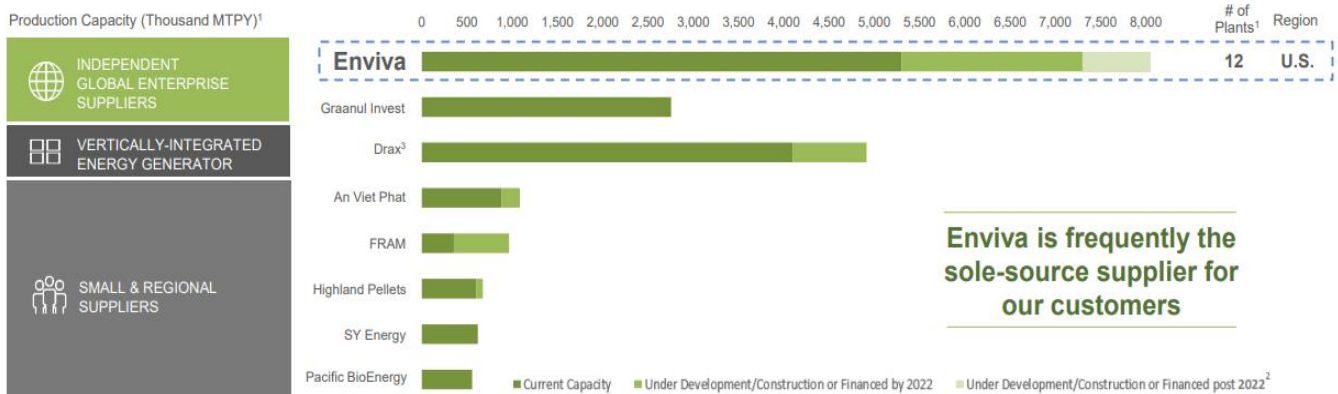
for the first quarter of 2021 as compared to the first quarter of 2020, primarily as a result of a \$26.7 million increase in product sales and a \$9.9 million increase in other revenue. Adjusted EBITDA was \$46.3 million, which was a 58.8% increase in adjusted EBITDA over the same period in 2020. (Source)

(\$,mm)	2016	2017	2018	2019	2020
Net revenue	464.2	543.2	573.7	684.3	875.0
Gross margin	76.7	78.8	69.4	81.0	107.1
Income from operations	33.6	47.8	41.8	44.6	61.7
Net income (loss) attributable to Enviva Partners, LP	19.2	17.5	6.9	(2.9)	17.0

## UNPARALLELED GLOBAL SCALE PROVIDES DURABLE COMPETITIVE ADVANTAGES

**Enviva is the world's largest supplier of utility-grade wood pellets in a highly fragmented industry with numerous small, single-plant operators**

- A "build and copy" approach allows for highly-efficient, large-scale production facilities and creates operating leverage
- Multi-plant profile and global scale translate into superior reliability and opportunities for optimization
- Access to robust fiber baskets allows for reliable raw material supply and a flat marginal cost curve for incremental production



## CNB Financial Corporation (CCNE): A short note on insider buying

- Market Cap: \$381 million | CNB Financial Corporation is a financial holding company with consolidated assets of approximately \$4.9 billion. CNB Bank is a full-service bank engaging in a full range of banking activities and services.
- Major shareholders: Blackrock: 5.9% | Vanguard: 4.5% | Dimensional fund: 3.7%
- Screen: Insider buying

### WHAT WE LIKE

#### 1. Insider buying

- Since September 2020, various executives and directors have bought \$0.37 million worth of the company's shares at an average price of \$18.2 per share.
- Mr. Nicholas, a director of the company, bought \$0.11 million worth of shares in June 2021 at an average price of \$24.3 per share.

#### 2. Market share

- #1 market share and community bank in Clearfield County since 1865; 40% market share based on deposits
- #3 community bank in legacy CNB Bank markets
- #3 ranked community bank in the Buffalo MSA
- Top 3 deposit market share in ELK and McKean Counties

#### 3. Strong financials

- As of 2020, the company's total assets were \$4.7 billion with a YTD ROATCE of 11.39%, or 13.37% adjusted.

- Total assets increased from \$2.5 billion in 2016 to \$4.9 billion in Q1 2021.
- Total net loans increased from \$1.8 billion in 2016 to \$3.3 billion in Q1 2021.
- Strong recent quarterly performance
  - 34% increase in revenue: Total revenue (comprised of net interest income plus non-interest income) was \$47.4 million for the three months ended March 31, 2021, reflecting an increase of \$12.0 million, or 33.9%, from the three months ended March 31, 2020.
  - 30% increase in net interest income: Net interest income of \$39.1 million for the three months ended March 31, 2021 reflected an increase of \$9.1 million, or 30.4%, from the three months ended March 31, 2020, primarily as a result of \$1.0 billion, or 28.7%, growth in average earning assets coupled with a 7 basis point increase in net interest margin for the same period.

## Insider buying

Transaction Date	Insider Relationship	Shares Traded	Average Price	Total Amount
2021-06-11	Scott Nicholas N. Jr.   Director	4,600	\$24.30	\$111,780
2021-06-09	Young Julie M.   Director	37	\$24.33	\$896
2021-06-09	Scott Nicholas N. Jr.   Director	55	\$24.33	\$1,344
2021-04-23	Obi N. Michael   Director	400	\$25.21	\$10,084
2021-03-10	Young Julie M.   Director	35	\$25.28	\$896
2021-03-10	Scott Nicholas N. Jr.   Director	35	\$25.28	\$896
2020-02-13	Scott Nicholas N. Jr.   Director	500	\$29.54	\$14,770
2020-12-21	LIMA TITO L   CFO	750	\$20.95	\$15,713
2020-12-09	Young Julie M.   Director	63	\$21.3	\$1,344
2020-12-09	Scott Nicholas N. Jr.   Director	63	\$21.3	\$1,344
2020-11-12	Scott Nicholas N. Jr.   Director	1,000	\$19.3	\$19,300
2020-09-24	Straub Francis X III   Director	7,000	\$14.26	\$99,820
2020-09-09	Young Julie M.   Director	86	\$15.63	\$1,342
2020-09-09	Scott Nicholas N. Jr.   Director	86	\$15.63	\$1,342
2020-09-03	LIMA TITO L   CFO	5,723	\$16.2	\$92,713

## Crestwood Equity Partners LP (CEQP): Divestment & repurchase of common equity and general partner interest from First Reserve

- Market Cap: \$2 billion | Crestwood Equity Partners LP is a master limited partnership that owns and operates midstream businesses in multiple shale resource plays across the United States.
- Major shareholders: Alps Advisors: 9.6% | Goldman Sachs: 5.7% | Mirae Asset Global: 2.3%
- Screen: 8-K - Keywords

### BASICS

The company has three operating and reporting segments, including

1. Marketing, supply and logistics (MS&L) (71% of revenue) - NGL, crude oil and natural gas marketing and logistics operations.
2. Gathering and processing (G&P) (28% of revenue) - Provide gathering and transportation services for natural gas, crude oil and produced water, processing, treating and compression services (natural gas)
3. Storage and transportation (S&T) (less than 1% of revenue) - One of the largest crude-by-rail terminals serving Bakken crude oil production, and has equity investments in three joint ventures that own five high-performance natural gas storage facilities, three natural gas pipeline systems and crude oil facilities

### WHAT WE LIKE

#### 1. Divestment – \$570 million proceeds

- In June 2021, the company entered into an agreement to sell its joint venture (50%), Stagecoach Gas Services, for \$1.225 billion and expects to receive its share of roughly \$570 million.

- This divestment is expected to reduce the Q1 2021 leverage from 4.2x to ~3.6x, pro forma.

#### 2. Simplifying ownership structure – transition to a publicly elected Board of Directors & buyback

- Buyback of First Reserve's stake: In March 2021, the company entered into an agreement to acquire common equity and general partner interest from First Reserve for \$268 million. First Reserve, a private equity firm, holds interests in both Crestwood's general partner and its limited partnership.
  - There would be a 15% reduction in the total common unit count.
  - The company will save annual cash distribution of approximately \$29 million based on the current annual distribution rate of \$2.50 per common unit.
  - The company will transition to a traditional public company governance structure with a publicly elected Board of Directors.
- Buyback: In March 2021, the company announced that its board has authorized a \$175 million common unit and preferred unit repurchase program effective through December 31, 2022.

### 3. Interesting facts

- Ranked #1 in the EnergyPoint Research Survey in 2015 – 2020
- Rated a Top Workplace in 2018, 2019, and 2020 by the Houston Chronicle
- Voted #3 by the buy-side and sell-side for Best Financially Material ESG Disclosures in the 2021 Institutional Investor Rankings
- Ranked 38th out of 348 Oil & Gas companies in the 2021 Global 100 Most Sustainable Corporations in the World

### 4. Guidance

- Crestwood achieved a key milestone of generating positive free cash flow after

distributions during the third and fourth quarters of 2020 and expects to generate between \$130-\$180 million in 2021.

- Adjusted EBITDA is expected in the range of \$550-\$610 million in 2021.

### 5. Others:

#### Latest quarter results:

- In Q1 2021, total revenue was \$1.0 billion compared to \$727 million in Q1 2020.
- In Q1 2021, distributable cash flow (DCF) to common unitholders was \$108.4 million, an increase of 15% compared to first quarter 2020.

(\$, mm)	2016	2017	2018	2019	2020
Revenue	2,520	3,880	3,654	3,181	2,254
EBIT	-108.7	-79.4	113.5	402.2	86.8
Adj. EBITDA	455.6	395.4	420.1	526.5	580.3

## Crestwood Enhances Governance with First Reserve Exit

Crestwood and new investors acquired First Reserve's common units and general partner interest, enabling Crestwood to transition into an independent public company with traditional governance, driving leading MLP governance and investor alignment

Transaction Summary	Sources & Uses																
<ul style="list-style-type: none"> <li>• <b>Crestwood and third-party equity investors acquired the assets owned by Crestwood Holdings for \$400MM in cash</b> <ul style="list-style-type: none"> <li>– New and existing equity investors acquired 6 million common units owned by Crestwood Holdings for proceeds of \$132MM</li> <li>– Crestwood acquired the remaining 11.5 million common units, 0.4 million subordinated units and the general partner interest owned by Crestwood Holdings for \$268MM                             <ul style="list-style-type: none"> <li>▪ Crestwood financed the buyback acquisition with borrowings on its revolving credit facility</li> <li>▪ Pro forma borrowing capacity &gt;\$400MM<sup>(1)</sup></li> <li>▪ Crestwood retired the 11.5 million common units resulting in \$29MM in annual distribution savings based on the current distribution</li> <li>▪ Term Loan B at Crestwood Holdings was paid in full by First Reserve as part of the transaction</li> </ul> </li> </ul> </li> <li>• <b>Transaction results in leading MLP governance</b> <ul style="list-style-type: none"> <li>– Crestwood will transition to a traditional public company governance structure (publicly-elected Board of Directors)</li> <li>– Following transaction, insiders maintain approximately 8% common unit ownership</li> </ul> </li> </ul>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Sources of Capital</th> <th style="text-align: right;">\$ MM</th> </tr> </thead> <tbody> <tr> <td>Revolving Credit Facility</td> <td style="text-align: right;">\$268</td> </tr> <tr> <td>New 3rd Party Equity</td> <td style="text-align: right;">132</td> </tr> <tr style="font-weight: bold;"> <td>Total Sources of Capital</td> <td style="text-align: right;">\$400</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Uses of Capital</th> <th style="text-align: right;">\$ MM</th> </tr> </thead> <tbody> <tr> <td>CEQP Acquires Common Units &amp; GP Interest</td> <td style="text-align: right;">\$268</td> </tr> <tr> <td>New 3rd Party Equity Acquires Common Unit</td> <td style="text-align: right;">132</td> </tr> <tr style="font-weight: bold;"> <td>Total Uses of Capital</td> <td style="text-align: right;">\$400</td> </tr> </tbody> </table>	Sources of Capital	\$ MM	Revolving Credit Facility	\$268	New 3rd Party Equity	132	Total Sources of Capital	\$400	Uses of Capital	\$ MM	CEQP Acquires Common Units & GP Interest	\$268	New 3rd Party Equity Acquires Common Unit	132	Total Uses of Capital	\$400
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Total Uses of Capital	\$400																

#### Simplified PF Corporate Structure

Connections for America's Energy™
(1) Debt balance as of 3/31/2021, pro forma for full redemption of the 2023 senior notes in April 2021.
31

## Graham Corporation (GHM): Acquisition

- Market Cap: \$142 million | Graham is a global business that designs, manufactures and sells critical equipment for the energy, defense and chemical/petrochemical industries.
- Major shareholders: American Century: 9% | Blackrock: 6.7% | Arrowmark Colorado: 6.6% | Vanguard: 5%
- Screen: 8-K - Keywords

### RESEARCH

#### 1. Current business

Graham designs and manufactures custom-engineered ejectors, vacuum pumping systems, surface condensers, and vacuum systems.

- Mission-critical: The company's products are used for very critical applications, where performance, reliability, quality, and absolutely flawless performance are necessary and where the cost of failure is extraordinarily high to the user. Once installed, it is very difficult to replace or remove the product. As such, the product must perform as per the specifications.
- Long history and large installed base
  - The company has been in the business for about 85 years. As such, the company has a large installed base in North America.
  - This installed base benefits in two ways: a) replacement revenue stream – as equipment wears, the products have to be replaced; b) retrofit revenue stream – the company's refining or petrochemical customers look to maximize what they can get out of their existing facilities, which fuels the retrofit revenue stream.
  - On a different note, replacement order wins are attributable to the quality and reliability of the equipment. On a few occasions, the

company generated a replacement order after 20 years!

- The company generates over 30% of its total revenue from the installed base.
- Revenue derived from the installed base enjoys a high profit margin.
- Stagnant revenue
  - For the past six years, the company's revenue has hovered between \$90-\$98 million.

#### 2. Recent acquisition

- In June 2021, the company acquired Barber-Nichols Inc. (BNI) for \$70.1 million. In 2020, BNI generated \$56 million in revenue and low-double-digit EBITDA margins.
- Revenue in fiscal year 2022 is expected to be \$130-\$140 million, inclusive of BNI's revenue for the 10-month period, which is expected to be \$45-\$48 million.
- Adjusted EBITDA in fiscal year 2022 for the combined businesses is expected to be approximately \$7.0-\$9.0 million.
- Random note about the culture: Rather than taking the credit for the acquisition, the CEO acknowledged the work of Chris Johnston, Director of Business Development, in getting this deal done.
- Transcript: [https://www.graham-mfg.com/usr/Investor%20Relations/20210601\\_GHM\\_Acquisition\\_of\\_Barber-](https://www.graham-mfg.com/usr/Investor%20Relations/20210601_GHM_Acquisition_of_Barber-)

Nichols Inc. and Fourth Quarter FY 2021 Results FINAL.2.pdf

**3. Miscellaneous**

- **Backlog:** Backlog at the end of fiscal year 2021 was \$137.6 million. The company expects approximately 40% to 45% of the backlog will convert to revenue in fiscal year 2022.
- **Dividend:** In fiscal year 2021, the company paid \$0.44 per share as a

dividend to its shareholders – a 3% dividend yield.

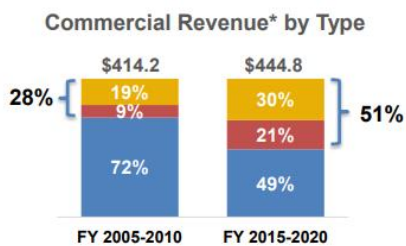
- **Latest quarter results:** Net sales were \$25.7 million for the fourth quarter of fiscal year 2021 compared with \$23.1 million in the fourth quarter of fiscal year 2020. Stronger than expected demand in the short cycle business drove the higher-than-expected sales in the quarter. Net income was \$0.4 million.

