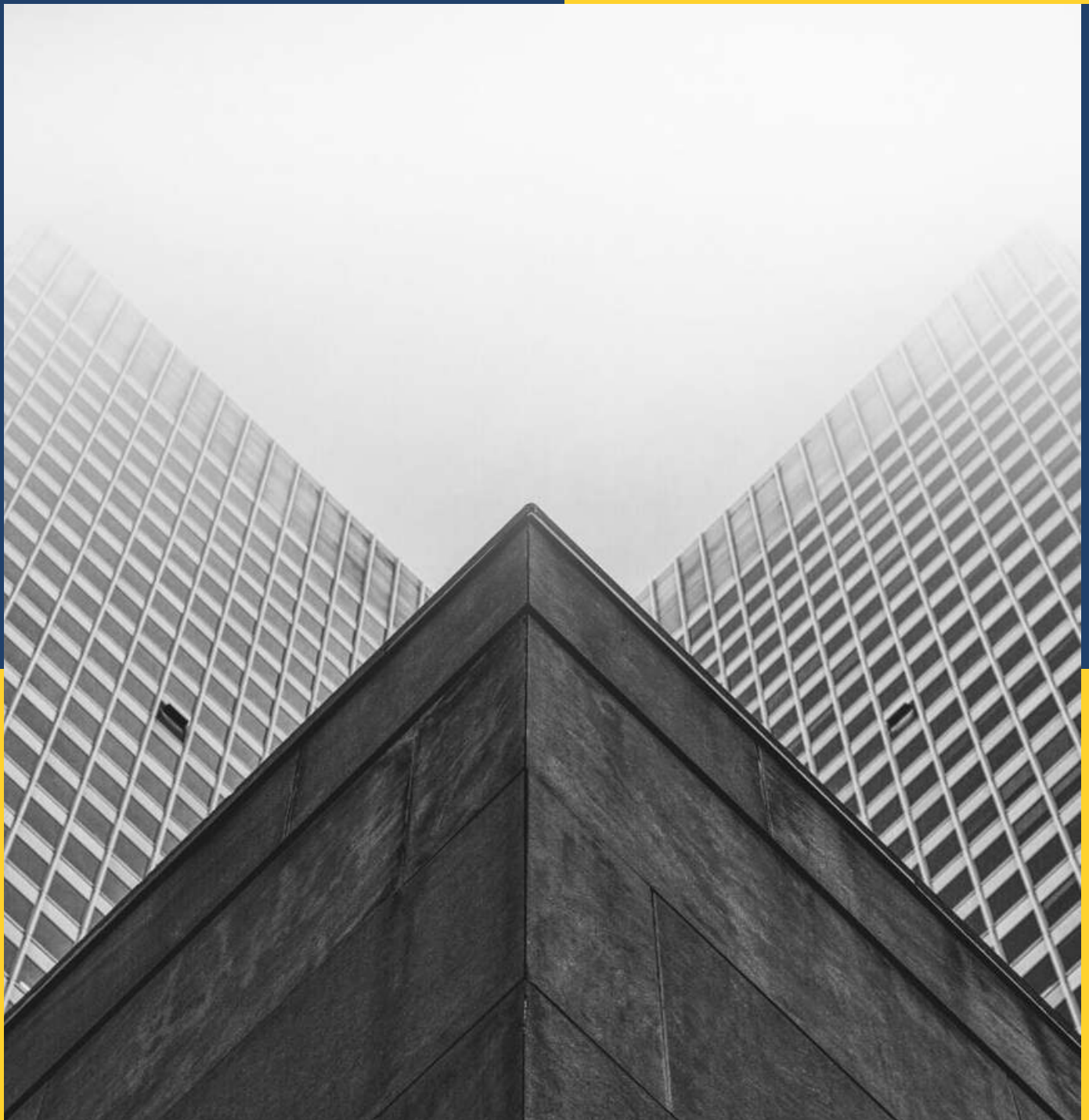


Snowball Research Notes

—
DECEMBER
2021



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 researching 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.

INDEX

Notes

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

I. Special reports

CEO

1. [Natus Medical \(NTUS\) appoints a new CEO who has sold two companies under his watch; Potential sale/divestment is expected](#)
2. [Zovio \(ZVO\): Notable CEO appointment; SevenSai Capital's active involvement](#)
3. [Purple Innovation \(PRPL\): A short note on the interim CEO](#)

Significant changes after the appointment of new CEO

4. [Rayonier Advanced Materials \(RYAM\): Recent CEO changes, commodity business – Upside tied to pricing \[short notes\]](#)
5. [L.B. Foster \(FSTR\): Significant changes under the CEO \(short notes\)](#)

Activism

6. [Insignia Systems \(ISIG\): Potential sale \[Short notes\]](#)
7. [TreeHouse Foods \(THS\): Potential sale? A must-watch proxy fight \[short notes\]](#)
8. [Enzo Biochem \(ENZ\): High likelihood of executing strategic alternative within 12-16 months](#)
9. [Mastercraft Boat Holdings \(MCFT\): Huge market share; Investment by Coliseum Capital](#)

Insider buying

10. [AstroNova \(ALOT\): Recurring revenue; Insider buying](#)

8-K (Keywords)

11. [Harrow Health \(HROW\): Owner-operator; migration from drug discovery to compounding pharmacies under the CEO/founder](#)
12. [8x8, Inc. \(EGHT\): Recently appointed CEO is a former CTO of a \\$17 billion competitor; Significant changes after the appointment of CEO; Recent acquisition; Leader in Gartner magic quadrant](#)
13. [Quest Resource \(QRHC\): Transformation to high margin from a loss-making business; Recent acquisition](#)
14. [BrightView Holdings \(BV\): 16% buyback; Recurring revenue; Strong FCF generation; KKR owns 48%](#)
15. [Asbury Automotive Group \(ABG\): Aggressive growth in the last three years under the CEO; Staggering FCF generation over the previous three years; Recent acquisition is the largest in the company's history](#)
16. [Trinseo S.A. \(TSE\): Strong market share; 10% buyback initiated; recent acquisition; significant changes after the appointment of new CEO](#)
17. [Bank7 3\(BSVN\): Solid growth; Recent acquisition; Owner-operator; A few governance concerns](#)

18. [First Foundation \(FFWM\): Solid growth; Huge insider ownership; Recent acquisition](#)
19. [Home Bancorp \(HBCP\): Solid growth; recent acquisition](#)
20. [CalAmp \(CAMP\): Significant changes after the appointment of CEO; migration to SaaS business model; stock is down due to supply-chain problem](#)
21. [CommScope Holding \(COMM\): Significant changes under the CEO appointed by a PE firm; Spin-off](#)
22. [FirstCash Holdings \(FCFS\): Latin operation is a hidden gem; Recent acquisition expands the business from pawn industry to POS payment market](#)

Heads up

23. [Calavo Growers \(CVGW\): Heads up - very unfavourable credit agreement \(short notes\)](#)

II. 13D Summary

24. [13D Summary](#)

Company name	M.cap (\$, mm)	Filer name	Notes (Each headline below is "clickable" - it is hyperlinked to the 13D notes)
WHEELER REAL ESTATE INVESTMENT TRUST, INC.	18	KHOSHABA DANIEL	Daniel Khoshaba sent a letter to the Board of Wheeler Real Estate Investment Trust
ELECTRO-SENSORS, INC	22	CUSTODIAN VENTURES/ ACTIVIST INVESTING	Custodian Ventures/ Activist Investing initiates active stake in Electro-Sensors
CATALYST BIOSCIENCES, INC.	28	SINGER JULIAN D.	Julian Singer seeks board and management changes at Catalyst Biosciences
VENUS CONCEPT INC.	107	MASTERS CAPITAL MANAGEMENT LLC	Masters Capital Management plans to nominate a director candidate to Venus Concept's board
AMPCO PITTSBURGH CORP	107	ANCORA ADVISORS, LLC	Ancora Advisors initiated an active stake in Ampco-Pittsburgh Corporation
EYENOVIA, INC.	111	GRANT STUART M.	Stuart M. Grant plans to nominate board candidates to Eyenovia
COMMUNITY WEST BANCSHARES /	115	PL CAPITAL ADVISORS, LLC	PL Capital Advisors sends a letter to Community West Bancshares
NEW YORK CITY REIT, INC.	142	COMRIT INVESTMENTS 1, LP	Comrit Investments sends letter to New York City REIT stockholders regarding the urgent need for a boardroom change
WESTWOOD HOLDINGS GROUP INC	143	JCP INVESTMENT MANAGEMENT, LLC	JCP Investment Management urges Westwood Holdings Group to commence a strategic review process
MEDALLION FINANCIAL CORP	146	KORR Value	KORR Value announces nomination of two candidates to Medallion Financial Board
ENZO BIOCHEM INC	155	RADOFF BRADLEY LOUIS	Bradley Radoff reaches agreement with Enzo Biochem

