



S N O W B A L L

R E S E A R C H

September 2021

-

**Significant
Changes &
Events**



MANUAL

What is the objective of the report?

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

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

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

What is the advantage? What is the expected outcome?

- Hidden qualitative factors: Unlike focusing on quantitative data, we focus mostly on "qualitative information" to filter ideas. Our process is tied heavily to plenty of reading. As such, many qualitative factors that we highlight are typically hidden in quantitative screening techniques.
- Most ignored section in the equity research process: At one end of the spectrum, you have plenty of services that help in the "initial phase" of research to narrow down thousands of stocks with quantitative metrics, providing financial statements, ratios, etc. In the other segment of the services, you have free and paid services to review stock ideas. Snowball Research focuses on the "most ignored" section in the equity research process: narrowing down ideas from plenty of screens.

NINE SCREENS

1. CEO/MANAGEMENT CHANGES

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

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

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

Q&A #1 Isn't business more valuable than jockey?

- Well, this is not a "business vs. jockey" debate. We are not arguing that the CEO is more important than the business. Our message is simple: a CEO with a good track record generally gravitates to good companies.
- By tracking good CEOs, we can uncover unique investment ideas, and the odds of success are higher for a company that has appointed a CEO who has a proven track record.

Q&A #2 Why reading the CEO's bio isn't sufficient?

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

2. 8-K (KEYWORDS)

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

3. 13D/ACTIVISM

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

4. CHANGES AFTER APPOINTING NEW CEO

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

5. IN SEARCH OF GOOD BUSINESS

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

6. ACCOUNTING PROBLEMS

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

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

7) 13G , 8) 13F 9) INSIDER BUYING

Self-explanatory.

INSIDE

I. Special reports

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18. [Priority Technology Holdings \(PRTH\): Recent acquisition, owner-operator, recurring revenue](#)
19. [Lincoln Educational Services \(LINC\): Recent board changes and other significant change](#)
20. [PGT Innovations, Inc. \(PGTI\): Recent acquisition](#)
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- i. CEO & CFO changes
- j. CEO changes

Gulfport Energy (GPOR): A micro-cap company, after emerging from bankruptcy, appoints former top executive of \$150 billion BHP

- Market Cap: \$122 million | Gulfport Energy Corporation (GPOR) is an independent natural gas-weighted exploration and production company focused on the exploration, acquisition and production of natural gas, crude oil and NGL in the United States with primary focus in the Appalachia and Anadarko basins.
- Major shareholder: Silver Point Capital - 39%| JPMorgan Chase & Company - 11%| Mackay Shields - 10%| Alliancebernstein - 6%| Diameter Capital Partners - 5%
- Screen: New CEO

1. Emergence from bankruptcy & management/board shakeup

- Emergence from bankruptcy: In November 2020, the company filed for bankruptcy, and in May 2021, it emerged from bankruptcy.
- Debt reduction: As a part of emergence from bankruptcy, the company's debt was reduced from \$2.2 billion to \$833 million and it reduced annual cash interest expense by over \$90 million.
- Stake increase by Silver Point Capital
 - On the same day of its emergence from bankruptcy, the company entered into a cooperation agreement with Silver Point Capital.
 - In June 2021, Silver Point Capital acquired \$21.6 million worth of shares at an average price of \$62 per share.
 - As of June 2021, Silver Point Capital holds a 45.2% stake in the company.
- Board reorganization: As a part of emergence from bankruptcy, the company appointed a new Board of Directors.
- New CEO & CFO: In May 2021, the company appointed Chairman Timothy J. Cutt as interim CEO and William "Bill" J. Buese as CFO.

2. Track record of Timothy J. Cutt

In September 2021, Mr. Cutt was appointed as full-time CEO.

(a) Sale of QEP Resources for \$2.2 billion

- Most recently, under his watch as CEO of QEP Resources (Jan 2019 to March 2021), he led the sale of the company for \$2.2 billion.

(b) A top executive of \$150-billion BHP

- He served in various positions in BHP Billiton for nine years and most recently as President, Petroleum, one of the top 10 executives of the company.
- He resigned at the time of restructuring.

(c) ExxonMobil

- He served the company for roughly six years.
- At the time of resignation, he served as President of ExxonMobil de Venezuela, Venezuela.

(d) Bankruptcy of Cobalt International Energy (2016 to 2018)

- During his short tenure as CEO, the company filed for bankruptcy in December 2017.
- We cannot blame him since the company filed bankruptcy amid a three-year decline in oil prices and \$3 billion in debt and lawsuits related to its West African business (bribery).

3. Other

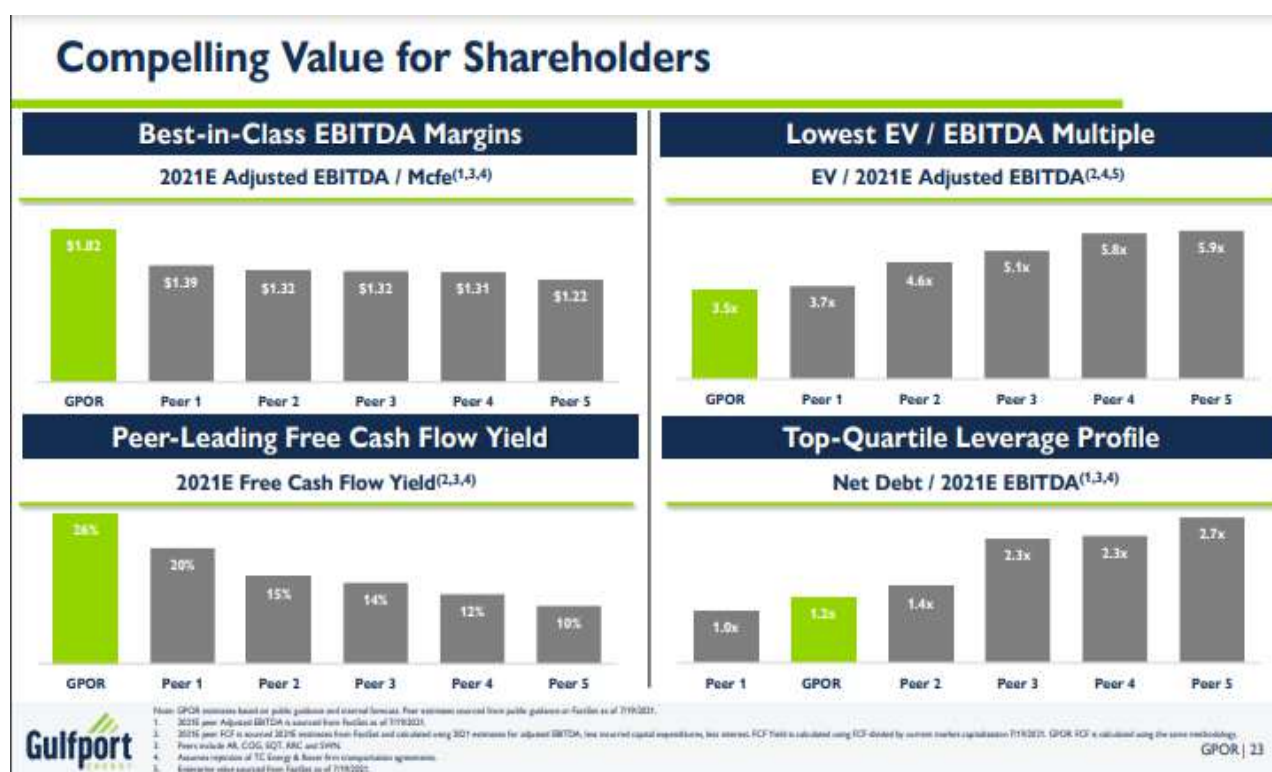
- Flattened structure: The company reduced its number of executives and resized the organization, decreasing

officer headcount by 30% and employee headcount by 25%.

• 2021 forecast

- The company expects to generate approximately \$290 million to \$310 million in free cash flow.
- The company forecasts the reduction of total per-unit expense by more than 23% compared to 2020.

“We plan to develop our assets in a disciplined manner, investing approximately \$300 million of capital to deliver 1.0 Bcfe per day of production and targeting sustainable cash flow generation of roughly \$300 million per year. We believe that our ability to deliver substantial free cash flow, with top-quartile operating costs and leverage, provides a unique opportunity for investors.” - *Tim Cutt*



Enerpac Tool Group (EPAC): A short note on CEO change, recent migration to pure-play industrial tools and Services Company

- Market Cap: \$1.3 billion | Enerpac Tool Group Corp. is a premier industrial tools and services company. The company manufactures high pressure hydraulic tools, controlled force products and solutions for precise positioning of heavy loads.
- Major shareholder: Blackrock - 15%| Price T Rowe Associates - 12%| Vanguard Group - 10%| Wellington Management Group - 7%| Clarkston Capital Partners - 7%
- Screen: New CEO

WHY ARE WE FLAGGING NOW?

New CEO

In September 2021, the company announced the appointment of Paul Sternlieb as CEO.

(a) Top executive of John Bean Technologies Corporation

- Mr. Sternlieb was one of the top 10 executives of the company. He served as EVP and President, Protein at JBT Corporation (market cap: \$4.6 billion) from October 2017 to 2021.
- During his tenure, he was responsible for leading a global, multi-divisional, multi-brand food processing equipment & services business across five continents.

(b) Prior to joining JBT in 2017, he was Group President, Global Cooking (since 2014) of Illinois Tool Works. The company's Food Equipment Group (\$2.2 billion revenue) manufactures a wide range of commercial food equipment.

WHAT WE LIKE

1. Migration to pure-play industrial tools and services company – divestment and repayment of debt

- As a part of its strategic shift to become a pure-play industrial tools and services company, the company divested several business segments in 2019 and 2018.

- In 2018, the company exited Cortland Fibron & Precision-Hayes for roughly \$36 million, and in FY 2019, the company divested Engineered Components & Systems and a few other product lines for \$222 million. The company used the proceeds to repay the debt.
- Debt repayment: Since FY 2016, the company's debt balance has decreased from \$580 million to \$175 million in FY 2021.

2. Strong new product development platform

- The company started investing in its new product development in FY 2016. After this, new products as a percentage of total sales increased from 3.5% in FY 2015 to 11% of total sales in FY 2020.
- The company aims for a minimum of 10% of consolidated product sales annually from new product development.

3. Recent strong financial performance

- Back to growth: In Q3 and Q4 FY 2021, the company returned to year-over-year organic sales growth after six quarters of negative growth. Core sales improved 36% and 28% year-over-year in Q3 and Q4 FY 2021 respectively.
- Improving margins: In FY 2021, the company's adjusted operating profit

margin increased to 10.4% from 6% in FY 2020.

- Adjusted EBITDA increased from 10.6% in FY 2020 to 14.1% in FY 2021.
- **Positive free cash flow:** In FY 2021, the company's free cash flow increased to \$69.1 million compared to \$(13.0) million in FY 2020.

- The company expects revenue in the range of \$590 million to \$610 million, which is an 11% to 15% increase from FY 2021, and incremental EBITDA margins of 35% to 45% excluding the impact of currency.
- The company plans to target bolt-on and strategic acquisitions of small to mid-sized companies.

4. Outlook



Hydratight Service

- 👷
 - **Primary focus on repairs and maintenance work versus CAPEX projects**
 - MRO is less cyclical, less prone to cancellation due to market factors (oil pricing, weather, geopolitical disruptions)
- ⚙️
 - Primarily **mid to down stream oil & gas exposure** - trillions of dollars of installed assets need to be maintained
 - Verticals include oil & gas – with significant growth in additional markets including power generation, wind, plant and infrastructure, military
- 🔧
 - Leveraging our core competencies to win higher value work including:
 - **Flange joint integrity and related software**
 - **Specialty Machining and Inspection**
 - **Project Management and Auditing**
 - **Technical Training and Certification**
 - *Service provides vehicle to sell Enerpac products and rentals*

Dave & Buster's Entertainment (PLAY): A short note on the interim CEO

- Market Cap: \$1.9 billion | Dave & Buster's Entertainment, Inc., is the owner and operator of 143 venues in North America that combine entertainment and dining and offer customers the opportunity to "Eat Drink Play and Watch," all in one location.
- Major shareholder: Blackrock - 15%| Vanguard Group - 10%| Hill Path Capital - 9%| Kohlberg Kravis Roberts & Company - 7%
- Screen: New CEO

1. Exceptional track record

In September 2021, the company appointed Kevin M. Sheehan as interim CEO effective October 2021. He has served as chair of the company's board since April 2021 and as a director since October 2011.

- 5x increase in stock price during his tenure at Scientific Games Corp: Mr. Sheehan served as CEO of Scientific Games Corporation from August 2016 to June 2018. During his tenure, the company's stock price increased roughly 5x and revenue increased from \$2.8 billion in 2016 to \$3.3 billion in 2018.
- 143% increase in stock price during his tenure at NCL Corp: Mr. Sheehan served as CEO of NCL Corporation Ltd., a leading global cruise line operator, from November 2008 through January 2015. During his tenure, the company's share price increased by 143%, and revenue increased from \$2.1 billion in 2008 to \$3.1 billion in 2014. During the same period, the company turned profitable from a net loss of \$(211) million to \$339 million.
- PE experience: Mr. Sheehan has served as a consultant to private equity firms, including Cerberus Capital Management LP (2006-2007) and Clayton Dubilier & Rice (2005-2006).

2. WHAT WE LIKE

- Strong financial performance before the COVID pandemic: The company's revenue grew from \$541 million in FY 2012 to \$1.35 billion in FY ended

Feb 2020. During the same period, operating income increased from \$30 million to \$148 million. Due to pandemic-triggered store closures, the company's financial performance dwindled significantly in FY ended Feb 2021.

- Strong free cash flow before the pandemic: The company's discretionary free cash flow was \$101 million, \$160 million, \$183 million, \$206 million, \$222 million, and \$198 million in FY 2014, FY 2015, FY 2016, FY 2017, FY 2018, and FY 2019 respectively.
- Proprietary: The company has successfully developed several proprietary entertainment offerings that are not available to operations outside the company.
- Positive feedback: In 2019, 86.0% of respondents to the company's survey rated the company as "Top Box" (5 out of a possible 5 points) in "Overall Experience" and 87.2% of respondents rated the company "Top Box" in "Intent to Recommend."
- Signs of recovery & recent updates
 - Record financials in Q2 FY 2021: Total revenue was a record \$377.6 million compared with \$50.8 million in Q2 FY 2020 and \$344.6 million in Q2 FY 2019. Net income totaled a record \$52.8 million and adjusted EBITDA totaled a record \$119.2 million.
 - New games: In June 2021, the company introduced seven new games, its biggest introduction in the last two years.

- **Small store format:** The Company operates in various sizes from 16,000 to 66,000 square feet. In 2021, the company stated that it had opened a new

18,000 small-format store in Gainesville that generated nearly \$6 million in revenue during the first half of 2021.

Old Point Financial (OPOF): Ultra short note on CEO appointment

- Market Cap: \$111 million | As of June 30, 2021, the Company had total assets of approximately \$1.3 billion, and it currently serves the Hampton, Newport News, Williamsburg/James City County, Norfolk, Chesapeake, Virginia Beach and Isle of Wight County areas through 16 active branches, three commercial lending offices, two trust offices, and three mortgage offices.
- Major shareholder: Pl Capital Advisors - 9%| Fj Capital Management - 9%| Old Point Trust & Financial Services - 3%| Vanguard Group - 2%
- Screen: New CEO

1. New CEO

In September 2021, the company appointed A. Eric Kauders, Jr. as CEO.

- Mr. Kauders served at Bank of America Private Bank (formerly U.S. Trust) from 2000 to 2021. He joined Bank of America in 2000 as Assistant General Counsel. At the time of his exit, he was serving as Managing Director (2008-2021). He claims that he took part in “organizational health restructuring” and assumed responsibility for a \$5.7 billion HNW/UHNW book of business.
- Prior to Bank of America Private Bank, he practiced law with McGuire Woods, LLP. He is experienced in fiduciary litigation on behalf of banks,

trust companies, and personal representatives, providing legal counsel and litigation advice on trust, estate, and fiduciary issues.

2. Insider buying

- All directors & executive officers as a group hold a 17.4% stake in the company as of March 2021.
- In 2021, the company’s insiders bought \$0.16 million worth of shares at an average price of \$22.6 per share.

3. Branch network optimization

The Company closed two of its branches in 2020, effectively reducing its brick-and-mortar facilities by 11%.

FTC Solar (FTCI): The Company attracts top executive of \$15 billion Western Digital Corp

- Market Cap: \$738 million | FTC Solar is a global provider of solar tracker systems, technology, software, and engineering services.
- Major shareholder: Invesco - 4%| Zimmer Partners - 4%| Adage Capital Partners - 3%| FMR - 2%| Citadel Advisors - 1%
- Screen: New CEO

WHAT WE LIKE

1. New CEO is a former top executive of \$15 billion Western Digital Corp

In September 2021, the company appointed Sean Hunkler as CEO.

- Top executive, Western Digital (market cap: \$17.5 billion): For the past three years (2018-2021), Mr. Hunkler served at Western Digital Corp as EVP of Global Operations. He was one of the top 10 executives in the company.
- Top executive of Nexperia/NXP Semiconductor: As COO of Nexperia Semiconductors (2017-2018) and NXP Semiconductor (2012-2017), he reported to the CEO and was responsible for all global operations, including manufacturing, supply chain, IT, procurement, etc.
- President of Solar Division at SunEdison: During his 7-year tenure at SunEdison (2005-2012), he served as President of the Solar Division and reported to the CEO. He was responsible for all aspects of the Solar Power Division, including P&L.

2. Strong insider ownership - company is founded & led by former SunEdison executives

- Strong insider ownership: Insiders own more than 50%.
- The company was co-founded by two former executives of SunEdison.
 - David Springer: CEO, SunEdison (2009-2016)
 - Ahmad Chatila: COO of Solar Materials, SunEdison (2013-2016)

- New CEO and co-founder relationship: The newly appointed CEO, Mr. Hunkler, reported to the co-founder of the company, David Springer, during his last four years at SunEdison.
- Five out of eight top executives and four out of eight directors have previously served at SunEdison.

3. Stellar revenue growth

Basics: What is a solar tracker?

- A solar tracker allows solar panels to follow the sun's path in the sky.
- Solar trackers can increase solar panels' output by 20-30%, which improves the economics of the solar panel project.
- Strong penetration: In 2019, roughly 71% of new ground-mounted solar energy projects installed a solar tracker.

Strong revenue growth

- The company's Voyager tracker achieved product certification in 2019 and had its first installation in Q3 2019. It generated \$187 million in revenue in 2020 and is expected to exceed \$310 million in revenue in 2021.
- Revenue visibility: The company has already received \$284 million worth of orders for 2022 (as of August 2021).
- As of December 31, 2020, the company has \$109 million in executed contracts and awarded orders for Voyager (102% increase over 2019). As of August 2021, it has increased by \$485 million.

4. Huge market share

- **11% market share:** As of December 31, 2020, the company had an estimated U.S. tracker market share of approximately 11%.
- The company claims that it is one of the largest U.S. providers of two-panel in-portrait (2P) trackers.
- 67% of the top 15 engineering, procurement, and construction (EPC) contractors are FTC customers as of June 2021.
- Per PV Magazine's Sep 2021 article, Array Technologies and NEXTracker Inc. hold the top two positions in the tracker market, and FTC Solar has now entered the top 10.

5. Patents

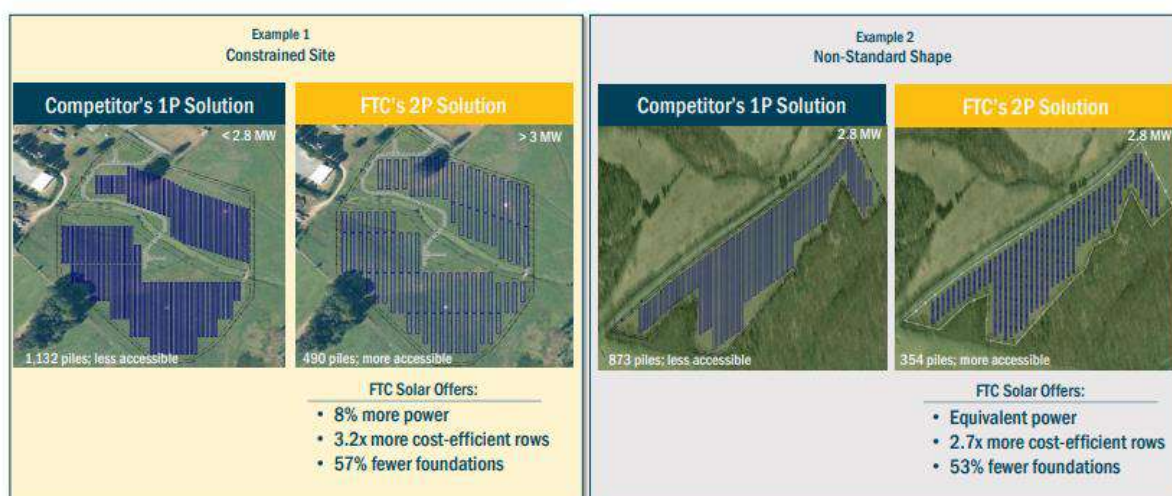
The company has 45 issued U.S. patents, 9 issued non-U.S. patents, 6 U.S. patent applications pending examination, and 9 patent applications pending examination in other countries related to panel attachments, solar tracking algorithms, design, assembly methods, and software solutions.

6. Strong industry outlook

- **Solar trackers:** According to a 2020 IHS Markit report, tracker installations are expected to grow from 24 GW in 2019 to 44 GW in 2023, representing a CAGR of 17%.
- **Solar market**
 - In terms of market size, global solar energy is expected to grow to approximately \$220 billion by 2026 (CAGR of 20% from 2019), according to a 2019 Allied Market Research report.
 - Per BNEF NEO, the solar energy market is expected to account for 23% of the global power generation mix by 2050.
- **Governmental policies:** In the U.S., 30 states have implemented Renewable Portfolio Standards (RPS), which require a specified percentage of the electricity sold by utilities to come from renewable resources.
- **Corporate companies:** Over 1,000 companies around the world have committed to set greenhouse gas emissions targets in accordance with the Paris Agreement.