Financials:

(\$ in millions)	FY 2019	FY 2020	FY 2021
Net sales	91.8	90.6	97.4
Gross profit	21.9	18.1	20.4
S,G&A	17.8	16.8	17.4
Income (loss) before provision for income taxes	(0.1)	2.3	3.2
Net income (loss)	(0.3)	1.8	2.3

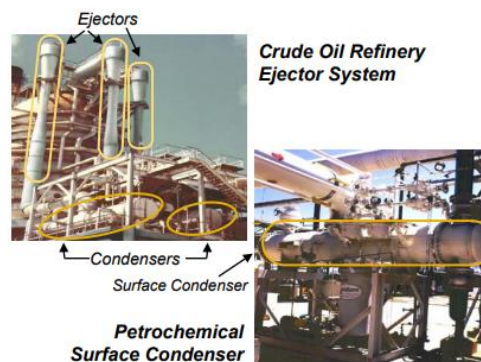
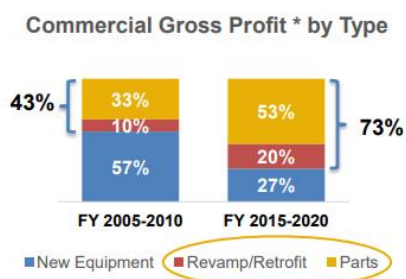
## Strategic Lever: Large Installed Base

*End markets investing in existing facilities before new capacity*



**Key Drivers**

- Executing strategy to leverage installed base
- Implemented Performance Improvement engineering team
- IT tools proactively manage installed base
- Improved lead management process
- Reduced lead time



## EZCORP Inc. (EZPW): Initiatives under the new management team; Acquisition

- Market Cap: \$359 million | EZCORP, Inc. (NASDAQ: EZPW) sells merchandise, primarily collateral forfeited from pawn lending operations and used merchandise purchased from customers.
- Major shareholders: Lafitte Capital: 9.6% | Dimensional fund: 7.7% | Vanguard: 6.8% | First Wilshire: 5.1%
- Screen: 8-K keywords

### BASICS

- EZCORP is a leading provider of pawn loans in the United States and Latin America. At pawn stores, the company non-recourse pawn loans collateralized by tangible personal property, and sell merchandise to customers looking for good value
- In addition to core pawn business, the company owns 34.75% of Cash Converters International Limited, a publicly traded company (ASX: CCV) headquartered in Perth, Western Australia.
- The company also own approximately 13% of Rich Data Corporation (RDC), a Singapore-based software-as-a-service company.

### I. WHAT WE LIKE

#### 1. Strong brand

As of Nov 11, ezpawn.com ranked in the Top 10 for 38 pawn-related Google search terms, up from the Top 100 since the end of Q2 FY20.

#### 2. Management changes and CEO buying shares

##### Management changes

In the last 11 months, six out of the top nine executives have been newly appointed.

- July 2020 - CEO
- May 2021 – CFO
- August 2020 – President of US Pawn

- September 2020 - Chief Strategy, M&A and Funding Officer
- September 2020 – Chief Revenue and Operations Officer
- January 2021 – Chief Human Resources Officer

##### CEO's share purchase

Jason A. Kulas, the newly appointed CEO in July 2020, purchased roughly \$50.8K worth of shares in the last 10 months for an average price of \$5.08 per share.

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

#### (a) Strategic initiatives

During the fourth quarter of 2020, the company initiated strategic initiatives to refocus on its core pawn business and optimize the cost structure:

- Closure of CASHMAX operations in Canada: The company closed all 22 financial services stores in Canada.
- Closure of stores: The company closed four stores in U.S. Pawn and three stores in Latin America Pawn.
- Cost reduction:
  - The company reduced its head count, including the elimination of certain management positions.
  - The new management team implemented strategic initiatives to remove over \$12 million in annual corporate expenses beginning in fiscal

year 2021 and \$14 million related to store-level operating costs.

- In Q1 2021, total operating expenses decreased by 15% to \$99.4 million.
- In Q2 2021, total operating expenses decreased by 7%.
- Most recently in Q2 2021, the company announced that it is on track to achieve more than \$14M in annual expense reductions.

#### (b) Digital strategy

##### i) Digital engagement through Google review

In August 2020, the company announced that it is evaluating a focused Google Reviews effort to drive customer and store team engagement.

- Google reviews: 6,500 reviews in October averaging 4.7 stars.
- In Q1 2021: Over 10,000 Google reviews; average rating of 4.7 stars. 95% of reviews were 4 stars or higher.
- In Q2 2021: Over 25,000 Google reviews; average rating of 4.8 stars. More than 14,000 5-star reviews in the U.S. during the quarter.

##### ii) In Q1 FY21, the company launched new websites for three core pawn brands.

#### (c) New store – Recent acquisition of Mexico’s second-largest competitor

The company’s strategy is to expand the number of locations it operates through opening new (“de novo”) locations and through acquisitions in both Latin America and the United States and potential new markets.

- The company has opened eight de novo stores in Latin America so far this year and recently completed the acquisition of 11 stores in the Houston, Texas metropolitan area.

#### • 128 pawn stores: June 2021 acquisition

- In June 2021, the company acquired 128 pawn stores in Mexico for roughly \$34 million. The stores are operating under the name “Cash Apoyo Efectivo”.
- Mexico’s second-largest for-profit competitor: The company’s CEO, Jason Kulas, stated that the addition of the 128 Cash Apoyo Efectivo stores solidifies its position as the second-largest for-profit competitor in Mexico. Moreover, Mexico continues to be one of the most attractive growth markets for both acquisitions and de novo store openings.

d) Latest quarter results: Total revenue for the three months ended March 31, 2021 was \$184.9 million compared to \$223 million for the three months ended March 31, 2020. Net income increased from \$(40.8) million to \$5.3 million.

## II. CHALLENGES

- Beginning in mid-March 2020 and continuing through most of the fourth quarter of 2020, the company experienced a significant decline in pawn loan originations and associated loan balances in both the U.S. and Latin America.
- Most recently, the company was affected by the first and second stimulus package. Moreover, an extended tax filing season has continued to temporarily reduce demand for pawn loans in the U.S. and Latin America.
- The new management team is waiting for the economy to rebound.

## Clarus Corporation (CLAR): Short notes after the recent acquisition

- Market Cap: \$767 million | Clarus Corporation is a company focused on the outdoor and consumer industries.
- Shareholders: Kanders Warren: 21% | Brown Advisory: 10% | Greenhouse funds: 8.6% | TT Investimentos: 8.1%
- Screen: 8-K keywords

### WHAT WE LIKE

#### 1. Acquisition of Rhino-Rack Pty Ltd

- In June 2021, the company announced that it will acquire Rhino-Rack Pty Ltd for roughly \$198 million. The transaction is expected to close in July 2021.
- It is a manufacturer and distributor of highly-engineered automotive roof racks, trays, mounting systems, luggage boxes, carriers, and accessories.
- LTM March 31, 2021: Net sales: \$90 million; adjusted EBITDA: \$16.7 million.
- This acquisition would increase the company's revenue by 37%.

#### 2. Competitive advantage

##### (a) Strong brands and long operating history

The company's competitive advantage is generally derived from the "first mover" advantage in the market.

The company believes that its brands have an established reputation.

- The Black Diamond brand traces its roots to 1957 and has continuously been synonymous with the sports it serves.
- The PIEPS brand traces its history to 1967 and has come to represent premium alpine performance in emergency situations. It is the official

safety partner of the Association of Austrian Mountain and Ski Guides.

- The Sierra brand was founded in 1947 and the company believes that it represents the most precise and accurate bullets and ammunition available.
- In 2020, Black Diamond Equipment received over 125 product awards. Black Diamond's engineering team introduced award-winning products, with the Climb category receiving 21 awards, Mountain category receiving 40 awards, Ski category winning 29 awards and Apparel category winning 37 awards.

##### (b) Improving financials

- The company's revenue steadily increased from \$148 million in 2016 to \$245 million in LTM ended March 2021 through acquisition and organic growth.
- Latest quarter: In Q1 2021, the total sales were up 41%. The increase includes revenue contribution of approximately \$8.5 million from Barnes, an acquisition Clarus completed on October 2, 2020. Excluding Barnes, the company's first-quarter sales increased 25% on an organic basis compared to the same year-ago quarter. It is also the third consecutive quarter of revenue expansion, and

the company generated \$10.6 million in adjusted EBITDA.

- **Strong outlook:** In May 2021, the company revised its previous 2021 sales guidance from \$280 million to \$295 million. The company expects

sales for Black Diamond to increase 20% to \$205 million and for Sierra and Barnes combined to increase 71% to \$90 million compared to 2020.

The company expects adjusted EBITDA in 2021 to be approximately \$38 million.

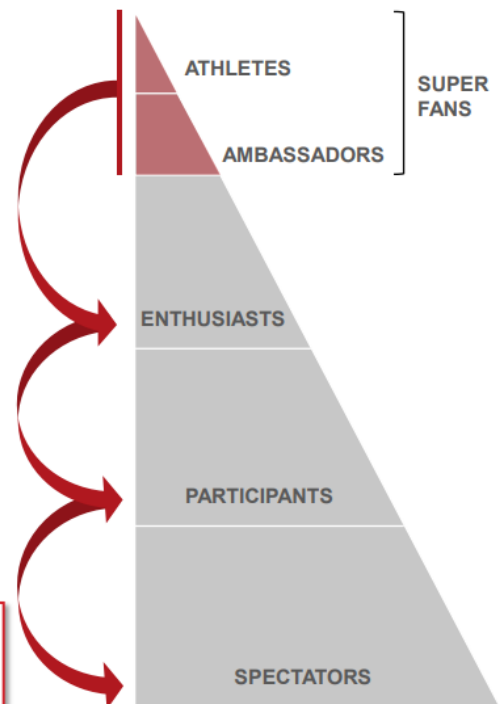
(\$ in millions)	2016	2017	2018	2019	2020	LTM ended March 2021
Sales	148.1	170.6	212.1	229.4	224.0	245.8
Gross profit	43.6	53.8	73.9	80.2	77.7	86.2
Net income (loss)	(8.9)	(0.6)	7.3	18.9	5.5	11.2

## BUILDING BRANDS BEYOND SUPER FAN BASE

CLARUS CONNECTS WITH EXISTING CUSTOMERS AND TARGET CONSUMERS THROUGH:

- ✓ Trusted Ambassadors and Industry Professionals
- ✓ Digital and Traditional Media
- ✓ Authentic, High-Quality Content
- ✓ Field Marketing, Which Develops Grass Roots Connections
- ✓ Relevant Cause-Based Programs and Events

AMBASSADORS AND PROS ADVOCATE FOR THE BRAND TO DRAW IN ENTHUSIASTS, PARTICIPANTS AND SPECTATORS



NASDAQ: CLAR | 5

**CLARUS**

## Allscripts Healthcare Solutions, Inc. (MDRX): Divestment, aggressive debt repayment, and share buyback

- Market Cap: \$2.6 billion | Allscripts (NASDAQ: MDRX) is a leader in healthcare information technology solutions that advance clinical, financial and operational results.
- Major shareholders: Blackrock: 17% | Vanguard:11% |Dimensional fund: 7.8% | Shapiro Capital:5.9% | Fisher Asset: 4.2%
- Screen: 8-K - Keywords

### I. WHY ARE WE FLAGGING NOW?

#### 1. Divestitures and debt repayment

- Sold two businesses (<10% revenue) for roughly \$1.25 billion in after-tax proceeds:
  - In December 2020, the company sold its CarePort business for \$1.35 billion.
  - In October 2020, the company sold its EPSi business for \$365.0 million.
  - The proceeds were used to repay debt and improve cash conditions.
- Debt: The company's total debt decreased from \$1.0 billion in 2019 to \$290 million in Q1 2021. This effectively reduced the company's interest expenses from \$10.6 million in Q1 2020 to \$3.1 million in Q1 2021.

(\$ in millions)	2019	2020	Q1 2021
Total	1,031.4	283.4	289.7

#### 2. Aggressive share repurchases

- In the fourth quarter of 2020, the company repurchased \$280 million worth of shares.
- In May 2021, the company approved a new share repurchase program to purchase \$350 million of its common stock, and it does not have a termination date.
- In June 2021, the company announced an accelerated share repurchase (ASR) program to repurchase approximately

9.1 million shares at a total of \$200 million.

### II. RESEARCH NOTES

#### 1. EHR - recurring and challenging

##### (a) Recurring business

- The company offers a suite of Electronic Health Records (EHR) for hospitals and health systems, as well as community and physician practices.
- The company generated roughly \$1.22 billion of recurring revenue in FY 2020 compared to \$1.28 billion in FY 2019.

##### (b) Highly competitive

- Market size: Roughly \$30 billion.
- According to KLAS, a research firm, five companies control over 85% of the total EHR market (acute care specialty hospitals market) – Epic (31%), Cerner (25%), Meditech (16%), CPSI (9%) and All Scripts Healthcare (5%).
- Epic dominates the EHR industry with a 31% market share. Moreover, Epic gained 55 facilities in 2019 and 101 facilities in 2020.
- All Scripts lost 29 accounts in 2019 and 1 account in 2020. The majority of Epic's big competitors are losing customers to them.

#### 2. Veradigm is a hidden gem

- This is the company's payer and life science business unit. It provides data-driven health insights and analytic solutions designed to increase

efficiency and help manage the cost of healthcare.

- In the latest conference call (Q1 2021), 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.
- In 2020, the company clubbed Veradigm business with other businesses and reported it under “Data, Analytics, and Core Coordination,” which hides the profitable and growing Veradigm business.

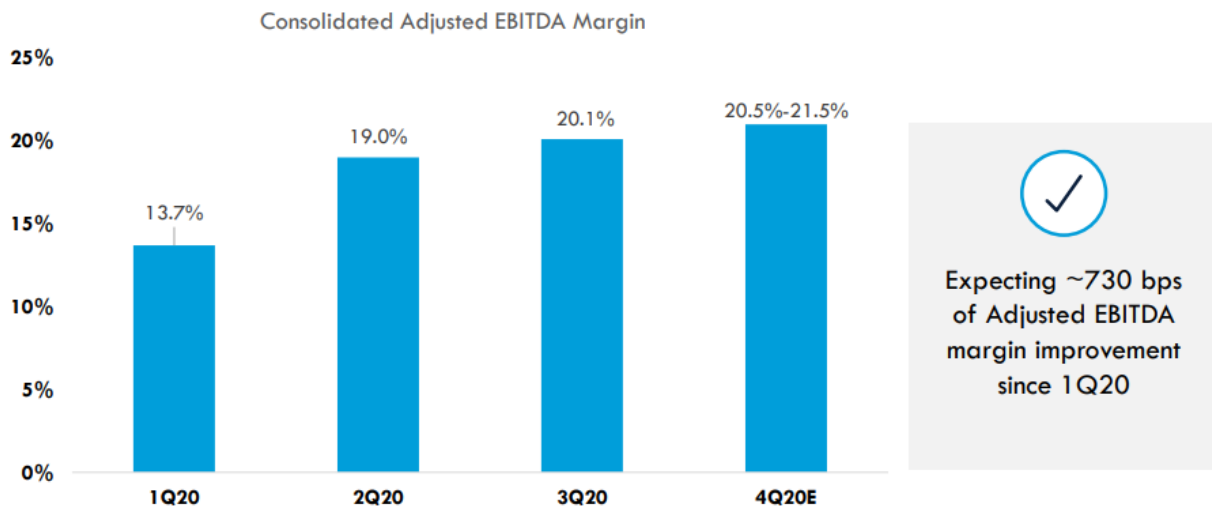
(\$, mm)	2017	2018	2019
Revenue	69.87	140.32	161.2

Gross profit	43.8	100.7	104.9
Segment EBIT	23.8	43.6	43.9

### 3. Latest quarter results

- First-quarter 2021 revenue was \$368 million compared with \$381 million in the first quarter of 2020.
- Adjusted EBITDA totaled \$67 million in the first quarter of 2021, compared with \$37 million in the first quarter of 2020.
- In Q1 2021, the company posted a free cash flow of \$35.4 million compared to \$(48.6) million in Q1 2020. The company is targeting \$90-\$100 million in free cash flow in 2021.

## Reset cost base



See reconciliation of non-GAAP metrics in the appendix of this presentation and posted on the Allscripts investor relations website.  
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## DAVIDsTEA Inc. (DTEA): Likely to emerge from bankruptcy; Transition to an online retailer; Exited all of its brick-and-mortar stores

- Market Cap: \$120 million | DAVIDsTEA Inc. is a leading tea merchant in North America.
- Major shareholders: Herschel (Chairman of the Board of the company): 45% - as per DEF 14
- Screen: 8-K keyword

### WHY ARE WE FLAGGING THIS?

#### 1. Likely to emerge from bankruptcy

- In July 2020, the company announced that it was implementing a restructuring plan under the Companies' Creditors Arrangement Act (Canada) and Chapter 15 of the United States Bankruptcy Code.
- Creditors approve the plan of arrangement: In June 2021, the company announced that the plan of arrangement was approved by the requisite majorities of the company's creditors. As a part of it, the company will distribute an aggregate amount of approximately CDN \$18.0 million to its creditors and will emerge from bankruptcy. Subsequently, the company also obtained a "recognition order" from U.S. Bankruptcy Court for Plan of Arrangement.

#### 2. Transition to online strategy

- In July 2020, the company terminated leases for 164 of its stores in Canada and all 42 of its stores in the United States and accelerated its transition to becoming an online retailer and wholesaler of high-quality tea.
- It currently operates through its e-commerce platform at [www.davidstea.com](http://www.davidstea.com) and on the Amazon Marketplace; its wholesale customers include over 2,500 grocery stores and pharmacies and 18 company-owned stores across Canada.

- In FY 2020, the company's revenue from e-commerce and wholesale channels increased \$54.9 million or 129.8% to \$97.2 million, and it represented 79.9% of total sales as opposed to 21.5% in the prior year.
- In Q1 2021, the company's e-commerce and wholesale channels increased by \$2.9 million to \$19.9 million, and it represented 85.9% of the company's total sales.
- Consecutive positive EBITDA: In response to switching from retail store to online platform in July 2020, the company posted positive Adjusted EBITDA in the last four quarters.