AVALO THERAPEUTICS, INC.	200	ARMISTICE CAPITAL, LLC	Armistice Capital secured a board seat in Avalo Therapeutics; company splits CEO and Chairman role
DIRTT ENVIRONMENTAL SOLUTIONS LTD	206	22NW FUND, LP	22NW seeks support for its nominees at DIRTT
CODORUS VALLEY BANCORP INC	208	DRIVER MANAGEMENT CO LLC	Driver Management sends a letter to Codorus Valley Bancorp
LEE ENTERPRISES, INC	215	MNG ENTERPRISES, INC.	MNG Enterprises filed a complaint on rejection of its director nominees
REPUBLIC FIRST BANCORP INC	225	DRIVER MANAGEMENT CO LLC	Driver Management nominates director candidates to Republic First Bancorp
SWK HOLDINGS CORP	249	CARLSON CAPITAL LP	SWK Holdings' special Committee concluded that it would not be able to reach an agreement with Carlson Capital; four directors resigned
GRINDROD SHIPPING HOLDINGS LTD.	277	TAYLOR MARITIME INVESTMENTS LTD	Taylor Maritime Investments may seek a board representation in Grindrod Shipping Holdings
ATENTO S.A.	341	KYMA CAPITAL LTD	Kyma Capital seeks board representation in Atento
COMTECH TELECOMMUNICATIONS CORP /DE/	629	OUTERBRIDGE CAPITAL MANAGEMENT LLC	Comtech and Outerbridge agree to unified slate of directors
EHEALTH, INC.	642	STARBOARD VALUE LP	Starboard increased its stake after securing Board seat in eHealth
QUOTIENT TECHNOLOGY INC.	694	ENGAGED CAPITAL LLC	Engaged Capital delivered a letter to the Board of Quotient Technology
RR DONNELLEY & SONS CO	781	CHATHAM ASSET MANAGEMENT, LLC	RR Donnelley & Sons to be acquired by Chatham Asset Management for \$10.85 per share in cash
GRIFFON CORP	1643	VOSS CAPITAL, LLC	Voss Capital nominates three candidates for Griffon Corp. Board
ODP CORP	2,151	HG VORA CAPITAL MANAGEMENT, LLC	HG Vora Capital Management entered into an amendment to the agreement with ODP Corp
TREEHOUSE FOODS, INC.	2,230	JANA PARTNERS LLC	JANA Partners nominated two Board candidates to TreeHouse Foods
VERRA MOBILITY CORP	2,492	INCLUSIVE CAPITAL PARTNERS, L.P.	Inclusive Capital Partners secured a board seat in Verra Mobility Corporation
VALARIS LTD	2,807	FAMATOWN FINANCE LTD	Famatown Finance Limited reaches support agreement with Valaris
CRACKER BARREL OLD COUNTRY STORE, INC	2,884	BIGLARI CAPITAL CORP.	Biglari Capital Corp issued a letter to the shareholders of Cracker Barrel
MERCURY SYSTEMS INC	3,139	JANA PARTNERS LLC	JANA Partners intends to have discussions with Mercury Systems
TURKCELL ILETISIM HIZMETLERI A S	3,188	LETTERONE INVESTMENT HOLDINGS S.A.R.L.	Letterone Investment Holdings plans to nominate board candidates to Turkcell Iletisim Hizmetleri

DANA INC	3,452	ICAHN CARL C	Dana announces two appointments to board of directors; reaches agreement with Icahn Capital
ALKERMES PLC.	3,921	SARISSA CAPITAL MANAGEMENT LP	Sarissa Capital announced its intention to nominate candidates to Alkermes
SOUTHWEST GAS HOLDINGS, INC.	4,184	ICAHN CARL C	Southwest Gas Holdings completes acquisition of Questar Pipeline from Dominion Energy
HARLEY-DAVIDSON, INC.	5,695	H PARTNERS MANAGEMENT, LLC	H Partners Management seeks board representation in Harley-Davidson
SKECHERS USA INC	6,701	TREMBLANT CAPITAL GROUP	Tremblant Capital Group reduced its stake below 5% in Skechers U.S.A., Inc
AMERICAN CAMPUS COMMUNITIES INC	7,750	LAND & BUILDINGS INVESTMENT MANAGEMENT, LLC	Land & Buildings Investment Management seeks board seat in American Campus Communities
HUNTSMAN CORP	8,181	STARBOARD VALUE LP	Starboard nominated a slate of director nominees for the election to the board of Huntsman Corporation
JUST EAT TAKEAWAY.COM N.V.	11,354	CAT ROCK CAPITAL MANAGEMENT LP	Cat Rock Capital Management seeks discussions with Just Eat Takeaway.com
GODADDY INC.	13,714	STARBOARD VALUE LP	Starboard initiates an active stake in GoDaddy
DOLLAR TREE, INC.	31,692	MANTLE RIDGE LP	Mantle Ridge nominates board candidates to Dollar Tree

III. Tables

- a) [Audit: Non-Timely \(NT\) filings](#)
- b) [Non-Reliance on Previously Issued Financial Statements](#)
- c) [Audit: Non-Timely \(NT\) filers who have filed their respective filings in December 2021](#)
- d) [Significant audit firm changes](#)
- e) [List of all audit firm changes in December 2021](#)
- f) [Multiple activists](#)
- g) [13D Filings](#)
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Thank you Edwin Dorsey, The Bear Cave



The Bear Cave

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A Hedge Fund Analyst Christmas List

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

Edwin Dorsey Dec 23, 2021 60

The Bear Cave spent dozens of hours finding the best resources for professional investors. None of these are paid endorsements and we receive no affiliate commissions; this list is based solely on our experience using the products and user reviews. Happy Holidays!

Dear Members,

Last month, Edwin Dorsey of the Bear Cave included our publication (*Snowball Research*) under the “best resources for professional investors” list. This is NOT a paid endorsement. I’m NOT his subscriber or vice versa. He included it from the feedback he received from the current subscribers of *Snowball Research*.

Edwin Dorsey runs the best newsletter that discusses short ideas. What he achieved at his age is simply mind-blowing.

<https://www.institutionalinvestor.com/article/b1p8sbzqv3nhfc/Would-You-Pay-a-22-Year-Old-Stanford-Grad-to-Expose-Wrongdoing>

Two reasons why you should care:

1. In 2021, he published critical investigations on 18 public companies. Out of these, 16 are currently trading lower – that’s an 89% success rate.
2. 95% of the stocks are under a \$2 billion market cap.

In my opinion, in the long run, the biggest threat of “active investing” is NOT index investing – it is when many sharp graduates shift their careers from finance to other industries.

A couple of years ago, Elon Musk commented that too many smart people were pursuing finance and law. It is true, and I sincerely hope it stays that way. As long as sharp graduates like Edwin Dorsey choose the “investment industry” over other industries, this industry will continue to flourish.

Best,
Raghu

Natus Medical (NTUS) appoints a new CEO who has sold two companies under his watch; Potential sale/divestment is expected

- Market Cap: \$808 million | Natus Medical Incorporated is a leading provider of medical device solutions focused on the diagnosis and treatment of central nervous and sensory system disorders for patients of all ages.
- Major shareholders: BLACKROCK – 18.8% | VANGUARD GROUP – 8.7% | VICTORY CAPITAL MANAGEMENT – 6.8% | WELLS FARGO & COMPANY – 5.3%
- Screen: New CEO appointment

I. BASICS

Natus Medical is a manufacturer of medical devices and software and a service provider for the Newborn Care, Neurology, Sleep, Hearing, and Balance markets.

- Neuro (60% of revenue) - Products and services that provide diagnostic, therapeutic, and surgical solutions in neurodiagnostics, neurocritical care and neurosurgery
- Newborn Care (23% of revenue) - Products and services for newborn care including hearing screening, brain monitoring, eye imaging, jaundice management, and various disposable newborn care supplies
- Hearing & Balance (17% of revenue) - Hearing assessment and diagnostics, and hearing aid fitting, including computer-based audiological, otoneurologic and vestibular instrumentation for hearing care professionals
- Devices and Systems contributed 74% of revenue which are non-recurring and Supplies (22% of revenue) and Services (4% of revenue) are generally recurring.
- Background: The Company was built through a roll-up strategy by the previous management – the former CEO resigned after the activism by Voss Capital. In Q1 2020, Voss Capital exited its stake but the representatives of Voss Capital still serve the board.

- Leading market share

- Leading player in the neuro industry & newborn screening: The Company claims that it holds #1 market share in EEG, EMG, PSG, newborn hearing screening, brain injury screening & phototherapy.
- Hearing aid products: The Company is the #2 largest player in hearing aid fitting, hearing diagnostics, hearing screening, etc.

II. WHY ARE WE FLAGGING THIS?

Appointment of a new CEO who has a strong track record

1. Recent board changes & new CEO appointment

- In June 2021, the company's chairperson resigned.
- In Aug 2021, two directors were appointed to the board.
- In December 2021, the company appointed Thomas J. Sullivan as CEO.