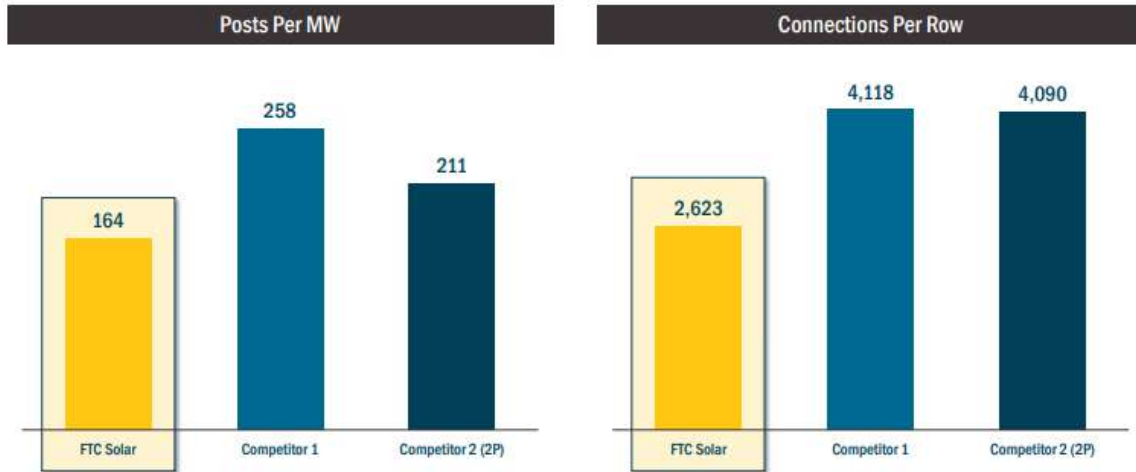
All the Advantages of 2P – Design Flexibility & Panel Density (Illustrative Examples)

22



B Reduced Part Count (Illustrative examples)

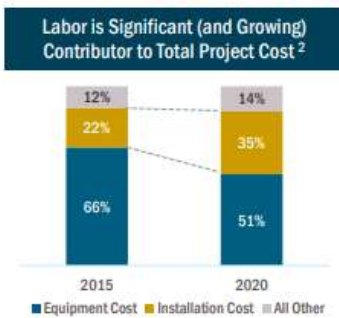
24



D Industry-Leading Install Speed and Low Labor Costs

26

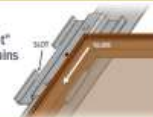
FTC's reduced installation time, together with savings on materials due to our design methodologies, can result in **1.5-2.0 cents per watt** of cost savings for customers vs. leading 1P and 2P competitors¹



	FTC Solar (Voyager)	Competitor 1	Competitor 2	Competitor 3
Installation Time ³	2P	1P	2P	2P
	211	451	450	413
Special tools required?	No	Yes	Yes	Yes
# of Piles Required per MW	20-40% Fewer	-	-	-

- ✓ Fewer tools
- ✓ Fewer connection points
- ✓ Patented panel connection features
- ✓ 32% reduction in average install time in 2020 alone vs. 2019
- ✓ Lean installation methods

Integrated "speed slot" module rail quickly retains and aligns panels



Ehealth (EHTH): Appointment of a former top executive of Aetna as CEO; 50% board change after activist involvement

- Market Cap: \$1.2 billion | eHealth, Inc. (NASDAQ: EHTH) operates a leading health insurance marketplace at eHealth.com and eHealthMedicare.com with technology that provides consumers with health insurance enrollment solutions.
- Major shareholder: Blackrock - 16%| H.I.G.-Gpii - 10%| Vanguard Group - 8%| Starboard Value - 7%| Ruffer - 7%
- Screen: New CEO & Significant changes after activism

We covered this company in the May 2021 issue. So, why are we flagging it now?

There are a couple of reasons:

- a) In September 2021, the company appointed a new CEO.
- b) In September 2021, the company experienced a 50% board change **after** the involvement of the activist investors.

1. New CEO with stellar track record

In September 2021, the company appointed Fran Soistman as CEO.

Track record of Mr. Soistman

(a) One of the top eight executives of Aetna

- As the EVP & president, Mr. Soistman led Aetna's Government Services businesses. This segment is considered the growth engine for the entire company.
- During his tenure as the segment chief, revenue grew from \$20.9 billion in FY 2014 to \$26.2 billion in LTM Sep 2018.
- He is responsible for growing Aetna's presence within the Accountable Care Act expansion through individual and public exchanges.
- Aetna Medicare Advantage achieved a national leader position among public companies for its 4.5 Medicare Stars performance, with more than

77% of its MAPD members enrolling in a 4.5-Star plan.

(b) EVP, Coventry Health Care

- He led the Individual Consumer and Government Business Division until leaving the company in mid-2009.
- During this period, the new division's revenues grew from \$1.3 billion (10% of consolidated revenues) to \$7.5 billion (55% of consolidated revenues).
- Coventry's Medicare Part D program grew to the 5th largest PDP in the nation (start-up in 2005 to 1.4 million members by 2009).

(c) Other

- In 2004, he was a recipient of the Ernst and Young Entrepreneur of the Year Award in the Healthcare/Services category.
- From 2004 to 2008, he was appointed by Pennsylvania Governor Rendell to serve on the Health Care Cost Containment Council, providing direction for the state agency charged with addressing growing health care costs.

Overall

He brings nearly four decades of leadership in all functional areas of health insurance across all business segments.

2. 50% board change and CEO & CFO changes

- As of September 2021, 5 out of 10 directors are new; 50% of the board change was triggered after the involvement of the two activist investors.
- Moreover, the company appointed a new CEO & CFO in September 2021 – these changes could be predominantly due to the involvement of these two activist investors.

Details

- In March 2021, Hudson Executive Capital reached an agreement with the company and secured a board seat (John Hass).
- In May 2021, Hudson Executive Capital added another representative to the board (Cesar M. Soriano).
- On July 21, 2021, the company appointed Erin L. Russell as a Class III director per the Starboard agreement in May 2021.
- In August 2021, the company appointed Aaron C. Tolson as a Class I

director per the agreement

with H.I.G. Capital in February 2021.

- In September 2021, the company appointed Fran Soistman as CEO and a director, effective November 1, 2021.

3. Recent stock price crash

Since March 2020, the company's stock is down by roughly 68%.

Suggested further reading

Luca Capital is long on Gohealth, a competitor of eHealth. The article is worth reading.

<https://richardchu97.substack.com/p/gohealth-an-undervalued-medicare>

<https://983a9a5c-98df-449f-8ee4-a4a76a14e0a9.filesusr.com/ugd/f50b593a862abe12ef49a3a6ed24ad0e544622.pdf>

May 2021 report - Ehealth (EHTH)

(a) ehealth business

eHealth Insurance Services is a broker that allows visitors to shop for insurance plans through their site. eHealth Insurance partners with government health insurance exchanges in order to assist individuals in purchasing health insurance.

(b) Federal website

- Medicare website (www.medicare.gov) also helps beneficiaries compare and choose their Medicare health coverage options and drug plans.
- It is a trusted and neutral resource.

(c) So, why do private players exist?

The immediate question that comes to mind is this: What is the role of private online brokers when Medicare runs a similar website?

1. Medicare website's drawbacks: In 2019, United States Government Accountability Office published a report highlighting the drawbacks on the website.

- The first complaint is poor navigation. The website requires navigation through multiple pages before displaying plan details.
- Difficult for beneficiaries to understand the information in MPF. For example, beneficiaries do not always understand the terminology, such as the differences between cost-sharing, copayment, and out-of-pocket costs. Most stakeholders also noted that beneficiaries struggle to understand cost estimates and how much they will pay.

2. The private health insurance brokers can estimate the projected health care

costs for an individual based on different enrollment options. In contrast, Medicare.gov website provides this feature only for the prescription drugs taken by a given patient.

3. Private players use sophisticated technology like artificial intelligence to provide consumers with highly customized recommendations and savings. For example, eHealth has found that its drug cost comparison tool potentially saved \$782 on average for users who entered their drug list while shopping for a Medicare Advantage plan.

II. WHY ARE WE FLAGGING NOW?

(i) Recent involvement of two activist investors and one PE investor

• Hudson Executive Capital

- In March 2021, Hudson Executive Capital reached an agreement with the company and secured a board seat.
- Ownership: 5.1%.
- Average purchase cost: \$62.90 per share.
- eHealth ranks fourth in Hudson Executive Capital's portfolio, accounting for 6.8% of its portfolio.

• Starboard Value

- In May 12, 2021, Starboard entered into an agreement with the company and secured a board seat.
- Ownership: 6.1%.
- Average purchase cost: \$56.89 per share.

• HIG. Capital

- In February 2021, the company entered into an investment agreement with HIG Capital, a private equity firm.
- In April 2021, the company raised \$225 million from HIG Capital through the sale of Series A preferred stock.

(b) Shift to internal agent force

- The underperformance of external agents: In the latest quarter, the company blamed the underperformance of the outsourced external agent force for the less-than-expected approved application growth.
- The company determined to shift the agent salesforce to a predominantly internal full-time agent model, as its internal agents have experienced stronger performance and productivity than its outsourced agents.

- The company began this shift towards the increased utilization of internal agents near the end of the 2020 AEP.

(c) Strong recent quarterly result

- Commission revenue increased \$27.4 million, or 27%, during the three months ended March 31, 2021, compared to the same period in 2020 due to a \$24.6 million increase in commission revenue from the Medicare segment and a \$2.8 million increase in commission revenue from the Individual, Family and Small Business segment.

Leading Health Insurance Distribution Platform

	Omni-Channel is a Major Competitive Differentiator	Grew 10x Rate of total Medicare Market Enrollment Growth in 2020 ⁽¹⁾	Taking Share From Traditional Channels		
	eHealth [®]	DTC Competitors	Traditional Brokers	Carriers	
Broad Plan Selection	✓	Mixed	–	–	
Customer-First, Carrier Agnostic	✓	Limited – conflict of interest	–	–	
Actively Enrolling Online	✓	–	–	✓	
Best-in-Class Digital Experience	✓	–	–	–	
Agent Support	✓	✓	✓	✓	
Scalability	✓	✓	–	✓	

Calavo Growers (CVGW): Management turnover and recent stock price crash

- Market Cap: \$712 million | Calavo Growers is a global leader in the avocado and value-added fresh food industries.
- Major shareholder: Blackrock - 14%| Vanguard Group - 6%| Stephens Investment Management Group - 4%| Nuance Investments - 4%| Clearbridge Investments - 3%
- Screen: CEO change, Insider buying

1. Management turnover

- CEO & CFO exit: In January 2020, the company's long-time CEO Lecil E. Cole resigned on short notice. Within a few months, the company's CFO also resigned.
- Another round of CEO & CFO exit: In June 2021, the CFO, who was appointed in May 2020, resigned. James Gibson, who was appointed as CEO in February 2020, also resigned abruptly in September 2021.
- Interim CEO: In September 2021, the company appointed Steven Hollister, a director of the company since 2008, as interim CEO.
- Amazon executive as CFO: In September 2021, the company appointed Mariela Matute as CFO. Most recently, she served as CFO of the B2B division of Amazon.

2. Strong revenue growth and current challenges

(a) Revenue growth: The company's revenue grew from \$522 million in FY 2011 to \$1.19 billion in FY ended October 2019.

(b) Declining volumes/sales & margin

- Due to the COVID pandemic, the company's revenue declined over a five-quarter period (April 2020 to April 2021). Moreover, in the latest quarter, June 2021, the company's revenue increased only due to price increase – the company is still experiencing declining volume sales.

- The company is currently adversely impacted by inflationary pressures on labor, raw materials, and freight. In addition, the company also experienced delayed summer avocado crops coming from California and Mexico.
- The company incurred increased costs related to overtime and sick pay, incremental pay for working under challenging conditions, temporary employees, temporary facility closures, sanitizing the work environment, and overall increased safety measures.
- The company's cost structure is geared to optimally handle larger avocado crops. Given the disruption in the supply chain and declining revenue, the company's margins are affected.

WHY ARE WE FLAGGING THIS?

1. Insider buying

- Steven Hollister, interim CEO since September 2021 and a director of the company since 2008, acquired \$0.18 million worth of shares at an average price of \$36.12 per share.

2. Shareholder-friendly changes

In 2020, the company executed several initiatives:

- Initiated quarterly earnings conference calls for its investors
- Formed a separate board committee as oversight for its Environmental, Social, and Corporate Governance (ESG) initiatives

- **Board refreshment:** Three of the company's longstanding directors decided not to stand for re-election, which means more than 63% of the directors are independent.

3. Valuation

- The company is currently trading at an EV/revenue of 0.78x, whereas its competitor Mission Produce trades at 1.71x.

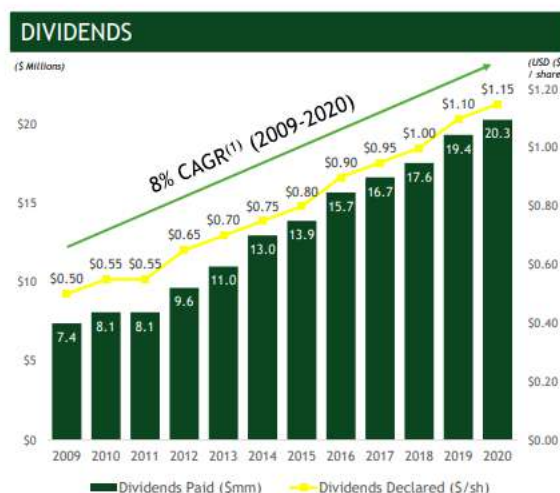
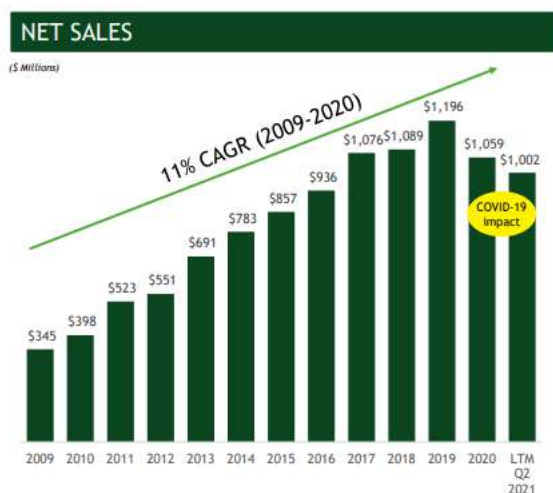
OTHER NOTES

- The company is one of the USA's largest, most complete fresh food infrastructure networks.

- The company has the ability to pass on the price increase to its customers. In the latest quarter, the average selling price of avocados in the company's fresh segment was higher by 10% even though volumes were 8% lower than the prior-year period.
- **Customer concentration:** Sales to its largest customer, Kroger (including its affiliates), represented approximately 18%, 21%, and 20% of net sales in each of the fiscal years 2020, 2019, and 2018.

TRACK RECORD OF SUSTAINABLE GROWTH AND CONSISTENT ANNUAL DIVIDEND PAYOUT

19 CONSECUTIVE YEARS OF DIVIDENDS, INCLUDING 9 CONSECUTIVE YEARS OF DIVIDEND INCREASES



Krispy Kreme, Inc. (DNUT): Insider buying

- Market Cap: \$2.3 billion | Krispy Kreme Doughnut Corporation is a global retailer of premium-quality sweet treats, including its signature Original Glazed ® Doughnut.
- Major shareholder: Jab Holdings - 42% | Bdt Capital Partners - 8%
- Screen: Insider buying

RESEARCH

- Strong brand
 - The company believes it has one of the largest consumer followings in the industry, exemplified by the over 38 billion total media impressions in 2020.
 - In a survey conducted by the company in 2021, 73% of the surveyed customers stated that if they could eat only one doughnut brand for the rest of their life, they would choose Krispy Kreme.
 - The company's engagement rates are 19% greater than those of their closest peers in the global indulgence market.
- Strong revenue growth
 - From fiscal 2016 to fiscal 2020, the company's net revenue CAGR was 19.1%.
 - In the second quarter ended July 2021, the company reported 43% net revenue growth and organic growth of 23%. On a two-year stack basis, organic revenues have grown 16% since 2019.
- IPO
 - In July 2016, JAB Holdings acquired Krispy Kreme Doughnuts for \$1.35 billion.
 - In July 2021, the company completed its IPO at a price of \$17.00 per share.
- Transition to DFD strategy
 - The company transitioned from selling its longer shelf-life Original Glazed doughnuts to fresh doughnuts through high-traffic grocery and convenience stores. The company calls this strategy "DFD" (delivered fresh daily).
 - In Q2 2021, the company stated that currently, it is selling 100% fresh doughnuts compared to 62% fresh doughnuts a year ago.
- Expanding Hub & Spoke model
 - The company uses the Hub & Spoke model, in which "Hubs" make and sell fresh doughnuts and "Spokes" are points of sales that sell fresh doughnuts but don't make them.
 - Examples of Hubs: Doughnut Factories and Hot Light Theater Shops. Hot Light Theater Shops make and sell fresh doughnuts. 87% of U.S. locations feature drive-thru capability.
 - Examples of Spokes: High-traffic grocery and convenience locations, selling fresh doughnuts delivered daily from the Hub.
 - The company's global points of access increased from 5,720 in FY 2016 to 9,575 as of July 2021.
 - Total hubs increased from 398 in 2018 to 413 in Q2 2021.
- Insomnia Cookies: In 2018, the company acquired 74.7% interest in Insomnia, which operates a cookie bakery chain. Insomnia is a digital-first brand with 54% of its sales coming from e-commerce channels in fiscal 2020. Insomnia added 17 new stores in fiscal 2020 and another 30 are commencing construction in 2021.
- Branded Sweet Treats line: Sweet Treats is a new line of Krispy Kreme-branded and packaged shelf-stable, high-quality products. In June 2020,

the company launched its Sweet Treats line with Walmart, and with several new customers in the first quarter of fiscal 2021.

- **Acquisitions of franchisees:** In the last two years, the company has been acquiring franchisees to take control of operations and drive efficiencies. The company spent approximately \$465.6 million from FY 2018 to Q1 2021 to acquire control of 165 shops in the United States and 304 shops internationally.
- **CEO**
 - In 2017, Michael Tattersfield joined the company as CEO. During his roughly 5-year tenure, the company's revenue has doubled.

- Mr. Tattersfield is the former CEO of Caribou Coffee.

WHY ARE WE FLAGGING NOW?

Insider buying

- Since the completion of the IPO in July 2021, the company's insiders acquired approximately \$158 million worth of shares at an average share price of \$16 per share.
- Out of \$158 million shares, \$152 million worth were bought by JAB Holdings (43%) at an average share price of \$16 per share.
- Current stock price: \$14.2

Tuesday Morning Corporation (TUEM): Insider buying

- Market Cap: \$206 million | Tuesday Morning Corporation is a leading off-price retailer of home goods and décor.
- Major shareholder: Osmium Partners - 25%| Tensile Capital Management - 23%| Lido Advisors - 4%| Greenhouse Funds - 4%| Park West Asset Management - 4%
- Screen: Insider buying

We flagged this company in the May 2021 issue.

On September 9, 2021, the company released its fiscal 2021 Q4 results. On this news, the company's stock price crashed by 61% over the next three trading days.

Between September 13 and 15, the company's insiders, including the CEO, COO, CMO and CIO, purchased \$1.8 million worth of shares (purchase price: \$1.65 to \$1.76 per share).

Updates

(a) Latest year financial results

- Net sales were \$690.8 million in FY 2021, compared to \$874.9 million for FY 2020; the decrease was due to the permanent closure of 197 stores.
- Gross profit was \$206.0 million in FY 2021 compared to \$284.9 million in FY 2020.
- Cash and cash equivalents on June 30, 2021 decreased to \$6.5 million from \$46.7 million on June 30, 2020.

(b) Management changes

In September 2021, the company appointed Marc Katz as COO, Jennifer Robinson as CFO, and Bill Baumann as CIO. Paul Metcalf was appointed as Chief Merchant.

Observations

- Revenue is down predominantly due to store closures. As of the end of Q4 FY 2021, the company operated 490 stores compared to 714 stores at the end of Q4 FY 2019.
- The decline in gross margin was primarily driven by the industry-wide supply chain dislocation, which resulted in an increase in inbound and outbound freight costs. Moreover, profitability took a hit due to increased wages in the distribution center.

Other notable points

- 70% of the product requires value addition: The company's merchandising team continues to move toward off-price buying disciplines. The company is receiving goods that require more value-added services. Roughly 70% of the goods the company receives need to be touched by human hands.
- Elimination of promotional activity: As part of the company's transition to a true off-price retail strategy, the company eliminated all promotional activity beginning calendar year 2021.

The following notes are from May 2021 report

I. CEO and CFO change

In May 2021, the company appointed a new CEO and an interim CFO.

II. Track record of new CEO

On May 6, 2021, the company appointed Fred Hand as CEO.

- A top executive of Burlington Stores (EV: \$25 billion)
 - Mr. Hand joined Burlington Stores in 2008 and served in various executive positions, including COO of the company, since July 2020.
 - Burlington Stores is a \$25 billion nationally recognized off-price retailer with FY2020 net sales of \$7.15 billion.
- From March 2006 to February 2008, Mr. Hand served as SVP -director of stores of Macy's, Inc., a \$12 billion retail store company.
- From 2001 to 2006, Mr. Hand served as SVP, stores, and visual merchandising of Filene's Department Stores.

III. Restructuring & bankruptcy

- In January 2021, the company emerged from bankruptcy. During the process, the company
 - Closed 199 stores.
 - Renegotiated favorable lease terms with pro-forma store landlords on 386 stores.
 - Simplified supply chain operations through the closure of the Phoenix DC and consolidation of the Dallas DC.
 - Reduced corporate overhead.
- Consulting agreement with Paul Metcalf

- In April 2019, the company entered into a consulting agreement with Paul Metcalf, owner of BEL Retail/Wholesale Advisors.
- Prior to his role at Tuesday Morning, he was the EVP and chief merchandising officer at Burlington Stores, Inc. While there, Mr. Metcalf successfully led the transformation of the merchant organization and helped to take the company public in 2013. After leaving Burlington, he helped turn around Gabe's prior to its sale to Warburg Pincus.
- In the [October 2020 presentation](#), the company credited Paul Metcalf for rebuilding the merchandising organization.

• Notable shareholder

- In February 2021, Osmium Partners, LLC, purchased 19.29 million shares for \$1.1 per share and an additional 10 million warrants (\$1.65 exercise price). Current stock price: \$4.
- In December 2020, the company entered into an agreement with Osmium Partners. Pursuant to the agreement, out of nine directors, three directors would be selected by Osmium Partners, and four directors would be mutually agreed by the Osmium Partners, company, and the equity committee.

• Relisting on Nasdaq

- On May 24, 2021, the company announced that the Nasdaq has approved its application for the relisting of the Company's common stock on the Nasdaq Capital Market.

Overall: Two former executives of Burlington Stores are working to improve the performance of Tuesday Morning Corporation.