(\$ in millions)	Adjusted EBITDA
03-Aug-19	0.3
02-Nov-19	-2.2
01-Feb-20	9.9
01-May-20	-0.9
01-Aug-20	1.3
31-Oct-20	3.3
30-Jan-21	5.3
01-May-21	2.5

#### 3. Strong online presence

Some of the company's tea products are top-ranked in a few categories.

##### Bestsellers in White Tea Beverages

- #1 DAVIDsTEA Buddha's Blend Loose Leaf Tea
- #5 DAVIDsTEA Lemon Cayenne Cleanse Loose Leaf Tea

Bestsellers in Gourmet Tea Gifts  
- #8 DAVIDsTEA Sachet Tea Chest

**4. New CEO**

- Sarah Segal was appointed as CEO in December 2020. She is the daughter of Herschel Segal, who is the founder, Chairman of the Board of Directors, and Strategic Advisor of the company and controls roughly 46% of the company's o/s shares.

- Ms. Segal was appointed Chief Brand Officer of the company in August 2018 and prior thereto was the company's VP of Product Development and Innovation.
- Related party transaction: In 2019, the company entered into a secured loan agreement with Oink Oink Candy, Inc., doing business as "Squish," as a borrower. Squish is a company controlled by Ms. Segal.

Source: Amazon - Canada website

**Amazon Best Sellers**  
Our most popular products based on sales. Updated hourly.









**Best Sellers in White Tea Beverages**

Rank	Product Name	Price	Rating	Reviews
#1	DAVIDsTEA Buddha's Blend Loose Leaf Tea, Premium Relaxing White and Green Tea...	\$27.98	★★★★★	38
#2	Four O'Clock Organic Fairtrade White Tea Imperial, Non-GMO, Kosher, Gluten-Free, 16...	\$5.99	★★★★☆	46
#3	Organic White Tea 100 Bags	\$16.49	★★★★☆	276
#4	Yogi Tea Organic Bedtime - Herbal Supplement, 16 Count per Box (Pack of 6),...	\$9.99 - \$84.97	★★★★★	15,594
#5	DAVIDsTEA Pomegrateful Loose Leaf Tea Iconic Tin, Premium Pomegranate Tea with White...	\$25.00	★★★★☆	10
#6	Uncle Lee's Tea Legends of China Organic White Tea, 100 Count Boxes	\$17.99	★★★★☆	719

# Amazon Best Sellers

Our most popular products based on sales. Updated hourly.

## Best Sellers in Gourmet Tea Gifts

<p>#1</p>  <p>6 Cups (660ml) Real Tea Earl Grey Bubble Tea with Instant Boba (Cups Included)   TEGRITEA</p> <p>★★★★☆ 8</p> <p>\$49.95 - \$64.95</p>	<p>#2</p>  <p>UnboxMe Care Package For Women   Get Well Soon Gift Feel Better Soon   Stress Relief Gift...</p> <p>★★★★☆ 26</p> <p>\$58.00</p>	<p>#3</p>  <p>Tealise Milk Boba tea start kit with Reusable Double wall Cup</p> <p>★★★★☆ 2</p> <p>\$34.99</p>	<p>#4</p>  <p>Kirkland Signature Original Green Tea, 100 Count</p> <p>★★★★☆ 60</p> <p>\$27.99</p>
<p>#5</p>  <p>Tetley Tea, Orange Pekoe, 300 Count</p> <p>★★★★☆ 94</p> <p>\$18.22</p>	<p>#6</p>  <p>VAHDAM, Organic Turmeric + Ginger Latte, 40 Cups (3.53 oz)   USDA Organic Certified...</p> <p>★★★★☆ 748</p> <p>\$29.99</p>	<p>#7</p>  <p>DAVIDS TEA Sachet Tea Chest with Full Leaf and Bigger Ingredients, 48 Tea Bags, 156 Grams</p> <p>★★★★☆ 66</p>	<p>#8</p>  <p>Original English Breakfast Tea Leaves (200+ Cups) Strong, Rich &amp; Flavoury, Black Tea...</p> <p>★★★★☆ 2,382</p> <p>\$39.99</p>

## PLBY Group, Inc. (PLBY): Transition to consumer product brands

- Market Cap: \$1.4 billion | PLBY Group, Inc. is a leading pleasure and leisure lifestyle company and owner of Playboy, one of the most recognizable and iconic brands in the world.
- Major shareholders: RT-ICON Holdings: 44% | Fortress Investment: 8% | JPMorgan: 6.9%
- Screen: 8-K – Keywords

### RESEARCH

Playboy went public earlier this year under the Plby Group.

#### 1. Transition to consumer product brands

- The company transitioned from its legacy media business by shutting down its Playboy print magazine business and migrated towards monetizing the brand through consumer products.
- The company's consumer products include sexual wellness, clothing, and gaming.

#### 2. The company generates revenue from three segments

##### a) Direct sale (52% of total sales): Roll-up strategy

- The company entered into the direct-to-consumer (DTC) market by acquiring yandy.com in December 2019. In March 2021, the company acquired the Lovers family of stores, a leading omnichannel online and brick-and-mortar sexual wellness chain, with 41 stores in five states.
- Revenue grew from \$0.27 million in FY 2019 to \$64.1 million in FY 2020. In Q1 2021, the DTC segment revenue grew by \$22 million from \$10.28 million in Q1 2020.
- The company is currently transforming playboy.com into a commerce

destination. So, overall, direct sales digital commerce channels include yandy.com, playboy.com, pleasureforall.com.

##### • Recent acquisition - Honey Birdette

- In June 2021, the company entered into a definitive agreement to acquire Honey Birdette for roughly \$333 million.
- 74% of sales are lingerie.
- 1.1 million Instagram followers; 80% organic traffic.
- Birdette achieved 30% net sales CAGR from FY19 to FY21E.
- Net sales of \$73M and EBITDA of \$28M in FY21E, representing year-over-year growth of over 40% and over 95%, respectively.
- Loyal customers: More than 60% of the total sales are from repeat purchases.
- The transaction is expected to close in the third quarter of 2021.

##### b) Licensing business (35% of total sales)

- The licensing segment derives revenue from trademark licenses for third-party consumer products and location-based entertainment businesses.
- Licensing enjoys a roughly 70% operating margin.
- For more than 25 years, the company has built its licensing business in

China. The China-based licensees have an enormous footprint of approximately 2,000 brick-and-mortar stores and 1,300 e-commerce stores selling high quality, Playboy-branded products (casual wear, shoes, formal suits, leather goods, etc.).

- Revenue attributable to China licensing had become 44.4% of Playboy’s total revenue by the end of 2019. With the acquisition of Yandy and the ramp-up of North American consumer product sales, that percentage was reduced to 27% for the year ended December 31, 2020.

c) Digital subscriptions and content (13% of revenue)

- Digital subscription revenue is derived from subscription sales of playboyplus.com and playboy.tv, which are online content platforms.
- Digital subscription offering reaches more than 100k paying subscribers.

d) Miscellaneous

- Share dilution: In June 2021, the company raised \$217 million by issuing 4.7 million shares (\$46 per share).
- Latest quarter results: Revenue grew 34% year-over-year to \$42.7 million for the first quarter ended March 31, 2021, driven by 114% growth in direct-to-consumer revenue in the comparable period. Net loss was \$5.0 million and Adjusted EBITDA was \$6.7 million.

(\$ in millions)	2019	2020
Net revenue	78.1	147.6
Gross profit	40.4	74.5
Operating income (loss)	(6.0)	13.6
Net loss	(23.5)	(5.2)



Playboy is one of the largest lifestyle brands in the world today with **\$3B of global consumer spend, massive global reach, and unrivaled audience appeal.**

**1M+**

Active digital commerce consumers

**180+**

Countries where we sell products

**97%**

Global unaided brand awareness

**TOP 20**

Most licensed brand in the world

**LEADING**

Men’s apparel brand in China

**~50M**

Global social media fans

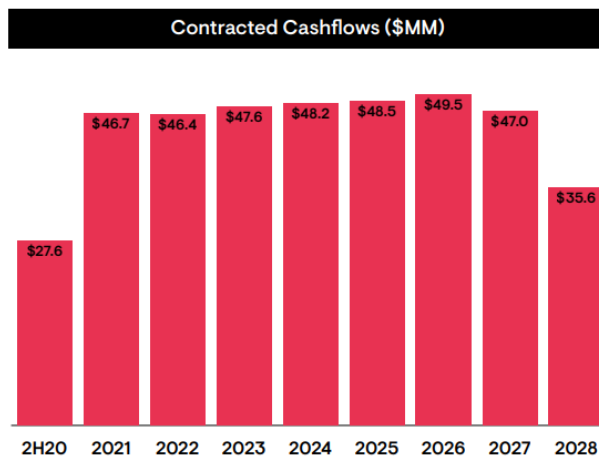
# Investment Highlights

<b>Massive, Global Consumer Platform</b>	<ul style="list-style-type: none"><li>• Iconic, consumer lifestyle brand with \$3B of annual spend in over 180 countries</li></ul>
<b>Highly Profitable Business Model</b>	<ul style="list-style-type: none"><li>• On path to targeted \$100M in adjusted EBITDA by 2025, with projected 2021E revenue and adjusted EBITDA of \$166.8M and \$40.3M, respectively</li><li>• Vibrant existing digital commerce business, &gt;1 million active consumers and ~50m social fans, ensures omni-channel capabilities.</li><li>• Highly efficient licensing business that provides ~\$400M in forward-booked cash flows.</li></ul>
<b>Well-Positioned Organic Growth &amp; M&amp;A Strategy</b>	<ul style="list-style-type: none"><li>• Four defined multibillion-dollar addressable markets, including Sexual Wellness, Style &amp; Apparel, Gaming &amp; Lifestyle, Beauty &amp; Grooming</li><li>• 2020 Projected Revenues expected to be up 75% year over year, and Projected Adjusted EBITDA expected to be up 112% year over year</li><li>• Financial flexibility and committed capital/unrestricted cash of &gt;\$100 million to fuel growth strategy.<sup>1</sup></li><li>• Over \$180M of NOLs expected to provide significant tax shield against acquired income.</li></ul>
<b>Well-Aligned Incentives</b>	<ul style="list-style-type: none"><li>• Alignment of interests, existing shareholders have rolled 100% into the deal, with 12-month lock ups.</li><li>• Post-deal, existing shareholder base including management will own approximately 66% of the combined entity on a fully diluted basis.<sup>1</sup></li><li>• Mountain Crest SPAC has no warrants outstanding, less complicated and less dilutive structure compared to other SPACs today.</li></ul>

<sup>1</sup> Assumes no redemptions by MCAC shareholders

## Licensing Contracted Cashflows

Our royalty-based revenue provides a highly visible and strong cash foundation.



Source: Company Management  
<sup>1</sup> Includes 2H2020 - 2029 contracted cashflows

- ~\$400M of forward-booked contracted minimum guarantee cashflows<sup>1</sup>
- Licensing revenue may exceed higher-than-contracted minimum guarantees (% sales)
- 80%+ gross margins
- Assumes no renewals (historical renewal rate is more than 95%)

## The Dixie Group, Inc. (DXYN): A potential sale of the commercial segment

- Market Cap: \$50 million | The Dixie Group, Inc is a leading marketer and manufacturer of carpet and rugs to higher-end residential and commercial customers through the Fabrica International, Masland Carpets, Dixie Home, AtlasMasland and Dixie International brands.
- Major shareholders: Jeffrey Gendell: 9.5% | Hodges Capital: 9.5% | Royce & Associates: 5.8%
- Screen: 8-K-Keywords

### RESEARCH

#### 1. Sale of a commercial business segment

Commercial floorcovering products include broadloom carpet, carpet tile, rugs, and luxury vinyl flooring.

- This segment accounted for roughly 28% and 20% of 2019 and 2020 revenue, respectively.
- On June 30, 2021, the company announced that it has entered into an agreement for the sale of its commercial business to Mannington Mills. Terms and conditions are to be finalized in the near future.
- The commercial segment experienced a significant decline during the COVID-19 pandemic.
  - In 2020, when compared to a decline of 7% in residential floorcovering products, the commercial segment's revenue experienced a whopping 37% decline.
  - Moreover, in Q1 2021, residential product sales were up 23% for the quarter but commercial product sales decreased 37% versus the prior-year quarter.

#### 2. Remaining business – residential floorcovering

- This segment accounts for roughly 80% of total revenue.
- The company is a marketer and manufacturer of carpet and rugs to high-end residential customers through the Fabrica International, Masland Residential, and Dixie Home brands.
- The company's market share in residential business doubled, from approximately 3% in Q1 2009 to approximately 6% in Q1 2021.

#### 3. Latest quarter results

For the first quarter of 2021, the company had net sales of \$86.3 million as compared to \$80.5 million in the same quarter of 2020. The loss from continuing operations for the first quarter of 2021 was \$1.9 million compared to a loss from continuing operations of \$2.6 million in the first quarter of 2020.

(\$ in millions)	2018	2019	2020
Residential floorcovering products	289.1	268.1	249.3
Commercial floorcovering products	113.9	103.2	65
Other services	1.9	3.1	1.4
Total net sales	405.3	374.5	315.9
Operating income (loss)	-15.8	21.3	-2.9
Net income (loss)	-21.3	15.2	-9.2

## 2019 U.S. Flooring Manufacturers



Flooring Manufacturers	Flooring \$ in millions	Flooring Market %
Shaw (Berkshire Hathaway)	5,387	25.2%
Mohawk (MHK)	5,084	23.8%
Engineered Floors (Private)	1,079	5.1%
Interface (TILE)	668	3.1%
Dixie (DXYN)	376	1.8%
Imports & All Others	8,770	41.1%
<b>Total</b>	<b>21,364</b>	<b>100.0%</b>

## Mid Penn Bancorp, Inc. (MPB): Short notes on the recent acquisition

- Market Cap: \$312 million | Mid Penn Bancorp, Inc. is the holding company for Mid Penn Bank, a Pennsylvania bank and trust company. Mid Penn Bank operates retail locations throughout the Commonwealth of Pennsylvania and has total assets of approximately \$3 billion.
- Major shareholders: Lawrence Keister: 9% | Bay Pond Partners: 5.3%
- Screen: 8-K-Keywords

### RESEARCH

#### 1. Acquisition of Riverview Financial Corporation

In June 2021, the company entered into an agreement to acquire Riverview Financial Corporation for approximately \$124.7 million.

- The transaction creates a combined community banking franchise with approximately \$4.8 billion in assets, \$3.7 billion in deposits, and \$3.7 billion in loans.
- The transaction is expected to close in Q4 2021.
- The combined company will be the sixth-largest community bank in

Pennsylvania and fourth in Harrisburg MSA Deposit.

#### 2. Insider buying

Since 2021, the company's insiders have bought \$1.0 million worth of shares at an average price of \$25.1 per share.

#### 3. Financials growth

- Total assets have grown from \$1.0 billion in 2016 to \$3.3 billion in Q1 2021 at a CAGR of +32%.
- Total deposits have grown at a CAGR of +28% from \$935 million in 2016 to \$2.6 billion in Q1 2021.
- The company's tangible book value per share increased from \$15.59 per share in 2016 to \$23.42 per share in Q1 2021 at a CAGR of +10%.