2. Track record of Mr. Sullivan, new CEO

a) Revenue growth at Spectrum Plastics:

- Mr. Sullivan served as the CEO of Spectrum Plastics Group, a global medical device contract manufacturer, from December 2020 to 2021.
- Revenue: \$400 million.
- Mr. Sullivan claims that he acquired and integrated four companies, achieved >20% revenue growth vs '19 and '20, and grew EBITDA double digits.

b) Sale of A&E Medical Corporation

- A&E is a leading medical device OEM designer and contract manufacturer primarily focused on single-use products used in cardiovascular procedures.
- Mr. Sullivan served as its CEO from July 2018 to December 2020.
- **Sale of the company:** In December 2020, Zimmer Biomet Holdings acquired A&E Medical Corporation for \$150 million in cash at closing and \$100 million in cash payable in 2021.

c) Sale of a segment

- From January 2011 to 2014, Mr. Sullivan was president and CEO of Symmetry Medical, an industry leader in orthopedic contract manufacturing.
- During his tenure, the company's revenue increased from \$359 million in 2011 to \$399 million in 2013.
- **Sale of the segment:** Under his watch, the company sold its OEM segment for \$450 million. Subsequently, the company's name was changed to Symmetry Surgical.

d) Sale of Symmetry Surgical, Inc. (NASDAQ: SSRG)

- It is a global marketer and distributor of medical devices focused on the general surgery market. Mr. Sullivan served as its CEO from 2014 to 2018.
- **Sale of the company:** In July 2016, RoundTable Healthcare Partners, a private equity firm, acquired Symmetry Surgical for a total equity value of ~\$140 million.

e) Executive roles at Johnson & Johnson

- Mr. Sullivan held numerous executive roles at Johnson & Johnson from 1990 to 2011 including president of J&J Medical Products Canada and the billion-dollar US orthopedics division.

OVERALL

What can we expect from the new CEO?

Multiple segments

- Newborn (22% of revenue) and hearing aid (18% of revenue) are underperforming.
- Neuro segment: Neuro is the only business segment that has managed to grow irrespective of a few hiccups.

Neuro segment	Devices & system (\$, mm)	Supplies (\$, mm)
2015	168.7	60.2
2016	168.2	58.68
2017	171.3	59.95
2018	200.8	67.02
2019	220.3	66.59
2020	179.88	56.275
9M Sep 2020	126.95	40.7
9M Sep 2021	161.76	47.98

Given the new CEO's track record, he may be willing to

- (a) Divest the newborn segment and/or hearing aid segment and run neuro as a stand-alone business.
OR
- (b) He may sell the entire company.

Zovio (ZVO): Notable CEO appointment; SevenSaoi Capital's active involvement

- Market Cap: \$45 million | Zovio Inc is an education technology services company.
- Major shareholders: NANTHALA CAPITAL MANAGEMENT – 9% | HEARTLAND ADVISORS - 7.5% | SEVENSAOI CAPITAL – 6.2% | ROYCE & ASSOCIATES – 6.2% | DIMENSIONAL FUND ADVISORS – 5%
- Screen: New CEO appointment

WHAT WE LIKE

1. Activism by SevenSaoi Capital Partners

- In February 2020, the company entered into an agreement with SevenSaoi Capital, LLC, and added one representative to the board.
- SevenSaoi Capital Partners, LLC, has held a 6.3% stake in the company since March 2021.
- Board changes: As of December 2021, 4 out of 10 directors became newly appointed after the agreement with SevenSaoi Capital.
- Management changes: 3 out of 10 top executives (including CEO) were appointed after the involvement of SevenSaoi Capital.
 - EVP, Operations: April 2020
 - EVP, Secretary, and General Counsel: March 2021
 - CEO: Dec 2021

2. Track record of new CEO

In December 2021, the company appointed Randy Hendricks as CEO.

1. Managing director, Huron Consulting Group (5 years – 2016 to 2021)

- During his tenure, his focus was on cloud-based SaaS solutions in the higher education industry.

2. President - Education and Government Division at Workday (\$68 billion) reporting to the founder/chairman (2 years – 2014-2016)

- Workday is a \$68 billion on-demand financial management and human capital management software vendor.

During his tenure, he served as president of Education & Government Division and reported to the founder and chairman.

- At Workday, his responsibilities included product strategy, sales leadership, professional services and alliances for human capital management, financial management, and student applications.

3. Managing partner – IBM (5 years – 2009-2014)

- He led BM's Global Services business unit in Japan (Tokyo), Southwest Europe (Madrid), and the US healthcare, federal, state, local, and higher education markets.

3. Segment research

#1 segment sale of Ashford University

- In December 2020, the University of Arizona acquired Ashford University from the company for \$1.
- The company will receive 19.5% of the University of Arizona Global Campus revenues for an initial term of 15 years. The company will provide services such as recruiting, admissions, marketing, student finance, financial aid processing, financial aid advising, program advising, student retention advising, support services for academics, information technology, and institutional support.
- For the nine months ended September 2021, this segment generated \$187 million revenue.

Heads up

- To be clear, it is NOT like a typical plain-vanilla royalty revenue or restaurant franchise fee revenue type of agreement. It is complex.
- Pursuant to the agreement, the company is still responsible for providing plenty of services – recruiting students (contacting prospective students; pre-qualify prospective students, etc.), financial aid processing services, information technology, support services for academics, etc. To read the entire list of "services" that the company promises, click the below link – pages 60-66.
<https://www.sec.gov/Archives/edgar/data/1305323/000130532320000054/ex21-assetpurchaseands.htm>
- Even though the company touts that the contract lasts for 15 years in its investor presentation, it is to be noted that the agreement has a provision that the contract can be terminated after the 7th year if the net tuition fee and fee revenue are less than \$400 million. In fact, the company will receive no amount if the fee revenue falls below \$400 million. To read about this, click the below link – page 59.
<https://www.sec.gov/Archives/edgar/data/1305323/000130532320000054/ex21-assetpurchaseands.htm>
- After the deal with Arizona University in the last three quarters, the company has NOT been profitable.
- Overall - It is clear that the company can be profitable through this agreement with Arizona University ONLY if student enrolment increases.

#2 “Zovio Growth” segment

(\$, mm)	FY 2019	FY 2020	LTM 2021	Sep
Revenue	10.2	20.9	26.9	
EBIT	-15.9	9.3	8.5	

- This segment consists of Fullstack, TutorMe – both acquired in April 2019.

We don't know which business generates more revenue.

- Fullstack
 - An academy that prepares students for tech jobs. It offers a full-time, part-time, and online bootcamp that teaches software engineering.
 - The academy students are hired by Google, Spotify, Etsy, etc.
 - A full-time 3-month bootcamp costs roughly \$18K.
 - One of the best bootcamps for coding – but the industry is highly competitive.
- TutorMe
 - An online tutor website.
 - One of the best websites for online tutoring as per the below sites:
 - <https://www.topten-reviews.com/best-online-tutoring-services>
 - <https://www.care.com/c/tutoring-online/>
- Annualized revenue: \$28 million; Annualized EBIT: \$8.2 million.
- The company expects this segment to grow 30 plus percent through 2025 and to be profitable beginning in 2023.
- Online tutoring solves one of the most significant drawbacks of in-person tutoring – the availability of the best tutor near your house. As such, online tutoring is not a fad or bubble.

Overall

1. We do not know the current plan of the new CEO. Nevertheless, he is a good pick. He has rich experience in the education space – most interestingly, he directly reported to the founder/chairman of \$83 billion Workday.

2. Take a look at Flatiron School - it has one of the best reviews online. It teaches data science, web development, cybersecurity, etc. Moreover, it operates in eight

cities. What are we trying to say? Fullstack Academy operates only from one state – NYC. The company can consider expanding the courses and services in other states. This is the best way to monetize the brand name of Fullstack Academy.

3. The company can also consider acquiring similar bootcamp companies and online tutoring sites.

4. SevenSai Capital's average purchase price is \$4.78 per share. The current stock price is \$1.3. As such, we expect SevenSai Capital to push things the right way to increase shareholder value.

This stock is worth your attention. We will continue to monitor the company.

Purple Innovation (PRPL): A short note on the interim CEO (short notes)

- Market Cap: \$697 million | Purple Innovation is a digitally-native vertical brand with a mission to help improve lives through innovative comfort solutions.
- Major shareholders: INNOHOLD – 25.2% | COLISEUM CAPITAL MANAGEMENT – 24.8% | FMR – 14.3% | WASATCH ADVISORS – 10.9% | CAPITAL RESEARCH GLOBAL INVESTORS – 6.3% | BLACKROCK – 5.3% | ARROWMARK COLORADO HOLDINGS – 5.3% | JANUS HENDERSON GROUP – 5.1% | SCHWARTZ INVESTMENT COUNSEL – 5.1%
- Screen: New CEO appointment

The new interim CEO is a former CEO of New Balance

In December 2021, the company appointed Robert T. DeMartini as interim CEO.