Refreshed Merchandising Team and Strategy

CONFIDENTIAL

Tuesday Morning rebuilt and restructured its merchandising organization under the leadership of Paul Metcalf to successfully execute its off-price business model

- Over the last 18 months, the Company re-aligned its merchandising, planning and allocation team, hired new off-price merchant leaders and 11 new merchants with prior off-price experience allowing the Company to rapidly advance its off-price strategy
 - ▶ Merchant team primarily trained at leading public off-price retailers Ross, TJX and Burlington
- These efforts are led by Paul Metcalf, who has a strong reputation and is well-known in the retail and investment communities
 - ▶ Former Chief Merchandising Officer at Burlington and largely credited with its shift to off-price
 - ▶ After leaving Burlington, helped turn around Gabe's prior to its sale to Warburg Pincus
 - ▶ Began his off-price career as one of the three senior merchants at TJX
- After consulting for Tuesday Morning for an extended period of time, Mr. Metcalf was appointed as Acting Chief Merchant in December 2019 and rebuilt the merchandising organization
- Implemented changes and initiatives include:
 - ▶ Replacing leadership with veteran off-price talent, adding 10 merchandise buyers (all with prior experience at major off-price retailers) and retraining team in off-price fundamentals
 - ▶ Changing allocation standards to reflect off-price model, including instituting flow & hold and pack & hold
 - ▶ Increasing closeouts as a percentage of merchandise mix
 - ▶ Expanding its access to numerous nationally recognized brands by meaningfully growing its vendor base and brand penetration
- Two strong GMMs (prior experience at Burlington, Ollie's and TJX) are now leading the group
- Prior to COVID, the Company had already seen meaningful improvement as a result of its merchandising initiatives
- Post-COVID, the revamped merchandising effort has resulted in significant improvement in inventory turns, sell-through and AUR
 - ▶ All families of business are significantly beating last year's sell through
 - ▶ Total average weekly sell-through YoY grew to 10.2% vs 6.0% in July and 10.3% vs 6.3% in August
 - ▶ Receipt AUR is projected to increase from \$8.67 in FY2019 to \$9.90 or higher in FY2021
 - Sales AUR YoY grew to \$8.97 vs \$8.26 in July and \$9.19 vs \$7.97 in August

UFP Technologies, Inc. (UFPT): 13G filing by AltraVue Capital; owner-operator

- Market Cap: \$460 million | UFP Technologies is an innovative designer and custom manufacturer of components, subassemblies, products, and packaging primarily for the medical market.
- Major shareholder: Thrivent Financial For Lutherans - 8%| Wasatch Advisors - 7%| Renaissance Technologies - 6%| Blackrock - 6%| Bailly R Jeffrey - 5%
- Screen: 13G

WHY ARE WE FLAGGING NOW?

SC13G: In September 2021, AltraVue Capital, LLC disclosed a 5.1% passive stake in the company. AltraVue Capital is a value-oriented investment manager focused on investing in high-quality businesses that are under-analyzed, under-owned, and undervalued by the market.

RESEARCH

(\$ in millions)	2018	2019	2020	LTM ended June 2021
Net sales	190.4	198.3	179.3	187.6
Gross profit	48.3	53.9	44.6	47.9
Operating income	19.6	24.7	16.7	20.2
Net income	14.3	19.7	13.3	15.9

BASICS

UFP Technologies is a designer and manufacturer of custom devices, sub-assemblies, components, products, and packaging primarily for the medical market.

- Medical market (67% of revenue): Single patient use surfaces, advanced wound care, infection prevention, disposables for surgical procedures and endoscopic procedures, orthopedic implants, orthopedic appliances, biopharma drug manufacturing

- Consumer and electronic packaging (14%): 100% recycled protective packaging for B2C brands
- Automotive (8%): Load floors, sun shades, SUV cargo cover handles, driveshaft damping, engine & manifold covers, acoustic insulation, quarter panels and wheel liners
- Aerospace & defense (7%): Uniforms and tactical gear, thermal insulation
- Specialty case solutions (4%): Reusable cases and custom inserts + military equipment and high-value commercial electronics

WHAT WE LIKE

1. Owner-operator

Jeffrey Bailly, CEO since 1995, holds a 9.98% stake in the company.

2. Strong revenue growth

- The company's revenue grew from \$120 million in FY 2010 to \$198 million in FY 2019 at a CAGR of 5.7% through organic growth and acquisitions.
- Acquisitions: The company has made 11 acquisitions since its inception in the 1960s. Most recently, in February 2018, the company acquired Dielectrics Inc. for approximately \$76.9 million. Dielectrics' sales were approximately \$43 million in 2017 and \$39.2 million in 2018.
- Signs of recovery: In 2020, the company's revenue was impacted by COVID. For the six months ended

June 2021, revenue increased 9.2% compared to the same period in 2020 and increased 0.6% compared to the same period in 2019.

3. Positive free cash flow

The company has generated positive free cash flows of \$7.0 million, \$15.8 million, \$25.4 million, \$20.6 million, and \$18.6 million in 2017, 2018, 2019, 2020, and LTM ended June 2021, respectively.

4. Patents

- The company has a total of 20 patents relating to technologies, including foam, packaging, tool control technologies, radio frequency welding, automotive superforming processes, and certain nail file technologies.
- The expiration dates for the company's patents range from 2021 through 2038.

5. Exclusive access & custom design

- The company has exclusive or semi-exclusive access to medical-grade materials.
- The company designs and manufactures custom equipment as well as specific innovations to meet customer needs.

6. Future outlook

The company expects to grow at 10%-14% in the next three to five years through organic growth and acquisitions, and plans to achieve a gross margin of 27%-29% and an operating margin of 12%-14%.

7. M&A opportunities

- The company operates in a fragmented market.
- There are more than 500 small competitors who are potential acquisition targets for the company.
- The company claims that many of these small competitors are at or nearing retirement age and would be ideal targets for acquisition.



LightPath Technologies (LPTH): 13G filing by Marathon Capital; significant changes under the new CEO

- Market Cap: \$56 million | LightPath Technologies, Inc. (NASDAQ: LPTH) is a leading global, vertically integrated provider of optics, photonics and infrared solutions for the industrial, commercial, defense, telecommunications, and medical industries.
- Major shareholder: Royce & Associates - 4% | Relyea Zuckerberg Hanson - 4% | Renaissance Technologies - 3% | Vanguard Group - 3% | Blackrock - 1%
- Screen: 13G

WHY ARE WE FLAGGING THIS?

- **13G:** In September 2021, Marathon Capital Management disclosed a 5.6% passive stake in the company. Marathon Capital Management provides professional investment management services to individuals and small institutions.
- **Insider buying:** In September 2021, the CEO and CFO bought 13,240 worth of shares at an average price of \$2.20 per share. All directors and executive officers as a group hold a 7.6% stake in the company.

WHAT WE LIKE

1. New CEO

In March 2020, Sam Rubin was appointed as CEO.

- Prior to joining LightPath, Mr. Rubin served in various roles at Thorlabs, Inc. (a privately held optical equipment company). He served as the General Manager of Thorlabs' Chinese operations from 2009 to 2015.
- **Sale of the company:** Prior to joining Thorlabs, Mr. Rubin co-founded XLight Photonics, an optical communication startup, which was later sold to a telecommunications private equity firm.

2. Significant changes after the appointment of new CEO

The company had approximately 15% revenue growth in FY 2018, which subsequently decreased below 4% in FY 2019 and FY 2020. Mr. Rubin made the

following changes, which led the company back to double-digit growth (10% in FY 2021):

(a) Management changes

All four top executives were appointed after the appointment of the CEO:

- VP of Global Sales and Marketing - June 2020
- VP of Operations – April 2021
- CFO – May 2021

Over the last year, I have recruited and built a professional team to lead the company and to implement our strategy- Sam Rubin, CEO – FY2021 CC

Additional multiple other positions in mid-level management have been refreshed from quality to marketing and site managers. We have strengthened the depth and improved the quality of our team, and we are all hard at work on focusing on execution. - Sam Rubin, CEO – FY2021 CC

b) Transformation

- In 2020, Mr. Rubin implemented a new strategy oriented towards driving growth through providing “engineered solutions.”
- This strategy transformed the company from a component vendor to a solutions partner, as the expanding market of original equipment and end-market manufacturers are increasingly requiring an ecosystem around them to support their needs

for domain knowledge, design, assembly, and supply of their optical needs.

- The company has separated its R&D resources into two groups: engineering, which supports existing technologies and products, and development, which focuses on developing new capabilities.
- This new direction led to the company's record revenue for the second and third quarters of FY 2021.

Understanding the shifts that are happening in the marketplace, and the changes that come when a technology like photonics moves from being a specialty, to being integrated into mainstream industries and applications, we redefined our strategic direction to provide our wide customer base with domain expertise in optics, and become their partner for the optical engine of their system.

- [Source 10-K](#)

From a fragmented supply chain characterized by mostly small

component vendors, we're moving to a more consolidated supply chain that is driven by the technology partners that possess and brings to the table the domain expertise in optics. - Sam Rubin, CEO - FY2021 CC

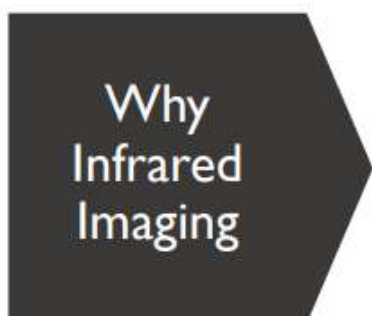
c) International expansion: In January 2021, the company announced the opening of its newest sales office in Germany to stimulate sales of its expanding range of products in Europe.

d) Cleanup of operations in China: In April 2021, the company discovered illicit behavior by its China subsidiaries, LPOIZ and LPOI, which led to the termination of several employees in China. The employees misappropriated certain proprietary technology and are suspected of committing acts of fraud, theft, and embezzlement.

Other

Future plans: In FY 2022, the company intends to pursue acquisitions as part of its strategy.

LightPath®
TECHNOLOGIES



Growing market

Changing technology

Less competition. Existing Engineered Solutions are distributed between multiple companies

Had been primarily serving the defense industry, supply chain has not consolidated

Molding technology is a key element in the future of this segment

A current strength of ours

Higher margins

IES Holdings, Inc. (IESC): CEO is a major shareholder; significant changes under new CEO

- Market Cap: \$892 million | The company provides electrical contracting and other infrastructure services to a variety of end markets, including data centers, residential housing, and commercial and industrial facilities.
- Major shareholder: Tontine Capital Partners - 55%| Blackrock - 3%| Dimensional Fund Advisors - 3%| FMR - 3%
- Screen: Changes after appointing new CEO

WHAT WE LIKE

1. The current CEO is a major shareholder of the company

- In October 2020, the company appointed Jeffrey L. Gendell as CEO.
- Mr. Gendell is the founder of Tontine Associates, which owns 56% of the company's o/s shares.
- Prior to forming Tontine, Mr. Gendell held senior investment management positions at several other private investment firms, including Odyssey Partners, LP, and began his career in investment banking over 35 years ago at Smith Barney, Harris Upham & Co.
- A must-read article about Mr. Gendell: <https://www.post-gazette.com/businessnews/2006/10/20/Billionaire-investor-has-low-profile-but-Wheeling-Pitt-stake-could-change-that/stories/200610200130>

2. Performance under Mr. Gendell

a) Roll-up strategy

- Since the appointment of Mr. Gendell as CEO, the company has acquired four companies and acquired a remaining interest in one company for roughly \$94 million.
- These acquisitions contributed \$98.4 million in revenue (24% of total revenue) and \$3.1 in operating income (14% of total operating income) for the nine months ended June 30, 2021.

b) Improving results

- **Record revenue:** In FY 2020, the company had record revenue of \$1.19 billion. Revenue for the nine months ended June 30, 2021 increased 22%, driven by strong demand and the contribution of acquired businesses.
- **Improving margins:** Gross margin hovered around 17% from 2017 to 2019. Since 2020, gross margin has increased to 19% due to favorable product mix.
- **Operating income** for the nine months ended June 30, 2021 increased 55%.
- **Record backlog:** The company's current remaining performance obligations are worth \$669 million from current contracts with customers and a record backlog of \$825 million.

3. Strong free cash flow

As of March 2021, the company has generated approximately \$250 million in free cash flow since 2015 (excluding M&A).

Note

Accelerated expiration of NOL

In the third quarter of fiscal 2021, the Board of Directors approved the accelerated expiration of the company's NOL Rights Plan, effective May 21, 2021.

Neuronetics, Inc. (STIM): Recurring revenue; significant changes after the appointment of new CEO

- Market Cap: \$163 million | Neuronetics is a commercial stage medical technology company.
- Major shareholder: Investor Growth Capital Holding - 6%| Blackrock - 5%| First Light Asset Management - 5%| Archon Capital Management - 5%| Cannell Capital - 4%
- Screen: Changes after appointing new CEO

WHAT WE LIKE

1. 80% recurring revenue

Basics

- The company uses transcranial magnetic stimulation (TMS) to treat psychiatric disorders
- What is TMS? To put it simply, TMS is a non-invasive method of brain stimulation.
- The company's TMS method is an alternative treatment for patients who suffer from major depressive disorder (MDD) and have failed to achieve satisfactory improvement from antidepressant medication.
- It was cleared in 2008 by the FDA to treat adult patients with MDD.

Recurring revenue

- The company generates revenues from initial capital sales of its systems, recurring treatment sessions, and service and repair and extended warranty contracts.
- Roughly 80% of the company's revenue is derived from recurring revenue (i.e., from treatment sessions).

2. Market leadership

- The company claims that it is a market leader in TMS therapy based on the estimated 110,620 global patients treated, with over 4 million treatment sessions.
- The company had installed 1,170 active NeuroStar Advanced Therapy Systems in approximately 916 U.S. psychiatrist offices as of 2020, and an estimated 100,231 patients have

been treated with approximately 3.6 million treatment sessions.

• Widely reimbursed

- 95+ major U.S. private insurers provide coverage policies, representing 300 million individuals covered.
- 100% Medicare coverage and estimated to cover 95% of total private payor-covered individuals in the U.S.

3. New CEO with a strong track record

In July 2020, the company appointed Keith J. Sullivan as CEO.

- Top executive of a company valued at \$2.4 billion: From 2012 to January 2017, Mr. Sullivan served as Chief Commercial Officer of ZELTIQ, a medical technology company. At the time of his resignation, he was one of the top five executives in the company. Moreover, he served as Head of the North American segment, which accounted for roughly 80% of total sales. Within two months after his exit, the company was acquired by Allergan for \$2.4 billion.
- Mr. Sullivan served as SVP of Commercial Operations of Medicis Technology, a division of Medicis Pharmaceuticals, Inc., a specialty pharmaceutical company (\$2.6 billion). Mr. Sullivan led the Medicis divestiture team, orchestrating the sale of Liposonix to Solta in November 2011 for \$35 million.

4. Significant changes after the appointment of CEO

a) Management shakeup

Out of the top nine executives, eight are either newly added or were promoted to their current role in or after 2020.

- Jan 2020 – SVP, General Counsel, Compliance Officer, and Corporate Secretary
- July 2020 – CEO
- Oct 2020 – VP, Sales
- Jan 2021 – VP, Human Resources
- Mar 2021 – VP, Clinical Affairs and Medical Operations
- Apr 2021 – VP, National Accounts
- Jun 2021 – VP, Business Development
- Sep 2021 – VP, Marketing

b) DTC marketing:

- Market research: In 2020, the CEO engaged a market research firm to identify the proper target audience. The study concluded that awareness of TMS as a treatment option is very low. The study also found that if the company described the benefits of NeuroStar, patients were highly interested.
- In 2021, the company implemented direct-to-consumer advertisements.
- Precision Pulse program: To build awareness among the MDD patient population about NeuroStar, the company launched a co-op marketing program and co-branded social media.
- New website: In July 2021, the company announced the launch of its newly redesigned My NeuroStar Resource Center.

c) Expansion of sales organization

In 2020, the company appointed 18 new Business Development Managers and 10 new NeuroStar Practice Consultants.

d) Significant improvements

- As a result of the marketing initiatives, during Q2 2021, the number of treatment sessions utilized increased 62% compared to the 2nd quarter of 2020.
- In Q2 2021, the company generated over 41 million ad impressions, and these campaigns have driven a 34% increase in year-to-date website visits.
- The number of people who have requested an appointment with a NeuroStar provider through the company's website is up over 100%.
- Initial market research results demonstrated aided awareness of NeuroStar was under 9%; after six months of DTC marketing, research showed a 15% increase in awareness of NeuroStar.
- In Q2 2021, the company's revenue was \$14.2 million, up 46% from Q2 2020, driven by strong year-over-year growth in treatment session revenue.

e) FDA approval: In December 2020, the company received FDA clearance for its Touch Star treatment, a three-minute treatment protocol used with its NeuroStar Advanced Therapy system.

Competitive Positioning

	NeuroStar <small>Advanced Therapy for Mental Health</small>	BrainsWay	magstim	MagVenture <small>Research in Repetitive Stimulation</small>	CLOUDTMS™	Nexstim	MAG & more
Practice Consultants	✓	-	-	-	-	-	-
\$10M Marketing including DTC Advertising	✓	-	-	-	-	-	-
Concierge Call Center	✓	-	-	-	-	-	-
FDA-cleared for iTBS Theta Burst	TouchStar ✓ <small>w/Contact Sensing</small>	✓	✓	✓	-	✓	-
Contact Sensing	✓	-	-	-	-	-	-
World's Largest MDD Outcomes Registry	✓	-	-	-	-	-	-
Publications from Depression Registration Trials	12	1	-	1	-	-	-

Sonic Automotive (SAH): Rapid expansion under new CEO; recent big-ticket acquisition & strategic alternative process

- Market Cap: \$2.1 billion | Sonic Automotive, Inc., is a leading automotive retailer based in Charlotte, North Carolina
- Major shareholder: Blackrock - 13%| Vanguard Group - 8%| Dimensional Fund Advisors - 6%| Westwood Holdings Group - 4%| Victory Capital Management - 4%
- Screen: 8-K

BASIC:

The company operates in two segments:

a) Franchised dealerships

- ~80% of total revenue
- This segment sells new vehicles and buys and sells used vehicles, replacement parts, vehicle repair and maintenance services, and finance and insurance products.

b) EchoPark

- ~20% of total revenue
- The EchoPark® segment is comprised of standalone specialty retail locations that buy and sell pre-owned vehicles.

1. Significant changes under the new CEO

In September 2018, the company appointed David Bruton Smith as CEO. He is the brother of the outgoing CEO. In addition, the company promoted Jeff Dyke as President of Sonic in September 2018.

(a) Bold vision: In February 2020, the CEO announced a long-term goal of achieving \$20 billion in total annual revenues this decade.

(b) Rapid expansion of EchoPark

- EchoPark, built on a hub-and-spoke model, generated roughly \$700 million in revenue in 2018. It is now generating \$2.2 billion on an annualized basis (last six-month sales *2).
- The CEO's goal is to reach \$14 billion in EchoPark revenues by 2025.

- The number of EchoParks expanded from two in 2016 to nine in 2019. After Mr. David Smith's appointment as CEO, he rapidly increased the EchoPark count to 25 in June 2021.
- Plan to operate 140 EchoParks
 - In 2020, the company announced an accelerated EchoPark growth plan to open 25 additional EchoPark stores annually between 2021 and 2025.
 - The company plans to reach its goal of 140-plus nationwide EchoParks by 2025, which would allow it to reach 90% of the U.S. population by that time.

	2016	2017	2018	2019	2020	Jun-21
No. of Echo-Parks	5	6	8	9	16	25

(c) Improved profitability

Under Mr. David Smith's tenure, the company's profitability has improved significantly.

Profit margin	2016	2017	2018	2019	2020	6M June 2020	6M June 2021
Franchise	1.7%	1.7%	1.7%	2.3%	2.8%	1.6%	4.7%
Echo-park	(8.0)%	(8.0)%	(8.0)%	0.8%	0.3%	0.7%	(1.1)%

(d) Improved balance sheet

- The company's long-term debt decreased from \$964 million in 2017 to \$635 million in the latest quarterly report.
- The cash balance increased from a meager \$8 million at the time of Mr.

David Smith's appointment to a staggering \$314 million as of the latest quarterly report.

(e) Acquisitions to strengthen franchise dealership segment

- Recent \$700 million acquisition
 - In September 2021, the company announced its decision to acquire RFJ Auto Partners.
 - With 33 locations in seven states and a portfolio of 16 automotive brands, RFJ Auto generated \$2.8 billion in annual revenues in 2020, making it a top-15 U.S. dealer group by total revenues.
 - The deal would increase the company's franchise segment revenue by 29%.

(f) Strategic alternative: EchoPark

- In July 2021, the company announced its board has initiated a review process to evaluate potential strategic alternatives for its EchoPark business.
- In the latest conference call, the company declined to provide any guidance/update on the matter.

Our thoughts

David has shown great passion and interest in developing EchoPark. If you read the conference call transcripts, you can feel the importance he has placed on this business.

He rapidly expanded the business with an aggressive growth plan. In fact, in the May 2021 conference call, he said: "Our priorities have not changed. EchoPark will be the main area of capital allocation." Things moved quickly. In the subsequent quarterly update, the company announced that it is exploring all strategic alternatives for EchoPark. Very surprising.

Additional thoughts

The company can sell the EchoPark business. With the cash, they could a) declare dividend (since they own 80%, this would be a good cash reward) or b) use it to buy car dealerships.

What is the downside? They would miss out on the huge upside potential in the used car business.

Why?

The company acquired RFJ Auto, a car dealership, for 0.25x of its FY 2020 revenue. In comparison, CarMax, a \$40 billion gorilla in the used car market, is trading for 1.6x revenue.

Even if you conservatively believe that EchoPark can fetch half of the valuation multiple of CarMax, it could be worth 0.8x revenue.

The CEO's goal for EchoPark is to reach \$14 billion by 2025. So, he is trying to build a business that could be worth \$11 billion ($\$14 \text{ billion} * 0.8$) by 2025.

Worst case scenario, if we assume that the company achieves only half of its revenue projection and the business is valued only at 0.5x to 0.7x, it could still be worth \$3.5 billion to \$4.2 billion by 2025.

The current EV of the company (Sonic Automotive) is \$4.2 billion.

So, we are talking about a business segment that could achieve the current value of the company within the next five years on a standalone basis.

Would the company's management miss out on this huge potential upside by selling the EchoPark business?

Logically, the answer is no – they are business operators and not traders. It doesn't make sense for them to make quick money by selling EchoPark.

As such, we believe that the board may consider the IPO of EchoPark.

Olympic Steel (ZEUS): Recent divestment; upside is tied to historic bipartisan infrastructure deal

- Market Cap: \$280 million | Olympic Steel is a leading U.S. metals service center focused on the direct sale of processed carbon, coated and stainless flat-rolled sheet, coil and plate steel, aluminum, tin plate, and metal-intensive branded products.
- Major shareholder: Blackrock - 15%| Dimensional Fund Advisors - 8%| Vanguard Group - 5%| Acadian Asset Management - 3%| Invesco - 3%
- Screen: 8-K

RESEARCH

1. Commodity business

- Utilizing specialized equipment, the company produces metals to specified lengths, widths, shapes, and surface characteristics.
- The company's revenue has hovered between \$1 billion to \$1.7 billion over the last 10 years. The erratic revenue is predominantly due to steel pricing.