(\$ in millions)	2016	2017	2018	2019	2020
Total Interest Income	40.2	43.8	68.6	95.3	107.9
Net Interest Income	34.8	37.5	55.9	70.1	88.2
Income Before Provision for Income Taxes	10.0	11.5	12.7	21.4	31.3
Net Income Available to Common Shareholders	7.8	7.0	10.4	17.7	26.2

## LEADING COMMUNITY BANK<sup>(1)</sup> MARKET SHARE

Combined CNB Bank Franchise County Footprint <sup>(1)(2)</sup>				
2020		2020		
Rank	Institution (ST)	Number of Branches	Total Deposits in Market (\$000)	Total Market Share (%)
1	S&T Bancorp Inc. (PA)	20	2,631,168	18.8
2	First Commonwealth Financial (PA)	28	1,924,302	13.7
3	CNB Financial Corp. (PA)	20	1,599,216	11.4
4	Northwest Bancshares, Inc. (PA)	21	1,204,181	8.6
5	1ST SUMMIT BANCORP Johnstown (PA)	13	906,666	6.5
6	AmeriServ Financial Inc. (PA)	10	766,166	5.5
7	Reliance Bancorp MHC (PA)	9	447,433	3.2
8	TFS Financial Corp. (OH)	1	375,336	2.7
9	InFirst Bancorp MHC (PA)	6	373,848	2.7
10	Riverview Financial Corp. (PA)	8	350,744	2.5
11	Hamlin B&TC (PA)	7	306,562	2.2
12	Community Bankers' Corporation (PA)	6	269,226	1.9
13	Kish Bancorp Inc. (PA)	4	257,322	1.8
14	Dollar Mutual Bancorp (PA)	4	231,015	1.6
15	Somerset Trust Holding Company (PA)	8	230,561	1.6
16	Emclave Financial Corp (PA)	7	214,121	1.5
17	Park National Corp. (OH)	3	195,672	1.4
18	Penns Woods Bancorp Inc. (PA)	5	178,890	1.3
19	Altoona First SB (PA)	3	153,959	1.1
20	PennCrest BANK (PA)	7	152,946	1.1
21	Fulton Financial Corp. (PA)	2	150,725	1.1
22	Community Investors Bancorp (OH)	5	135,745	1.0
23	Premier Financial Corp. (OH)	1	118,566	0.8
24	Peoples S&L Co. (OH)	2	115,883	0.8
25	Slovenian Savings & Loan Assn. (PA)	4	112,704	0.8
26	First Federal Bank of Ohio (OH)	2	82,469	0.6
27	Investment SB (PA)	2	79,725	0.6
28	Old Dominion National Bank (VA)	1	74,417	0.5
29	Citizens Financial Services (PA)	1	69,985	0.5
30	Galion Building & Loan Bank (OH)	2	58,795	0.4
31	Juniata Valley Financial Corp. (PA)	2	54,065	0.4
32	Civista Bancshares Inc. (OH)	1	49,690	0.4
33	Mifflinburg Bancorp Inc. (PA)	1	40,597	0.3
34	First MHC (OH)	1	40,410	0.3
35	Hometown Bank of Pennsylvania (PA)	2	29,505	0.2
36	Andover Bancorp Inc. (OH)	1	25,785	0.2
37	Citizens & Northern Corp. (PA)	1	10,724	0.1
38	Woodforest Financial Grp Inc. (TX)	3	7,269	0.1
39	NexTier Inc. (PA)	1	0	0.0

## 8-K Keywords: Short notes

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### 1. Vishay Precision Group, Inc. (VPG) | Market cap \$470 million

- In June 2021, the company acquired Diversified Technical Systems, Inc. (DTS) for approximately \$47.0 million.
- In 2020, DTS achieved sales of approximately \$32 million and an EBITDA margin in excess of 25%.
- The acquisition is expected to increase the company's EBITDA by approximately 20%.
- Wesley Cummins, a director of the company since 2017, acquired \$1.3 million worth of shares at \$35 per share in June 2021.

### 2. Repay Holdings Corporation (RPAY) | Market cap \$2.2 billion

- In June 2021, the company acquired BillingTree for approximately \$503 million.
- In 2021, BillingTree is expected to generate \$4.4 billion in card payment volume, \$48 million in gross profit, and \$26 million in adjusted EBITDA.
- The acquisition is expected to increase Repay's adjusted EBITDA by approximately 38%.
- Repay expects to realize annualized synergies of approximately \$5 million by 2022.
- Presentation – [link](#)

### 3. Verra Mobility Corporation (VRRM) | Market cap \$2.5 billion

- In June 2021, the company acquired Redflex Holdings Limited (ASX: RDF) for A\$152.5 million.
- During calendar year 2020, Redflex Holdings Limited reported revenue of \$71.8 million and EBITDA of \$13.3 million.
- This acquisition could increase the company's EBITDA by approximately 10%.

### 4. First Foundation Inc. (FFWM) | Market cap \$1.0 billion

- In June 2021, the company entered into a definitive agreement to acquire TGR Financial for approximately \$295 million. TGR Financial has \$2.3 billion in total assets as of March 31, 2021.
- The transaction will increase First Foundation's total bank assets to approximate \$9.4 billion on a pro forma basis as of March 31, 2021. The transaction is expected to close in the second half of 2021.
- Presentation – [Link](#)

### 5. CatchMark Timber Trust, Inc. (CTT) | Market cap \$568 million

- In June 2021, the company entered into an agreement to sell 18,063 acres of prime Oregon timberlands for \$100 million. The sale is expected to close in the third quarter of 2021.
- The transaction proceeds would be roughly 20% of the current debt and 10% of its enterprise value.

## 6. Vertex Energy, Inc. (VTNR) | Market cap \$657 million

In June 2021, the company entered into an agreement to sell its portfolio of used motor oil collection and recycling assets for \$140 million.

### Strategic rationale

i) Transaction facilitates balance sheet transformation. After retiring \$6.3 million in term debt, together with the payment of transaction-related fees and financial obligations, total net cash proceeds from the transaction to Vertex are expected to be approximately \$90 million. A portion of the gross cash proceeds from the transaction is planned to be used by Vertex to exercise its option to repurchase Tensile Capital's interest in the Myrtle Grove facility located in Belle Chase, Louisiana, thereby allowing Vertex to resume 100% ownership in the asset. The Company anticipates that 5 million shares of remaining, outstanding B and B1 convertible preferred stock that have not already converted will be fully converted into common equity by the end of the second quarter 2021. Vertex believes net cash proceeds from this transaction, together with a planned \$125 million term loan facility, are sufficient to support the Company's near-term funding requirements without the issuance of common equity.

ii) Transaction to provide funding for new pre-treatment unit at Myrtle Grove. Vertex intends to commence development of a renewable feedstock pre-treatment unit at Myrtle Grove beginning in the fourth quarter 2021. Vertex believes this project will provide increased feedstock processing optionality, positioning the Company to achieve a lower landed cost of feedstock, over the long-term. Upon completion of the project by year-end 2023, Vertex anticipates the new pre-treatment capability will generate between \$75 to \$100 million of incremental Adjusted EBITDA annually. The initial anticipated capital expenditure related to the development of the pre-treatment unit is estimated to be approximately \$40 million.

iii) Transaction supports capital deployment into higher-return energy transition opportunities. This transaction positions Vertex to redeploy capital from used motor oil (UMO) and re-refining assets into energy transition assets of scale. Vertex believes this capital deployment represents an attractive arbitrage opportunity, one that positions the Company to achieve meaningful growth in Adjusted EBITDA, free cash flow and net income, over a multi-year period.

<https://www.sec.gov/Archives/edgar/data/890447/000158069521000177/ex99-1.htm>

## 7. Osmotica Pharmaceuticals plc. (OSMT) | Market cap \$194 million

- In June 2021, the company entered into an agreement to sell its portfolio of legacy products and its Marietta, Georgia manufacturing facility for up to \$170 million. Osmotica will receive a \$110 million upfront cash payment, with the potential to receive up to \$60 million in additional milestone payments.
- The proceeds will be used to repay the company's debt. The upfront cash payment proceeds are roughly 50% of the current total debt.

(\$ in millions)	2018	2019	2020
Total revenue	263.7	240.0	177.8
Operating loss	(98.5)	(280.6)	(70.4)

## 8. Progenity, Inc. (PROG)

In June 2021, the company announced a transformation strategy to better position for future growth.

- **Cost realignment**

- Progenity will discontinue providing genetic laboratory-developed test services through its Ann Arbor, Michigan CLIA-certified laboratory and cease offering its Preparent<sup>®</sup> Carrier Test, Innatal<sup>®</sup> Prenatal Screen, Riscover<sup>®</sup> Hereditary Cancer Test, and Resura<sup>®</sup> Prenatal Test.
- As of March 31, 2021, the company had 637 full-time employees. The company will reduce its workforce by approximately 374 employees or approximately 56% of its total workforce. The transformation is also expected to result in annualized cost savings of approximately \$130 million in SG&A.
- Progenity's in-network affiliate lab, Avero Diagnostics, is approaching operating profitability, with growing revenues projected to be \$35-40 million for 2021.
- There has been continued development of its ingestible lab-in-a-capsule technology (PIL Dx) and Recoverable Sample System (RSS) technologies. Key clinical milestones are expected in the next 2-3 quarters.

## 13D SUMMARY

### **Barington Capital urges the board of Chico's FAS to explore strategic alternatives; Soma's value could exceed the company's enterprise value**

M.Cap: \$772mm | Chico's FAS, Inc. is a specialty retailer of women's private branded, casual-to-dressy clothing, intimates, complementary accessories and other non-clothing items operating under the Chico's, White House Black Market (WHBM) and Soma brand names.

#### **SUMMARY**

History: In May 2016, Barington Capital Group (1.4%) initiated a proxy campaign and within a few months terminated its campaign to elect two independent representatives to the Board of Directors.

On June 7, 2021, Barington Group, which represents a group of shareholders that collectively owns approximately 2% of the o/s shares of the company, sent a letter to the Executive Chair of the Board of the company recommending the company take a range of measures to improve long-term shareholder value. Barington believes the operating struggles of the company's fashion clothing brands, Chico's and White House Black Market, have long overshadowed the positive contributions from Soma, the company's intimate apparel and loungewear brand. In Barington's opinion, the company's Board is largely responsible for this underperformance, as it has failed to adequately refresh the Board.

- Barington sees promise in the new CEO's operating plan, which is driven by digital-led retailing and improvements to merchandise quality. Given the sizable cost reductions enacted by management last year, Barington expects to see a return to profitability in FY 2021.
- Based on recent peer valuations, Barington believes Soma's value could exceed the company's enterprise value of approximately \$640 million.
- Barington is confident that there are multiple paths to enhance value at Chico's, including (a) refreshing the Board with directors that have relevant expertise in digital and women's fashion specialty retailing, (b) expanding financial disclosure for each of the company's brands, (c) maximizing operating performance by driving digital investments and maintaining cost discipline, and (d) exploring strategic alternatives for the company and its brands. <https://www.prnewswire.com/news-releases/barington-capital-group-calls-for-chicos-fas-inc-to-address-its-sustained-period-of-share-price-underperformance-301306669.html>

## **John J. Moroney expresses his concerns on American Bio Medica Corp**

M.Cap: \$2.7 million | American Bio Medica Corporation develops, manufactures, and sells lateral flow immunoassay tests primarily for the immediate detection of drugs in urine and oral fluids.

On June 1, 2021, John J. Moroney (6.2%) expressed his concerns that Melissa A. Waterhouse, who serves as CEO, CFO, Principal Accounting Officer, and, to his knowledge, CCO and EVP of Regulatory Affairs, does not own, and to Filer's knowledge has not owned any shares of stock during at least the preceding nine years. During the last seven years, the company's financial performance declined significantly. He urged the Board to reduce Ms. Waterhouse's duties to a more manageable level by supplementing management with more experienced executives.

## **Steamboat Capital Partners re-engages with the Wheeler Real Estate Investment trust's Board about possible director representation**

Market Cap: \$26 million | Wheeler Real Estate Investment Trust, Inc is a commercial real estate investment company focused on owning and operating income-producing retail properties with a primary focus on grocery-anchored centers.

### Background:

- On June 24, 2020, Steamboat Capital Partners disclosed a 12% active stake in the company and sent a letter to the Board requesting that a meeting be called to elect directors to represent the Series D Preferred Shareholders and indicating that it had suggested potential candidates for the company to nominate to fill those seats.
- On December 31, 2020, Steamboat Capital Partners (12%) stated that it had determined, at this time, not to take further action or make further efforts to seek the calling of a meeting to elect directors to represent the Series D Preferred Shareholders or to have particular candidates fill any such seats.

### Update

- On May 21, 2021, Steamboat Capital Partners (14.5%) announced that it had a conversation with management. It requested the election of directors to represent the Series D Preferred Shareholders and had a conversation regarding the company's capital structure and the possible acquisition and disposition of securities by clients of Steamboat Capital Partners. [Source](#)

## **Kanen Wealth Management/ Philotimo Fund plans to discuss Board composition with 1847 Goedeker Inc.**

On June 8, 2021, Kanen Wealth Management/ Philotimo Fund (6.6%) stated its plans to engage in discussions with management and the Board regarding Board representation and the composition of the Board, specifically in regard to the founder of CarParts.com (PRTS), Mr. Mehran Nia, whose most recent professional success was the turnaround at PRTS whereby the stock increased from approximately \$1 to \$18 per share. He is considered an expert in e-commerce. Kanen Wealth Management/ Philotimo Fund remains prepared to engage in a continued constructive dialogue with the Board. [Source](#)

## **VA Partners increased its stake after initiating discussions with Insight Enterprises**

Market Cap: \$3.5 billion | Insight Enterprises, Inc. provides information technology hardware, software, and services solutions in the United States, Canada, Europe, the Middle East, Africa, and the Asia-Pacific.

- On May 17, 2021, VA Partners (6.5%) stated that it had and anticipate having further discussions with officers and directors of the company regarding the business of the company, management, board composition (which include whether it makes sense for a VA Partners employee to be on the board), investor communications, operations, capital allocation, dividend policy, financial condition, mergers and acquisitions strategy, overall business strategy, executive compensation, and corporate governance. [Source](#)
- On June 8, 2021, VA Partners increased its stake to 7.6%.

## **Cannell Capital increased its stake in SWK Holdings Corp**

Market Cap: \$218 million | SWK Holdings Corporation, a specialty finance company, focuses on the healthcare sector.

- On May 26, 2021, Cannell Capital (5.87%) delivered a letter to the company in response to the letter dated May 25, 2021 replying to Cannell's May 12, 2021 request to buy up to 51% of the common stock of SWK Holdings Corporation. Kindly click here to read the letter.
- On June 4, 2021, Cannell Capital LLC has entered a letter agreement with the Company. The agreement provides that the Cannell Capital Funds will limit their aggregate beneficial ownership of the company's common stock to 9.9% or less of the then-outstanding shares of common stock, and no individual affiliate of Cannell Capital LLC will own or have certain economic ownership interests in 5.0% or more of the company's capital stock.
- On June 23, 2021, Cannell Capital increased its stake to 7.56%.

## **Kanen Wealth Management/ Philotimo Fund plans to discuss with 1847 Goedeker Inc regarding Board composition**

Market Cap: \$20 million | 1847 Goedeker Inc. operates an e-commerce platform for appliances and furniture in the United States.

- On June 8, 2021, Kanen Wealth Management/ Philotimo Fund (6.6%) stated its plans to engage in discussions with management and the Board regarding Board representation and the composition of the Board, specifically in regard to founder of CarParts.com(PRTS) Mr. Mehran Nia whose most recent professional success was the turnaround at PRTS whereby the stock increased from approximately \$1 to \$18 per share. He is considered an expert in Ecommerce. Kanen Wealth Management/ Philotimo Fund remains prepared to engage in a continued constructive dialogue with the Board.

Source

## **Marine Bio delivers a letter to the Board of Marizyme Inc.**

Market Cap: \$50 million | Marizyme, Inc., a development stage company, focuses on life science technologies business.

On June 8, 2021, Marine Bio SpA (6.42%) sent a letter to the Board stating its belief that the company's current value is not reflected in its stock price and there exists a distinct and significant value opportunity for the company. It suggested the following steps to improve shareholder value: the company must (i) hold a shareholder meeting as soon as possible and (ii) appoint a permanent, full-time, and qualified CEO with relevant industry experience as soon as possible. As a next step, Marine Bio is moving ahead with its plans in order to effect a change in management and/or the board.

## **PROXY FIGHT OUTCOME**

### **Shareholders elect Stratus' incumbent director nominees and one nominee of Oasis Management**

Market Cap: \$215 million | Stratus Properties, Inc. (STRS) engages in the acquisition, development, management, and sale of commercial, and multi-and single-family residential real estate properties primarily in Austin, Texas.

#### Background:

- On January 5, 2021, Oasis Management (13.7%) disclosed that on December 31, 2020, it submitted to the company a formal notice of its intent to: (i) present a non-binding advisory proposal to increase the size of the board by one and appoint Laurie L. Dotter to fill the newly-created vacancy, and (ii) nominate two individuals, Ms. Benson and Jaime Eugenio De La Garza Diaz, for election to the board at the 2021 AGM.

- On March 1, 2021, Oasis Management (13.5%) released an investor presentation recommending changes at the company. In its presentation, Oasis Management opposes REIT exploration as it halts asset disposals and associated shareholder returns through at least 2027. Furthermore, contrary to the Company's claims, it is not apparent that a REIT structure will create value for Stratus' shareholders when considering Stratus' size, asset mix, cashflow profile and other characteristics.
- Oasis proposes new independent, diverse directors with real estate and public board experience that will hold management accountable and act in the best interests of all shareholders. [Source](#)
- On May 6, 2021, Oasis Management gave a presentation to ISS regarding Stratus Properties Inc.
- On May 21, 2021, ISS recommends shareholders "oppose the re-election of long-tenured incumbent James Leslie". It also recommended that shareholders elect Lorrie Dotter, one of Oasis' nominees, to the board. In addition, ISS faulted the company's board for its poor corporate governance noting that "...the company's multiple takeover defense mechanisms – including a poison pill that does not warrant shareholder ratification. [Source](#)
- On May 26, 2021, Glass Lewis recommends that shareholders vote "FOR" both of Stratus' director nominees, Jim Leslie and Neville Rhone, Jr., and "FOR" the shareholder proposal to appoint an additional shareholder-recommended director, Laurie Dotter, to the Board. [Source](#)

#### Update

- At the AGM held on June 4, 2021, the company [announced](#) that its shareholders voted to elect Stratus' director nominees, Jim Leslie and Neville Rhone, Jr., to its Board and approved the shareholder proposal to expand the Board and appoint Laurie Dotter as a new director.