- Mr. DeMartini served as CEO of New Balance from 2007 to 2018, a leading manufacturer and retailer of athletic footwear, apparel, and accessories.
- During his tenure, Mr. DeMartini claims that he was instrumental in the company's annual revenue growth from \$1.5 billion in 2007 to \$4.4 billion in 2018.
- Mr. DeMartini claims that he achieved one of the highest athletic footwear and apparel industry growth rates.
- Suggested further reading: <https://thechallengerproject.com/blog/2018/new-balance-ceo-vp-marketing-interview>

Rayonier Advanced Materials (RYAM): Recent CEO changes, commodity business – Upside tied to pricing [short notes]

- Market Cap: \$420 million | Rayonier Advanced Materials is a global leader of cellulose-based technologies, including high purity cellulose specialties, a natural polymer commonly found in filters, food, pharmaceuticals and other industrial applications.
- Major shareholders: BLACKROCK – 15.3% | VANGUARD GROUP – 6.4% | RENAISSANCE TECHNOLOGIES – 5.2% | CONDIRE MANAGEMENT – 5% | DIMENSIONAL FUND ADVISORS – 5%
- Screen: Significant changes after appointing new CEO

I. BASIC

- High Purity Cellulose (76% of revenue) - A natural polymer commonly used in the production of specialty chemicals and polymers for use in producing LCD displays, filters, fibers, performance additives for pharmaceutical, food, and other industrial applications
- Paperboard (15% of revenue) - Paperboard is used for printing documents, brochures, promotional materials, packaging, paperback book or catalog covers, file folders, tags, and tickets.
- High-Yield Pulp (10% of revenue) - High-yield pulp is used by paper manufacturers to produce paperboard, packaging, printing and writing papers

II. RESEARCH

a) Recent management changes

- CEO change: In December 2021, the company appointed Vito J. Consiglio as CEO.
 - Mr. Consiglio served as an advisor to multiple private equity firms on deals within the chemicals industry.
 - Mr. Consiglio served as SVP and chief commercial officer of Ashland Global Holdings from November 2018 to January 2020, and before that, he served as group vice president, Consumer Specialties of Ashland from July 2016 to November 2018.

- New segment chief for High Purity Cellulose: In November 2021, the company appointed Joshua C. Hicks to lead the High Purity Cellulose business, which contributes roughly 76% of the total revenue.

b) Ortelius Advisors' involvement

- In March 2020, the company entered into a settlement agreement with Ortelius Advisors and added two of its representatives to the board. Moreover, one more director was appointed to the board.
- What's interesting? Ortelius targets companies with disparate business segments, whose sum-of-the-parts is worth significantly more than the current market price.
- As per the fund's May 2020 13D, it reduced its stake to 2.8%. It is NOT clear whether the fund currently owns a stake or not.

- Nevertheless, the two representatives of Ortelius are still serving the board.

c) Significant changes after the involvement of Ortelius Advisors

- Divestiture to focus on high purity cellulose segment: In August 2021, the company sold its lumber and newsprint assets for approximately \$235 million.
- Debt Repayment: The Company repaid approximately \$145 million long-

term debt from \$1.06 billion in December 2020 to \$0.92 billion in September 2021.

- **CEO and chairman roles split:** In 2020, the company split the role of CEO and chairman.

d) **High purity cellulose segment**

- **Top priority:** The Company is very determined to focus on this segment. As mentioned above, the company exited from the lumber/newsprint segment to focus on the high purity cellulose segment; moreover, in November 2021, the company hired a new segment chief for this segment.
- **Leading player:** There are 12 players supplying 1.6 million mt specialty cellulose, and Rayonier Advanced Materials is one of the top 4 players in the market.
- The company claims that it is the only cellulose specialties producer in the world with the flexibility to use both hardwood and softwood fibers, kraft, and sulfite cooking processes.

OVERALL-

- Over the past several years, the company's average sales prices (\$ per metric ton) for cellulose have been declining.
- In the last three months and nine months ended September 2021, the average sale price (per metric ton) increased significantly.

- Moreover, the company expects significant price increases on most cellulose specialties contracts in 2022.

- According to a [research study](#), the global specialty cellulose market demand is predicted to grow at a CAGR of 3.46% during the period spanning from 2020 to 2024.

The company's potential upside is tied to the pricing of cellulose and other commodities.

Cellulose specialties

Year	Average Sales Prices (\$ per metric ton)	Growth
2015	1641	
2016	1525	-7%
2017	1460	-4%
2018	1334	-9%
2019	1306	-2%

High Purity

Year	Average Sales Prices (\$ per metric ton)	Growth
2019	1083	
2020	992	-8%
9M Sep 2020	983	
9M Sep 2021	1111	13%
3M Sep 2020	1020	
3M Sep 2021	1159	14%

L.B. Foster (FSTR): Significant changes under the CEO (short notes)

- Market Cap: \$166 million | L.B. Foster Company is a leading provider of products and services for the rail industry and solutions to support critical infrastructure projects.
- Major shareholders: GAMCO INVESTORS - 8.2% | 22NW – 6.7% | DIMENSIONAL FUND ADVISORS – 6.3%
- Screen: Significant changes after appointing new CEO

I. BASICS

The company operates in two segments – a) Rail technologies (56%) and b) Infrastructure solutions (44%).

1. Rail technologies

- This segment generates roughly 56% of total revenue.
- This segment engineer, manufactures, and fabricates friction management products and application systems, railroad condition monitoring systems and equipment, wheel impact load detection systems, wayside data collection, and management systems, and also provides aftermarket services.

2. Infrastructure solutions

- This segment provides three types of services – a) Precast Concrete Products b) Fabricated Steel Products and c) Coatings and Measurement

II. RESEARCH

1. Stagnant revenue

In the last ten years, the company's revenue hovered between \$480 million and \$625 million. Except for one segment, all the segment's historic revenue trend is erratic.

Precast concrete

- This is the only business unit that registered positive growth consistently.
- Except during the FY 2020, the precast concrete business experienced year-over-year growth in the last seven years.

Year	Revenue (\$, mm)	Growth
2015	52.0	
2016	54.5	5%
2017	55.9	2%
2018	56.4	1%
2019	68.4	21%
2020	63.3	-7%
9M Sep 2021	50.7	18%
9M Sep 2020	42.8	

2. Significant changes after the appointment of new CEO

In July 2021, the company appointed John Kasel as CEO. He has held senior management positions with L.B. Foster for 18 years, most recently serving as COO.

a. Management shakeup

Notable hires:

(a) CFO:

- For the past 17 years, the new CFO served in various positions in Kennametal, a \$3 billion company that focuses on super-hard materials and solutions for use in metal cutting. At the time of his resignation, he served as VP-Transformation Office. He claims that he was managing the execution of corporate strategic initiatives.

(b) Oct 2021: Created a new title: SVP - chief growth officer (internal promotion)

b. Hiring external advisor & new strategy - Divestment, low-interest cost, and potential acquisition

- In December 2021, the company completed its 6-month long comprehensive strategy reassessment with the assistance of an external consultant.
- The outcome of the reassessment:
 - Divestment of piling products business: In December 2021, the company divested its piling products business for \$24 million and intends to use the proceeds to repay debt.
 - Revision of credit facility: In August 2021, the company completed its revision of the credit facility, which resulted in low-interest costs, an extension of the maturity period, and increased capacity.
 - Potential acquisition: Under the new strategy, the company expects to execute on bolt-on acquisitions in the rail or precast part space.

Overall-

1. The company is profitable and has generated free cash flow in the last ten years.
2. The company's problem is a lack of growth.
3. Interestingly, the new CEO engaged an outside consultant for six months to understand the strategic initiatives.
4. Given that acquisition is a component of the future growth strategy, the company's future is tied to the "quality" of the acquisitions executed by the new CEO.

Insignia Systems (ISIG): Potential sale? [Short notes]

- Market Cap: \$34 million | Insignia Systems, Inc. sells product solutions ranging from in-store to digital advertising.
- Major shareholders: AIR T – 39.6% | RENAISSANCE TECHNOLOGIES – 7.2%
- Screen: Activism

Background

- Nicholas J. Swenson has been a shareholder since 2013.
- After joining the board in 2014, Nicholas J. Swenson resigned from the board in 2017.
- Within a few months, in April 2018, the company entered into an agreement with Mr. Swenson to prevent the proxy battle and added representatives of Mr. Swenson to the board. Most importantly, Mr. Swenson agreed to vote for the directors for two years.

Re-entry & strategic alternatives

- Re-entry of Mr. Swenson: In October 2021, the company entered into a co-

operation agreement with Mr. Swenson. Pursuant to it, the company increased the board size from four to five and elected Mr. Swenson to the board.

- Strategic alternatives: Within two months, in early December 2021, the company announced that the company had commenced a formal process to explore strategic options to maximize shareholder value.

OUR THOUGHTS

Given the fact that (a) Mr. Swenson owns roughly 40% and (b) three out of five board seats are controlled by Mr. Swenson, the company might get acquired.

TreeHouse Foods (THS): Potential sale? A must-watch proxy fight [short notes]

- Market Cap: \$2.4 billion | TreeHouse Foods, Inc. is a leading manufacturer and distributor of private label foods and beverages in North America.
- Major shareholders: PRICE T ROWE ASSOCIATES – 17.2% | BLACKROCK – 15.2% | VANGUARD GROUP – 11.7% | JANA PARTNERS – 9.2%
- Screen: Activism

1. Exploration of strategic alternatives

- The company operates in two segments - meal preparation (64%) and snacking & beverages (36%).
- The financial performance of both segments is more or less stagnant.
- Potential sale or possible divestment of meal preparation business: On November 8, 2021, the company announced that its board of directors had approved a plan to explore strategic alternatives, including a possible sale of the company or a transaction to allow the company to the higher growth snacking & beverages business segment by divesting a significant portion of its meal preparation business segment.

2. Proxy campaign by Jana Partners

- A settlement agreement with Jana Partners: In March 2021, the company entered into a settlement agreement with the company and added two directors to the board – one is a nominee of Jana Partners, and another is a "mutual nominee."
- Re-launch of proxy fight: Within 40 days after the company announced its decision to explore a strategic alternative, on December 30, 2021, Jana Partners nominated two board candidates to the board.