2. Recent strong financial performance is predominantly due to record-high steel prices

- Amid the COVID pandemic shutdown and fear of recession, in early 2020, many steel mills halted production.
- In contrast, in the U.S., demand for steel increased because people decided to upgrade their appliances, cars, and other steel-intensive products.
- This abrupt change in spending habits and the low supply increased the price of steel.
- Pre-COVID, steel prices traded between \$500/ton and \$800/ton. In August 2021, the price of steel reached \$1,900/ton.
- Why does that matter? The company's achievement of record-high quarterly revenue and profitability in

the last two quarters is predominantly due to the favorable market conditions and record-high metals pricing.

3. Recent divestment

- In September 2021, the company sold its Detroit, Michigan operation for \$58.4 million.
- We expect the company to use the proceeds to fund its acquisition. The company has historically grown through acquisitions, and the current management is actively looking for targets.

4. Potential upside: Historic bipartisan infrastructure deal

- In mid-2021, President Biden and a group of senators agreed to a roughly \$1 trillion infrastructure plan to improve roads, bridges, airports, and infrastructure for water, EV, and broadband. To read more, click here: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/28/fact-sheet-historic-bipartisan-infrastructure-deal/>
- The company would be one of the direct beneficiaries of the infrastructure plan.
- On a different note, Berkshire Hathaway publicly expressed its support for the bipartisan infrastructure framework.

Materion (MTRN): Recent big-ticket acquisition; significant changes under the current CEO

- Market Cap: \$1.4 billion | Materion Corporation through its wholly owned subsidiaries, supplies highly engineered advanced enabling materials to global markets. Products include precious and non-precious specialty metals, inorganic chemicals and powders, specialty coatings, specialty engineered beryllium alloys, beryllium and beryllium composites, and engineered clad and plated metal systems.
- Major shareholder: Blackrock - 17%| Vanguard Group - 10%| Dimensional Fund Advisors - 6%| State Street Corp - 5%| Investment Counselors Of Maryland - 2%
- Screen: 8-K

1. Significant changes under the current CEO

In March 2017, the company appointed Jugal Vijayvargiya as CEO.

- Background of the CEO: He joined the company from Delphi Automotive, where he had a 26-year international career. Most recently, he was President of Delphi's Electronics and Safety segment, a \$3 billion global business headquartered in Germany.
- Situation at the time of his appointment: The company (Materion) was experiencing declining revenue – from \$1.5 billion to \$969 million in FY 2016.

Significant changes

(a) Revamped management team

Under Mr. Vijayvargiya's tenure, the management team experienced significant new changes.

- Oct 2017: CIO
- Aug 2017: CTO (promotion)
- Dec 2017: President, EMEA
- Feb 2018: President, Performance Alloys and Composites
- Oct 2019: President, Advanced Materials
- April 2020: Chief Human Resources Officer
- Nov 2020: CFO
- Note: In 2019, the company hired nine senior sales professionals around the world.

(b) Operational improvement

- Within the first few quarters of his appointment, Mr. Vijayvargiya implemented value-based pricing and optimized the cost structure, including exiting the Japan service center and executing a long-term supply agreement of beryllium hydroxide and resumption of shipments to a longstanding customer.
- Major cost-cutting drive in 2020: In 2020, the company shut down its Large Area Coatings business and closed two facilities, a manufacturing facility, and a service center. Moreover, the company reduced overhead costs with headcount reductions and general spending controls.
- Within the first few years, the company's profitability increased significantly:
 - In Q3 2017, the company reported its highest level of profitability since early 2015.
 - In Q3 2018, the company achieved a double-digit profit margin for the first time.
 - In 2019, the company's EBIT margin increased to 22.2% compared to 18%-19% before the CEO's appointment.
- Cash from operation increased from \$68 million in FY 2017 to \$109 million in LTM 2021.

(c) Increase in R&D – Product innovation

- Mr. Vijayvargiya established global technology and innovation groups within each of the company's business units to accelerate efforts to develop and commercialize new products.
- He increased R&D spending by 9% and will continue to make strategic investments to fund the new product pipeline and drive organic growth.
- The company expanded relationships with universities and think tanks specializing in material science to explore additional opportunities.

(d) Acquisitions: Recent

- The company did not acquire any companies in 2018 or 2019. In fact, in the Q4 2018 conference call, the CEO mentioned that he won't do an acquisition merely for the sake of doing one:

We will not do M&A just for the sake of doing M&A. While we did not find an acquisition that fit our strategic and financial intent,

we will continue to focus on M&A in 2019. – Q4 2018, conference call

- \$160 million acquisition: In July 2020, the company completed the acquisition of Optics Balzers, an industry leader in thin-film optical coatings, for approximately \$160 million by raising debt.
- Recently announced acquisition – \$380 million
 - In September 2021, the company agreed to acquire HCS-Electronic Materials for \$380 million.
 - The segment expects to generate revenue of roughly \$145 million in 2021 and an adjusted EBITDA of roughly \$29 million.

(e) Repayment of debt

- In the last four quarters, the company repaid a substantial portion of its debt from its free cash flow.

(\$,mm)	Jun-20	Sep-20	Dec-20	Apr-21	Jul-21
Total debt	220.1	215.5	125.6	126.5	131.4

Nicolet Bankshares (NCBS): Two recent big-ticket acquisitions; combined bank will be the second largest headquartered in WI

- Market Cap: \$864 million | Nicolet Bankshares is the bank holding company of Nicolet National Bank. Nicolet National Bank operates branches in Northeast and Central Wisconsin and the upper peninsula of Michigan.
- Major shareholder: Nicolet Bankshares - 8%| Blackrock - 7%| Vanguard Group - 4%| State Street Corp - 2%| Dimensional Fund Advisors - 2%
- Screen: 8-K

WHAT WE LIKE

1. Insider buying

In July 2021, the company's insiders acquired \$0.76 million worth of shares at an average price of \$72.8 per share.

2. Growth

- Net interest income increased by 90%, from \$68 million in FY 2016 to \$129 million in FY 2020.
- In the last five years, the company's total assets almost doubled from \$2.3

(\$ in millions)	2016	2017	2018	2019	2020
Net interest income	68.1	98.7	106.6	116.0	129.3
Income before income tax expense	28.0	49.7	54.7	71.4	80.9
Net income available to common shareholders	17.8	33.1	41.0	54.6	60.1
Total assets	2,300.8	2,932.4	3,096.5	3,577.2	4,551.7
Loans	1,568.9	2,087.9	2,166.1	2,573.7	2,789.1
Deposits	1,969.9	2,471.0	2,614.1	2,954.4	3,910.3

billion to \$4.5 billion.

3. Accolades

- Ranked #9 in S&P Global's "Best Performing Community Banks of 2020" with \$3-\$10 billion in assets.
- Named one of Piper Sandler & Co.'s 2020 "Bank & Thrift Sm-All Stars."

- Recipient of the "2020 Raymond James Bankers Cup" for financial performance (fourth consecutive year).
- Named one of ICBA Independent Banker's "Most Innovative Banks" in August 2019.

WHY ARE WE FLAGGING NOW?

Recent acquisitions that will almost double the current bank asset

The company entered into an agreement to acquire Mackinac Financial and County Bancorp.

- \$248 million acquisition of Mackinac Financial Corp: In September 2021, the company acquired Mackinac Financial for approximately \$248 million. The estimated transaction value is a 1.69 multiple of Mackinac's tangible book value.

- County Bancorp: In June 2021, the company entered into an agreement to acquire County Bancorp for \$219 million. The transaction is expected to close in the fourth quarter of 2021. The estimated transaction value is a 1.38 multiple of County's tangible book value as of March 31, 2021, and equates to approximately 16.6x County's 2021 estimated earnings per share.

- Pro forma financials – the combined company will:

- Have total assets of \$7.7 billion (71% increase), deposits of \$6.3 billion (61% increase), and loans of \$4.7 billion (67% increase).
- Have a pro forma net interest income of \$235 million (81.9% increase).
- Be the second largest bank headquartered in Wisconsin and the #1

bank lending to the dairy industry in the state.

- Have #1 market share in Michigan's Upper Peninsula.

Interesting facts: The company has closed six community bank acquisitions since 2013. The company's total assets increased from a little over \$1 billion in 2014 to \$7.7 billion in FY 2021.

Transaction Overview and Assumptions		
	County Bancorp	Mackinac Financial
Transaction Structure ¹	<ul style="list-style-type: none"> • 0.48x shares of Nicolet DR \$37.18 in cash for each share of County, subject to 80% stock / 20% consideration mix • Total transaction value of \$219 million⁽¹⁾ 	<ul style="list-style-type: none"> • 0.22x shares of Nicolet and \$4.64 in cash for each share of Mackinac • Total transaction value of \$248 million⁽¹⁾
Pricing Metrics ¹	<ul style="list-style-type: none"> • P/E and P/TBV: 15.3x and 138% • EPS Accretion: 13% (stand-alone and full cost savings) • TBV Earnback: 1.4 years 	<ul style="list-style-type: none"> • P/E and P/TBV: 18.3x and 169% • EPS Accretion: >14% (stand-alone and full cost savings) • TBV Earnback: 1.9 years
Synergies	<ul style="list-style-type: none"> • Cost Savings of 33% of County's 2020 expense base • 75% realized in 2022 and 100% thereafter 	<ul style="list-style-type: none"> • Cost Savings of 30% of Mackinac's 2020 expense base • 100% realized in 2022
Loan Credit Mark	<ul style="list-style-type: none"> • Total gross loan credit mark of 2.02% on net loan portfolio excluding PPP loans <ul style="list-style-type: none"> ◦ 0.76% PCD mark, recorded into ACL ◦ 0.34% non-PCD mark • Additional Day 2 CECL reserve of 0.92% of gross loans 	<ul style="list-style-type: none"> • Total gross loan credit mark of 1.79% on net loan portfolio excluding PPP loans <ul style="list-style-type: none"> ◦ 0.55% PCD mark, recorded into ACL ◦ 0.54% non-PCD mark • Additional Day 2 CECL reserve of 0.70% of gross loans
Other Fair Value Estimates	<ul style="list-style-type: none"> • Net fair value write-down of \$10.9 million on loans (interest rate), time deposits, trust preferred and subordinated debt • Permanent balance sheet mark of \$2.1 million pretax on fixed assets and OREO • Core deposit intangible of \$3.2 million, amortized on an accelerated basis over 10 years 	<ul style="list-style-type: none"> • Core deposit intangible of \$4.8 million, amortized on an accelerated basis over 10 years
Other Assumptions	<ul style="list-style-type: none"> • \$19.0 million in estimated pretax deal related expenses • Anticipated close in fourth quarter 2021 	<ul style="list-style-type: none"> • \$20.0 million in estimated pretax deal expenses • Anticipated close in September 2021

Nicolet
BANKSHARES, INC.

⁽¹⁾ Transaction structure and pricing metrics as of the time of announcement (8/22 and 4/12, respectively). County based on approximately 8.1 million shares (inclusive of County's unvested restricted stock units) as of June 17, 2021, inclusive of approximately \$3.7 million for the cash-out value of County's stock options. Mackinac based on approximately 10.7 million shares as of 3/31/21 (inclusive of Mackinac's restricted stock awards), but excludes Nicolet's existing ownership of 30,000 shares.

Priority Technology Holdings (PRTH): Recent acquisition, owner-operator, recurring revenue

- Market Cap: \$513 million | Priority is a leading provider of merchant acquiring, integrated payment software and corporate payment solutions, offering unique product and service capabilities to its merchant network and distribution partners.
- Major shareholder: TimesSquare Capital Management - 2.6% | Fidelity Management & Research - 1.7% | BlackRock Fund Advisors - 0.62% | Invenomic Capital Management - 0.32% | BMO Asset Management Corp - 0.26%
- Screen: 8-K

WHAT WE LIKE

1. Fifth largest non-bank merchant acquirer

- Since 2013, the company has grown from the 38th largest U.S. merchant acquirer to the 12th, and the 5th largest non-bank merchant acquirer as of the end of 2020, according to the Nilsson Report issued in March 2021.
- What does “acquirer” mean? In the payments industry, an acquirer is a financial institution that partners with a merchant to complete electronic payment transactions and deposit processes.

2. Recurring revenue

- The company generates revenue primarily from fees charged for processing payment transactions. Processing fees are generated from the ongoing sales of the company’s merchants under multi-year merchant contracts, and thus are recurring in nature.
- The company acts as a link between merchants, issuers, and payment networks. It enters into contracts with a merchant and a sponsor bank. Pursuant to the contracts, the bank collects payment for each card transaction, pays credit card association (e.g., Visa, MasterCard) assessments, and pays the transaction fee due to the company for the suite of processing and related services.

3. Owner-operator

- Thomas Priore has served as chairman and founding member of Priority since August 2005.
- CEO since Dec 2018: Mr. Priore became the CEO in December 2018, and he holds a 68% stake in the company.
- Background of Mr. Priore
 - He founded ICP Capital, a boutique investment banking enterprise that became a market leader in structured finance, reaching over \$20 billion in assets under management.
 - From 1999 until 2003, Mr. Priore was with Guggenheim Securities, where he founded the Structured Finance Trading and Origination business and managed its Fixed Income Sales and Trading division.

4. Reducing debt & debt refinancing

- Debt reduction: The company has reduced its total debt from \$489 million in 2019 to \$330 million in June 2021. In 2020, the company sold its RentPayment component for \$179.4 million and used its proceeds to pay down debt.
- Debt refinancing: In April 2021, the company completed its debt refinancing and preferred equity issuance. Debt refinancing reduced the interest rate on senior indebtedness by 75 basis points.

5. Industry’s positive outlook

- Electronic consumer payment volume is expected to grow at a 7% 10-

year CAGR as the COVID pandemic accelerates the shift to electronic payments.

- U.S. debit and credit card payment volume increased from \$5 trillion in 2013 to \$7.3 trillion in 2018 and is expected to be around \$10 trillion in 2023.

WHY ARE WE FLAGGING NOW?

Acquisition of Finxera Holdings, Inc.

- In September 2021, the company acquired Finxera Holdings for approximately \$425 million.
- Finxera's platform facilitates account creation, collection, storage, and transmission of funds for businesses and consumers.
- 95% recurring revenue
- Pro forma financials
 - Combined revenue: \$547 million to \$570 million (41% increase compared to 2020)
 - Adjusted EBITDA: \$131 to \$136 million

OTHER NOTES

Closure of non-compliant merchants

- In 2018, the company closed approximately 1,200 merchant accounts in order to ensure compliance with the card association subscription e-commerce criteria.
- The loss of this high-margin account negatively affected the company's financial performance in 2018 and 2019.

Valuation

The company is currently trading at an EV/revenue of 2x; its competitors are trading at more than 5x revenue.

Company name	Market Cap (\$, mm)	EV/Revenue
Global Payments Inc. (GPN)	47,680	7.18
Fiserv, Inc. (FISV)	72,862	6.05
Paysafe Limited (PSFE)	5,627	5.26
Priority Technology Holdings, Inc. (PRTH)	513	2.06

Lincoln Educational Services (LINC): Recent board changes and other significant change

- Market Cap: \$186 million | Lincoln Educational Services Corporation is a provider of diversified career-oriented post-secondary education helping to provide solutions to America's skills gap.
- Major shareholder: Vanguard Group - 10%| Blackrock - 8%| Hagan Dan - 5%| State Street Corp - 5%| FMR - 3%
- Screen: 8-K

BASICS

- The company operates 22 campuses in 14 states and offers programs in automotive technology, skilled trades, healthcare services, hospitality services, and information technology.
- Company's pitch: Instead of a four-year college degree, the company provides students with alternative paths to college in order for them to obtain a solid middle-class career.

WHAT WE LIKE

1. Turnaround: Significant changes since 2018

- Positive revenue growth after several years of poor performance
 - The company's revenue declined consistently from \$544 million in FY 2010 to \$262 million in FY 2017. Since Q3 2018, however, the company's revenue has grown. In fact, in the last 12 quarters, except Q2 2020 (when COVID restrictions were at their peak), the company registered positive revenue growth.
 - Projections: The company expects its annual revenue growth to be between 9% and 12%. Adjusted EBITDA is expected to be between \$34 million and \$37 million, representing a \$2 million increase on previously provided low-end guidance.

- Increase in profitability & high operating leverage
 - Profit after seven years of net losses: After seven years of continuous net losses (2012-2018), the company turned profitable in FY 2018.
 - Due to high operating leverage, the company's operating income increased from \$4.7 million in FY 2019 to \$18.7 million in LTM June 30, 2021, even though revenue grew only by 17% during the same period.
 - Revenue grew predominantly due to the increase in number of students enrolled.

	2017	2018	2019	2020
No. of students enrolled	10,159	10,525	11,285	12,217
Growth		4%	7%	8%

- Increase in graduation & placement rate
 - In the 2019 conference call, the CEO claimed that over the past several years, graduation rates have increased from 65.4% to 67.9% and placement rates have increased from 74.7% to 81.7%.

2. Recent board shakeup

- Juniper Investment initiated its stake in the company in 2017. In November 2019, the company raised roughly \$13 million from Juniper Investment and other shareholders. Pursuant to the transaction, John A. Bartholdson, co-founder of Juniper, joined the board.

- As of now, Juniper Investment owns 17.3% of the o/s shares of the company.
- 50% board change: In November 2019, another co-founder of Juniper Investment joined the board. Subsequently, four new board members joined the company. Overall, 5 out of the 10 current directors joined the board after November 2019.

3. Statistics

- The company is #1 in providing automotive and skilled trade graduates in the East and #2 in the West.
- Partnership with Mazda: In August 2019, the company announced a partnership with Mazda North American Operations for the Mazda Automotive Student Training (MAST) program. The company is only the second school in the world to offer this unique technician training opportunity.

WHY ARE WE FLAGGING NOW?

\$81 million from the sale of property and sale-leaseback agreement

Strategic sale and sale-leaseback:

- In September 2021, the company entered into a sale-leaseback agreement for its Denver, CO and Grand Prairie, TX campuses. It also entered into an agreement to sell the property hosting its Nashville, TN campus.
- The two transactions are expected to generate gross proceeds of \$81 million.
- Out of the total proceeds, \$17 million will be used to repay debt and the remaining \$64 million will be used to build a new Nashville campus and for growth initiatives.

PGT Innovations, Inc. (PGTI): Recent acquisition

- Market Cap: \$1.1 billion | The company is a manufacturer and supplier of residential impact-resistant windows and doors. WinGuard is an impact-resistant product line that combines heavy-duty aluminum or vinyl frames with laminated glass to provide protection from hurricane-force winds and wind-borne debris. WinGuard, its flagship product, also protects against outside noise, break-ins, UV rays and high energy bills.
- Major shareholder: Blackrock - 15%| Wellington Management Group - 10%| Vanguard Group - 6%| Cooke & Bieler - 5%| Price T Rowe Associates - 5%
- Screen: 8-K

Management changes: Jeffrey T. Jackson has served as the company's CEO since January 2018. All the major executives were either appointed or promoted after Mr. Jackson's appointment as CEO.

- Senior Vice President of Corporate Sales and Innovation – January 2018
- President, Southeast Business Unit – January 2019
- President, Western Business Unit – December 2019
- Interim CFO – February 2021

WHAT WE LIKE

1. Signs of moat

- PGT has the #1 position in the market for impact-resistant windows and doors in Florida. According to published data, the company enjoys over 50% of the market share in Florida.
- PGT WinGuard® is synonymous with impact-resistant windows and doors. Over three million WinGuard® units have been installed, with zero reported impact failures.

2. Record revenue

- Due to both strategic acquisitions and organic growth, the company's revenue had a CAGR of 17.8% from 2016 to 2020.
- The company has achieved record revenue during the COVID-19 pandemic (FY 2020 revenue: \$883 million; adjusted EBITDA: \$150 million).

- **Population shift:** The company claims there is a population shift from colder, high tax climates to the Florida, Arizona, and Texas regions, where the company has a major presence. This led to a record backlog at the end of 2020.
- **Expansion:** The company opened three new showrooms in 2020 and is expected to open three new showrooms in 2021 to improve its direct-to-consumer channel.
- **Latest quarter results:** Net sales for Q2 2021 were \$285.5 million, an \$82.7 million (40.8%) increase from \$202.8 million in Q2 of the prior year. This increase was primarily driven by organic growth.

Financials

(\$ in million)	2016	2017	2018	2019	2020
Net sales	458.5	511.0	698.4	744.9	882.6
Gross profit	140.0	158.9	243.4	260.3	321.3
Income from operations	59.1	60.1	95.1	84.0	84.7
Net income	23.7	39.8	53.9	43.6	45.1

3. Recent quarter's operational improvement strategies

- **17% headcount increase:** In Q2 2021, the company increased its headcount by 600 people, or 17% (Jan 2021 headcount: 3,500). In the company's custom manufacturing facilities, it can take up to six months to train a new team member to reach the level of efficiency required.

- **New production facility:** In May 2021, the company expanded into Fort Myers by leasing a 130,000-square-foot production facility. It began 24/7 operations in June 2021.
- As per the Q2 2021 conference call, the company plans to invest in increasing capacity at its Venice, Miami, and Tampa facilities.

WHY ARE WE FLAGGING NOW?

Recent acquisition

- Since 2016, the company has acquired six companies.
- In 2021, the company acquired two companies for \$120 million and is on track to acquire a third company for \$126 million.

Anlin Windows & Doors acquisition

- In September 2021, the company entered into an agreement to acquire Anlin Windows & Doors for approximately \$126 million.
- Anlin is a top Western region brand in the vinyl replacement windows and doors market. It has been ranked as a Top 100 Manufacturer by Window & Door Magazine for over 20 years.
- Revenue (LTM July 2021): \$106 million

Outlook

The company's revenue guidance for 2021 was \$1.1 billion to \$1.2 billion with EBITDA in the range of \$160 million to \$190 million. The company's goal is to maintain a target range of 2x to 3x net debt-to-EBITDA.

FAT Brands (FAT): CEO served 18 months in prison

- Market Cap: \$168 million | FAT Brands is a leading global franchising company that strategically acquires, markets and develops fast casual and casual dining restaurant concepts around the world.
- Major shareholder: Fog Cutter Holdings - 48%| Adw Capital Partners - 4%| Adw Capital Management - 4%| Fortunoff Gregory - 3%
- Screen: 8-K

Our thoughts

- The company has gained our attention in recent months due to its big-ticket acquisitions.
 - In September 2021, the company entered into an agreement to acquire the Twin Peaks restaurant chain for approximately \$300 million.
 - In July 2021, the company acquired the Global Franchise Group (GFG) for \$442.5 million.
- We would like to explain why we are not excited about this company.