### **VIEX's nominees are not elected to the Board of KVH Industries**

Market Cap: \$224 million | KVH Industries, Inc. designs, develops, manufactures, and markets mobile connectivity products and services for the marine and land mobile markets in the United States and internationally.

#### Background:

Vintage Capital: In February 2020, Vintage Capital (9.4%) nominated two Board candidates. Within two months, Vintage Capital Management secured a Board seat.

#### VIEX Capital

- In March 2021, VIEX Capital (3.4%) nominates two candidates for election as Class I Directors to the Board at the upcoming 2021 AGM. It stated that it was deeply concerned by the company's inadequate corporate governance, stale incumbent board and poor stock price performance. [Source](#)

- In May 2021, Potomac Capital Management joined VIEX's "group" for the purpose of seeking the election of the nominees to the Board at the 2021 AGM. Source
- In May 2021, VIEX issued an investor presentation on the company titled, "The need for Stockholder-Driven change"

### Updates

- On June 1, 2021, VIEX issued an investor presentation on the company titled, "Reinforcing the Need for Stockholder-Driven Change Atop KVH Industries, Inc."
- On June 7, 2021, ISS recommended that shareholders vote FOR the company's two candidates – Cielo Hernandez and Cathy-Ann Martine-Dolecki – to the Board.
- On June 14, 2021, Glass Lewis recommended that shareholders vote to elect VIEX's nominee John Mutch to the Board.
- At the AGM held on June 17, 2021, shareholders elected two incumbent nominees, and the shareholder group nominees were not elected to the Board. In connection with the conclusion of the AGM, the parties in the shareholder group terminated the group agreement.

## ON-GOING PROXY FIGHT

### **Activist Investing nominates director candidates to the board of My Size, Inc.**

Market Cap: \$56 million | MY SIZE, INC. develops and commercializes mobile device measurement solutions for e-commerce fashion/apparel, shipping/parcel, and do it yourself industries in Israel.

- On May 12, 2021, Custodian Ventures/ Activist Investing (9.99%) delivered a letter to the company nominating a slate of four candidates for election to the Board at the 2021 AGM.
- On June 1, 2021, Custodian Ventures/ Activist Investing submitted a books and records request in order to gather information regarding potential mismanagement and/or malfeasance by the management and/or members of the Board.
- On June 9, 2021, Custodian Ventures/ Activist Investing delivered an open letter encouraging stockholders to unite to end the destruction of stockholder value at the company and hold the Board of Directors and management accountable at the 2021 AGM.

### **Jerry Hammann explores Adamis' allegation of an untimely proxy solicitation**

Market Cap: \$104 million | Adamis Pharmaceuticals Corporation, a specialty biopharmaceutical company, develops and commercializes products in the therapeutic areas of allergy and respiratory disease in the United States.

- On June 2, 2021, Jerry Hammann (less than 1%) filed a proxy statement notifying the company of his intention to nominate four individuals, including himself, for election to

the Board and to propose three proposals at the AGM for approval by stockholders on his own proxy statement and form of proxy.

- Subsequently, the company informed Mr. Hammann that pursuant to its bylaws, his notice was untimely and failed to comply with the bylaws and that, as a result, he would not be entitled to make lawful nominations for election to the Board or to lawfully submit proposals for consideration by stockholders at the meeting.
- Mr. Hammann expressed his concerns and claims that the company relies on an alternate calculation to calculate the deadline to nominate Board candidates that were not employed in the prior 11 years. Kindly [click here](#) to read the full letter.
- On June 23, 2021, Mr. Hammann filed proxy materials seeking support for his nominees.

### **Stuart M. Grant announces his stance for the AGM held at Eyenovia**

Market cap: \$139 million | Eyenovia is a clinical stage ophthalmic biopharmaceutical company developing a pipeline of microdose therapeutics utilizing its patented piezo-print delivery technology.

#### Background:

- On May 4, 2020, Stuart M. Grant (19%) stated that he intends to vote for the election of Messrs. Eshelman, Ianchulev, Lee and Sun and against the election of Messrs. LaBelle, Mario and Mather, at the 2020 AGM. Source
- At the AGM held on June 11, 2020, shareholders elected all the incumbent directors. It is to be noted that Messrs. LaBelle, Mario, and Mather received only 70% of the votes.

#### Updates

- On June 10, 2021, Stuart M. Grant stated that he voted against the re-election of Chairman Fred Eshelman and Director and Chair of the Nominating and Corporate Governance Committee Ernest Mario at the 2021 AGM. Mr. Grant believes that significant responsibility for the undervaluation of the stock lies with these two directors. Unlike the leadership of other companies in the industry, Directors Eshelman and Mario do not appear at industry events, do not raise awareness of the company's successful Phase 3 trials and New Drug Applications (NDAs), and do not make any effort to communicate with stockholders. Neither Director Eshelman nor Director Mario even attended the 2020 AGM, which was held virtually.
- At the [AGM](#) held on June 16, 2021, shareholders elected all the incumbent directors, but Messrs. Eshelman and Mario received just 60% of the votes.

## OPPOSITION OF MERGER

### CAS Investment Partners opposes the sale of At Home Group; Hellman increases the offer price

Market Cap: \$2.4 billion | At Home Group Inc. operates home decor superstores in the United States.

#### Background:

- On May 6, 2021, At Home Group announced that it has entered into a definitive agreement to be acquired by funds affiliated with Hellman & Friedman (H&F), a global private equity firm, in an all-cash transaction valued at \$2.8 billion, including the assumption of debt.
- On May 16, 2021, CAS Investment Partners (16.9%) delivered a letter to the board expressing its significant concerns with the proposed sale of the company.

#### Updates

- On June 4, 2021, CAS Investment Partners filed proxy materials in connection with the Special Meeting.
- On June 16, 2021, Hellman & Friedman LLC increased the offer price to \$37.00 per share in cash.

### Indaba Capital Management opposes the merger of MDC Partners with Stagwell

Market cap: \$443 million | MDC Partners Inc. provides marketing, advertising, activation, communications, and strategic consulting solutions worldwide.

#### Background:

- In April 2019, the company entered into an agreement with FrontFour Capital Group and agreed to add its nominee to the Board. Source
- In December 2020, MDC Partners and Stagwell Media announced that they have entered into a definitive transaction agreement to combine their respective businesses
- 
- On May 26, 2021, Indaba Capital Management (11.9%) delivered a letter to the Special Committee of the Board expressing its serious concerns with the company's proposed combination with Stagwell Media LP, including that the transaction does not provide fair consideration to the shareholders. Indaba Capital Management stated its intention to vote against the transaction in its current form. In the letter, Indaba claims the structure of the proposed deal undervalues MDC, and that the proposal to provide MDC shareholders with 26% ownership of the combined company is too low. Indaba said MDC shareholders should own 37.5% to 40% of the new entity.

**Furthermore, the Special Committee's fairness opinion was commissioned in late 2020 and is now clearly outdated.** Its findings and value range reflect a pandemic-ravaged environment rather than an economy in recovery. Since the opinion was issued on December 21, 2020, an index of comparable public advertising companies' equities has risen almost 35% and the enterprise values of those companies based on their share prices have increased by over 14% through the close of trading yesterday.<sup>1</sup> Increasing MDC's enterprise value by a similar amount would increase that range of equity values to a range of approximately \$7.28 to approximately \$10.37 per share.

Note: MDC and Stagwell are both led by Mark Penn. He has been chief executive of MDC since 2019 and is the founder and managing partner of Stagwell.

Update:

- On June 8, 2021, Indaba Capital Management issued an open [letter](#) to Mark Penn, the Chairman and CEO of the company, expressing its continued concerns about the company's proposed merger with Stagwell Media LP. Indaba also issued a [presentation](#) outlining why it opposes the merger on its current terms.
- On June 17, 2021, Mark Penn, Managing Partner of Stagwell (19.9%), sent an email to Indaba Capital Management expressing a willingness to speak with Indaba about the transaction. Indaba did not respond to Mr. Penn's email. On June 28, 2021, Indaba issued a press release claiming that Mr. Penn has refused to engage. [Source](#)

## ONGOING PROXY CAMPAIGN

### Legion Partners releases presentation to rebut Genesco's distortions and reinforce the need to replace four long-tenured directors

Market Cap: \$815 million | Genesco Inc. is a retailer and wholesaler of footwear, apparel and accessories.

Background:

- In April 2018, Legion Partners Asset Management secured two board seats.
- 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. In its letter to the shareholders, Legion Partners detailed its views for why the board needed to be substantially refreshed, including that the board has over-seen chronic operational and share price underperformance, a long history of questionable capital allocation decisions, and a compensation plan that appears to pay for underperformance.

Valuation insight

Legion Partners believes that if its nominees are elected and its strategic plan is fully implemented, Genesco can produce \$7.50 in earnings per share by fiscal 2023 and see its stock double from current levels. In its view, this level of earnings is possible by achieving a 6% operating income margin, monetizing non-core assets and implementing a prudent

capital allocation framework that contemplates organic investments and share repurchases.

- On April 20, 2021, Ms. Ross notified Legion Partners to withdraw her candidacy as a nominee for election at the AGM for personal reasons. Subsequently, Legion Partners nominated Mr. McCarthy as a nominee for the board for election at the 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 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](#)

#### Updates

- On June 22, 2021, Legion Partners released [an extensive presentation](#) that details its case for change in the company's boardroom. It stated that its nominees are prepared to start a collegial boardroom discussion about eliminating Genesco's inefficient conglomerate structure, monetizing non-core assets, initiating targeted share repurchases, improving operations, and helping Journeys seize growth opportunities. It stated its belief that taking the aforementioned steps can help improve earnings per share to at least \$13 and yield a share price of more than \$100 based on a 10x price-to-earnings multiple within three years.
- On June 28, 2021, Legion Partners issued [a new presentation](#) that addresses the apparent distortions and misrepresentations included in the [materials](#) released by the company on June 23, 2021.
- On June 30, 2021, Legion Partners filed proxy materials seeking support for its nominees.

### **Starboard files preliminary proxy materials for the election of directors at the 2021 annual meeting of Box**

Market Cap: \$4 billion | Box, Inc. provides a cloud content management platform that enables organizations of various sizes to manage and share their content from anywhere or any device.

#### Background:

- On March 22, 2020, Starboard Value (7.7%) entered into an agreement with the company regarding the composition of the Board. Pursuant to the terms of the Agreement, three new independent directors will join the board before the annual meeting in June 2020, two incumbent directors won't stand for re-election, and one incumbent director will retire. Former GoPro CFO Jack Lazar will join the board, effective immediately. The second independent director will be selected from a Starboard-drafted list. The board will choose the third before the annual meeting.

- Effective April 24, 2020, Bethany J. Mayer was appointed to the Board as the Second Independent Designee of Starboard.
- Effective May 26, 2020, Carl Bass, Second Independent Designee of Starboard, was appointed to the Board as the Additional Independent Director. [Source](#)
- On May 3, 2021, Starboard (7.7%) delivered an open letter to the stockholders in connection with the company's 2021 AGM. It stated that it is increasingly frustrated with the poor financial results of the company and plans to nominate Board candidates at the next shareholder meeting. Further, Starboard stated that it urged management over the past two years to improve growth and profitability and had criticized questionable capital allocation decisions and subpar shareholder returns.
- On May 10, 2021, Starboard delivered a letter to the company nominating four candidates for election to the Board at the 2021 AGM. In its letter, Starboard highlighted the company's significant valuation discount to peers due to years of missed expectations, poor results, and generally poor governance.
- On May 20, 2021, Starboard (8%) submitted a books and records request regarding potential mismanagement and/or malfeasance by the management and/or members of the Board and potential breaches of fiduciary duties by certain members of the Board in connection with the company's review of strategic options. [Source](#)

#### Updates

- On June 3, 2021, the company rejected Starboard Value LP's allegations against the company.
- On June 10, 2021, Starboard delivered a [letter](#) to the company stating that it vigorously disagrees with counsel for the company's contentions that the books and records request is deficient and purportedly does not establish a credible basis to infer any corporate wrongdoing. The Response Letter reiterates Starboard's position that the seven purposes outlined in the Books and Records Request, including to investigate potential wrongdoing and breaches of fiduciary duties by members of the Board in connection with the Strategic Review, the Investment Agreement, the Series A Financing, the Dutch Self-Tender, and the company's decision to extend the nomination deadline for the 2021 AGM, are not only proper under Delaware law (a fact which the June 3 Letter does not dispute) but that such purposes are directly aligned with the interests of the stockholders. [Source](#)
- On June 21, 2021, Starboard filed proxy materials seeking support for its nominees.

### **Winthrop Realty Partners terminates its obligations under the group agreement with Lionbridge Capital and Robotti Advisors; Engine Capital reduces its stake to less than 5%**

Market cap: \$141 million | CIM Commercial is a real estate investment trust that primarily acquires, owns, and operates Class A and creative office assets in vibrant and improving metropolitan communities throughout the United States.

## Background

### Lionbridge Capital and Robotti Advisors

- On January 13, 2021, Lionbridge Capital and Robotti Advisors (together 3.16%) issued a press release announcing the nomination of six candidates for election to the Board at the company's 2021 AGM. They expressed their concerns that the Board may be favoring the interests of the company's external operator and administrative services provider to the detriment of the stockholders. As indicated in the letter, Lionbridge Capital and Robotti Advisors anticipate that a newly constituted board would undertake a strategic review of the company exploring all options, including a sale for cash and/or a mix of cash and securities of another publicly traded company, or, if appropriate, an orderly liquidation of CMCT's assets.
- On March 15, 2021, Lionbridge Capital and Robotti Advisors (together 5%) issued an open letter to the board urging them to explore strategic alternatives including, but not limited to, an orderly sale of the company's assets or another transaction that reflects CMCT's substantial underlying value. Also, they stated their belief that their nominees will fairly and objectively help consider all such strategic alternatives.

### Engine Capital

- On May 18, 2020, Engine Capital disclosed a 6.2% active stake in the company and sent a letter to the Board expressing its concerns as well as highlighted potential opportunities for the company to maximize stockholder value. Engine Capital expressed its concerns that the Board may be favoring the interests of the company's external operator and administrative services provider to the detriment of the stockholders. Given the significant discount to net asset value that the shares trade, Engine Capital called on the Board to immediately stop any plans to raise equity at this point in time, and expressed its belief that a liquidation or a sale represents the best risk-adjusted path forward for stockholders.
- On December 11, 2020, Engine Capital issued a press release announcing the nomination of six independent candidates for election to the Board at the 2021 annual meeting of stockholders.

### Updates

- On June 10, 2021, the shareholder group led by Lionbridge Capital, Robotti & Company, Inc. and Winthrop Realty Partners (together 6%) uncovered serious SEC disclosure violations by the company. It revealed that the company has failed to properly disclose its entrenchment-driven 6.25% ownership limitation since 2019. Further, it called on the Board to immediately cease its scorched-earth tactics and engage with them constructively to address the structural issues they have identified and work to unlock stockholder value. Also, it requested that the Board grant a waiver with respect to the "Aggregate Stock Ownership Limit" and the "Common Stock Ownership Limit" as set forth in the company's charter. [Source](#)
- On June 10, 2021, Engine Capital reduced its stake below 5%.

- On June 15, 2021, Winthrop Realty Partners delivered a notice to Lionbridge and Robotti that they were electing to terminate their respective obligations under the group agreement and withdraw from the Group effective June 16, 2021. [Source](#)

### **Palogic Value Management's representative steps down from the Board of BSQUARE Corporation**

Market Cap: \$32 million | BSQUARE Corporation provides software solutions and related engineering services to businesses that develop, market, and sell standalone intelligent systems in North America, Europe, and Asia.

#### Background

- On June 25, 2018, Palogic Value Management (7.5%) secured a Board seat through a mutual agreement. Also, the company entered into a Board Observer and Standstill Agreement with Palogic Value Management pursuant to which the company granted Palogic Value Management the right to appoint one representative to attend meetings of the Board in a non-voting observer capacity. [Source](#)
- On August 21, 2020, Palogic Value Management increased its stake to 12.5%.

#### Update

Effective June 10, 2021, the company reduced the size of the Board from seven directors to five. As a result, Robert J. Peters, a Principal of Palogic Value Management, stepped down from the Board. [Source](#)

### **John K. Scott, Jr., a private investor, demands Board representation in Navidea Biopharmaceuticals, Inc.**

Market Cap: \$54 million | Navidea Biopharmaceuticals, Inc., a biopharmaceutical company, focuses on the development and commercialization of precision immunodiagnostic agents and immunotherapeutics.