OUR COMMENTS/THOUGHTS

The question is this – why would Jana Partners launch a proxy campaign when the company just announced its decision to explore strategic alternatives?

Even though we could think of various scenarios, the best way to look at the situation is outlined below:

- Many companies announce strategic alternatives and don't follow through. Jana Partners does NOT want this to happen.
- Jana Partners wants to put additional pressure on the company to "make sure" the company executes the strategic alternatives.
- Given the fact the AGM is fast approaching – April 2022, this is the right time to nominate board candidates. If Jana Partners fails to nominate now, the fund has to wait till April 2024.

Why do we expect Jana Partners to be very aggressive?

- Treehouse is the second-largest position of Jana Partners – roughly 15% of the portfolio.
- The average purchase price of Jana partners is \$41.3 per share. The current price is \$42.9. Given the fact that the segments are not growing, the best way to unlock the value and fetch the highest price is through the sale of the company.

Enzo Biochem (ENZ): High likelihood of executing strategic alternative within 12-16 months

- Market Cap: \$153 million | Enzo Biochem is a leading biosciences and diagnostics company
- Major shareholders: HARBERT FUND ADVISORS – 10.7% | RADOFF BRADLEY LOUIS – 8.9% | WOLF JAMES G – 6.7% | RENAISSANCE TECHNOLOGIES – 6.6% | ROUMELL ASSET MANAGEMENT – 6%
- Screen: Activism

RESEARCH

I. SEGMENTS

Enzo Clinical

- The company's clinical labs are located in high-density population markets - NY tri-state area.
- The segment's revenue was declining from 2018 –the business is currently benefited by the increase in lab tests due to the COVID-19 pandemic.

Enzo Life Sciences

- The company manufactures products and tools for clinical research, drug development, and bioscience research customers.
- The segment's revenue hovered around \$30 million in the last five years.

II. ACTIVISM SUMMARY

- Recent past: In 2019, the two nominees of Harbert Discovery Fund, who joined the company after winning the proxy fight, resigned abruptly. In 2020, Roumell Asset Management's nomination filing was rejected by the company.
- Foul-play: In the 2020 AGM (held in January 2021), Dr. Rabbani did not receive a majority of the votes cast and tendered his resignation to the board. The incumbent directors DID NOT accept his resignation, and Dr. Rabbani continue to serve as a director. Moreover, he was appointed as chief scientific officer.

- Recent activism: Between September and October 2021, two shareholders, Bradley Radoff and Roumell Asset Management, launched a proxy campaign. Another shareholder, James G. Wolf, expressed that he may nominate himself to the board.
- Settlement with Radoff: In January 2021, the company entered into a settlement agreement with Bradley Radoff.

III. Why a strategic transaction is more likely within 16 months

OUR THOUGHTS

1. Board control

Even though the board is revamped, activists do NOT control the board.

This is the current board composition-

1. Out of the total five directors, two joined from the settlement agreement with Bradley Radoff – Bradley Radoff and the CEO.
2. Then there is Rabanni.
3. Finally, there are two directors who joined the board in 2020 – they were hired when Rabbani controlled the board.

What does that mean?

- It is not clear whether the two directors who were appointed in 2020 would support Rabbani or Bradley Radoff in any strategic decision.
- Overall, we can conclude that the activist investor does not have a majority board control.

2. Best-case/worst-case scenario

- There are plenty of changes on the board. Except for Rabbani, there are no long-serving directors. The company has appointed a new CEO. Now, the company has entered into a settlement agreement with Bradley Radoff and also has agreed to declassify the board. All these are clear signs that the activist investors are gaining the upper hand.
- If the incumbent directors still resist, Bradley Radoff and/other activists would launch a proxy campaign next year. Radoff's settlement agreement expires before the next AGM date.
- So, in a best-case scenario, the current board would agree to the activists' long-standing demand and sell the company in whole or part.
- In the worst-case scenario, the board can resist, but the incumbent directors can only fight until the next AGM.

3. Sale or stand-alone?

(a) We believe that the company will most likely monetize its IP portfolio and sell its therapeutics segment. Why? Both are non-core to the company's operation.

- IP monetization:
 - Over the last twelve years, the company increased its patent portfolio by more than 6X, up from 71 patents in FY 2010 to the current 472 issued patents.
 - If you are interested in the stock, we urge you to contact an expert who can give a ballpark range of the estimated value of the IP.
- Enzo Therapeutics segment
 - The company did not generate a penny of revenue from this segment. Please see the below table.
 - Sale/shut-down of this segment is the best/a must.

(b) Two business

- Given the past erratic financials (stagnant growth), it makes more sense to sell the two businesses - Enzo Clinical & Enzo Life Sciences. At the same time,

it is NOT clear whether the board would keep or sell the business. Most recently, Harbert Fund stated that strategic buyers are interested in the lab and the whole company.

- One could argue that the new CEO is a talented person and could run the lab business. Well, we agree that the new CEO has rich experience in the laboratory business. In fact, he most recently worked at EUROIMMUN and claims to have overseen US business growth by 20-fold in five years. At the same time, we have to note that Euroimmun is a part of a multi-billion PerkinElmer Company. Mr. Erfanian would have had the resources (read cash) of PerkinElmer at his disposal. This is not the case with Enzo Biochem.

Enzo Therapeutics (\$ in millions)	Revenue	Operating income (loss)
FY2010	-	(2.5)
FY2011	-	(2.0)
FY2012	-	(1.6)
FY2013	-	(1.2)
FY2014	-	(0.7)
FY2015	-	(0.7)
FY2016	-	(0.8)
FY2017	-	(0.6)
FY2018	-	(0.9)
FY2019	-	(0.8)
FY2020	-	(0.7)
FY2021	-	(0.1)

Enzo Clinical Lab (\$ in millions)	Revenue	Operating income (loss)
FY2010	44.1	(7.5)
FY2011	52.7	(2.1)
FY2012	59.4	(3.3)
FY2013	55.8	(7.1)
FY2014	58.6	(6.5)
FY2015	63.4	0.5
FY2016	70.9	1.1
FY2017	74.6	4.6
FY2018	71.0	0.3
FY2019	51.1	(17.5)
FY2020	49.4	(14.6)
FY2021	86.9	11.8

Enzo Life Sciences (\$ in millions)	Revenue	Operat- ing in- come (loss)
FY2010	52.9	3.1
FY2011	49.2	2.7
FY2012	43.6	(23.7)
FY2013	37.8	3.0
FY2014	37.2	10.4
FY2015	34.1	15.8
FY2016	31.8	61.8
FY2017	30.3	2.6
FY2018	29.9	1.5
FY2019	30.0	31.1
FY2020	26.5	0.4
FY2021	30.7	1.1

Exhibits

What do activist shareholders demand?

- Harbert Discovery fund: In March 2021, the fund argued that an outright sale might provide the highest risk-adjusted return for shareholders. The fund recently expressed its belief that strategic buyers are interested in the lab and/or the whole company. Harbert suggested that the strategic review process should involve the consideration of a sale of the clinical lab and/or therapeutics division.
- Rومell Asset Management, in its December 2020 presentation, argued that if their nominees are appointed, they would focus on operational improvements, evaluate strategic alliance and identify ways to leverage its intellectual property portfolio.

Mastercraft Boat Holdings (MCFT): Huge market share; Investment by Coliseum Capital

- Market Cap: \$501 million | MasterCraft Boat Holdings, Inc. (NASDAQ: MCFT) is a leading innovator, designer, manufacturer, and marketer of recreational powerboats through its four brands, MasterCraft, NauticStar, Crest, and Aviara.
- Major shareholders: ROYCE & ASSOCIATES – 7.5% | VANGUARD GROUP – 7.1% | SYSTEMATIC FINANCIAL MANAGEMENT – 6.7% | BLACKROCK – 6.4% | COLISEUM CAPITAL MANAGEMENT - 5.8% | DIVISAR CAPITAL MANAGEMENT – 5.7% | WASATCH ADVISORS – 5.2%
- Screen: Activism

I. Coliseum Capital

- In December 2021, Coliseum Capital Management, LLC, disclosed a 5.8% active stake in the company.
- Coliseum Capital is a private investment firm located in Rowayton, CT, that invests with a long-term orientation in undervalued companies.
- Coliseum Capital runs a concentrated portfolio – 10 stocks.
- Mastercraft Boat is now the fund's seventh-largest position.

II. BASICS

The company manufactures and markets recreational powerboats sold under its four brands: MasterCraft, NauticStar, Crest, and Aviara.

- MasterCraft (69% of revenue) – This segment sells boats under two product brands, a) MasterCraft - Manufactures premium ski/wake boats, and b) Viara - Manufactures luxury day boats
- NauticStar (11% of revenue) - Manufactures saltwater fishing boats, deck boats, and bay boats
- Crest (20% of revenue) - Manufactures pontoon boats.

III. WHAT WE LIKE

1. Market share

MasterCraft brand is a leading player in the US among manufacturers of premium ski/wake boats based on unit volume.