CEO, who owns 58%, has a troubled past

- Andrew A. Wiederhorn, the CEO of the company, owns 58.4% of the company through his entity, Fog Cutter Holdings.
- Mr. Wiederhorn founded Wilshire Financial Services Group in 1987 when he was 21 years old. According to Wikipedia, he amassed \$140 million in wealth by the age of 32.
- Largest union pension fraud: Jeff Grayson managed \$1 billion in investments through his firm, Capital Consultants. Most of the investors were union pension funds. Long story short, Mr. Grayson admitted that he engaged in a scheme to defraud Capital Consultants' clients, mostly union pension and benefit plans. It was alleged that Mr. Grayson made legally questionable loans to Wilshire Credit Corporation and its CEO, Mr. Wiederhorn. Mr. Wiederhorn served an 18-

month prison term for paying an illegal gratuity and filing a false income tax return and paid \$2 million in fines.

- Interestingly, Fog Cutter's board awarded Mr. Wiederhorn a bonus equal to the fine he paid to the U.S. government and paid his salary during his incarceration. In July 2004, Nasdaq staff decided that it was contrary to public interest for Fog Cutter to remain listed on Nasdaq with Wiederhorn exercising substantial influence over the company while incarcerated.
- FAT Brands merger with Fog Cutter: In December 2020, FAT Brands (FAT) completed its merger with its controlling stockholder, Fog Cutter Capital Group Inc. As part of the transaction, FAT Brands took over all of Fog Cutter's assets, including its net operating loss carryforwards and wholly owned subsidiaries, Homestyle Dining LLC, Fog Cap Development LLC, Fog Cap Acceptance Inc. and BC Canyon LLC.

● Suggested further reading

https://www.sec.gov/litigation/opinions/2006/34-52993_ap-peal.pdf
<https://nypost.com/2017/08/03/fatburger-files-ipo-despite-execs-crooked-past/>
<https://www.bizjournals.com/portland/blog/2016/05/andrewwiederhorn-named-in-panama-papers.html>

Comment

To be clear, there are no regulations that prohibit Mr. Wiederhorn from serving as the CEO of the company. Given his shady past, however, we did NOT write a detailed report about this company.

Hudson Technologies (HDSN): Phasedown of Hydrofluorocarbons

- Market Cap: \$149 million | Hudson Technologies is a leading provider of innovative and sustainable solutions for optimizing performance and enhancing reliability of commercial and industrial chiller plants and refrigeration systems.
- Major shareholder: Cooper Creek Partners Management - 9%| Zugibe Maura - 8%| Arrowmark Colorado Holdings - 8%| Coleman Brian F - 5%| Riva Ridge Capital Management - 5%
- Screen: 8-K

BASICS

Hudson Technologies is a national distributor and provider of refrigerant gas and engineered solutions. The company's products and services are primarily used in commercial air conditioning, industrial processing and refrigeration systems.

- The company offers one of the largest refrigerant selections in the country, from CFCs to HFOs as well as specialty refrigerant gases and everything in between.
- The company does refrigerant sales, reclamation services, on-site problem solving and energy-saving assessments.

WHY ARE WE FLAGGING NOW?

1. New rule – EPA’s final rule to phase out HFCs

Some basics

- Hydrofluorocarbons (HFCs) are rapidly increasing in the atmosphere due to increased demand for refrigeration and air conditioning globally. HFCs are extremely powerful greenhouse gases (GHG) that accelerate climate change.
- HFCs are commonly used in a wide variety of applications, including refrigeration, air conditioning, building insulation, fire extinguishing systems, and aerosol.

New rule

- In September 2021, the United States Environmental Protection Agency (EPA) issued the final rule for the administration of the HFC phasedown:
 - Phase down the production and consumption of HFCs by 85% below their baseline levels in a step-wise manner by 2036, starting with a 10% reduction in 2022.
 - To achieve this, the EPA has established an HFC allowance allocation. An allowance is **the unit of measure the EPA** uses to control production and consumption. From January 2022, based on the allowance obtained by the company, it can produce or import bulk HFCs. ([Source](#))
- Effects on the company: Reclamation facilities help to collect HFCs before they enter the atmosphere. The reduction in HFC supply should help stimulate significant growth of reclamation in the future.
 - Largest player: The company, with its three reclamation facilities, is the largest reclamation company in the U.S. It captures approximately 35% of the reclaim market.
 - The company anticipates that reclamation will be critical to maintaining the necessary supply during this HFC phasedown period. The company expects to grow reclaimed HFCs to 40 million by 2024.
- Outlook

- The company argues that despite the elimination of virgin production (new), aftermarket demand is expected to continue for approximately 20 years.
- In the future, the company expects that its reclaimed HFCs and hydrofluoroolefins (HFOs) will provide 70% of the supply.

- Suggested further reading
<https://www.achrnews.com/articles/145185-refrigerant-reclaimers-address-hfc-phasedown-and-r-22-supply>
<https://www.hudson-tech.com/pdfs/investor-relations/HDSN-Investor-Deck.pdf>

2. Insider buying

- In August 2021, Mr. Coleman acquired \$72,250 worth of shares at an average price of \$2.89 per share.

- Mr. Coleman holds a 5.7% stake in the company as of March 2021.

3. Other

- The company is one of few companies with AHRI certified laboratories.
- The company is the prime contractor for the Department of Defense. In July 2021, it renewed its U.S. Defense Logistics Agency (DLA) contract for an additional five years. The contract renews the company's original five-year agreement with the DLA in July 2016 and represents a potential total of \$400 million in sales to the Department of Defense over the total 10-year contract period.

Final Rule – Phasedown of Hydrofluorocarbons: Establishing the Allowance Allocation and Trading Program under the American Innovation and Manufacturing (AIM) Act

What is the AIM Act and this Final Rule?

The American Innovation and Manufacturing (AIM) Act was enacted by Congress on December 27, 2020. The AIM Act provides new authority for the U.S. Environmental Protection Agency (EPA) to address hydrofluorocarbons (HFCs) in three ways: (1) phasing down production and consumption, (2) maximizing reclamation and minimizing releases from equipment, and (3) facilitating the transition to next-generation technologies through sector-based restrictions. This final rule focuses on the first area – the phasedown of HFC production and consumption.

What is the HFC Phasedown?

The AIM Act directs EPA to phase down production and consumption¹ of HFCs (see Table 1) by 85% below baseline levels by 2036 through an allowance allocation and trading program. EPA has established U.S. production and consumption baselines using a formula provided by the AIM Act that considers past HFC, hydrochlorofluorocarbon (HCFC), and chlorofluorocarbon (CFC) amounts. By October 1 of each year, EPA must issue production and consumption allowances for the following calendar year, relative to those baselines.

Who is Affected by this Final Rule?

Companies that produce, import, export, destroy, use as a feedstock, reclaim, package, or otherwise distribute HFCs may be affected by the final rule. Companies may also be

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affected if they use HFCs to manufacture refrigeration and air-conditioning equipment, foams, aerosols, and fire suppressants, or use HFCs in one of the six applications specified in the AIM Act.

What are the Costs and Benefits of this Final Rule?

American consumers are expected to benefit from transitioning from HFCs to environmentally safer alternatives and more energy-efficient cooling technologies. EPA estimates that the present value of the cumulative net benefits of this action are \$272.7 billion from 2022 through 2050. In 2036 alone, the year the final reduction step is made, this rule is expected to prevent 171 MMTCO₂e emissions – roughly equal to the annual GHG emissions from one out of every seven passenger vehicles registered in the United States. EPA conducted an environmental justice analysis that determined overall reductions in GHG emissions from this rule will benefit populations that may be especially vulnerable to damages associated with climate change, such as the very young, elderly, economically disadvantaged, disabled, and indigenous populations.

Source

<https://www.epa.gov/system/files/documents/2021-09/hfc-allocation-rule-nprm-fact-sheet-finalrule.pdf>

Brightcove (BCOV): Significant changes under the new CEO

- Market Cap: \$494 million | Brightcove Inc. is a leading global provider of cloud-based services for video.
- Major shareholder: Edenbrook Capital - 10%| Trigran Investments - 10%| Tenzing Global Management - 9%| Archon Capital Management - 7%| Vanguard Group - 7%
- Screen: Stake increase by 13D filer

WHAT WE LIKE

1. Past track record of CEO

In April 2018, the company appointed Hugh Jefferson (Jeff) Ray III as CEO.

Track record

- During his tenure as CEO of Ellucian (2014-2017), Mr. Ray claims that he transitioned the business from a combination of multiple premise-based software companies to a cloud-based SaaS leader of solutions.
- During his tenure as CEO of Ventyx, Inc. (2012-2014), he ran operations across 80 countries and 2,500 employees, growing annual revenues to over \$520 million.
- During his tenure as CEO of SolidWorks Corporation (2007-2010), he grew revenues from approximately \$135 million to \$350 million, expanded margins by 50%, and tripled the installed user base.
- He spent the first 17 years of his career at IBM, rising from an account marketing representative in Houston to the executive assistant to the Midwest vice president, helping oversee a \$3 billion IBM business with 1,200 employees.

2. Changes after the appointment of new CEO

(a) Management changes and board changes

- Board refreshment
 - Five of the nine directors were appointed after 2018.
 - In August 2020, the board size was increased to nine. Tsedal Neeley

(Harvard Business School) and Ritcha Gupta Ranjan (VP – Product Management, Microsoft) were added to the board.

- Management changes: Except for the Chief Legal Officer, all other top executives were appointed/promoted after the appointment of the CEO.
 - CFO – May 2018
 - Chief people officer – Feb 2020
 - EVP Corporate Development - Feb 2020
 - Chief product officer – July 2020
 - Chief Marketing officer – Dec 2020
 - Senior Vice President Customer Success – Feb 2021
 - Company's first Chief Data Officer – May 2021
 - EVP, Head of Global Sales – June 2021

(b) Fourth straight quarter of net profit:

The Company has generated a net loss since its inception in 2004. However, since Q3 2020, the company has generated positive net income.

(c) Recent strong quarterly performance

- In Q2 2021, the company's revenue was \$51.5 million, up 7% year-over-year, and adjusted EBITDA was \$5.6 million, up 33% year-over-year.
- In Q2 2021, the company generated \$8 million in cash flow from operations and free cash flow was \$5.7 million.

(d) Entry into China

- Global video companies have faced restrictions in China.
- In May 2021, the company solved this problem by establishing a partnership with global e-commerce giant

Alibaba, which is headquartered in China.

- As such, Brightcove became the first online video platform to deliver business video into China.

(e) Launch of Virtual Events for Business

- In April 2021, the company announced the availability of Virtual Events for Business, an intuitive, easy-to-use virtual event solution for repeatable mid-sized enterprise events.
- By 2030, the global virtual events industry will grow nearly tenfold, from \$78 billion in 2019 to \$774 billion, according to Grand View Research estimates.

(f) Other

- Awards: In 2020, the company received two Technology and Engineering Emmy Awards, awarded by the National Academy of Television Arts & Sciences (NATAS) for excellence in engineering innovation.
- Patents: The Company has filed over 175 patent cases and has been awarded more than 85 patents globally.

ADDITIONAL RESEARCH NOTES

a) Edenbrook Capital increased its stake in the company

- Edenbrook takes a private equity approach to public markets, principally through concentrated, long-term investments in small and mid-cap companies. Edenbrook has held stake in the company since 2017.
- In June and July 2021, Edenbrook Capital acquired \$5.5 million worth of shares at an average price of \$11.95 per share. As of now, Edenbrook Capital owns 10.6%.

b) Valuation

- Vimeo, Inc. (VMEQ), trades at an EV/revenue of 13x.
- Kaltura, a competitor of Brightcove, completed its IPO in March 2021 and currently trades at an EV/revenue of 10x.
- Brightcove's EV/revenue is 2x.

Outlook

The company's long-term financial targets are 20% revenue growth and 20+% adjusted EBITDA margins.

Douglas Dynamics (PLOW): Signs of moat

- Market cap: \$817 million | Douglas Dynamics is North America's premier manufacturer and up-fitter of commercial work truck attachments and equipment.
- Major shareholder: Conestoga Capital Advisors - 12%| Jpmorgan Chase & Company - 9%| Wells Fargo & Company - 9%| Blackrock - 6%| Vanguard Group - 6%
- Screen: Moat

WHAT WE LIKE

1. Signs of moat

- Market share: The company believes it has less than 50% market share in the North American snow and ice control equipment market.
- Non-discretionary: Snow and ice control management is a non-discretionary service. End-users cannot postpone the purchase/replacement indefinitely. If the product is unsafe or unreliable, end-users will change the product irrespective of economic conditions.
- Highly customized work: In the Work Truck Solutions segment, which generates 47% of total revenue, each up-fit is customized to the specific needs of the company's customers.
- Distribution network: The company has over 1,900 points of sale in the Work Truck Attachments segment. The benefit of the distribution network is that it provides access to parts and service. The company uses feedback from the distribution network for product development.
- Loyal customer base: The company has been in the market for more than 70 years. It believes that past brand experience, rather than price, is the key factor impacting its brands.
- Brands: The company sells its products under the WESTERN®, FISHER®, SnowEx®, TurfEx®, SweepEx® and Henderson® brands.

- Large installed base: The company's installed base is the largest in the light truck market with over 500,000 snowplows and sand and salt spreaders in service. Why is this crucial? The annual demand for snow and ice control equipment is driven primarily by the replacement cycle of the existing installed base. Actively used snowplows are typically replaced, on average, every 9 to 12 years. Given the support system enjoyed by the end customers through the company's extensive distribution network, customers are more likely to choose the company's products for replacement. This in turn provides the company with a high degree of predictable sales over any extended period of time.
- Patents/trademark: The company maintains patents relating to snowplow mounts, assemblies, hydraulics, electronics and lighting systems, brooms, sand, salt and fertilizer spreader assemblies, reel handlers and carriers, and shelving systems. The company has 58 U.S.-issued patents and 9 Canadian patents.

2. Financial performance

- Order growth: 16 consecutive years of order growth.
- The company's revenue grew from \$208 million in FY 2011 to \$571 million in FY 2019. The company's revenue declined by 16% in FY 2020, but in the most recent two quarters, revenue has started to recover, increasing

by 55% in Q1 2021 and 31% in Q2 2021.

- **Strong free cash flow:** The company uses its free cash flow to pay a dividend and repay its debt.

(\$,mm)	2016	2017	2018	2019	2020	LTM June 2021
CFO	69.9	66.4	58.2	77.3	53.4	72.5
Capex	-9.8	-7.6	-9.7	-11.5	-14.5	-14
FCF	60.1	58.8	48.5	65.8	38.9	58.5
Debt	315.6	317.5	281.9	280.3	281.1	259.9

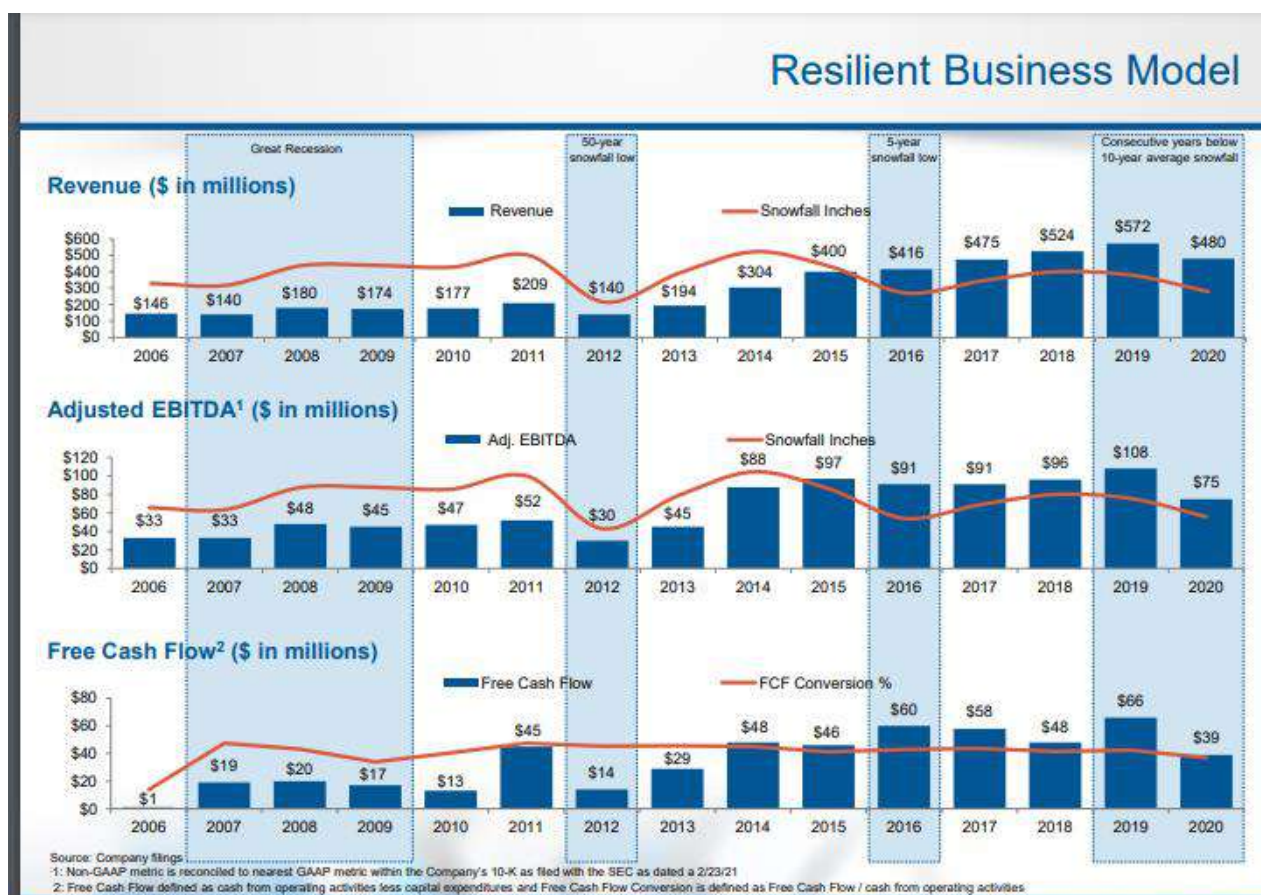
3. Other

- **Outlook:** The company expects net sales (FY 2021) to be between \$520 million and \$580 million. Adjusted EBITDA is predicted to range from \$75 million to \$100 million.

- **Latest quarter results:** Consolidated Q2 2021 net sales were 31% higher compared to the same period last year, driven by stronger preseason shipments in attachments and the lack of pandemic shutdown that all businesses experienced last year.

- **Revenue is tied to snowfall**

- Snowfall is still the primary factor in evaluating the company's business results.
- Although revenue for FY 2020 declined by 16%, the company attributes this decline predominantly to the below-average snowfall in the year ended December 31, 2020.



13D SUMMARY

James H. Dahl and Rainey E. Lancaster suggest Amrep Corp explore a sale

On September 2, 2021, James H. Dahl and Rainey E. Lancaster (together 9.1%) stated that the best way to maximize returns is through a strategic merger or sale. They noted that the company owns some of the best developable land in the Albuquerque metropolitan area, specifically Rio Rancho, New Mexico. They suggested that the company would benefit from increased scale to fully capture the value of the assets. [Source](#)

Ortelius issues a presentation regarding its opposition to Capital Senior Living's costly, dilutive and outsized transactions with Conversant Capital

Market Cap: \$66 million | Capital Senior Living Corporation is the operator of senior living communities in the United States in terms of resident capacity.

Background:

Cove Street Capital

- On January 11, 2019, Cove Street Capital (8.4%) delivered a [letter](#) to the Board recommending that the Board pursue changes to its composition and seek to declassify itself such that all Board members are elected annually, beginning with the nominees standing for election to the Board at the 2019 annual meeting of stockholders.
- On April 9, 2019, Cove Street Capital (10.13%) delivered a [letter](#) to the Board regarding corporate governance and Board matters. It expressed its disappointment that the board did not consider its suggestion to de-stagger board member elections. Also, it stated that it plans to vote AGAINST all three of the board's proposed nominees in the 2019 election in order to send a message of dissatisfaction.
- At the [AGM](#) held on May 14, 2019, all the three directors proposed by the company were re-elected to the Board.
- On February 1, 2021, Cove Street Capital decreased its stake to 3.7%.

Ortelius Advisors

- On July 22, 2021, the company [announced](#) plans to raise up to \$152.5 million through (a) the private placement of convertible preferred stock to affiliates of Conversant Capital LLC ("Conversant") and (b) a proposed common stock rights offering to its existing stockholders. Conversant will partially backstop the rights offering and will provide an incremental \$25 million accordion for future investment, subject to certain conditions.
- On August 9, 2021, Ortelius Advisors (9%), the investment manager of Pangaea Ventures sent a [letter](#) to the Board opposing the plan, claiming that it seriously undervalues the company while turning control to Conversant. It stated that the company's stock price has plunged an incredible 48% since the transactions were announced.
- On August 12, 2021, Ortelius Advisors increased its stake to 12.7%.
- On August 17, 2021, Ortelius Advisors filed proxy materials soliciting votes in opposition to the Company's transactions with affiliates of Conversant Capital LLC.

[Source](#)

Update:

- On September 9, 2021, Ortelius Advisors launched a website (www.SaveCSU.com) to communicate with the company's stockholders.
- On September 13, 2021, Sam Levinson, together with other shareholders holding 16.30%, stated that an underwritten shareholder rights offering could offer superior value to the currently proposed transaction. Also, they made it clear that it is not a solicitation and not soliciting stockholders to vote, withhold a vote, grant a proxy, or in any other way take action with regard to the matters to be voted upon at the Special Meeting on October 12, 2021. [Source](#)
- On September 15, 2021, Ortelius Advisors issued an investor [presentation](#) titled "Save Capital Senior Living Corp" regarding its opposition to the company's proposed financing transactions with Conversant Capital LLC. Ortelius urges Capital Senior Living's stockholders to vote AGAINST all of the company's proposals on the GOLD proxy card at the upcoming meeting of stockholders on October 12, 2021.

NextGen Healthcare's founder and an incumbent director nominate four candidates for election to the board

Market Cap: \$1 billion | NextGen Healthcare, Inc. provides software and services for ambulatory healthcare services in the United States.

Background:

- On August 20, 2021, founder and director Sheldon Razin and director Lance Rosenzweig issued an open letter to shareholders regarding the need to further refresh and reinvigorate the board. They cited serious concerns regarding chairman Jeffrey Margolis, who has presided over insular corporate governance and years of poor performance. They nominated four additional candidates for election to the board at the upcoming AGM on October 13, 2021.
- Mr. Razin, collectively with the candidates he is nominating, owns approximately 15.2% of the outstanding common shares.

Update:

- On September 2, 2021, Mr. Razin and Mr. Rosenzweig filed a preliminary proxy statement stating that they are seeking to replace four entrenched directors, including chairman Jeffrey Margolis, who has presided over the company's prolonged stagnation and underperformance.
- On September 14, 2021, Mr. Razin and Mr. Rosenzweig filed proxy materials seeking support for their nominees.
- On September 23, 2021, Mr. Razin issued an investor [presentation](#) titled "Resetting the Balance of Power in NextGen Healthcare's Boardroom."