On June 15, 2021, John K. Scott, Jr., a private investor holding 32.8%, stated that he has engaged in discussions with Jed A. Latkin, CEO, CFO, and COO of the company, related to his intention to request that the Board appoint additional members. As a result of such discussions, Mr. Scott formally requested that the Board increase its size to include a total of seven members and to fill the vacancies resulting from such an increase by appointing him and Alexander L. Cappello as additional members of the Board. [Source](#)

## Stilwell Group increases its stake in Kingsway Financial Services

Market Cap: \$123 million | Kingsway Financial Services Inc. is a holding company. The Company operates as a merchant bank primarily engaged, through its subsidiaries, in the property and casualty insurance business

### Background

- In November 2008, Stilwell Group requested a special shareholder meeting to remove the CEO and chairman from the Board and replace them with its two nominees.
- In January 2009, Stilwell Group entered into a settlement agreement and pursuant to it, the CEO resigned and the company expanded its Board from nine to ten seats and appointed Stilwell nominees to fill the two vacant seats.
- In May 2010, Stilwell Group representatives were re-elected to the board. In July 2010, one of the representatives was appointed as CEO of the company.
- In September 2013, another representative of Stilwell Group who was appointed as Chairman resigned from his position.
- On December 15, 2017, Stilwell Group increased its stake to 19.2% from 9% in January 2009.
- On May 24, 2018, Stilwell Group stated that it had voted to oppose the re-election of Larry G. Swets, Jr., as a director at the Issuer's upcoming annual meeting. [Source](#)
- At the [AGM](#) held on May 30, 2018, Mr. Swets was re-elected to the Board, but he received 33% withheld votes.
- On March 29, 2019, Stilwell Group increased its stake to 24.7%.

### Update

On June 15, 2021, Stilwell Group increased its stake to 29.4%.

## Eric Singer is elected to the Board of Velodyne Lidar

Market Cap: \$2.2 billion | Velodyne Lidar, Inc. (Revenue: \$96.5 million) 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 does not believe his input has 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.

#### Update

- 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](#)

## **Global Value Investment Corp. nominates five highly qualified directors at Rocky Mountain Chocolate Factory**

Market cap: \$47 million | Rocky Mountain Chocolate Factory, Inc., together with its subsidiaries, operates as a confectionery franchisor, manufacturer, and retail operator.

#### Background

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

#### Updates

##### AB Value Management

On June 16, 2021, AB Value Management (7.52%) began discussions with the company regarding desired changes to its Board membership, structure, management, and strategy. Further, it stated that if sufficient changes are not made, AB Value Management intends to nominate and seek to elect additional persons to the Board at the 2021 AGM. AB Value Management believes that the shares are significantly undervalued and that the transformation of the Board will be the initial step towards rectifying the company's operating margins and revenue growth. Representatives of AB Value Management appointed to the Board in December 2019 still serve on the Board. [Source](#)

##### Global Value Investment Corp

On June 24, 2021, Global Value Investment Corp (GVIC) (5.86%) nominated five candidates for election to the board. The Nomination Notice also includes a proposal concerning the repeal of any provision or amendment to the company's bylaws adopted by the Board without stockholder approval after December 6, 2019. GVIC believes that the Common Stock is undervalued and that the election of the Nominees to the Board will enable the company to effect an operating plan developed by GVIC designed to:

- expand the company's North American retail franchise and distribution footprint;
- enhance the company's franchisee support system;
- contemporize and simplify the company's franchise agreement;
- assess the company's corporate function and manufacturing operations;
- evaluate the company's wholly owned subsidiary, U-Swirl International, Inc., and develop a plan to rehabilitate or dispose of it;

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- refocus the company's capital allocation strategy and align executive compensation with clear goals centered around returns on shareholder capital; and
- improve the company's corporate governance practices.
- [Source](#)

## **Tang Capital Partners withdraws its director nominations in Aptevo Therapeutics**

Market Cap: \$104 million | Aptevo Therapeutics Inc., a clinical-stage biotechnology company, engages in the discovery, development, commercialization, and sale of novel oncology and hematology therapeutics in the United States.

### Background:

On February 9, 2021, Tang Capital Partners submitted two director nominees and an advisory proposal (the "Sale Process Proposal") for consideration at the 2021 annual meeting of stockholders. The reason for nominating the Nominees is because TCP believes that Aptevo would benefit from having more significant stockholder representation on its board of directors. Currently, members of the Board of Directors or entities they control own approximately 5% of the Common Stock, whereas TCP owns approximately 40%. The reason for presenting the Sale Process Proposal is to allow stockholders to express their view on whether the Aptevo Board of Directors should immediately commence a sale process in order to maximize stockholder value. [Source](#)

### Update

On June 21, 2021, Tang Capital Partners (39.6%) delivered a letter to the company withdrawing the nomination of Thomas Wei and Kevin Tang as directors for election and withdrawing the Bid Proposal due to the company's refusal to enter into a confidentiality agreement without a standstill provision. [Source](#)

## **Praesidium Investment Management Company states it is pleased with the performance of Resideo Technologies**

Market cap: \$4.3 billion | Resideo Technologies, Inc. provides critical comfort, thermal, and security solutions primarily in residential environments in the United States, Europe, and internationally. The company operates in two segments: Products & Solutions and Global Distribution.

### Background

On December 13, 2019, Praesidium Investment Management Company (6.3%) stated its belief that the company possesses tremendous assets and is significantly undervalued. It stated that the company's Products & Solutions division's strong competitive position in the pro-contractor channel network remains solid and that the company's ADI Global

Distribution unit is a valuable business given its market-leading position and demonstrated track record of strong execution. [Source](#)

### Update

On June 22, 2021, Praesidium Investment Management Company reduced its stake to 5.3% and stated that it is pleased with the company's performance and intends to maintain a significant holding in the company.

## **Outerbridge Capital commends Barnes & Noble Education for its execution and financial performance**

Market Cap: \$455 million | Barnes & Noble Education, Inc. operates bookstores for college and university campuses, and K-12 institutions in the United States. It operates in three segments: Retail, Wholesale, and Digital Student Solutions (DSS).

### Background:

- On February 6, 2020, Outerbridge Capital Management (13.5%) commended the decision of the Board to retain Morgan Stanley to assist in its ongoing review of strategic alternatives. Outerbridge Capital believes that a strategic review to be a logical avenue for unlocking value for BNED shareholders. Outerbridge Capital stated that it looks forward to continuing their engagement with the company as the Board and its financial advisor work to maximize value for all shareholders. It is to be noted that Outerbridge Capital has introduced qualified consultants and a Board member to the company serving on both audit and transaction committees. [Source](#)
- On June 29, 2020, Outerbridge Capital Management (13.5%) stated that while Outerbridge appreciates management and the Board's engagement over the past year, Outerbridge's due diligence and conversations with other current and prospective shareholders during that period ultimately led it to conclude that broader change at the Board level is required in order for the company to unlock its immense potential. Accordingly, on June 26, 2020, Outerbridge delivered a letter to the company nominating a slate of four director candidates, including Mike Alfred, David Kim, Zachary Levenick and Lowell Robinson, for election to the Board at the 2020 annual meeting of stockholders. [Source](#)
- On July 20, 2020, Outerbridge Capital entered into a cooperation agreement with the company and pursuant to it, the company agreed to increase the size of the Board and to appoint Lowell Robinson as a director of the company.
- On October 22, 2020, Outerbridge Capital (13.4%) entered into a letter agreement with the company, pursuant to which, the Board agreed to grant an exemption under the company's Rights Agreement, dated March 25, 2020 and to consider Outerbridge Capital to be an "Exempt Person" under the Rights Agreement. As a condition to the Board granting the Exemption, Outerbridge Capital agreed that, among other things, they will not acquire beneficial ownership of or have an economic interest in securities of the company in an amount that would equal or exceed 14.9% of the then outstanding shares of Common Stock. [Source](#)

- On November 3, 2020, Outerbridge Capital (12.9%) stated that it was pleased with the recent execution and financial performance of the company, particularly with respect to its strong liquidity management, improved operating efficiency, momentum in winning new business, and the accelerating traction and impressive growth of its First Day Complete, bartleby®, and merchandise eCommerce initiatives. It stated its belief that the company is transforming itself into a market-leading digital education platform and are strongly supportive of this transformation. On October 30, 2020, to better align its long-term support of the company with the objectives and liquidity terms of its limited partners, Outerbridge Master sold its entire holding of the company to Outerbridge Special Opportunities, which is an unlevered single-stock vehicle dedicated solely to holding BNED shares. [Source](#)

#### Update

- On June 25, 2021, Outerbridge Capital reduced its stake to 9.9% and commended the management and the Board for their work and other initiatives.

### **GeoPark Co-Founder and former Chairman Gerald O'Shaughnessy urges shareholders to vote against four company director nominees**

Market cap: \$842 million | GeoPark Limited engages in the exploration, development, and production of oil and gas reserves in Chile, Colombia, Brazil, Argentina, Peru, and Ecuador.

- Gerald O'Shaughnessy (10.7%) is the co-founder of the company and, until very recently, served as the company's Chairman since its inception.
- Effective June 13, 2021, Mr. O'Shaughnessy resigned from the Board and filed 13D in order to share his concerns with fellow shareholders about the high level of control that CEO Jim Park exerts over the Board, and the Board's resulting lack of true independence.
- In connection therewith, and with a view toward enhancing shareholder value, on June 17, 2021, Mr. O'Shaughnessy delivered a letter to the Board requesting that it strengthen its ability to exercise independent oversight of management by adding three new independent nominees and Mr. O'Shaughnessy to the slate that the Board is proposing for election at the upcoming annual meeting. If Mr. O'Shaughnessy is unable to constructively engage with the Board, he intends to explore all possibilities to address these concerns. Having carefully considered the issues facing the company, Mr. O'Shaughnessy believes that there is an opportunity to significantly enhance oversight and accountability in a manner that may substantially increase long-term shareholder value.
- On June 24, 2021, Mr. O'Shaughnessy issued an open letter to the shareholders announcing that he is initiating a "vote no" campaign against incumbent directors Robert Bedingfield, Constantin Papadimitriou, Pedro Aylwin and James Park at the upcoming AGM to be held on July 15, 2021. Also, Mr. O'Shaughnessy insists the Board do the following:
  - Rationalize assets or monetize multiple country operations that do not meet the Company's cost of capital and use the proceeds to reduce debt.

- Reduce corporate overhead, with a particular emphasis on eliminating overhead established to support unprofitable operations outside of Colombia.
- Consider ways to grow and improve operations in Colombia through greater efficiency or via consolidation to achieve needed scale.
- Conduct a thorough strategic review focused on the Company's asset base and operations outside of Colombia and seriously consider all strategic options available to GeoPark – including a sale or merger of the Company.

## **Masters Special Situations plans to nominate a director candidate to Greenbrook TMS**

Market cap: \$200 million | Greenbrook TMS Inc., together with its subsidiaries, controls and operates a network of outpatient mental health services centers in the United States.

On June 24, 2021, Masters Special Situations, LLC (7.2%) stated that it has the right to nominate a director to the board and intends to nominate Robert Higgins, an employee of Masters Special Situations, LLC. [Source](#)

## **Lakeview Investment Group & Trading Company urges TESSCO Technologies to explore a sale**

Market cap: \$53 million | TESSCO Technologies (TESS) Inc. architects and delivers product and value chain solutions to support wireless systems in the United States.

### Background: Robert B. Barnhill

- In July 2020, Robert B. Barnhill, Jr., Chairman of the Board and the largest shareholder of the company, holding 18.8%, expressed his opinion that a reconstituted Board is necessary to remedy the issues causing the significant decline of the company's financial performance since he resigned as CEO in 2015. In September 2020, he filed a consent solicitation statement to remove and replace the majority of the company's Board.
- On December 11, 2020, Mr. Barnhill delivered written consents to the company from the holders of at least 67% of the outstanding shares to a) remove John D. Beletic, Cathy-Ann Martine-Dolecki, and Ronald D. McCray from the Board, b) elect J. Timothy Bryan and Kathleen McLean as directors and c) reduce the percentage of shareholders that may cause the company to call a special meeting of shareholders to holders of 25% of the votes outstanding and entitled to vote at a special meeting.
- On December 14, 2020, the company announced that Mr. Beletic, Ms. Dolecki, and Mr. McCray had been removed from the Board. In addition, Mr. Bryan and Ms. McLean (two nominees of Barnhill) have been elected to the board, and the other proposals that were the subject of the consent solicitation became effective.

### Lakeview Investment Group

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- On August 5, 2020, Lakeview Investment Group (9.7%) stated that it intends to recommend one or more potential candidates for Board membership to Mr. Barnhill and/or the company for consideration. In addition, Lakeview Investment may, in the future, recommend additional director candidates for election or appointment to the Board. [Source](#)

#### Update

- On June 29, 2021, Lakeview Investment Group & Trading Company, LLC (11.6%) issued a [letter](#) to the Board calling upon the Board to retain a reputable investment bank to run a full and fair process to sell the company. The letter also stated Lakeview's intention to withhold authority to vote its shares with respect to the election of CEO Sandip Mukerjee and Chairman Paul Gaffney as directors at the upcoming 2021 AGM. [Source](#)

### **KORR Acquisitions Group outlines a path that could unlock Medallion Financial's true value of over \$20 per share**

Market Cap: \$221 million | Medallion Financial Corp., together with its subsidiaries, operates as a finance company in the United States. It originates, acquires, and services loans that finance taxi medallions and various types of commercial businesses.

#### Background:

- On March 31, 2021, KORR Acquisitions Group (4.4%) encourage the Board to improve its corporate governance by adding additional Board members with more relevant experience. Also, it stated that in February 2021, it has released a [presentation](#) regarding its proposals to remedy the company's underperformance and maximize value for all shareholders. In its presentation, KORR is pushing for change that it believes will unlock MFIN's true value of over \$20 per share. It encourages the company to, (i) change its name, (ii) repurchase shares, (iii) consolidate office locations, (iv) reduce headcount, (v) sell non-core assets, (vi) re-align senior management compensation with shareholders, (vii) segregate Medallion loans.

#### Update

- On June 30, 2021, KORR Acquisitions Group delivered a letter to the company demanding inspection of certain of the company's books and records.

## **M&A**

### **Cloudera enters into a definitive agreement to be acquired by Clayton, Dubilier & Rice and KKR for \$5.3 billion**

Market cap: \$4.7 billion | Cloudera, Inc. provides a suite of data analytics and management products in the U.S.

- In August 2019, Carl Icahn entered into an agreement with the company. Pursuant to it, the company added two representatives of Carl Icahn to the Board.
- On January 7, 2021, the Board elected Gary Hu to the board as a replacement to Nicholas Graziano. Mr. Hu is a director designated by Icahn Enterprises. [Source](#)
- On June 1, 2021, the company entered into a definitive agreement to be acquired by affiliates of Clayton, Dubilier & Rice and KKR for \$5.3 billion. On the same day, Mr. Icahn agreed to vote in favor of the merger.

## Extended Stay America shareholders vote to approve the transaction with Blackstone and Starwood Capital

Market cap: \$3.5 billion | Extended Stay America, Inc., together with its subsidiaries, owns, operates, develops, and manages hotels in the United States.

### Background:

- On March 15, 2021, the company [announced](#) that it has signed a definitive agreement to be acquired by a 50/50 joint venture between funds managed by Blackstone Real Estate Partners and Starwood Capital Group for \$19.50 per paired share in an all-cash transaction valued at approximately \$6 billion.
- On April 26, 2021, Tarsadia Capital, LLC (3.9%) announced that it has filed a preliminary proxy statement soliciting votes in opposition to the proposed sale of the company to Blackstone Real Estate Partners and Starwood Capital Group. Tarsadia believes the company's proposed sale is not in the best interests of shareholders. It highlighted that the two incumbent directors voted against the deal. Before the proposed sale was announced, Tarsadia had nominated three executives to the Board to help ensure the company was pursuing the right strategic path. [Source](#)
- On May 28, 2021, ISS has recommended that shareholders vote AGAINST the proposed sale of the Company to Blackstone Real Estate Partners and Starwood Capital Group.

### Update

- On June 1, 2021, Blackstone and Starwood Capital increased the offer to acquire the company to \$20.50 in cash per paired share. [Source](#)
- On June 3, 2021, Tarsadia Capital issued an investor presentation reiterating that a \$1 bump was not enough.
- On June 4, 2021, ISS recommended that shareholders vote for the amended transaction with Blackstone and Starwood Capital. [Source](#)
- On June 7, 2021, Glass Lewis recommended that shareholders vote AGAINST the company's proposed sale to Blackstone Real Estate Partners and Starwood Capital Group. [Source](#)
- On June 11, 2021, the company [announced](#) that preliminary results showed holders of a majority of its shares had voted in favor of the previously announced amended merger agreement under which the company will be acquired by funds managed by Blackstone Real Estate Partners and Starwood Capital for \$20.50 per paired share in cash.

## Leaf Group announces shareholder approval of merger agreement with Graham Holdings

Market Cap: \$304 million | Leaf Group Ltd., together with its subsidiaries, operates as a diversified consumer internet company worldwide.