- Industry basics: Top 4 competitors hold 67% of the market share. The company is classified as the premier competitive water ski, wakeboarding, and wake surfing performance boats.
- MasterCraft enjoys 21% market share in the ski/wake category - #1 player
- NauticStar brand holds a 4.1% market share in the deck and saltwater fishing category - #9th player
- Crest brand enjoys a 3.6% market share in the pontoon category - #8 player

2. Strong revenue growth

- Except for FY 2020, the company's revenue grew organically and through acquisition from \$137 million in FY2012 to \$525 million in FY2021.
- Record sales:
 - In the recent quarter, Q1 FY2022, the company's revenue grew by a whopping 39% to \$144 million. The increase was primarily due to increased volumes, higher prices and a favorable model mix.
 - Moreover, Q1 FY 2022 is the most profitable first quarter in the company's history, with record unit sales.

3. Selective acquisition

- In the last seven years, the company acquired only two big-ticket acquisitions - NauticStar for \$81 million (2017) and
- The company expanded from tow sports boats into buying saltwater

fishing brand NauticStar in 2017, and pontoon boat maker Crest in 201

4. Launch of Aviara, an in-house developed brand

- **Launch of new day boat:** In early 2019, the company expanded into the day boat category with the launch of its newest brand, Aviara.
- The company began selling these boats in July 2019. Within a few years, the company holds a 2.6% market share in the 30-foot to 40-foot bowrider category. Now, the company is the tenth-largest player in the industry.
- In the recent quarter, Q1 2022 (Sep 2021), Aviara generated \$5.9 million in revenue, up 55% compared to the comparable prior quarter in 2021.

5. Moat - Pricing power

- Net sales per unit (net sales divided by unit sales volume) of MasterCraft boat has consistently increased in the last nine years.
- This demonstrates the company's ability to increase its price – a presence of a moat.

Year	Net sales per unit:	Growth
FY 2012	69	
FY 2013	76	10%
FY 2014	77	1%
FY 2015	78	1%
FY 2016	81	4%
FY 2017	82	1%
FY 2018	87	6%
FY 2019	91	5%
FY 2020	99	9%
FY 2021	109	10%

6. Industry outlook and company guidance

- **Strong industry tailwind:**
 - According to the National Marine Manufacturers Association (NMMA), the boating industry is booming - 415,000 first-time boat buyers entered the market in 2020. It stated that the increase also signals a growing interest among Gen Z and Millennials. ([Source](#))
 - <https://www.cnbc.com/2021/08/06/why-the-boating-industrys-boom-could-carry-on-for-a-long-time.html>
- **FY 2022 guidance:** The Company expects net sales growth in the 20% range, with adjusted EBITDA margins in the 18% range and adjusted earnings per share growth up in the 25% range year-over-year.

AstroNova (ALOT): Recurring revenue; Insider buying

- Market Cap: \$95 million | AstroNova is a global leader in data visualization technologies.
- Major shareholders: DIMENSIONAL FUND ADVISORS – 7.6% | ROYCE & ASSOCIATES – 7.4% | PUNCH & ASSOCIATES INVESTMENT MANAGEMENT – 6.5% | ASKELADDEN CAPITAL MANAGEMENT – 6.1% | JUNIPER INVESTMENT COMPANY – 5.8%
- Screen: 8-K (Keywords)

I. BUSINESS & SEGMENT ANALYSIS

The company generates revenue from two segments-

a) Product identification segment (78% of revenue)

- This segment produces an array of tabletop printers, digital color and monochrome label printers, mini presses, labeling software, and supplies for a variety of commercial industries.

b) Test & measurement segment (22% of revenue)

- The company's printers are used in the flight decks and cabins of military, commercial, and business aircraft to print hard copies of data, such as navigation maps, arrival and departure information, flight itineraries, weather maps, performance data, passenger data, and air traffic control data.
- This segment also sells ethernet switches, which are used primarily in military aircraft and military vehicles to connect multiple computers or ethernet devices.
- Aerospace products also include aircraft networking systems for high-speed onboard data transfer.

WHAT WE LIKE

1. Recurring revenue

- The company's recurring revenue accounts for roughly 62% of total revenue.
- The company generates revenue from the "recurring" nature of the sale of supplies, which includes labels, tag materials, inks, toners, ribbons, etc.

- **Huge installed base:** Even though the company is silent on the number of installed printer devices all over the world, given the substantial recurring revenue, it is clear that the company has a stable installed base.

Year	Supplies/ recurring revenue (\$, mm)	Growth
FY 2016	51.8	
FY 2017	56.2	8%
FY 2018	65.3	16%
FY 2019	71.2	9%
FY 2020	71.8	1%
FY 2021	71.8	0%

2. Strong free cash flow and repayment of debt

- The company's total debt declined from \$24.7 million in FY 2018 to 10.5 million in the quarter ended October 2021.
- The company used the free cash flow to repay its debt.

Current problem

- Demand for aerospace spare products, paper, parts, and repairs has been significantly impacted by the decline in air travel, as requirements for these products and services are based primarily upon aircraft usage.
- The company has experienced modest increases in demand for spare products, paper, parts, and repairs as flight hours have increased since the second quarter of fiscal 2021.

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WHY ARE WE FLAGGING THIS?

Insider buying

Date	Name of the insider	Number of shares	Price	Total value
Dec 15, 2021	QUAIN MITCHELL I - Director	3,794	\$13.87	\$52,632
June 25, 2021	QUAIN MITCHELL I - Director	4,000	\$13.82	\$55,260

Harrow Health (HROW): Owner-operator; migration from drug discovery to compounding pharmacies under the CEO/founder

- Market Cap: \$220 million | Harrow Health is an ophthalmic-focused healthcare company.
- Major shareholders: OPALEYE MANAGEMENT - 12.2% | BAUM MARK L - 8.8% | OPHIR ASSET MANAGEMENT - 6.6%
- Screen: 8-K (Keywords)

RESEARCH

I. IMPORTANT BUSINESS NOTES

- The company operates under the brand name ImprimisRx.
- ImprimisRx is the ophthalmic-focused "prescription pharmaceutical business" or compounding pharmacy.
- Compounded medications? These medications are made based on a practitioner's (doctor) request in which individual ingredients are mixed together in the exact strength and dosage form required for the patient.
- The company has two compounding facilities and over twenty compounded formulations, many of which are patented or patent-pending.
- The company claims that it is the only US ophthalmic-focused pharmaceutical company to provide branded FDA-approved products and cGMP compounded formulations, serving more than 10,000 doctors, hospitals, and ASCs.
- ImprimisRx's 40 SKUs serve large and growing surgical and chronic eye care markets:
 - 5.5 million annual ocular surgeries
 - 8+ million intravitreal injections;
 - 16+ million US dry eye disease patients;
 - 3+ million U.S. glaucoma patients.
- 60+ patents and peer-reviewed literature support the company's product lines.

- The company serves roughly 4,000+ monthly accounts of over 10,000 prescribers and institutions.
- To learn more about the business, please read the below article written by an ophthalmologist – he is a customer of the company and a former director of the company.

Imprimis makes custom compounded pharmaceutical products for the ophthalmologist in both a 503A and 503B manufacturing facility. A recent FDA inspection of the Imprimis 503B manufacturing facility lasted more than 10 weeks with several FDA agents participating. This inspection was intense, comprehensive and identical to that performed in a branded pharmaceutical manufacturing facility.

I consult for and serve on the board of directors of Imprimis Pharmaceuticals. Imprimis makes custom compounded pharmaceutical products for the ophthalmologist in both a 503A and 503B manufacturing facility. A recent FDA inspection of the Imprimis 503B manufacturing facility lasted more than 10 weeks with several FDA agents participating. This inspection was intense, comprehensive and identical to that performed in a branded pharmaceutical manufacturing facility.

<https://www.healio.com/news/ophthalmology/20171003/compounding-pharmacies-play-important-role-in-ophthalmic-care>

- How does the company differ from pharmaceutical companies?
 - The company is NOT permitted to prepare significant amounts of a specific formulation before a prescription.
 - The company's compounded formulations must be prepared and dispensed with a physician prescription for an individually identified patient.

II. WHAT WE LIKE

1. Migration from drug-discovery Company to compounding facilities

a) Involvement of Mark Baum

- In June 2011, the company suspended its operations and filed for bankruptcy.
- In December 2011, the company emerged from bankruptcy after entering a credit agreement with DermaStar International. Mark Baum is the managing member of DermaStar.
- CEO: In April 2021, the board appointed Mr. Baum as CEO.

b) New business model - Compounding facilities:

- In 2013, the company changed its business by acquiring "compounding facilities" after terminating its efforts to pursue FDA approval of a drug candidate.
- Acquisitions: Between 2014 and 2015, the company acquired three compounding businesses - Pharmacy Creations, Park, and ImprimisRx TX.
- Cash-pay basis: Currently, ImprimisRx compounding pharmacies operate on mostly a cash-pay basis and do not submit large amounts of claims for reimbursement through Medicare, Medicaid, or other third-party payors.

2. Strong financial performance

- Revenue growth: The Company's revenue grew from \$1.6 million in 2014 to \$64 million in LTM Sep 2021.