MRMP amends 13D, sends follow-up letter to Navios Maritime Partners LP

Background:

On July 22, 2021, Sherwood disclosed a 5.8% active stake and delivered a [letter](#) to the company and its CEO Angeliki Frangou detailing concerns regarding the management and direction of the company, and accusing her of "imprudent and illogical" decisions that have hurt shareholder value. In Sherwood's letter, he calls into question \$200 million worth of recent at the money

(ATM) offerings by the company and purchases of approximately \$185 million of ships at market values from “largely related parties.” Sherwood and MRMP also suggest that Frangou, (Chairman and CEO of the company) and management implement a range of policies, such as share buybacks, selling assets and paying down debt, and/or increasing dividends to shareholders.

Update:

On September 3, 2021, Ned Sherwood, MRMP’s investment manager (4.4%), sent a follow-up [letter](#) to the board. This letter details MRMP’s views regarding the company’s recent transactions and reiterates several suggestions set forth in the initial letter, along with an additional proposal that MRMP believes would significantly reduce the current discount to net asset value at which NMM trades: the merger of Angeliki Frangou’s private ship management company into NMM. Mr. Sherwood went on to state: “We would propose that Angeliki Frangou merge her private entity with NMM at an appropriate valuation so that all LP and GP investors’ incentives are better aligned and we can all row in the same direction. In my opinion, such action would immediately cause an upward revaluation of NMM assets and interest price.”

Stockholders re-elect all Box director nominees at 2021 AGM

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](#)
- 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.
- On July 1, 2021, Starboard filed proxy materials seeking support for its nominees.
- On July 1, 2021, Starboard filed proxy materials seeking support for its nominees and delivered a [letter](#) to the shareholders expressing its concerns on KKR financing. Starboard stated that on April 8, 2021, shortly after the expiration of the recently extended standstill and despite having more than \$500 million of cash on its balance sheet even after completing two small acquisitions, Box announced a \$500 million preferred equity financing led by KKR ("the KKR Financing") and its intention to use the proceeds from the KKR Financing to repurchase \$500 million of common stock through a "Dutch auction" self-tender. The KKR Financing was transparently structured to vote on an as-converted basis and required KKR and the other investors in the transaction to vote in accordance with the Board's recommendations. Starboard stated its belief that Box had no need for the capital and that the transaction was specifically designed as an entrenchment mechanism meant to "buy the vote".
- On August 6, 2021, Starboard issued an Investor [Presentation](#) titled "Unlocking Value at Box. In its presentation, Starboard reiterated its concerns over the company's poor performance and urged that the company should explore six opportunities to address the strategic implications uncovered in diligence.
- On August 23, 2021, ISS has recommended that stockholders vote FOR two company's director nominees and Withhold votes on the election of one director nominee in connection with the company's 2021 AGM. [Source](#)
- On August 27, 2021, Glass Lewis has recommended shareholders to vote FOR Starboard's representative Peter Feld at upcoming annual meeting. [Source](#)

Update:

- On September 3, 2021, Egan-Jones recommended that Box stockholders vote on Starboard's [WHITE](#) proxy card to elect all three of Starboard's nominees to the Box Board. [Source](#)
- At the AGM held on September 10, 2021, shareholders elected all the company's director nominees to the board.

ISS and Glass Lewis recommend shareholders vote on the Concerned Shareholders of Rocky Mountain's Blue Proxy Card

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

Background:

AB Value Management

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

Global Value Investment Corp

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

- On July 27, 2021, Global Value Investment Corp increased its stake to 7.11%.
- On August 12, 2021, the company [announced](#) that it has reached a cooperation agreement with Global Value Investment Corp (8.10%). Pursuant to the Cooperation Agreement, the Board appointed Jeffrey R. Geygan, CEO and President of Global Value Investment Corp, to serve as a member of the Board with a term expiring at the 2021 AGM.

Update:

- On September 3, 2021, AB Value, Bradley Radoff, and the nominees filed [proxy materials](#) nominating seven candidates to the board at the upcoming annual meeting of shareholders.
- On September 20, 2021, AB Value, Mr. Radoff, and the nominees issued a [presentation](#) soliciting votes for the election of their slate of director nominees at the 2021 AGM.
- On September 21, 2021, AB Value issued a [supplemental investor presentation](#).
- On September 22, 2021, AB Value [announced](#) that it had filed a lawsuit in the Court of Chancery against the company and certain members of its board, seeking to rescind and declare invalid the board's resolutions shrinking the number of board seats up for election from seven to six right before the company's 2021 AGM.
- On September 27, 2021, AB Value acknowledged that ISS had recommended its clients vote on the **BLUE** proxy card to elect each of the Concerned Shareholders of Rocky Mountain's candidates—Andrew T. Berger, Mark Riegel, Sandra Elizabeth Taylor, and Rhonda J. Parish—and for the group's proposal to redeem any poison pill previously issued and to abstain from adopting or extending any poison pill absent shareholder approval within the previous 12 months (the "Poison Pill Redemption Proposal"). Glass Lewis also recommended that shareholders vote for Mr. Riegel and Ms. Taylor, and for the Poison Pill Redemption Proposal on the **BLUE** proxy card. [Source](#)

Sudbury Capital Fund requests board seat in Optex Systems Holdings

M.Cap: \$14 milion: Optex Systems Holdings, Inc. manufactures and sells optical sighting systems and assemblies primarily for the U.S. department of defense, foreign military applications, and commercial markets in the United States.

Background:

Henry Partners

On October 3, 2019, Henry Partners disclosed 9.8%, stating that it is concerned about the company's corporate governance and executive compensation practices. It sent a letter to the board raising its issues and stating its desire to work with other shareholders to improve board structure and governance practices, which may include appointing new directors to the board. [Source](#)

Update:

Sudbury Capital Fund

On August 26, 2021, Mr. Judd, Sudbury Capital Fund (9.6%), spoke with the chairman & CEO of the company and requested a board seat. [Source](#)

TCI Fund Management gives a presentation on Canadian National Railway Company

M.Cap: \$89 billion: Canadian National Railway Company, together with its subsidiaries, engages in the rail and related transportation business.

Background:

On August 31, 2021, TCI Fund Management (5.2%) sent a letter (refer, "[Exhibit 2](#)") and a presentation (refer, "[Exhibit 3](#)") to the Chairman of the Board setting forth its view that it is in the best interest of the Company and its shareholders for the Board to seek (i) to withdraw from the merger agreement entered into on May 21, 2021 with Kansas City Southern ("[KCS](#)") that provides for the acquisition of KCS by the Company, because continuing to pursue such acquisition in the face of explicit opposition from the Surface Transportation Board of the United States would be hugely damaging to the reputation of the Company and potentially financially disastrous due to uncertainty over the approval process and the interpretation of the new merger rules; (ii) to hold the senior management and the Board accountable for its egregious failure of oversight in sanctioning the bid, together with potential fees of CAD\$2 billion, by replacing the Chairman of the Board; (iii) to improve the Company's commercial operating performance by replacing the current Chief Executive Officer, Jean-Jacques Ruest, with Jim Vena, who has a proven track record as an exceptional operator; and (iv) to add the necessary railroad experience and expertise to help the Board evaluate and address opportunities for shareholder value creation.

Update:

- On September 7, 2021, TCI Fund Management issued a press release announcing that it had retained Kingsdale Advisors to act as its strategic advisor and engage with the company's shareholders to halt the company's pursuit of KCS and to upgrade the board, which, among other things, will have the mandate to identify and appoint a new CEO. In the press release, TCI stated its expectation to requisition a special meeting of the company's shareholders to nominate at least five new directors.
- On September 13, 2021, TCI (5.2%) issued a press release announcing its intention to requisition a special meeting of shareholders for the purpose of refreshing the current board by adding four independent nominees who, if elected, will provide the deep railroad operational experience the current board lacks and help guide the selection of a new CEO, which TCI believes should be Jim Vena. TCI's four proposed nominees are Gilbert H. Lamphere, Allison Landry, Rob Knight, and Paul Miller.

Source

- On September 16, 2021, TCI sent a letter to the board requisitioning a special meeting of shareholders for the following purposes: (i) to approve the removal of Robert Pace, Kevin G. Lynch, James E. O'Connor, and Laura Stein from the board; (ii) to approve the removal of any person appointed to the board after September 16, 2021 and serving as a director at the time of the Special Meeting; (iii) to approve the appointment of Gilbert Lamphere, Allison Landry, Rob Knight, and Paul Miller to the board; and (iv) to transact such other business as may properly be brought before the Special Meeting. In addition, TCI sent a presentation (see [Exhibit 6](#)) to the board setting forth its views regarding the company, including its belief that it is in the best interest of the company and its shareholders for the board to replace the current CEO of the company.

Driver Management expresses concerns over Codorus Valley Bancorp

Market Cap: \$215 million| Codorus Valley Bancorp, Inc. operates as the bank holding company for the PeoplesBank that provides community banking services.

Background:

- On July 29, 2021, Mr. Cooper, Driver Management, sent a letter to Ms. Cynthia Dotzel, the company's lead independent director. In his letter, Cooper stated his belief that the Board should take immediate steps to increase shareholder value and, specifically, hire a financial advisor to assist the Board in evaluating all strategic options, including a sale of the Corporation and he stated that the Board has been negligent in its oversight of Mr. Miller, CEO of the company, which has adversely impacted shareholder value, and that, particularly with respect to a sale of the Corporation, Mr. Miller's interests conflict with, and are adverse to, the interests of shareholders generally.
- On August 17, 2021, Mr. Cooper participated in a conference call with the Management and lead directors and reiterated his belief that the company could currently command a price and valuation per share in a sale higher than any valuation the public market might put on CVLY in the foreseeable future and that CVLY's board of directors should immediately engage a financial advisor and determine what price could be obtained in a sale. Source
- On August 23, 2021, Mr. Cooper sent a letter to the independent directors of the Board expressing his concerns on corporate governance practices. He urges that the Board separate the roles of Chairman and CEO, reinstate independent oversight of the executive management team and hold Mr. Miller accountable for years of underperformance.

Update:

- On September 3, 2021, Mr. Cooper (6.5%) sent a letter to the lead independent directors of the board expressing his concerns that CVLY's executive compensation practices encourage risk-taking while failing to hold executives accountable for loan losses and other credit costs and doing nothing to align management's interests with those of shareholders.
- On September 15, 2021, the company announced that as part of its long-term succession plan, the board of directors had appointed Craig L. Kauffman as president and CEO of the company effective October 1, 2021. Mr. Kauffman will succeed Larry J. Miller, who had served as president and CEO since 1986. Mr. Miller will serve as executive chair of the company and will continue in his role as executive chair of PeoplesBank until December 31, 2021.

Outerbridge nominates three candidates to Comtech board of directors

Market Cap: \$651 million| Comtech Telecommunications Corp. designs, develops, produces, and markets products, systems, and services for communications solutions in the United States and internationally.

On September 8, 2021, Outerbridge Capital Management (4.6%) nominated three candidates for election to the board at the 2021 AGM. Outerbridge believes its independent

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nominees will actively contribute to the creation of stockholder value at Comtech by leveraging their strategic acumen and leadership experience and by drawing on their deep knowledge of Comtech's core markets, including in Next Generation 911, public safety, government communications technology, procurement, and commercial satellite technology. [Source](#)

Shareholders vote against merger agreement of Monmouth Real Estate Investment Corporation with Equity Commonwealth

Market Cap: \$1.8 billion | Monmouth Real Estate Investment Corporation (MNR), founded in 1968, is one of the oldest public equity REITs in the world.

Background

- In December 2020, Blackwell proposed to acquire the company for \$16.75 per share in cash.
- Strategic alternative: On January 14, 2021, the company announced that it has unanimously decided to explore strategic alternatives to maximize stockholder value.
- Blackwell supports strategic alternative process: On January 15, 2021, Blackwell Capital (4%) announced its support for the strategic alternatives process announced by the company, while demanding the board create a special committee of independent directors, unaffiliated with the Landy family. Blackwell stated that it has previously provided the company with notice of its intention to nominate four candidates for election to the board at the upcoming 2021 AGM. [Source](#)
- Land & Building nominate board candidates: On January 26, 2021, Land & Buildings issued a letter to the shareholders regarding the company's flawed strategic alternatives process and Land & Buildings' nomination of four director candidates for election at the 2021 AGM.
- On February 5, 2021, Blackwells Capital LLC sent an email to Jonathan Litt (Owner, Land and Buildings Investment) criticizing him for running a proxy fight by owning a minuscule amount of stock. [Kindly click here to read the mail.](#)
- On March 3, 2021, Land & Buildings filed proxy materials seeking support for its nominees.
- On April 19, 2021, Blackwells Capital LLC (4.19%) nominates four candidates for election to the Board at the 2021 AGM. Also, it submitted proposals to declassify the Board, to adopt a non-binding, advisory resolution requesting that the Board promptly designate a Strategic Review Committee of the Board. [Source](#)
- Definitive agreement: On May 4, 2021, the company and Equity Commonwealth entered into a definitive agreement and plan of merger pursuant to which Equity Commonwealth would acquire the company in an all-stock transaction. [Source](#)
- On May 13, 2021, Blackwells Capital filed proxy materials seeking support for its nominees.
- On July 8, 2021, the company stated that it has received an unsolicited acquisition proposal from Starwood Capital Group. Under the proposal, as subsequently amended on July 15, 2021, Starwood Capital proposed that its affiliate Starwood Real Estate Income Trust, Inc. would acquire 100% of the outstanding equity of Monmouth for net cash consideration of \$18.88 per Monmouth common share. But the company rejected the offer. [Source](#)

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- On July 28, 2021, Starwood Capital Group [announced](#) that its affiliate Starwood Real Estate Income Trust, Inc. has filed a preliminary proxy statement urging shareholders to vote against the proposed sale of Monmouth to Equity Commonwealth at the upcoming special meeting of shareholders scheduled for August 17, 2021.
- On August 2, 2021, Starwood Capital Group issued a [presentation](#) reiterating that its proposal offers greater value for shareholders. It urged shareholders to vote AGAINST the Equity Commonwealth (EQC) merger proposal, the compensation proposal and the adjournment proposal. [Source](#)
- On August 5, 2021, Blackwells Capital issued a [letter](#) to its fellow shareholders urging them to vote against the proposed sale to Equity Commonwealth.
- On August 6, 2021, Blackwells Capital issued an investor [presentation](#) opposing the proposed merger with Equity Commonwealth ("EQC"). It stated that the company's financial advisor, JP Morgan, published research the day before it provided its fairness opinion showing that the weighted average cap rate of Monmouth's peers was 3.7% and the simple average cap rate of Monmouth's peers was 4.1%, implying a price of \$23 to \$27 per share significantly higher than both EQC's and Starwood's offers.
- On August 6, 2021, ISS recommends that shareholders vote "AGAINST" Monmouth's proposed transaction with Equity Commonwealth. [Source](#)
- On August 25, 2021, Glass Lewis recommends that shareholders vote "AGAINST" Monmouth's proposed transaction with Equity Commonwealth. [Source](#)

Update

At the [special meeting](#) held on August 31, 2021, shareholders voted against the merger agreement of the company with Equity Commonwealth.

SOL Global Investments Corp initiates discussions with Jones Soda Co.

Market Cap: \$69 million | Jones Soda Co., together with its subsidiaries, develops, produces, markets, and distributes beverages primarily in the United States, Canada, and internationally.

On September 10, 2021, SOL Global Investments Corp (11.9%) stated there are numerous operational and strategic opportunities to maximize the shareholder value of the company. SOL Global stated that it had initial discussions with certain members of the board and management regarding opportunities and will be seeking to engage in further dialogue with them regarding these matters. [Source](#)

Roumell Asset Management sends a letter to the board of GSI Technology

Market Cap: \$138 million | GSI Technology, Inc., a fabless semiconductor company, designs, develops and markets semiconductor memory solutions to networking, industrial, medical, aerospace, and military customers.

Background:

VIEX Capital

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In March 2015, VIEX Capital Advisors nominated four candidates to the board. In June 2015, GigOptix, Inc. offered to acquire the company at \$6.50 per share. Subsequently, VIEX Capital announced that it supported the business combination with GigOptix. The board did not endorse any of the proposed VIEX nominees in its proxy statement, and at the AGM held in August 2015, all incumbent directors were elected to the board. In September 2015, the company rejected the acquisition proposal from GigOptix. On April 18, 2016, VIEX Capital Advisors reduced its stake to 4.9%

Update:

On September 14, 2021, Roumell Asset Management (8.1%) sent a letter (see [Exhibit 7.01](#)) to the board stating its belief that the company's underlying intrinsic value is materially greater than the current price levels. It stated its concern that there is a complete absence of buying by directors, even among very long-tenured board members. Roumell called for the company to take steps, including conducting a valuation analysis on its patent portfolio.

Managing Director of Bandera Partners, secures a board seat in Innovative Food Holdings

Market Cap: \$14 million | Innovative Food Holdings primarily through Food Innovations, Inc.'s (FII's) relationship with specialty foodservice products, including US Foods, Inc. (U.S. Foods), is engaged in the business of providing restaurants, within with the freshest origin-specific perishable and healthcare products shipped directly from its network of vendors and from its warehouses.

Background:

Denver J. Smith

- On May 4, 2017, Denver J. Smith disclosed 7.12%, stating that he had recently had, and intends on continuing to have, discussions with representatives of the management and board relating to capital allocation policies, executive and board member compensation practices, corporate governance, and capital structure. He stated that he may also seek shareholder board representation and discuss the size and composition of the board. Mr. Smith is the Chief Investment Officer of 73114 Investments, LLC, and the Chief Strategy Officer and part-owner of Paratus Capital, LLC. [Source](#)
- On March 25, 2020, Denver J. Smith increased his stake to 7.6%.

JCP Investment Management

- On August 15, 2019, JCP Investment Management (10.3%) delivered a letter to the company nominating three candidates for election to the board at the 2019 AGM. [Source](#)
- On January 28, 2020, JCP Management entered into an [agreement](#) with the company and, pursuant to it, the company appointed two candidates of JCP Investment Management to the board.

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Update:

Bandera Partners

On September 10, 2021, Mr. Gramm, Managing Director of Bandera Partners (6.9%), was formally asked to join the board as a director. Mr. Gramm's appointment was made effective as of September 10, 2021. [Source](#)

Palm Global sends a letter to the board of Atlas Financial Holdings

Market Cap: \$6 million | Atlas Financial Holdings, Inc., through its subsidiary, Anchor Group Management, Inc., engages in generating, underwriting, and servicing of commercial automobile insurance in the United States.

On September 9, 2021, Palm Global (5%) sent a [letter](#) to the company supporting the company's efforts to restructure its business operations and balance sheet via the proposed extension of the bonds and new financing. Palm Global estimates that the company could produce substantial earnings per share, even on the increased share count. It also noted that the company could have up to \$5 million in future cash equity in its real estate holdings, which it has publicly announced its intention to monetize.

Bradley L. Radoff suggests Trecora Resources explore a sale

Market Cap: \$6 million | Trecora Resources primarily manufactures and sells various specialty petrochemicals products and specialty waxes in the United States.

On September 9, 2021, Bradley L. Radoff (3.6%) stated his belief that the company's current share price does not reflect the underlying intrinsic value of its business. Mr. Radoff has engaged with, and intends to continue to engage with, members of the management and board regarding a range of methods to enhance shareholder value, including a potential sale of the company.

Cannell Capital calls on 1847 Goedeker to immediately reach a fair and reasonable settlement with KWM

Market Cap: \$334 million | 1847 Goedeker Inc. operates an e-commerce platform for appliances and furniture in the United States.

Background:

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 who's 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](#)

Update:

- On September 9, 2021, Kanen Wealth Management (KWM) / Philotimo Fund (5.5%) nominated five candidates for election to the board at the 2021 AGM. [Source](#)

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- On September 23, 2021, Cannell Capital (9.05%) stated that it had studied KWM's proposal for the board. Cannell Capital considers most of the KWM candidates to be superior to those of GOED. Accordingly, Cannell neither consents to nor approves of GOED allocating any cash (cash which rightfully and legally belongs to Cannell Capital and other shareholders) to defend its position. Cannell called on GOED to immediately reach a fair and reasonable settlement with KWM. [Source](#)

Buxton Helmsley Holdings sends a letter to the Board of Mallinckrodt

Market Cap: \$16 million | Mallinckrodt plc develops, manufactures, markets, and distributes specialty pharmaceutical products and therapies in the United States, Europe, the Middle East, Africa, and internationally.

Background

- On March 10, 2021, Buxton Helmsley Holdings (5.6%) sent a [letter](#) to the Board expressing its disappointment that the Board ignored the company's shareholders and acted in complete disregard of the owners of the company and the duties it owes to them. It demands that the Board discuss the proposals set forth by them for righting these wrongs. Also, Buxton Helmsley Holdings threatened that it is prepared to take any legally permissible action to hold this Board and management accountable for their many failures and betrayals.
- On August 2, 2021, Buxton Helmsley Holdings (5.6%) sent a [letter](#) to the Board raising concerns/issues, entirely relating to the most recent stunt that takes the violations of Irish law and breaches of fiduciary duty to unimaginable levels
- At the [AGM](#) held on August 13, 2021, none of the nominees to the Board received a majority of votes cast in favor of their re-election. Accordingly, under the Company's Articles of Association, Carlos V. Paya, M.D. and JoAnn A. Reed, who received the greatest votes in favor of their re-election, continued to hold office until their replacements were appointed. On August 13, 2021, following the conclusion of the 2021 AGM, Carlos V. Paya, M.D. and JoAnn A. Reed appointed each of David R. Carlucci, J. Martin Carroll, Paul R. Carter, David Y. Norton, Angus C. Russell, Mark C. Trudeau, Anne C. Whitaker and Kneeland C. Youngblood, M.D. to serve as a director on the Board and the committee positions
- On August 17, 2021, Buxton Helmsley Holdings (5.7%) sent a [letter](#) to the Board expressing its concerns regarding refusal of Board to concede to election results dismissing all directors, and fraudulent re-addition of just-dismissed directors.

Update

On September 14, 2021, Buxton Helmsley Holdings (6%) sent a [letter](#) to the board raising concerns entirely relating to the most recent stunt that takes violations of Irish law and breaches of fiduciary duty to unimaginable levels.

Legion Partners expresses concerns regarding Genesco

Market Cap: \$884 million | Genesco Inc. is a retailer and wholesaler of footwear, apparel and accessories.

Background:

- On April 2, 2018, Legion Partners Asset Management and 4010 Capital filed [proxy materials](#) that they may make a preliminary filing with SEC of a proxy statement and

accompanying proxy card in the event the Shareholder Group nominates directors for election to the Board of Directors.