- Since 2020, an investor group consisting of Osmium Partners, PEAK6, Boyle Capital Opportunity Fund, Oak Investment Partners, Generation Partners, and Spectrum Equity, pushed the company to evaluate strategic alternatives. After the company's stock price increased by 5X, the shareholder group reduced their combined stake from 40% to 23%.
- In February 2021, the Stockholder Group (VIEX Capital Advisors, Osmium Partners and Oak Investment Partners) delivered a letter to the company nominating three candidates for election to the Board at the 2021 AGM.
- On March 12, 2021, Madison Avenue Partners (6.4%) stated its plans to vote against the company's slate of nominees for the 2021 AGM.
- In April 2021, the company announced that it has entered into an agreement to be acquired by Graham Holdings Company for \$8.50 per share in an all-cash transaction.
- In April 2021, the Stockholder Group (6.4%) issued a press release and expressed their opinion that that the offer price is grossly insufficient and urges the Board to take steps to achieve a higher offering price for the benefit of all stockholders prior to filing any proxy materials related to the proposed acquisition. Update
- In May 2021, VIEX Capital Advisors terminated its group with Osmium and Oak.

### Update

- On June 11, 2021, the company announced that shareholders approved the merger agreement entered into by Leaf Group and Graham Holdings Company, under which Graham Holdings will acquire all of the outstanding shares of common stock of Leaf Group for \$8.50 per share in an all-cash transaction valued at approximately \$323 million.

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# TABLES

## Audit: Non-Timely (NT) filings

Company name (Ticker)	Stock exchange	Market cap. (\$, mm)	Revenue (\$, mm)	Last filed form 10-Q/10-K period	Last filed form 10-Q/10-K filing date	No. of pending quarters
EVO TRANSN & ENERGY SVCS INC (EVOA)	OTC	100	88	6/30/2019	5/7/2020	7
Youngevity International, Inc. (YGYI)	OTC	11	147	12/31/2019	6/25/2021	5
GTT Communications, Inc. (GTT)	NYSE	139	1,700	3/31/2020	5/8/2020	4
IEH CORP (IEHC)	OTC	39	32	3/31/2020	10/8/2020	4
Key Tronic Corporation (KTCC)	NasdaqGM	70	479	9/26/2020	11/5/2020	2
LIBERATED SYNDICATION INC (LSYN)	OTC	106	25	9/30/2020	11/16/2020	2
TARONIS FUELS INC (TRNF)	OTC	68	28	9/30/2020	11/19/2020	2
GWG Holdings, Inc (GWGH)	NasdaqCM	223	115	9/30/2020	11/19/2020	2
China XD Plastics Company Limit (CXDC)	NasdaqGS	40	1,030	11/16/2020	9/30/2020	2
Pareteum Corporation (TEUM)	OTC	51	70	12/31/2020	6/17/2021	1
EMMAUS LIFE SCIENCES INC NEW (EMMA)	OTC	76	23	12/31/2020	5/4/2021	1
Adamis Pharmaceuticals Corporat (ADMP)	NasdaqGS	158	17	12/31/2020	4/15/2021	1
Medley Management Inc. (MDLY)	NYSE	18	33	12/31/2020	3/31/2021	1
CPI Aerostructures, Inc. (CVU)	NYSE American	42	88	12/31/2020	4/15/2021	1
SONOMA PHARMACEUTICALS, INC. (SNOA)	NasdaqGS	15	22	12/31/2020	2/16/2021	1
UNIVERSAL SECURITY INSTRUMENTS INC (UUU)	NYSE	21	18	12/31/2020	2/9/2021	1
CINEDIGM CORP. (CIDM)	NasdaqGM	199	31	12/31/2020	2/22/2021	1
LIVEXLIVE MEDIA, INC. (LIVX)	NasdaqGS	346	65	12/31/2020	2/16/2021	1
FRIEDMAN INDUSTRIES INC (FRD)	NYSE	90	110	12/31/2020	2/22/2021	1
ALKALINE WATER CO INC (WTER)	NasdaqGS	132	47	12/31/2020	2/16/2021	1

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SINGING MACHINE CO INC (SMDM)	OTC	14	46	12/31/2020	2/22/2021	1
IFRESH INC (IFMK)	NasdaqCM	51	94	12/31/2020	2/22/2021	1
JOHN WILEY & SONS, INC. (JW-A)	NYSE	3,346	1,940	1/31/2021	3/5/2021	1

## Non-Reliance on Previously Issued Financial Statements

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Date	Notes	Link
BM Technologies, Inc. (BMTX)	162	75	6/4/2021	The Company to restate its historical financial results to reflect the change in accounting treatment.	<a href="#">Link</a>
CPI AEROSTRUCTURES INC (CVU)	47	88	6/7/2021	Inventory Costing Errors during its inventory testing procedures for the preparation of the Company's financial statements	<a href="#">Link</a>
Concrete Pumping Holdings, Inc. (BBCP)	475	301	6/11/2021	Previous financial statements should not be relied upon due to required corrections related to the accounting for warrants	<a href="#">Link</a>

## Significant audit firm changes

Company Name	Date	Market cap. (\$, mm)	Revenue (\$, mm)	Trigger	Notes	Link
Spark Networks SE (LOV)	6/8/2021	130	232	Material weakness	BDO USA LLP ("BDO") was not consulted regarding the application of accounting principles to a specified transaction or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and BDO did not provide either a written report or oral advice to the Company that BDO concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue.	<a href="#">Link</a>
Legacy Housing Corp (LEGH)	6/21/2021	418	178	Material weakness	During the audits for the years ended December 31, 2020 and 2019, material weaknesses were identified in our internal control over financial reporting, as disclosed in our Annual Report on Form 10-K for the years ended December 31, 2020 and 2019. The material weaknesses were due to insufficient (i) accounting processes and procedures for certain accounts; (ii) experienced	<a href="#">Link</a>

					personnel to support preparation of financial statements; (iii) policies and procedures to ensure the appropriate review and approval of user access rights to our accounting system; and lack of approval of journal entries and segregation of duties in our financial reporting process; and (iv) safeguards in our information technology infrastructure required by the COBIT framework. BKD has discussed these matters with the Audit Committee, and the Company has authorized BKD to fully respond to any inquiries by Weaver concerning these matters.	
SHYFT GROUP, INC. (SHYF)	6/28/2021	1,327	697	Material weakness	During the fiscal years ended December 31, 2019, and 2020, and the subsequent interim period through June 28, 2021, there were no events of the type listed in paragraphs (A) through (D) of Item 304(a)(1)(v) of Regulation S-K, other than (1) the material weakness in internal control over financial reporting identified and disclosed by us in our Form 10-K for the year ended December 31, 2019 relating to the Company's processes for recognizing revenue within its Fleet Vehicle and Services business unit that had been ineffectively designed, implemented, and operated, and (2) the material weakness in internal control over financial reporting identified and disclosed by us in our Form 10-K for the year ended December 31, 2020 relating to internal controls over certain processes for non-routine divestiture and business combination transactions.	<a href="#">Link</a>

## List of all audit firm changes in June 2021

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Outgoing audit firm	Newly appointed audit firm	Link
6/22/2021	UNICO AMERICAN CORP (UNAM)	23	32	JLK Rosenberger LLP	Marcum LLP	<a href="#">Link</a>
6/3/2021	Pingtan Marine Enterprise Ltd. (PME)	81	91	BDO China Shu Lun Pan Certified Public Accountants LLP	Wei, Wei & Co, LLP	<a href="#">Link</a>
6/10/2021	MusclePharm Corp (MSLP)	84	61	SingerLewak LLP	Moss Adams LLP	<a href="#">Link</a>
6/8/2021	Spark Networks SE (LOV)	137	232	KPMG AG Wirtschaftsprüfungsgesellschaft	BDO USA, LLP	<a href="#">Link</a>
6/16/2021	Bogota Financial Corp. (BSBK)	145	16	Crowe LLP	S.R. Snodgrass, P.C.	<a href="#">Link</a>
6/15/2021	FIVE STAR SENIOR LIVING INC. (FVE)	184	213	RSM US LLP	Deloitte & Touche LLP	<a href="#">Link</a>
6/4/2021	SURGALIGN HOLDINGS, INC. (SRGA)	184	98	Deloitte & Touche LLP	Grant Thornton LLP	<a href="#">Link</a>

6/30/2021	REPUBLIC FIRST BANCORP INC (FRBK)	235	136	BDO USA, LLP	Crowe LLP	<a href="#">Link</a>
6/22/2021	CITIZENS, INC. (CIA)	276	239	Deloitte & Touche LLP	Grant Thornton LLP	<a href="#">Link</a>
6/16/2021	SMARTFINANCIAL INC. (SMBK)	363	117	Dixon Hughes Goodman LLP	BKD, LLP	<a href="#">Link</a>
6/17/2021	BlueLinx Holdings Inc. (BXC)	400	3,460	BDO USA, LLP	Ernst & Young LLP	<a href="#">Link</a>
6/21/2021	Legacy Housing Corp (LEGH)	430	178	BKD LLP	Weaver and Tidwell, LLP	<a href="#">Link</a>
6/21/2021	Bluegreen Vacations Holding Corp (BVH)	432	430	Grant Thornton LLP	Ernst & Young LLP	<a href="#">Link</a>
6/11/2021	Fathom Holdings Inc. (FTHM)	481	198	BDO USA, LLP	Deloitte & Touche LLP	<a href="#">Link</a>
6/2/2021	Waterstone Financial, Inc. (WSBF)	507	319	RSM US LLP	CliftonLarsonAllen LLP	<a href="#">Link</a>
6/10/2021	DZS INC. (DZSI)	538	334	Grant Thornton LLP	Ernst & Young LLP	<a href="#">Link</a>
6/15/2021	OOMA INC (OOMA)	541	174	Deloitte & Touche LLP	KPMG LLP	<a href="#">Link</a>
6/15/2021	GAN Ltd (GAN)	726	55	BDO USA	(Yet to be appointed)	<a href="#">Link</a>
6/3/2021	NICOLET BANKSHARES INC (NCBS)	788	194	Wipfli LLP	BKD, LLP	<a href="#">Link</a>
6/9/2021	Citi Trends Inc (CTRN)	789	953	KPMG LLP	Deloitte & Touche LLP	<a href="#">Link</a>
6/4/2021	SAFETY INSURANCE GROUP INC (SAFT)	1,260	887	PricewaterhouseCoopers LLP	Deloitte & Touche LLP	<a href="#">Link</a>
6/28/2021	SHYFT GROUP, INC. (SHYF)	1,270	697	BDO USA, LLP	Deloitte & Touche LLP	<a href="#">Link</a>
6/21/2021	Original Bark Co (BARK)	1,730	379	Marcum LLP	Deloitte & Touche LLP	<a href="#">Link</a>

## Multiple activists

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Sum of activist ownership	Activist
TEXAS PACIFIC LAND TRUST (TPL)	12,015	290	23.0	SCHWARTZ INVESTMENT COUNSEL INC - 0.95% SOFTVEST, LP - 1.7% HORIZON KINETICS LLC / HORIZON KINETICS ASSET MANAGEMENT LLC - 20.08% SANTA MONICA PARTNERS LP - 0.23%
MERRIMACK PHARMACEUTICALS (MACK)	85	0	34.7	JFL Capital Management, LLC - 5.2% 22NW Fund - 9.3% Newtyn Management, LLC - 11.3% Western Standard LLC - 8.9%
Wheeler Real Estate Investment Trust Inc Conv. Pref. Shrs Series B (WHLR)	40	60	31.2	STILWELL JOSEPH - 12.17% Khoshaba Daniel - 10.89% Steamboat Capital Partners, LLC - 8.16%
BUILD A BEAR WORKSHOP INC (BBW)	274	300	18.0	CANNELL CAPITAL LLC - 9.65% PHILOTIMO FUND, LP / Kanen Wealth Management - 6.32% Solas Capital Management, LLC - 2.06%
SCOTT'S LIQUID GOLD - INC. (SLGD)	36	32	26.3	SUMMERS VALUE FUND LP - 6% ISZO CAPITAL LP - 7.5% Maran Partners Fund - 12.8%
PG&E CORP (PCG)	23,620	18,880	2.3	KNIGHTHEAD CAPITAL MANAGEMENT, LLC - 0.49% ABRAMS CAPITAL MANAGEMENT, L.P. - 1.14% REDWOOD CAPITAL MANAGEMENT, LLC - 0.68%
TIVITY HEALTH, INC. (TVTY)	1,287	386	28.5	Altaris Capital - 8.96% Hudson Executive Capital LP - 9.74% HG Vora Capital Management - 9.75%
GCP Applied Technologies (GCP)	1,671	909	21.1	Starboard Value - 8.91% 40 North Management LLC - 6.97% GAMCO INVESTORS - 5.2%
XEROX CORP (XRX)	4,549	6,870	24.2	DEASON DARWIN - 7.96% ICAHN CARL C - 16.22%
HARTE HANKS INC (HRTH)	39	180	19.7	FONDREN MANAGEMENT LP / BLR Partners - 9.84% HARTE HOUSTON H - 9.85%
HILL INTERNATIONAL, INC. (HIL)	143	292	16.4	ANCORA ADVISORS LLC - 6.61% ENGINE CAPITAL LP - 9.81%
MUSCLEPHARM CORP (MSLP)	67	61	17.0	AMEROP HOLDINGS INC - 10.9% WYNNEFIELD PARTNERS SMALL CAP VALUE LP I - 6.14%
WYNN RESORTS LTD (WYNN)	13,520	1,870	8.4	NEW YORK STATE COMMON RETIREMENT FUND - 0.1% WYNN ELAINE P - 8.25%
MARCHEX INC (MCHX)	119	52	40.0	HARBERT DISCOVERY FUND LP - 3.69% EDENBROOK CAPITAL LLC - 36.3%
DESTINATION MATERNITY CORP (DESTQ)	0	363	17.9	MILLER NATHAN G - 6.6% ORCHESTRA-PREMAMAN SA - 11.3%

TSR INC (TSRI)	20	63	48.7	QAR INDUSTRIES INC - 26.38% ZEFF CAPITAL LP - 22.3%
HUBBAY MINERALS INC. (HBM)	1,670	1,160	31.2	WATERTON MINING PARALLEL FUND OFFSHORE MASTER, LP - 16.7% GMT CAPITAL CORP - 14.49%
J. ALEXANDER'S HOLDINGS, INC. (JAX)	207	184	13.7	ANCORA ADVISORS, LLC - 7.54% Hill Path Capital LP - 6.18%
ONE GROUP HOSPITALITY, INC. (STKS)	322	152	15.7	MAGUIRE ASSET MANAGEMENT, LLC - 0% Kanen Wealth Management/ Philotimo Fund - 15.7%
NUVEEN OHIO QUALITY MUNICIPAL INCOME FUND (NUO)	300	16	5.3	ANCORA ADVISORS, LLC - 0.015% Saba Capital Management, L.P. - 5.29%
INNOVATIVE FOOD HOLDINGS INC (IVFH)	13	51	20.3	SMITH DENVER JOHNSON - 7.7% JCP INVESTMENT MANAGEMENT, LLC - 12.6%
IMMERSION CORP (IMMR)	254	31	8.8	RAGING CAPITAL MANAGEMENT, LLC - 7.19% VIEX CAPITAL ADVISORS, LLC - 1.61%
VERSO CORP (VRS)	559	1,170	15.0	Lapetus Capital II LLC - 8.2% SCW Capital Management - 6.84%
EASTSIDE DISTILLING, INC. (EAST)	36	14	9.1	Quad Capital Management Advisors - 4.75% WICKERSHAM GROVER T. - 4.3%
LANDEC CORP \CA\ (LNDC)	327	560	20.9	Wynnefield Capital - 10.87% Legion Partners Asset Management - 9.98%
HC2 HOLDINGS, INC. (HCHC)	312	991	33.5	Avram Glazer - 27.2% Percy Rockdale LLC - 6.3%
SUPERIOR INDUSTRIES INTERNATIONAL INC (SUP)	211	1,160	5.0	Gamco Investors - 0.41% D.C. Capital Advisors - 4.62%
SYNALLOY CORP (SYNL)	92	251	25.2	PRIVET FUND LP - 17.3% UPG ENTERPRISES LLC - 7.86%
FLOTEK INDUSTRIES INC/CN/ (FTK)	132	45	16.0	North Sound Trading - 9.6% NIERENBERG INVESTMENT MANAGEMENT COMPANY, INC. - 6.44%
TRANSACT TECHNOLOGIES INC (TACT)	121	29	11.6	Grand Slam Asset Management - 6.06% Harbert Discovery Fund - 5.53%
GAMESTOP CORP. (GME)	14,843	5,350	19.1	Hestia Capital Partners - 6.58% RC Ventures LLC - 12.53%
TURQUOISE HILL RESOURCES LTD. (TRQ)	3,342	1,470	11.8	SailingStone Capital Partners - 2.49% Pentwater Capital Management LP - 9.3%
TESSCO TECHNOLOGIES INC (TESS)	53	373	29.8	Robert B. Barnhill, Jr. - 18.23% Lakeview Investment Group - 11.6%
ENZO BIOCHEM INC (ENZ)	146	112	16.7	ROUMELL ASSET MANAGEMENT, LLC - 6.01% HARBERT DISCOVERY FUND, LP - 10.7%
BIG LOTS (BIG)	2,224	6,390	9.0	Macellum Advisors - 8.43% Ancora Advisors - 0.57%
Exxon Mobil Corporation (XOM)	259,812	182,070	0.2	NY State Pension Fund - 0.18% ENGINE NO. 1 LP - 0.021%