- Record revenue: In Q3 2021, the company's total revenue was \$18.7 million, a company record and a 30% increase compared with \$14.4 million in Q3 2020.
- The company's gross margin increased from 34% in 2014 to 74% in Q3 2021.
- Profitable business:
 - The company generated its first positive adjusted EBITDA in 2018.
 - The company generated its first positive income from operation in 2020.
 - Adjusted EBITDA increased from \$0.2 million in 2018 to \$14.9 million in LTM September 2021.

3. Strong cash flow The Company's net cash from operating activities during the nine months ended September 2021 was \$6.5 million compared to \$0.5 million in the same period in the prior year. The increase in net cash from operating activities was due to an increase in revenue.

4. Owner-operator

- Ownership: Mr. Baum owns 8.8% of the o/s shares of the company
- Mr. Baum is a serial entrepreneur/investor
 - Mr. Baum is also a founder of Eton Pharmaceuticals (NASDAQ: ETON), as well as a founder and board member of Surface Ophthalmics, Melt Pharmaceuticals, and Visionology.
 - From 2014-2017, Mr. Baum was a senior advisor to VC-backed Curolology.com
 - As the founder of TBLF, LLC, a private investment fund manager, Mr. Baum made more than 200 investments into more than 40 private and public companies.
 - In 1999, Mr. Baum founded YesRx, an HIV-focused pharmacy business.

6. Future goals

The company expects to achieve \$100 million in the next few years and is focused on targeted acquisitions.

III. WHY ARE WE FLAGGING THIS

- In December 2021, the company acquired the exclusive US commercialization rights of four FDA-approved ophthalmic medicines from Novartis. Under the terms of the agreement, Harrow made a one-time payment of \$14 million at closing.
- The acquired products will be sold, marketed, and distributed through the company.

Suggested further reading

#1 Letters from the CEO to the shareholders

<https://investors.harrowinc.com/news-and-events/letter-to-stockholders>

#2 Meet the CEO waging war against 'absurd' drug prices, February 4, 2016

<https://money.cnn.com/2015/11/10/investing/alternative-drug-daraprim-price-gouging-shkreli/index.html>

Extracted from the recent letter to shareholders

I hope our stockholders like the phrase, “growth and execution – without dilution,” because it has now been 4½ years since we last sold our common stock to fund the company

In our Stockholder Letter for Q1 2021, we began publicly discussing acquiring “high-value” ophthalmic products to add to our ImprimisRx product offering. In order to be able to transact on deals we were pursuing, we needed to transform our balance sheet. In the Stockholder Letter for Q2 2021, we noted that we had paid off our senior secured lender, sold \$10.6 million of our equity position in Eton Pharmaceuticals, and then issued \$75 million in 8.625% unsecured notes. This new balance sheet architecture created flexibility and the financial fuel we required to progress on our stated goal of acquiring high-value late-stage FDA-approvable drug candidates and existing revenue-generating FDA-approved products. During the third quarter of 2021, we announced two key transac-

tions that we expect will be a big part of accelerating our revenue growth in the medium term:

- AMP-100 is a patented topical anesthetic intraoperative pain ophthalmic drug candidate that, once approved, could be administered during ophthalmic interventions such as cataract surgery and intravitreal injections, which in the aggregate, have an estimated annual TAM (total addressable market) in the U.S. exceeding 10 million annual procedures. We expect a new drug application (NDA) for AMP-100 to be submitted to the FDA in the coming months.

- MAQ-100 is a preservative-free triamcinolone acetonide ophthalmic injectable drug candidate for visualization of vitreous during vitrectomy. Harrow intends to communicate with the FDA in early 2022 about presenting the clinical data used for Japanese market approval of MAQ-100 (marketed in Japan as MaQaid® for four separate indications) to support a U.S. and Canada market NDA submission. We believe the future of eyecare will extend the reach of the eye doctor’s office into the homes of those in need. We are developing Visionology as our next generation eyecare platform and value-add technology for our eyecare provider customers. We launched Visionology regionally in May 2021, and we continue to enhance the platform in anticipation of launching nationally in 2022. Visionology is focused on Eyecare-as-a-Service®, which will provide a digital front door to consumers that is connected to a distributed network of eyecare professionals. Visionology will deliver value, transparency, and access to eyecare consumers across the U.S. and even internationally. We are excited about Visionology, as we believe it will be a great bridge to what the future will hold in the U.S. eyecare market. And it’s a great way for us to leverage our ImprimisRx platform and build stronger relationships with our national network and eyecare provider

8x8, Inc. (EGHT): Recently appointed CEO is a former CTO of a \$17 billion competitor; Significant changes after the appointment of CEO; Recent acquisition; Leader in Gartner magic quadrant

- Market cap: \$1.9 billion | The company provides voice, video, chat, contact center, and enterprise-class application programmable interface (API) Software-as-a-Service solutions.
- Major shareholders: BLACKROCK – 14.9% | SYLEBRA CAPITAL – 11.9% | VANGUARD GROUP – 10.4% | TIGER GLOBAL MANAGEMENT – 7.9%
- Screen: 8-K (Keywords)

WHAT WE LIKE

1. Recurring revenue & strong growth

- The company generates over 90% of total revenue from subscriptions and related fees.
- Annual recurring revenue (ARR) is over \$500 million.
- Strong revenue growth: Revenue grew from \$83 million in FY 2012 to \$541 million in LTM September 2021- predominantly through organic growth.

2. Industry Recognition

- Leader: Most recently, the company has again been included as a leader in the Gartner Magic Quadrant for unified communications as a service worldwide.
- For the seventh year in a row, Gartner named 8x8 as a challenger in the Magic Quadrant for contact center as a service. 8x8 is the only UCaaS Magic Quadrant leader that is also in the contact center as a service Magic Quadrant.
- Named Leader in the IDC MarketScape: Worldwide UCaaS Service Providers for Enterprise 2021 Vendor Assessment & for SMB 2021 Vendor Assessment
- Awarded 5-Star rating by CRN's 2021 in its Partner Program Guide.

- Named a Major Player in the IDC MarketScape: Worldwide CPaaS Service Providers 2021 Vendor Assessment.

3. Patent: As of March 31, 2021, the company has been awarded more than 250 patents, with more than 100 US and foreign patent applications pending.

4. Significant changes after the appointment of new CEO The new CEO is a former CTO of \$17 billion Ring Central

- In December 2020, the company appointed David Sipes as CEO.
- He served as CTO of Ring Central for roughly 12 years.
- Ring Central is the largest competitor of the 8*8 Inc.
- Revenue increased from \$10mm to \$1B: During his tenure, Ring Central's revenue increased from \$10mm to over \$1 billion and the market cap increased by more than 10X to \$17 billion.

Significant changes after the appointment of new CEO

a) Recent management shakeup

- Out of 13 top executives, nine executives have been appointed/promoted in the last 18 months.
 - June 2020: CFO
 - Sep 2020: Chief Revenue Officer
 - Sep 2020: Chief Sales Officer

- Nov 2020: Chief Accounting Officer
- Dec 2020: CEO
- March 2021: Chief Marketing Officer
- April 2021: Chief Customer Officer
- Aug 2021: Global VP – Channel Chief
- Sep 2021: Chief Product Officer

• **Notable recent board additions**

- Allison Gleason joined the board in 2021. Previously, she was the SVP of Cisco Americas, overseeing a \$25 billion revenue.

b) Introduction of XCaaS

- In the second quarter of 2021, the company launched XCaaS.
- The company provides two types of services – UCaaS and CCaaS. XCaaS is a deployment model that erases boundaries between UCaaS and CCaaS.
- What does that mean? To understand this, it is important to understand the basics.
 - UCaaS is predominantly purchased by an IT department to modernize phone systems and streamline workflows. They're designed to support interoffice collaboration, with features like call routing and forwarding, conference bridging, virtual receptionist, and voicemail-to-email transcription.
 - CCaaS is designed to make it easy for sales agents to connect with customers. It is purchased by a sales/service department. CCaaS includes features such as split recording, skills-based routing, customer authentication, and AI-powered voice analytics.
 - The company's XCaaS has integrated both concepts, i.e., UCaaS and CCaaS.
 - As per the Q1 2022 conference call, 1/3 of the company's annual recurring revenue (ARR) is XCaaS, growing by 30%.