- On April 24, 2018, Legion Partners Asset Management and 4010 Capital entered into a [cooperation agreement](#) with the company and pursuant to it, the company increased the size of its Board by two and immediately appointed Marjorie L. Bowen and Joshua E. Schechter (new independent directors) to the Board with a term expiring at the 2018 Annual Meeting of Shareholders.
- 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 overseen chronic operational and share price underperformance, a long history of questionable capital allocation decisions, and a compensation plan that appears to pay for underperformance. [Source](#)

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 May 21, 2021, the company [announced](#) the appointments of three new independent directors, former Chairman and Chief Executive Officer of Deckers Brands, Angel Martinez; Chief Financial Officer of Valvoline Inc. and former Chief Financial Officer of DSW Inc., Mary Meixelsperger; and former Chief Executive Officer of Tractor Supply Company, Greg Sandfort, to the Genesco Board.
- On May 24, 2021, Legion Partners (5.9%) announced that in light of the partial refresh of the Board, it notified the company of the withdrawal of three candidates and continues to solicit proxies to elect four nominees to the Board. [Source](#)
- 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 July 6, 2021, the company announced that ISS has recommended that shareholders vote the **BLUE** proxy card "**FOR ALL**" nine of the Company's director nominees at the AGM to be held on July 20, 2021. [Source](#)
- On July 8, 2021, Legion Partners [announced](#) that Glass Lewis has endorsed Legion Partners' nominees Dawn H. Robertson and Hobart P. Sichel for election to the Board
- At the [AGM](#) held on July 21, 2021, shareholders elected all the company's director nominees to the Board.

Update

On September 13, 2021, Legion Partners (6.1%) stated that it is concerned that the company's publicly stated strategic plan is flawed, especially with respect to the pursuit of "synergistic acquisitions to add growth." It stated that in its view, the company has an extremely poor track record of executing acquisitions, and rather than wasting shareholder resources on such an endeavor, Legion Partners believes the capital would be far better utilized repurchasing the company's shares. [Source](#)

White Summers Caffee & James seeks board seat in CynergisTek

Market Cap: \$23 million | CynergisTek, Inc. provides cyber security, privacy, and compliance services in the United States. The company offers assessment and audit, technical testing, remediation, management, and validation services.

- On September 17, 2021, Daniel Berger, White Summers Caffee & James, filed proxy materials seeking to become a member of the board and replace Mark Roberson. Mr. Berger is the former president and CEO of Redspin, Inc., now a division of Cynergistek. [Source](#)
- On September 29, 2021, Mr. Berger filed proxy materials seeking support for his election to the board. [Source](#)

Group of CytoDyn stockholders releases whitepaper

M.Cap: \$943 million | CytoDyn Inc. operates as a late-stage biotechnology company.

Background:

- On May 24, 2021, Paul A. Rosenbaum stated that he intends to have discussions with the management and board regarding shareholder value, operational failures, performance, management, underperformance relative to its peers and Rosenbaum's lack of confidence in management. Rosenbaum may seek stockholder representation on the Board, as appropriate, including but not limited to through the initiation of a proxy contest at the 2021 AGM.
- On July 1, 2021, Paul A. Rosenbaum together with group of long-time shareholders (1%) announced that he has sent a notice to the company nominating five director candidates – Thomas Errico, MD, Bruce Patterson, MD, Paul Rosenbaum, Peter Staat, MD and Melissa Yaeger – to serve on the Company's Board of Directors. In the letter to stockholders, the Committee highlights the numerous ill-advised actions taken by the current leadership, which has overseen many value-destructive failures involving the Company's Leronlimab drug, while manipulating its corporate machinery to further entrench the Board and disenfranchise investors. The letter emphasizes that if elected, the nominees would recruit a new management team to replace the current one that is responsible for these failures, take the steps necessary to earn FDA approval for Leronlimab, and enhance long-term value for all stockholders. The Nominating Stockholders have launched a website at www.advancingll.com that includes information about the nominees and the group's platform. [Source](#)
- On August 2, 2021, the company issued a [press release](#) announcing that Nomination Notice filed by Paul A. Rosenbaum is invalid.
- On August 13, 2021, Paul A. Rosenbaum filed proxy materials seeking support for its nominees.

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- On August 26, 2021, Paul A. Rosenbaum along with his investor group filed a lawsuit in the Delaware Court of Chancery seeking to force CYDY to allow stockholders to vote for the Group's nominees. CYDY has previously filed litigation seeking to block the ability of stockholders to vote for the Group's nominees as an alternative to the current CYDY Board and has issued several communications falsely stating that stockholders cannot do so. [Source](#)

Update:

- On September 1, 2021, Mr. Beaty, Mr. Rosenbaum, and Mr. Wilmes sent a letter to the board containing a settlement proposal regarding the constitution of the board and management of the company. On September 3, 2021, outside company counsel advised the investor group that the settlement proposal would be discussed by the board at their meeting, to be held the week of September 6, 2021. The board has yet to respond to the settlement proposal.
- On September 20, 2021, Mr. Rosenbaum, along with his investor group, announced that Federal Court had dismissed litigation brought by company. [Source](#)
- On September 28, 2021, Mr. Rosenbaum and his investor group released a whitepaper regarding CYDY's unfavorable borrowing practices. The whitepaper highlights that in particular, since June 2018, CYDY has borrowed a sizable portion of its operating capital from Iliad Research and Trading, LP, and companies affiliated with John M. Fife, rather than from traditional funding sources. The borrowing has come in the form of long-term convertible notes that have historically included terms extremely unfavorable to the company, some based upon post-transaction renegotiation, and have resulted in borrowing costs that are higher than the principal and interest specified in the original notes. In total, the \$142.5 million of convertible notes that CYDY has issued since the middle of 2018 have yielded cash proceeds of \$125.0 million after deduction of original issuance and insurance costs, a 12.3% discount to the principal. [Source](#)

Morris C. Laster nominates director candidates to Scopus BioPharma

Market cap: \$81 million| Scopus BioPharma Inc., a biopharmaceutical company, focuses on developing transformational therapeutics targeting serious diseases.

Background

On May 9, 2021, Dr. Laster (40.1%) submitted nominations for Mr. Mordechai Saar Hacham and Joshua Levine for election to the Board at the 2021 AGM. On May 10, 2021, Dr. Laster agreed to vote his shares with respect to the election of Mr. Hacham and Levine to the Board of Directors. [Source](#)

Update

On September 20, 2021, Dr. Laster filed proxy materials seeking support for his nominees.

Background of Dr. Morris C. Laster

A co-founder of the company, Morris C. Laster, M.D., previously provided executive services to the company pursuant to a management services agreement with Clil Medical Ltd., an affiliate of Dr. Laster, or Clil MSA. The Clil MSA was terminated in June 2020. Concurrently, Dr. Laster resigned as Co-Chairman and a director, but continued to serve in various capacities for the company and its subsidiaries. In each of March and April 2021, Dr. Laster submitted resignations referencing various positions with the company and its subsidiaries

Dr. Laster learned on February 16, 2021 that the company's transfer agent's records indicate a significantly smaller holding of shares by Dr. Laster. Having endeavored, without success, and after multiple unanswered requests to the company, to address this issue, Dr. Laster initiated litigation against the company in the Delaware Court of Chancery for unlawful conversion.

Dr. Laster has determined to vote against the future election of members of the current Board of Directors.

Roumell Asset Management sends a letter to the board of Biocardia, Inc.

Market cap: \$81 million | BioCardia, Inc., a clinical-stage regenerative medicine company, develops therapeutics for cardiovascular diseases.

On September 22, 2021, Roumell Asset Management (5.6%) sent a letter (see [Exhibit 7.01](#)) to the board suggesting that they explore ways to maximize shareholder value, particularly with respect to monetizing the company's intellectual property assets.

Summers Value Fund reaches agreement with Electromed

Market Cap: \$106 million | Electromed, Inc. develops, manufactures, markets, and sells airway clearance therapy and related products in the United States and internationally.

Background

Summers Value Fund

- On July 19, 2021, Summers Value Fund (5.6%) stated that it has engaged, and intends to continue to engage, in communications with the Board and management team regarding means to enhance shareholder value. [Source](#)
- On August 12, 2021, Summers Value Fund (5.9%) delivered a letter to the company nominating Robert W. Leasure Jr., William F. Sawyer IV, Andrew Summers and Charles E. Triano Jr. for election to the Board of the Issuer at the 2022 AGM. [Source](#)

Update:

On September 24, 2021, Summers Value Partners entered into a [cooperation agreement](#) with the company, and pursuant to it, the company agreed to nominate Joseph L. Galatowitsch and Kathleen A. Tune for election to the board at the 2022 AGM. The company also agreed to establish a Finance and Strategy Committee of the Board immediately following the 2022 AGM to review value creation opportunities, which will be chaired by Ms. Tune. Pursuant to the cooperation agreement, Summers Value withdrew its nomination of director candidates.

PAST

Zenith Sterling Advisers

In June 2019, Zenith Sterling Advisers (5.82%) engaged in discussions with the management team and Board in order to (i) formulate and offer proposals regarding the Corporation's capital allocation plans, dividend policy, and long-term strategy, and (ii) request a seat on the Board of the Corporation. [Source](#)

In September 2019, Zenith Sterling Advisers (5.94%) delivered a letter (refer, "[Exhibit 99.2](#)") to the company stating that it continues to believe that the Common Stock of the Corporation is

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significantly undervalued and recommends that the Corporation to institute a share repurchase program. Also, in its letter, Zenith Sterling Advisers stated its belief that the business can generate an additional \$12 million worth of free cash flow cumulatively over the next three years—even after reinvesting heavily in the business through expanded selling costs, marketing, research, product development, and capital spending.

Nothing will be more important for the stock's future performance than for Electromed to deliver improved financial results from here. Given today's low valuation, I believe clear articulation of, and execution on, key financial metrics—sales growth, gross margin, operating margin, and free cash flow—will appeal to potential investors across the spectrum from growth to value.

In the meantime, though, we must not ignore the opportunity for the Board to add directly to the potential value of our stock by repurchasing shares at low prices.

- I estimate each \$1 million worth of shares repurchased at the Sept. 19, 2019 closing price of \$6.23 would reduce the diluted share count by nearly 2%, while the foregone after-tax interest income on the cash represents less than 0.4% of my fiscal 2020 earnings forecast. As a result, each \$1 million spent on repurchases stands to enhance per-share earnings growth by approximately 1.5% (\$0.006 per share). If we value the additional earnings per share at the industry median forward price/earnings ratio of 27.8, each \$1 million of repurchases would add \$0.17, or 2.7%, to the potential fair value of each Electromed share.
- Assuming (as I think fair) that the \$13.74 a share average indicated by the three metrics shown above reflects a reasonable, industry-derived proxy for the fair value of Electromed stock, I also estimate that each \$1 million of shares repurchased at the stock's current price of \$6.23 would add at least \$0.15 to the fair value of each remaining share

Of course, these two examples are hypothetical. The actual impact of share repurchases on the stock's value will depend on a variety of factors, not least of which is the stock price itself. All else being equal, higher prices paid mean less value added for continuing shareholders—but from where we start today, I think repurchases would remain worthwhile even at double the stock's current price.

Navidea Biopharmaceuticals announces new appointments

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

Background:

- 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 of the board. As a result of such discussions, John K. Scott, Jr formally requested that the board increase its size to include a total of seven (7) members and to fill the vacancies resulting from such increase by appointing him and Alexander L. Cappello as additional members of the board. [Source](#)

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- On July 8, 2021, the Board established the size of the Board at seven directors, and appointed John K. Scott, Jr. and Alexander L. Cappello to fill the Board's two vacancies. Messrs. Scott and Cappello will serve as directors in the classes with terms expiring at the Company's 2023 and 2022 annual meetings of stockholders.

Update:

On September 14, 2021, the company [announced](#) that S. Kathryn Rouan, Ph.D., had retired as chair of the board and as a director, and Claudine Bruck, Ph.D., had retired as a director. The board subsequently appointed Alexander L. Cappello and John K. Scott, Jr., who were both existing members of the board, as chair and vice-chair of the board, respectively.

Edenbrook Capital increases its stake after initiating discussions with Hemisphere Media Group

Market Cap: \$511 million | Hemisphere Media Group, Inc. is a U.S. media company targeting the high-growth U.S. Hispanic and Latin American markets with leading television and digital content platforms.

Background - Edenbrook Capital

On May 18, 2020, Edenbrook Capital disclosed a 5.3% active stake in the company and stated that it had engaged in and expected to continue to engage in discussions with members of management and the board regarding a variety of matters relating to the company, which may include the business, management, capital structure and allocation, corporate governance, composition of the board, and strategic alternatives and direction, and may take other steps seeking to bring about changes to increase shareholder value. [Source](#)

Update:

On September 23, 2021, Edenbrook Capital increased its stake to 9.16%.

Cannell Capital increases its stake after sending a letter to the chairwoman of Lee Enterprises

Market Cap: \$141 million | Lee Enterprises, Incorporated provides local news and information, and advertising services in the United States.

Background

- On December 27, 2018, Cannell Capital disclosed 4.22% expressing its disappointment with the performance of the company and stated that it reserves all rights to take action to enhance value for all shareholders and to this end has identified six qualified directors, three of whom are considering consent for inclusion officially as candidates. [Source](#)
- At the [AGM](#) held on February 20, 2019, all the incumbent directors were re-elected to the Board.
- On February 19, 2021 Cannell Capital (8.64%) stated that it has enjoyed a telephone call with Lee Enterprises Chairman Mary E. Junck in which it proposed and requested a reply to a recommendation for the addition of a new member to the Board of Direc-

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tors. Cannell Capital believes that the company is undervalued and that the appointment of this new member of the Board would go a long way toward decreasing the discount between LEE's market value and its estimate of LEE's economic value. On February 26, 2021, Ms. Junck replied to Cannell Capital dismissing its recommendation and request. While Cannell Capital applauds the progress that the company has made, it believes that there is considerably more work to be done and that changes to the Board of Directors would benefit all shareholders. [Source](#)

- On August 31, 2021, Cannell Capital (6.84%) sent a [letter](#) to the Chairwoman of the Board calling upon all owners to infuse the LEE board with more forward-thinking people to accomplish the mission and increase value for all shareholders. In its letter, Cannell Capital included two attachments, its thesis, which values Lee's current shares at \$205 per share *assuming* (and a very important assumption) new stewardship, and a list of questions for LEE. Cannell Capital reiterates the morality and benevolent intent of LEE's management and the BOD. To read more, kindly [click here](#).

Update:

On September 23, 2021, Cannell Capital increased its stake to 8.21%.

Custodian Ventures/Activist Investing nominates director candidates to My Size, Inc.

Market Cap: \$46 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.

Background

- 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,
- On July 1, 2021, Custodian Ventures/ Activist Investing reiterates its belief that a change in tone at the top is necessary to ensure the company's best days are ahead of it. Further, it calls on the Board to immediately schedule the 2021 annual meeting and to refrain from any further dilutive issuances designed to entrench the board.

[Source](#)

Update:

On September 23, 2021, Custodian Ventures/Activist Investing filed proxy materials seeking support for its nominees.

Peter H. Kamin urges Psychemedics Corporation to explore strategic alternatives

Market Cap: \$46 million | Psychemedics Corporation provides testing services for the detection of drugs of abuse through the analysis of hair samples in the United States, Brazil, and internationally.

On September 23, 2021, Peter H. Kamin (8.4%) delivered a [letter](#) to the board stating that it is clear the board has become complacent in its duties, that its interests are not aligned with those of the vast majority of stockholders, and that it is necessary for the board to consider strategic alternatives for the benefit of all stockholders. Specifically, Mr. Kamin expressed his belief that the company should publicly commit to conducting a transparent, robust, and unobstructed sale process. Mr. Kamin concluded the letter by urging the board to immediately form a special strategic committee to initiate an objective and comprehensive strategic review of the company.

GAMCO announces its stance on voting: “Withhold” on election of nominees and vote “Against” proposal to increase authorized common stock

Market Cap: \$151 million | Strattec Security Corporation designs, develops, manufactures, and markets automotive access control products under the VAST Automotive Group brand primarily in North America.

- On September 22, 2021, the company announced that it would hold its AGM on October 5, 2021 and that at the AGM, shareholders would vote on the election of two directors and a proposal to increase the company’s number of authorized shares of common stock (from 12 million to 18 million). [Source](#)
- On September 23, 2021, GAMCO (19.5%) stated that it is uncomfortable providing the company a “blank check” increase in its share authorization without a detailed and verifiable plan for the use of the additional shares during this time of transition. GAMCO’s Proxy Voting Committee (PVC) believes it is good corporate governance for shareholders to be able to make an informed decision if, for example, the company is considering a joint venture or acquisition comprising over 10% of enterprise value. Therefore, GAMCO, on behalf of its investment advisory clients for which it has voting authority, intends to “Withhold” on the election of the company’s nominees and vote “Against” the proposal to increase the authorized common stock at the AGM. [Source](#)

Roumell Asset Management nominates director candidates to Enzo Biochem

Market Cap: \$139 million | Enzo Biochem (ENZ) is a pioneer in molecular diagnostics, leading the convergence of clinical laboratories, life sciences and intellectual property through the development of unique diagnostic platform technologies that provide numerous advantages over previous standards.

Background

(a) Harbert Discovery Fund:

- In February 2020, Harbert Discovery Fund secured two board seats after winning a proxy campaign. In September 2020, the fund called for the immediate resignation of the CEO after two of Harbert's nominees resigned abruptly. In January 2021, Harbert Discovery Fund sent a letter to the board’s independent members, stating that they

voted against the re-election of Dr. Rabbani and the company's other nominees. The letter further expressed disappointment that the company did not address a series of questions that were submitted to the company in advance of the 2020 annual meeting of shareholders. Later, the company announced that Dr. Rabbani did not receive a majority of the votes cast and tendered his resignation to the board. The board announced that it is yet to accept the resignation and will wait for 90 days to decide on this.

- On May 5, 2021, RAM delivered a [letter](#) to the non-executive independent directors of the company stating his belief that by refusing to accept the resignation of Dr. Elazar Rabbani, an incumbent director who failed to receive a majority of the votes cast at the AGM held on January 4, 2021, the members of the Board acted against the will of the shareholders and did not fulfill their duties as stewards of shareholder interests. The May 5 Letter also urged the company to begin providing more timely updates on the initiatives previously started, including hiring executive search firm Korn Ferry to identify CEO candidates, hiring the former CEO of LabCorp, Gary M. Huff, as the Board's strategic consultant, and hiring a financial advisor to evaluate strategic alternatives.

(b) Roumell Asset Management

- In November 2020, in a surprising move, Roumell Asset Management ("RAM") nominated two director candidates for election to the board at the 2021 AGM. The company rejected the nomination letter. On January 5, 2021, RAM issued a press release announcing the annual meeting's preliminary results. Based on a preliminary tally, Dr. Rabbani received over 55% of the voting shares against his re-election. On January 14, 2021, RAM delivered a letter to two non-executive independent directors of the company, requesting the opportunity to discuss the voting results of the annual meeting and the nominees and RAM's other business proposals.
- On March 16, 2021 Harbert Discovery Fund (10.73%) sent a [letter](#) to the Board calling on them to pursue strategic alternatives and enter into discussions with potential acquirers. The letter also expressed disappointment in the Board's apparent decision to not accept Dr. Rabbani's resignation.

Update:

On September 29, 2021, RAM (6%) delivered a letter to the company nominating a slate of two director candidates, Mr. Terino and Ms. Meline, for election to the board at the upcoming AGM and submitting one precatory business proposal requesting that the board take all steps in its power to declassify the board. [Source](#)

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	72	88	9/30/2019	8/27/2021	7
Youngevity International, Inc. (YGYI)	OTC	8	147	12/31/2019	6/25/2021	6
GTT Communications, Inc. (GTT)	NYSE	29	1,700	3/31/2020	5/8/2020	5
IEH CORP (IEHC)	OTC	35	32	3/31/2020	10/8/2020	5
LIBERATED SYNDICATION INC (LSYN)	OTC	97	25	9/30/2020	11/16/2020	3
TARONIS FUELS INC (TRNF)	OTC	44	28	9/30/2020	11/19/2020	3
GWG Holdings, Inc (GWGH)	NasdaqCM	232	115	9/30/2020	11/19/2020	3
China XD Plastics Company Limit (CXDC)	NasdaqGS	49	1,030	9/30/2020	11/16/2020	3
Adamis Pharmaceuticals Corporat (ADMP)	NasdaqGS	153	17	12/31/2020	4/15/2021	2
CPI Aerostructures, Inc. (CVU)	NYSE American	41	88	12/31/2020	4/15/2021	2
IFRESH INC (IFMK)	NasdaqCM	46	94	12/31/2020	2/22/2021	2
SEQUENTIAL BRANDS GROUP, INC.(SQBG)	NasdaqCM	17	90	12/31/2020	4/15/2021	2
PFSWEB INC(PFSW)	NasdaqCM	271	286	3/31/2021	5/7/2021	1
DXP ENTERPRISES INC(DXPE)	NasdaqGS	617	950	3/31/2021	5/10/2021	1
VIEW, INC.(VIEW)	NasdaqGM	1,189	35	3/31/2021	5/17/2021	1

Non-Reliance on Previously Issued Financial Statements

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Date	Notes	Link
DXP ENTERPRISES INC (DXPE)	545.67	984.01	9/9/2021	After lengthy investigation and research, the Company concluded that certain of these balances were not valid obligations to vendors and will never be invoiced or paid	Link
BIOMERICA INC (BMRA)	56.30	7.2	9/30/2021	Non-cash stock-based compensation expense errors were identified by management during the implementation of a new accounting stock option software system.	Link

Audit: Non-Timely (NT) filers who have filed their respective filings in September 2021

Company name	No. of filed 10-K/10-Q forms	Market cap. (\$, mm)	Revenue (\$, mm)	Nt filed date	Pending quarter	Rectified date
MEREDITH CORP(MDP)	1	19,600	2,980	6/30/2021	8/31/2021	9/10/2021
CINEDIGM CORP.(CIDM)	1	280	31	8/16/2021	6/30/2021	9/9/2021

Significant audit firm changes

Company Name	Date	Market cap. (\$, mm)	Revenue (\$, mm)	Trigger	Notes	Link
EVO Transportation & Energy Services, Inc. (EVOA)	9/8/2021	53.24	179.15	Going concern + Material weakness	On August 10, 2021, the Company identified the material weaknesses in its internal control over financial reporting.	Link
Better Choice Co Inc. (BTTR)	9/10/2021	116.57	42.24	Going concern + Material weakness	Going concern in 2019 and 2020. EY issued the Company a material weakness letter in 2019 which identified a material weakness.	Link