TUFIN SOFTWARE TECHNOLOGIES LTD. (TUFN)	349	101	16.8	CATALYST PRIVATE EQUITY PARTNERS (ISRAEL) II LP - 4.82% MARKER II LP - 11.96%
CIM COMMERCIAL TRUST CORP (CMCT)	209	71	5.5	Lionbridge Capital - 3.14% ENGINE CAPITAL, L.P. - 2.4%
MONMOUTH REAL ESTATE INVESTMENT CORP (MNR)	1,877	174	4.9	Blackwells Capital - 4.17% Land & Buildings Investment Management, LLC - 0.7%
AMPCO PITTSBURGH CORP (AP)	114	324	17.1	Gamco Investors - 10.59% 2006 Irrevocable Trust of Laura W. Van Loan for the Benefit of Mary M. Crawford - 6.47%
Cedar Realty Trust, Inc. (CDR)	226	127	15.5	Camac Fund, LP - 5.9% Ewing Morris & Co. Investment Partners Ltd. - 8.09%
KVH Industries, Inc. (KVHI)	232	164	7.8	Vintage Capital - 2.07% VIEX CAPITAL ADVISORS - 5.69%
EHEALTH, INC. (EHTH)	1,473	611	13.0	HUDSON EXECUTIVE CAPITAL LP - 5.74% STARBOARD VALUE LP - 7.3%
TORTOISE ENERGY INDEPENDENCE FUND (NDP)	37	0	16.6	ARISTIDES CAPITAL LLC - 5.98% Bulldog Investors, LLP - 10.59%
NOCOPI TECHNOLOGIES INC/MD/ (NNUP)	14	3	15.5	SRK Fund I, LP. - 8.37% Eriksen Capital Management LLC - 7.1%
NN INC (NNBR)	304	438	19.3	LEGION PARTNERS ASSET MANAGEMENT - 9.19% Corre Partners Management, LLC - 10.13%
SWK HOLDINGS CORP (SWKH)	227	38	78.7	CARLSON CAPITAL L P - 71.1% CANNELL CAPITAL LLC - 7.56%
YATRA ONLINE, INC. (YTRA)	142	1,270	11.7	Maguire Asset Management, LLC - 7.94% Catamount Strategic Advisors, LLC - 3.75%
Rocky Mountain Chocolate Factory, Inc. (RMCF)	46	23	13.3	AB Value Management LLC - 7.52% Global Value Investment Corp. - 5.8%

## 13D Filings

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Filer Name
6/1/2021	AMERICAN BIO MEDICA CORP (ABMC)	3	4	MORONEY JOHN J
6/1/2021	CLOUDERA, INC. (CLDR)	4,683	883	ICAHN CARL C
6/1/2021	WHEELER REAL ESTATE INVESTMENT TRUST, INC. (WHLR)	44	60	STEAMBOAT CAPITAL PARTNERS, LLC
6/2/2021	MY SIZE, INC. (MYSZ)	56	0.1	ACTIVIST INVESTING LLC
6/8/2021	1847 GOEDEKER INC. (GOED)	339	59	PHILOTIMO FUND, LP
6/8/2021	INSIGHT ENTERPRISES INC (NSIT)	3,711	8,390	VA PARTNERS I, LLC
6/8/2021	MARIZYME INC (MRZM)	50	0.2	MARINE BIO SPA
6/8/2021	SWK HOLDINGS CORP (SWKH)	211	38	CANNELL CAPITAL LLC

6/7/2021	CHICO'S FAS, INC (CHS)	772	1,430	BARINGTON CAPITAL GROUP L P
6/9/2021	MDC PARTNERS INC (MDCA)	413	1,180	INDABA CAPITAL MANAGEMENT, L.P.
6/10/2021	BOX INC (BOX)	4,076	676	STARBOARD VALUE LP
6/10/2021	CIM COMMERCIAL TRUST CORP (CMCT)	141	71	ENGINE CAPITAL, L.P.
6/10/2021	CIM COMMERCIAL TRUST CORP (CMCT)	141	71	LIONBRIDGE CAPITAL, LP
6/10/2021	EYENOVIA, INC. (EYEN)	140	4	GRANT STUART M.
6/11/2021	CIM COMMERCIAL TRUST CORP (CMCT)	135	71	LIONBRIDGE CAPITAL, LP
6/14/2021	BSQUARE CORP /WA (BSQR)	32	40	PALOGIC VALUE MANAGEMENT, L.P.
6/15/2021	NAVIDEA BIOPHARMACEUTICALS, INC. (NAVB)	58	0.1	SCOTT JOHN K JR.
6/15/2021	KINGSWAY FINANCIAL SERVICES INC (KFS)	123	75	STILWELL JOSEPH
6/16/2021	CIM COMMERCIAL TRUST CORP (CMCT)	136	71	LIONBRIDGE CAPITAL, LP
6/16/2021	VELODYNE LIDAR, INC. (VLDR)	2,227	96	HALL DAVID S.
6/17/2021	ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	35	23	AB VALUE MANAGEMENT LLC
6/18/2021	GEOPARK LTD (GPRK)	858	407	O'SHAUGHNESSY GERALD E
6/21/2021	APTEVO THERAPEUTICS INC. (APVO)	104	7	TANG CAPITAL PARTNERS LP
6/21/2021	ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	40	23	GLOBAL VALUE INVESTMENT CORP.
6/22/2021	KVH INDUSTRIES INC \DE\ (KVHI)	224	164	VIEX CAPITAL ADVISORS, LLC
6/22/2021	TARONIS FUELS, INC. (TRNF)	35	28	WETHERALD THOMAS
6/23/2021	RESIDEO TECHNOLOGIES, INC. (REZI)	4,288	5,310	PRAESIDIUM INVESTMENT MANAGEMENT COMPANY, LLC
6/23/2021	SWK HOLDINGS CORP (SWKH)	219	38	CANNELL CAPITAL LLC
6/24/2021	GEOPARK LTD (GPRK)	843	407	O'SHAUGHNESSY GERALD E
6/24/2021	GREENBROOK TMS INC. (GBNH)	252	43	MSS GB SPV LP
6/25/2021	BARNES & NOBLE EDUCATION, INC. (BNED)	456	1,430	OUTERBRIDGE CAPITAL MANAGEMENT LLC
6/25/2021	ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	48	23	GLOBAL VALUE INVESTMENT CORP.
6/21/2021	BOX INC (BOX)	4,230	676	STARBOARD VALUE LP
6/7/2021	GENESCO INC (GCO)	936	2,050	LEGION PARTNERS ASSET MANAGEMENT, LLC
6/14/2021	GENESCO INC (GCO)	936	2,050	LEGION PARTNERS ASSET MANAGEMENT, LLC
6/22/2021	GENESCO INC (GCO)	936	2,050	LEGION PARTNERS ASSET MANAGEMENT, LLC
6/28/2021	GENESCO INC (GCO)	936	2,050	LEGION PARTNERS ASSET MANAGEMENT, LLC
6/29/2021	MDC PARTNERS INC (MDCA)	443	1,180	STAGWELL AGENCY HOLDINGS LLC

6/29/2021	TESSCO TECHNOLOGIES INC (TESS)	54	373	LAKEVIEW INVESTMENT GROUP & TRADING CO LLC
6/30/2021	CIM COMMERCIAL TRUST CORP (CMCT)	133	71	LIONBRIDGE CAPITAL, LP
6/30/2021	MEDALLION FINANCIAL CORP (MFIN)	222	169	KORR VALUE L.P.

## 13G Filings (First-time filer)

Date	Company name	Market cap. (\$, mm)	Revenue (\$, mm)	Fund name
6/1/2021	1847 Goedecker Inc. (GOED)	450	59	SABBY MANAGEMENT, LLC
6/3/2021	1847 Goedecker Inc. (GOED)	450	59	Empery Asset Management, LP
6/7/2021	1847 Goedecker Inc. (GOED)	450	59	Altium Capital Management LP
6/1/2021	Array Technologies, Inc. (ARRY)	2,073	681	NORGES BANK
6/9/2021	AZIYO BIOLOGICS, INC. (AZYO)	112	46	Endurant Capital Management LP
6/7/2021	Beauty Health Co (SKIN, VSPR, SKINW, VSPRU)	2,023	134	Luxor Capital Group, LP
6/10/2021	BK Technologies Corp (BKTI)	40	42	HIRSCHMAN ORIN
6/21/2021	BRYN MAWR BANK CORP (BMTC)	870	225	Versor Investments LP
6/14/2021	CARVER BANCORP INC (CARV)	51	21	HEDGEHOG CAPITAL LLC
6/30/2021	Chicken Soup for the Soul Entertainment, Inc. (CSSE, CSSEN, CSSEP)	629	76	INTEGRATED ASSETS, LTD.
6/1/2021	Clever Leaves Holdings Inc. (CLVR, CLVRW)	295	13	ETF MANAGERS GROUP, LLC
6/29/2021	CUMULUS MEDIA INC (CMLS)	302	790	Cetus Capital VI, L.P.
6/25/2021	CURO Group Holdings Corp. (CURO)	703	763	OCO Capital GP LLC
6/25/2021	DOCUMENT SECURITY SYSTEMS INC (DSS)	120	18	CVI Investments, Inc.
6/10/2021	Eargo, Inc. (EAR)	1,471	79	ALGER ASSOCIATES INC
6/8/2021	ENGLOBAL CORP (ENG)	102	58	CVI Investments, Inc.
6/8/2021	ENGLOBAL CORP (ENG)	102	58	Empery Asset Management, LP
6/9/2021	ENGLOBAL CORP (ENG)	107	58	SABBY MANAGEMENT, LLC
6/7/2021	GCM Grosvenor Inc. (GCMG, GCMGW)	2,042	450	ROYCE & ASSOCIATES LP
6/1/2021	GrowGeneration Corp. (GRWG)	2,613	250	ETF MANAGERS GROUP, LLC
6/7/2021	HTG MOLECULAR DIAGNOSTICS, INC (HTGM)	26	8	HIRSCHMAN ORIN
6/21/2021	HYCROFT MINING HOLDING CORP (HYMC, HYMCL, HYMCW, HYMCZ)	186	55	SCOGGIN MANAGEMENT LP

6/21/2021	Katapult Holdings, Inc. (FSRV, KPLT, FSRVU, FSRVW, KPLTW)	989	285	TIGER GLOBAL MANAGEMENT LLC
6/9/2021	KEWAUNEE SCIENTIFIC CORP /DE/ (KEQU)	33	143	Minerva Advisors LLC
6/9/2021	KNOLL INC (KNL)	1,376	1,160	INTEGRATED CORE STRATEGIES (US) LLC
6/11/2021	Liberty Media Corp (BATRA, BATRB, BATRK, FWONA, FWONB, FWONK, LSXMA, LSXMB, LSXMK)	1,424	172	Broad Bay Capital Management, LP
6/25/2021	OPPENHEIMER HOLDINGS INC (OPY)	664	1,330	PROPP MORRIS
6/11/2021	Qumu Corp (QUMU)	67	29	Portolan Capital Management, LLC
6/10/2021	Ranger Energy Services, Inc. (RNGR)	131	145	WDE PWS Aggregate, LLC
6/10/2021	Recro Pharma, Inc. (REPH)	105	62	AWM Investment Company, Inc.
6/14/2021	Retail Value Inc. (RVI)	455	161	Silver Point Capital L.P.
6/1/2021	RING ENERGY, INC. (REI)	256	108	Yetiv Jack
6/28/2021	Sesen Bio, Inc. (SESN)	782	16	INTEGRATED ASSETS II LLC
6/8/2021	SOUTHERN FIRST BANCSHARES INC (SFST)	434	89	FJ Capital Management LLC
6/21/2021	TELA Bio, Inc. (TELA)	224	20	PURA VIDA INVESTMENTS, LLC
6/14/2021	TESSCO TECHNOLOGIES INC (TESS)	65	373	Leviticus Partners LP
6/1/2021	TETRA TECHNOLOGIES INC (TTI)	475	322	Yetiv Jack
6/9/2021	TRANSCAT INC (TRNS)	406	173	Neuberger Berman Group LLC
6/10/2021	Virtus AllianzGI Convertible & Income Fund (NCV, NCV-PA)	532	40	Advisors Asset Management, Inc.

## 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
Falcon Minerals Corp (FLMN)	430	41	6/28/2021	6/28/2021	0.0
Blue Bird Corp (BLBD)	721	766	6/22/2021	5/21/2021	1.1
BlackRock TCP Capital Corp. (TCPC)	859	172	6/1/2021	4/14/2021	1.6
Taronis Fuels, Inc. (TRNF)	35	28	6/9/2021	4/12/2021	1.9
VAALCO ENERGY INC /DE/ (EGY)	182	89	4/12/2021	6/22/2021	2.4
GRANITE CONSTRUCTION INC (GVA)	1843	3600	6/4/2021	1/29/2021	4.2
Verso Corp (VRS)	573	1170	1/28/2021	6/4/2021	4.2
FOSTER L B CO (FSTR)	196	492	6/25/2021	2/10/2021	4.5

INTERCEPT PHARMACEUTICALS, INC. (ICPT)	637	322	12/10/2020	6/7/2021	6.0
INTEST CORP (INTT)	181	62	8/11/2020	6/14/2021	10.2
AUDIOEYE INC (AEYE)	480	22	8/18/2020	6/23/2021	10.3
iRhythm Technologies, Inc. (IRTC)	2234	276	6/1/2021	6/4/2020	12.1
CROSSFIRST BANKSHARES, INC. (CFB)	770	127	5/18/2020	6/21/2021	13.3
VYNE Therapeutics Inc. (VYNE)	206	23	3/10/2020	6/7/2021	15.1
NN INC (NNBR)	314	438	2/20/2020	6/15/2021	16.0
Wayside Technology Group, Inc. (WSTG)	122	252	1/21/2020	6/8/2021	16.8
CALAVO GROWERS INC (CVGW)	1131	1000	1/2/2020	6/22/2021	17.9
SecureWorks Corp (SCWX)	1380	559	6/3/2021	12/5/2019	18.2
Investview, Inc. (INVU)	620	38	12/4/2019	6/9/2021	18.4

## CEO changes

Date	Company Name	Internal/ External appointment	CEO Name	Market cap. (\$, mm)	Revenue (\$, mm)	Link
6/1/2021	GEO GROUP INC (GEO)	External	Jose Gordo	668	2,320	<a href="#">Link</a>
6/1/2021	BlackRock TCP Capital Corp. (TCPC)	Internal	Rajneesh Vig	859	172	<a href="#">Link</a>
6/1/2021	iRhythm Technologies, Inc. (IRTC)	Internal	Doug J. Devine	2,234	276	<a href="#">Link</a>
6/2/2021	NL INDUSTRIES INC (NL)	Internal	Courtney J. Riley	365	118	<a href="#">Link</a>
6/3/2021	SecureWorks Corp (SCWX)	Internal	Wendy Thomas	1,380	561	<a href="#">Link</a>
6/4/2021	GRANITE CONSTRUCTION INC (GVA)	Internal	Kyle T. Larkin	1,843	3,600	<a href="#">Link</a>
6/7/2021	IRONWOOD PHARMACEUTICALS INC (IRWD)	Internal	Thomas McCourt	1,944	398	<a href="#">Link</a>
6/8/2021	VERACYTE, INC. (VCYT)	External	Marc Stapley	2,313	123	<a href="#">Link</a>
6/9/2021	Taronis Fuels, Inc. (TRNF)	External	Kevin Foti	35	57	<a href="#">Link</a>
6/11/2021	Mediacorp Holding Inc. (MDIA)	External	Rahsan-Rahsan Lindsay	30	37	<a href="#">Link</a>
6/14/2021	SERVOTRONICS INC /DE/ (SVT)	Internal	James C. Takacs	21	43	<a href="#">Link</a>
6/14/2021	Ranger Energy Services, Inc. (RNGR)	Internal	Bill Austin	119	145	<a href="#">Link</a>
6/21/2021	CAI International, Inc. (CAI)	Internal	Timothy B. Page	969	306	<a href="#">Link</a>
6/22/2021	Blue Bird Corp (BLBD)	External	Matthew Stevenson	721	766	<a href="#">Link</a>
6/23/2021	HARTE HANKS INC (HRTH)	Internal	Brian Linscott	40	180	<a href="#">Link</a>
6/25/2021	FOSTER L B CO (FSTR)	Internal	John F. Kasel	196	492	<a href="#">Link</a>
6/28/2021	Falcon Minerals Corp (FLMN)	Internal	Bryan C. Gunderson	430	41	<a href="#">Link</a>

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