List of all audit firm changes in September 2021

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Outgoing audit firm	Newly appointed audit firm	Link
9/1/2021	CAPITAL CITY BANK GROUP INC (CCBG)	393.17	221.26	Ernst & Young LLP	BKD, LLP	Link
9/7/2021	Motorsport Games Inc. (MSGM)	205.55	16.64	Dixon Hughes Goodman LLP	Grant Thornton LLP	Link
9/8/2021	EVO Transportation & Energy Services, Inc. (EVOA)	53.24	179.15	Marcum LLP	Grant Thornton LLP	Link
9/10/2021	Better Choice Co Inc. (BTTR)	116.57	42.24	Ernst & Young LLP	BDO USA, LLP	Link
9/10/2021	Purthanol Resources Ltd (PURT)	1.2	0.31	PLS CPA	TAAD, LLC	Link
9/10/2021	HF Foods Group Inc. (HFFG)	308.37	639.4	Friedman LLP	BDO USA, LLP	Link
9/13/2021	Sanara MedTech Inc. (SMTI)	251.91	20.38	MaloneBailey, LLP	Weaver and Tidwell, L.L.P.	Link
9/15/2021	NorthEast Community Bancorp, Inc./MD/ (NECB)	176.06	42.78	BDO USA, LLP	S.R. Snodgrass, P.C.	Link

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9/15/2021	Greenlane Holdings, Inc. (GNLN)	198.46	140.76	Deloitte & Touche LLP	Marcum LLP	Link
9/17/2021	China XD Plastics Co Ltd (CXDC)	30.24	1030	Friedman LLP	BF Borgers CPA PC	Link
9/17/2021	Greenlane Holdings, Inc. (GNLN)	206.79	140.76	Deloitte & Touche LLP	Marcum LLP	Link
9/21/2021	VISTEON CORP (VC)	2660	2890	Ernst & Young LLP	Deloitte & Touche LLP	Link
9/22/2021	EXTREME NETWORKS INC (EXTR)	1220	1010	Ernst & Young LLP	Grant Thornton LLP	Link
9/22/2021	Kaleyra, Inc. (KLR)	450.25	176.24	BPM LLP	EY S.p.A.	Link
9/22/2021	Bjs RESTAURANTS INC (BJRI)	932.32	909.48	Ernst & Young LLP	KPMG LLP	Link
9/24/2021	Fortress Biotech, Inc. (FBIO)	357.76	52.65	BDO USA, LLP	KPMG LLP	Link
9/27/2021	Apartment Income REIT Corp. (AIRC)	7700	706.62	Ernst & Young LLP	Deloitte & Touche LLP	Link
9/27/2021	IDEANOMICS, INC. (IDEX)	1020	87.61	BF Borgers CPA PC	BDO USA, LLP	Link

Multiple activists

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Sum of activist ownership	Activist
TEXAS PACIFIC LAND TRUST (TPL)	11,396	290	23	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)	69	0	35	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)	34	60	57	STILWELL JOSEPH - 37.8% Khoshaba Daniel - 11.4% Steamboat Capital Partners, LLC - 8.16%
BUILD A BEAR WORKSHOP INC (BBW)	238	300	18	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)	31	32	26	SUMMERS VALUE FUND LP - 6% ISZO CAPITAL LP - 7.5% Maran Partners Fund - 12.8%
PG&E CORP (PCG)	18,650	19,560	2	KNIGHTHEAD CAPITAL MANAGEMENT, LLC - 0.49% ABRAMS CAPITAL MANAGEMENT, L.P. - 1.14% REDWOOD CAPITAL MANAGEMENT, LLC - 0.68%
TIVITY HEALTH, INC. (TVTY)	1,133	424	29	Altaris Capital - 8.96% Hudson Executive Capital LP - 9.74% HG Vora Capital Management - 9.75%
GCP Applied Technologies (GCP)	1,750	909	21	Starboard Value - 8.91% 40 North Management LLC - 6.97% GAMCO INVESTORS - 5.2%
XEROX CORP (XRX)	4,191	7,200	24	DEASON DARWIN - 7.96% ICAHN CARL C - 16.22%

HARTE HANKS INC (HRTH)	42	180	20	FONDREN MANAGEMENT LP / BLR Partners - 9.84% HARTE HOUSTON H - 9.85%
HILL INTERNATIONAL, INC. (HIL)	126	292	16	ANCORA ADVISORS LLC - 6.61% ENGINE CAPITAL LP - 9.81%
MUSCLEPHARM CORP (MSLP)	46	61	17	AMEROP HOLDINGS INC - 10.9% WYNNEFIELD PARTNERS SMALL CAP VALUE LP I - 6.14%
WYNN RESORTS LTD (WYNN)	11,413	2,780	8	NEW YORK STATE COMMON RETIREMENT FUND - 0.1% WYNN ELAINE P - 8.25%
MARCHEX INC (MCHX)	116	52	40	HARBERT DISCOVERY FUND LP - 3.69% EDENBROOK CAPITAL LLC - 36.3%
DESTINATION MATERNITY CORP (DESTQ)	0	363	18	MILLER NATHAN G - 6.6% ORCHESTRA-PREMAMAN SA - 11.3%
TSR INC (TSRI)	17	63	49	QAR INDUSTRIES INC - 26.38% ZEFF CAPITAL LP - 22.3%
HUDBAY MINERALS INC. (HBM)	1,770	1,160	31	WATERTON MINING PARALLEL FUND OFFSHORE MASTER, LP - 16.7% GMT CAPITAL CORP - 14.49%
J. ALEXANDER'S HOLDINGS, INC. (JAX)	208	184	14	ANCORA ADVISORS, LLC - 7.54% Hill Path Capital LP - 6.18%
ONE GROUP HOSPITALITY, INC. (STKS)	278	152	16	MAGUIRE ASSET MANAGEMENT, LLC - 0% Kanen Wealth Management/ Philotimo Fund - 15.7%
NUVEEN OHIO QUALITY MUNICIPAL INCOME FUND (NUO)	306	16	5	ANCORA ADVISORS, LLC - 0.015% Saba Capital Management, L.P. - 5.29%
INNOVATIVE FOOD HOLDINGS INC (IVFH)	11	51	27	SMITH DENVER JOHNSON - 7.7% JCP INVESTMENT MANAGEMENT, LLC - 12.6%, Bandera Partners LLC - 6.9%
IMMERSION CORP (IMMR)	229	31	9	RAGING CAPITAL MANAGEMENT, LLC - 7.19% VIEIX CAPITAL ADVISORS, LLC - 1.61%
VERSO CORP (VRS)	582	1,170	15	Lapetus Capital II LLC - 8.2% SCW Capital Management - 6.84%
EASTSIDE DISTILLING, INC. (EAST)	49	14	9	Quad Capital Management Advisors - 4.75% WICK-ERSHAM GROVER T. - 4.3%
LANDEC CORP \CA\ (LNDC)	312	544	21	Wynnefield Capital - 10.87% Legion Partners Asset Management - 9.98%
HC2 HOLDINGS, INC. (HCHC)	306	991	34	Avram Glazer - 27.2% Percy Rockdale LLC - 6.3%
SUPERIOR INDUSTRIES INTERNATIONAL INC (SUP)	214	1,360	5	Gamco Investors - 0.41% D.C. Capital Advisors - 4.62%
SYNALLOY CORP (SYNL)	93	251	25	PRIVET FUND LP - 17.3% UPG ENTERPRISES LLC - 7.86%
FLOTEK INDUSTRIES INC/CN/ (FTK)	124	45	16	North Sound Trading - 9.6% NIERENBERG INVESTMENT MANAGEMENT COMPANY, INC. - 6.44%
TRANSACT TECHNOLOGIES INC (TACT)	151	33	12	Grand Slam Asset Management - 6.06% Harbert Discovery Fund - 5.53%
GAMESTOP CORP. (GME)	11,413	5,350	19	Hestia Capital Partners - 6.58% RC Ventures LLC - 12.53%
TURQUOISE HILL RESOURCES LTD. (TRQ)	3,112	1,510	12	SailingStone Capital Partners - 2.49% Pentwater Capital Management LP - 9.3%
TESSCO TECHNOLOGIES INC (TESS)	49	382	30	Robert B. Barnhill, Jr. - 18.23% Lakeview Investment Group - 11.6%
ENZO BIOCHEM INC (ENZ)	151	112	17	ROUMELL ASSET MANAGEMENT, LLC - 6.01% HARBERT DISCOVERY FUND, LP - 10.7%

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BIG LOTS (BIG)	1,908	6,390	9	Macellum Advisors - 8.43% Ancora Advisors - 0.57%
Exxon Mobil Corporation (XOM)	242,159	217,910	0.2	NY State Pension Fund - 0.18% ENGINE NO. 1 LP - 0.021%
TUFIN SOFTWARE TECHNOLOGIES LTD. (TUFN)	374	101	17	CATALYST PRIVATE EQUITY PARTNERS (ISRAEL) II LP - 4.82% MARKER II LP - 11.96%
CIM COMMERCIAL TRUST CORP (CMCT)	184	71	6	Lionbridge Capital - 3.14% ENGINE CAPITAL, L.P. - 2.4%
MONMOUTH REAL ESTATE INVESTMENT CORP (MNR)	1,890	179	5	Blackwells Capital - 4.17% Land & Buildings Investment Management, LLC - 0.7%
AMPCO PITTSBURGH CORP (AP)	114	324	17	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)	236	130	14	Camac Fund, LP - 5.9% Ewing Morris & Co. Investment Partners Ltd. - 8.09%
KVH Industries, Inc. (KVHI)	205	171	6	Vintage Capital - 2.07% VIEX CAPITAL ADVISORS - 4.3%
EHEALTH, INC. (EHTH)	1,283	618	13	HUDSON EXECUTIVE CAPITAL LP - 5.74% STARBOARD VALUE LP - 7.3%
TORTOISE ENERGY INDEPENDENCE FUND (NDP)	37	0	19	ARISTIDES CAPITAL LLC - 5.98% Bulldog Investors, LLP - 12.7%
NOCOPI TECHNOLOGIES INC/MD/ (NNUP)	14	3	19	SRK Fund I, LP. - 8.37% Eriksen Capital Management LLC - 10.1%
NN INC (NNBR)	303	438	19	LEGION PARTNERS ASSET MANAGEMENT - 9.19% Corre Partners Management, LLC - 10.13%
SWK HOLDINGS CORP (SWKH)	221	38	79	CARLSON CAPITAL L P - 71.1% CANNELL CAPITAL LLC - 7.56%
YATRA ONLINE, INC. (YTRA)	123	1,270	12	Maguire Asset Management, LLC - 7.94% Catamount Strategic Advisors, LLC - 3.75%
Rocky Mountain Chocolate Factory, Inc. (RMCF)	50	28	23	AB Value Management LLC - 12.9% Global Value Investment Corp. - 8.1%
MDC PARTNERS INC (MDCA)	426	1,180	32	Indaba Capital Management, L.P. - 11.9%, Stagwell Agency Holdings LLC - 19.9%
CAPITAL SENIOR LIVING CORP (CSU)	80	247	44	ARBITER PARTNERS CAPITAL MANAGEMENT - 13.8%, PANGAEA VENTURES - 12.7%, Sam Levinson - 17.1%
1847 GOEDEKER INC. (GOED)	331	107	15	CANNELL CAPITAL - 9.1%, Philotimo Fund, LP - 5.5%
OPTEX SYSTEMS HOLDINGS INC (OPXS)	17	20	14	HENRY PARTNERS L P - 4.3%, Sudbury Capital Fund, LP - 9.9%

13D Filings

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Filer Name
9/9/2021	ATLAS FINANCIAL HOLDINGS, INC. (AFHIF)	6	8	PALM MANAGEMENT (US) LLC
9/2/2021	AMREP CORP. (AXR)	123	46	DAHL JAMES H
9/22/2021	BIOCARDIA, INC. (BCDA)	59	0.1	ROUMELL ASSET MANAGEMENT, LLC
9/9/2021	BOX INC (BOX)	3,577	812	STARBOARD VALUE LP

9/27/2021	CANADIAN NATIONAL RAILWAY CO (CNI)	83,251	14,200	TCI FUND MANAGEMENT LTD
9/13/2021	CAPITAL SENIOR LIVING CORP (CSU)	64	247	LEVINSON SAM
9/15/2021	CAPITAL SENIOR LIVING CORP (CSU)	66	247	PANGAEA VENTURES, L.P.
9/13/2021	CODORUS VALLEY BANCORP INC (CVLY)	212	73	DRIVER MANAGEMENT CO LLC
9/27/2021	ELECTROMED, INC. (ELMD)	102	36	SUMMERS VALUE FUND LP
9/30/2021	ENZO BIOCHEM INC (ENZ)	172	112	ROUMELL ASSET MANAGEMENT, LLC
9/13/2021	GENESCO INC (GCO)	884	2,210	LEGION PARTNERS ASSET MANAGEMENT, LLC
9/13/2021	1847 GOEDEKER INC. (GOED)	316	108	PHILOTIMO FUND, LP
9/23/2021	1847 GOEDEKER INC. (GOED)	371	108	CANNELL CAPITAL LLC
9/14/2021	GSI TECHNOLOGY INC (GSIT)	138	30	ROUMELL ASSET MANAGEMENT, LLC
9/23/2021	HEMISPHERE MEDIA GROUP, INC. (HMTV)	512	172	EDENBROOK CAPITAL, LLC
9/14/2021	INNOVATIVE FOOD HOLDINGS INC (IVFH)	15	53	BANDERA PARTNERS LLC
9/10/2021	JONES SODA CO (JSDA)	69	13	SOL GLOBAL INVESTMENTS CORP.
9/23/2021	LEE ENTERPRISES, INC (LEE)	142	793	CANNELL CAPITAL LLC
9/15/2021	MALLINCKRODT PLC (MNKKQ)	19	2,490	BUXTON HELMSLEY GROUP, INC.
9/23/2021	MY SIZE, INC. (MYSZ)	59	0.1	ACTIVIST INVESTING LLC
9/3/2021	NAVIOS MARITIME PARTNERS L.P. (NMM)	733	351	SHERWOOD NED L
9/7/2021	NEXTGEN HEALTHCARE, INC. (NXGN)	1,055	572	RAZIN SHELDON
9/2/2021	OLIN CORP (OLN)	7,893	7,230	SACHEM HEAD CAPITAL MANAGEMENT LP
9/7/2021	OPTEX SYSTEMS HOLDINGS INC (OPXS)	14	20	SUDBURY CAPITAL FUND, LP
9/23/2021	PSYCHEMEDICS CORP (PMD)	45	22	KAMIN PETER
9/27/2021	ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	47	28	AB VALUE MANAGEMENT LLC
9/23/2021	STRATTEC SECURITY CORP (STRT)	146	485	GAMCO INVESTORS, INC. ET AL
9/9/2021	TRECORA RESOURCES (TREC)	201	229	RADOFF BRADLEY LOUIS

13G Filings (First-time filer)

Date	Company name	M.Cap	Revenue	Fund name
9/7/2021	LAKELAND BANCORP INC (LBAI)	845	248	FJ Capital Management LLC
9/7/2021	UFP TECHNOLOGIES INC (UFPT)	490	188	AltraVue Capital, LLC
9/7/2021	Theravance Biopharma, Inc. (TBPH)	638	64	Point72 Asset Management, L.P.
9/3/2021	Zevia PBC (ZVIA)	917	125	White Pine, Inc./WA

9/3/2021	HARVARD BIOSCIENCE INC (HBIO)	336	111	Portolan Capital Management, LLC
9/2/2021	SmartRent, Inc. (FWAA, SMRT)	2,418	71	Bain Capital Venture Fund 2019, L.P.
9/1/2021	SmartRent, Inc. (FWAA, SMRT)	2,418	71	LENNAR CORP /NEW/ (LEN)
9/1/2021	Jounce Therapeutics, Inc. (JNCE)	334	89	Deep Track Capital, LP
9/9/2021	908 Devices Inc. (MASS)	993	26	BlackRock Inc. (BLK)
9/9/2021	BIOLIFE SOLUTIONS INC (BLFS)	2,152	74	BlackRock Inc. (BLK)
9/10/2021	NEXTIER OILFIELD SOLUTIONS INC. (NEX)	902	899	Alamo Frac Holdings, LLC
9/10/2021	ThredUp Inc. (TDUP)	1,777	206	THRIVENT FINANCIAL FOR LUTHERANS
9/10/2021	Dine Brands Global, Inc. (DIN)	1,353	810	ALLIANCEBERNSTEIN L.P.
9/13/2021	SMARTFINANCIAL INC. (SMBK)	378	123	LEHMAN KENNETH R
9/15/2021	Taboola.com Ltd. (TBLA, TBLAW)	1,864	1,270	STG III LP
9/15/2021	Blue Foundry Bancorp (BLFY)	404	43	ICS OPPORTUNITIES, LTD.
9/20/2021	Glatfelter Corp (GLT)	646	939	CARLSON CAPITAL L P
9/20/2021	LIGHTPATH TECHNOLOGIES INC (LPTH)	59	38	Marathon Micro Fund, LP
9/21/2021	Protagonist Therapeutics, Inc (PTGX)	728	27	Point72 Asset Management, L.P.
9/22/2021	DallasNews Corp (AHC, DALN)	36	154	DOLPHIN LIMITED PARTNERSHIP III, L.P.
9/22/2021	Zevia PBC (ZVIA)	744	125	NORTHWOOD VENTURES
9/23/2021	BlackSky Technology Inc. (SFTW, SFTW-UN, SFTW-WT)	1,321	26	SEAHAWK SPV INVESTMENT LLC
9/23/2021	TWIN DISC INC (TWIN)	145	219	Leviticus Partners LP
9/24/2021	LYDALL INC /DE/ (LDL)	1,118	866	GLAZER CAPITAL, LLC
9/27/2021	Groupon, Inc. (GRPN)	730	1,180	Prentice Capital Management, LP
9/27/2021	IEC ELECTRONICS CORP (IEC)	164	189	Beryl Capital Management LLC
9/27/2021	Theravance Biopharma, Inc. (TBPH)	536	64	Madison Avenue Partners, LP
9/29/2021	CENTURY BANCORP INC (CNBKA, CNBKB)	512	131	Versor Investments LP
9/30/2021	O2MICRO INTERNATIONAL LTD (OIIM)	172	95	HIRSCHMAN ORIN
9/30/2021	Bit Digital, Inc (BTBT)	398	93	SABBY MANAGEMENT, LLC

CEO & CFO changes

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	CEO (8-k date)	CFO (8-k Date)	Number of months between the appointment of CEO and CFO
CALAVO GROWERS INC (CVGW)	835.74	1000	9/8/2021	9/8/2021	0
Proterra Inc (PTRA)	2086.91	214.19	6/17/2021	9/14/2021	3

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SOC Telemed, Inc. (TLMD)	262.3	69.42	9/1/2021	9/15/2021	0.5
CALAVO GROWERS INC (CVGW)	720.95	1020	9/8/2021	9/17/2021	0.3
MedAvail Holdings, Inc. (MDVL)	104.46	19.3	11/18/2020	9/20/2021	10.2
eHealth, Inc. (EHTH)	950.54	618.37	9/23/2021	9/20/2021	0.1
PRECISION BIOSCIENCES INC (DTIL)	749.49	101.36	9/27/2021	5/27/2021	4.1

CEO changes

Date	Company Name	Internal/ External appointment	CEO Name	Market cap. (\$, mm)	Revenue (\$, mm)	Link
9/1/2021	PROGENITY, INC. (PROG)	Internal	Eric d'Esparbes	115.67	74.94	Link
9/1/2021	SOC Telemed, Inc. (TLMD)	Internal	Christopher M. Gallagher	286.33	69.42	Link
9/1/2021	Sally Beauty Holdings, Inc. (SBH)	Internal	Denise Paulonis	2094.51	3840	Link
9/2/2021	DRIL-QUIP INC (DRQ)	Internal	Jeffrey J. Bird	872.67	340.56	Link
9/2/2021	Sunstone Hotel Investors, Inc. (SHO)	Internal	Douglas M. Pasquale	2543.08	234.11	Link
9/3/2021	Nuverra Environmental Solutions, Inc. (NES)	Internal	Charles K. Thompson	36.48	96.32	Link
9/3/2021	1847 Goedecker Inc. (GOED)	Internal	Albert Fouerti	330.86	107.94	Link
9/7/2021	Western Asset Mortgage Capital Corp (WMC)	Internal	Bonnie Wongtrakool	166.02	57.51	Link
9/7/2021	GULFPORT ENERGY CORP (GPOR)	Internal	Timothy Cutt	1476.19	992.71	Link
9/7/2021	META FINANCIAL GROUP INC (CASH)	Internal	Brett L. Pharr	1541.42	484.98	Link
9/8/2021	Ranger Energy Services, Inc. (RNGR)	External	Stuart Bodden	142.1	164.4	Link
9/8/2021	CALAVO GROWERS INC (CVGW)	Internal	Steven Hollister	835.74	1000	Link
9/9/2021	NMI Holdings, Inc. (NMIH)	Internal	Adam Pollitzer	1906.15	453.64	Link
9/10/2021	CENTRAL VALLEY COMMUNITY BANCORP (CVCY)	Internal	James J. Kim	245.68	81.44	Link

9/13/2021	iRhythm Technologies, Inc. (IRTC)	External	Quentin S. Blackford	1910.04	306.34	Link
9/14/2021	FTC Solar, Inc. (FTCI)	External	Sean Hunkler	819.41	219.63	Link
9/15/2021	CODORUS VALLEY BANCORP INC (CVLY)	Internal	Craig L. Kauffman	207.33	73.03	Link
9/20/2021	Pangaea Logistics Solutions Ltd. (PANL)	Internal	Mark Filanowski	221.23	487.14	Link
9/20/2021	ALERUS FINANCIAL CORP (ALRS)	Internal	Katie A. Lorenson	478.76	244.78	Link
9/20/2021	NEXTGEN HEALTHCARE, INC. (NXGN)	External	David Sides	995.17	572.03	Link
9/21/2021	Dave & Buster's Entertainment, Inc. (PLAY)	Internal	Kevin Sheehan	1732.89	868.85	Link
9/23/2021	eHealth, Inc. (EHTH)	External	Fran Soistman	950.54	618.37	Link
9/24/2021	Bank of Marin Bancorp (BMRC)	Internal	Timothy D. Myers	607.76	107.21	Link
9/27/2021	SEACHANGE INTERNATIONAL INC (SEAC)	External	Peter D. Aquino	52.96	21.68	Link
9/27/2021	PRECISION BIOSCIENCES INC (DTIL)	External	Michael Amoroso	749.49	101.36	Link
9/29/2021	ENERPAC TOOL GROUP CORP (EPAC)	External	Paul E. Sternlieb	1305.19	494.59	Link
9/29/2021	AMICUS THERAPEUTICS, INC. (FOLD)	Internal	Bradley L. Campbell	2574.92	281.82	Link
9/30/2021	J. Alexander's Holdings, Inc. (JAX)	External	James Mazany	211.12	224.28	Link