As we target XCaaS customers, these larger customers that combine the UC and CC, we have a doubling of our account size when we sell XCaaS they're stickier longer retention customers. - CEO, conference call, Q2 2022

c) Recent acquisition is the largest in the company's history

- In December 2021, the company announced its decision to acquire Fuze for roughly \$250 million (\$130-cash; \$120-stock).
- This is the largest acquisition in the company's history. In the past ten years, the company spent less than \$120 million on acquisition.
- Fuze revenue: \$130 million
- 8*8 & Fuse: 8x8 was recently named a Leader and Fuze a Visionary in the 2021 Gartner® Magic Quadrant™ for Unified Communications as a Service.
- [Presentation](#)

Suggested further readings:

The below two articles were written by Zeus Kerravala:

<https://www.nojitter.com/ucaas/look-8x8-get-aggressive-under-new-ceo-sipes>

<https://www.nojitter.com/unified-communications/8x8-acquire-fuze-bolster-xcaas-rd>

Long-Term Financial Framework

Non-GAAP	FY'20 Results	FY'21 Results	FY'22 Assumptions	Intermediate Profile ~3 years	Long-Term Profile 5+ years
GAAP Total Revenue Growth	27%	19%	12-14%	20%+	20%+
Gross Margin	59.1%	60.7%	61-64%	63-67%	70%+
S&M as % of Revenue	47.7%	40.8%	40-45%	35-40%	35-40%
R&D as a % of Revenue	12.1%	10.8%	11-13%	13-15%	13-15%
G&A as a % of Revenue	13%	11.2%	~10%	10%	<10%
Operating Margin	(13.6%)	(2.1%)	Exit FY at ~2%	5-10%	10-20%
GAAP Cash Flow from Operations	(\$94m)	(\$14m)	Exit FY Positive	CFO+ for FY	10-20% CFO Margin

Quest Resource (QRHC): Transformation to high margin from a loss-making business; Recent acquisition

- Market cap: \$120 million | Quest Resource Holding Corporation is a national leader in environmental waste and recycling services.
- Major shareholders: HAMPSTEAD PARK ENVIRONMENTAL SERVICES INVESTMENT FUND – 16.1% | PINNACLE FAMILY OFFICE INVESTMENTS – 10.6% | WYNNEFIELD CAPITAL – 10.4% | KITT BARRY M – 5.7%
- Screen: 8-K (Keywords)

I. BASICS

- The company is a national provider of waste and recycling services to customers from across multiple industry sectors.
- The company currently focuses on the waste streams and recyclables from big box, grocers, and other specialty retailers, automotive after-market operations, manufacturing plants, multi-family and commercial properties, restaurant chains and food operations, and construction and demolition projects.
- The company claims that it is “unaware of any provider” that provides all of the services it provides - recycling data services, environmental certification, and sustainability program offerings.

II. WHAT WE LIKE

1. Transition to high margin business

- In early 2016, the company appointed Ray Hatch as CEO.
- Under his tenure, the company exited less profitable services and focused on higher-margin services from both continuing and new customers.
- This strategy resulted in two things: lower revenue and increased profit.
- Not many CEOs take a tough decision to cut massive revenue to turn the company profitable – very patient and very aggressive.

Over the past two years, we shrank the revenue base by 44%

by eliminating businesses that just didn't make sense and adding business that can sustainably produce an attractive margin and returns -Ray Hatch, CEO, Q4 2018 conference call

- **Improved profit:** In the fourth quarter of 2018, the company achieved GAPP net income for the first time in the company's history. As you can see from the below table, under his watch, the company's reduced its losses consistently and turned profitable - for the past three years, the company has been profitable.

(\$,mm)	Revenue	EBIT
FY 2013	67.5	-7.7
FY 2014	175	-3.9
FY 2015	170	-6.7
FY 2016	184	-7.8
FY 2017	138	-5.4
FY 2018	104	-2.0
FY 2019	99	0.6
FY 2020	99	1.7
LTM 2021	137	5.8

2. Recent revenue growth

- After four years of declining revenue, the company achieved revenue growth in the past four quarters - Q4 2020: 20.5%, Q1 2021:38.6%, Q2 2021:67.8%, Q3 2021:57.7%. Revenue grew organically and through the acquisition of Green Remedies Waste & Recycling Company.

- **Record EBITDA:** In the last nine months ended September 2021 quarter, the company generated \$7.6 million of adjusted EBITDA compared to \$2.7 million in the QE September 2020.

III. WHY ARE WE FLAGGING NOW?

1. Recent acquisition

- In December 2021, the company acquired two national assets: light waste and environmental services businesses for roughly \$44 million.
- The acquisition is expected to contribute roughly \$80 million in revenue, \$2.2 million in net income, and \$5.5 million in adjusted EBITDA.
- This acquisition would increase the company's revenue by over 58%.
- Future strategy? The company's CEO expects acquisitions to be a meaningful part of the company's growth during the next few years.

2. Recent purchase by Wynnefield Capital

- As per the latest 13F, Quest Resource is the fifth largest position of

Wynnefield Capital's portfolio (6.4% of portfolio).

- In the last couple of months, Wynnefield acquired \$3 million worth of shares by paying roughly \$5.4 per share.
- In addition, Barry Kitt acquired \$2.65 million worth of shares by paying roughly \$5.52 per share.

Other notes

a) Chairman of the board owns roughly 15%

- Mr. Friedberg, chairman of the board, owns 15%
- Who is Mr. Friedberg? Mr. Friedberg has served as the chief executive officer of Hampstead Park Capital Management LLC, a private equity investment firm, since its founding in May 2016.

b) Customer concentration

- Three customers accounted for 51% of the company's revenue for the year ended December 31, 2020.

BrightView Holdings (BV): 16% buyback; Recurring revenue; Strong FCF generation; KKR owns 48%

- Market Cap: \$1.4 billion | BrightView is the largest provider of commercial landscaping services in the United States.
- Major shareholders: KKR NORTH AMERICA FUND – 59.4% | MSD PARTNERS – 11.2%
- Screen: 8-K (Keywords)

WHAT WE LIKE

1. Management shakeup after KKR; IPO

- In 2013, affiliates of KKR acquired the predecessor business, Brickman Holding Group. In 2014, the company acquired ValleyCrest; this nearly doubled the company in size and gained national coverage. Subsequently, the company changed its name to BrightView.
- In 2016, KKR reconstituted the company's senior leadership team, including hiring a CEO and CFO.
- The new management team re-vamped the business around a branch-centric model, empowering leaders at the local and regional levels and supporting branch locations with appropriate back-office functions and an effective corporate framework.
- In July 2018, the company completed its IPO.
- As of September 30, 2021, KKR beneficially owns roughly 48% of common stock.

2. Recurring revenue

- The company generates roughly 78% of revenue from recurring commercial landscaping services.
- The services range from mowing, gardening, mulching, and snow removal to more horticulturally advanced services, such as water management, irrigation maintenance, tree care, golf course maintenance, and specialty turf maintenance.

3. Seven times larger than the next competitor

- The company is the largest provider of commercial landscaping services in the US, with revenues approximately seven times those of its next largest commercial landscaping competitor.
- The industry is highly fragmented. The company holds a 2.7% market share.

5. Slow and consistent growth

- From FY 2016 to date, the company's revenue grew consistently except for FY 2020, which was affected due to the COVID-19 pandemic.
- The growth is fuelled by acquisitions as well. The company has acquired 29 landscape services companies across the US since 2017.
 - In FY 2021, the company acquired eight companies for roughly \$110 million.
 - In FY 2020, the company acquired six companies for roughly \$90 million.

4. Free cash flow; Profit growth outstrips revenue growth

- Profit growth: As you can see from the below table, EBIT grew at a much higher rate than revenue.
- FCF: The company not only generated positive free cash flow in the last ten years, but the FCF also grew consistently from FY 2016.

Year	Revenue growth	EBIT growth
FY 2016	-1.33%	-84%
FY 2017	1.86%	361%
FY 2018	5.74%	20%
FY 2019	2.17%	211%
FY 2020	-2.40%	-58%
FY 2021	8.85%	133%

- This coincides with the management change that happened around FY 2016. As you may recall, KKR re-vamped the management team in FY 2016.

Year	FCF (\$,mm)
FY 2016	36
FY 2017	63
FY 2018	93
FY 2019	80
FY 2020	192
FY 2021	87

WHY ARE WE FLAGGING NOW?

Share repurchase:

- 16% repurchase plan: In December 2021, the company authorized a share

repurchase program totaling \$250 million.

- Share repurchase from MSD: In December 2021, the company entered into an agreement to repurchase 5.9 million shares from MSD Partners for roughly \$83 million.

Overall-

- The company has a very long runway. Given the fact that the company generates FCF and the industry is highly fragmented, the company can use the cash to acquire companies for the next several decades. As long as the current management team executes this strategy and does not get distracted, this company will continue to grow profitably.
- It is interesting to note that the company generates a high amount of recurring revenue & FCF and still trades at EV/revenue of 1X and EV/EBITDA of 11X.

Asbury Automotive Group (ABG): Aggressive growth in the last three years under the CEO; Staggering FCF generation over the previous three years; Recent acquisition is the largest in the company's history

- Market Cap: \$3.9 billion | Asbury Automotive Group is one of the largest automotive retail and service companies in the U.S.,
- Major shareholders: BLACKROCK – 13.4% | ABRAMS CAPITAL MANAGEMENT – 9.2% | VANGUARD GROUP – 9% | NEUBERGER BERMAN GROUP 6.4%
- Screen: 8-K (Keywords)

I. BASIC:

- Asbury Automotive Group is the 6th largest franchised automotive retailer in the United States.
- The company generates revenue from (i) the sale of new vehicles; (ii) the sale of used vehicles to individual retail customers and to wholesale customers (iii) repair and maintenance services and (iv) the arrangement of third-party vehicle financing.
- As of September 30, 2021, the company operates 91 dealerships, encompassing 112 franchises for the sale and servicing of 31 different brands of American, European and Asian automobiles.

II. WHAT WE LIKE

1. BUSINESS MODEL/FCF

- Staggering FCF of \$918mm in LTM Sep 2021: In the past three years, the company generated solid free cash flow – FY 2019: \$292 million; FY 2020: \$606 million; LTM Sep 2021: \$918 million.
- Luxury vehicles: The Company generates roughly 39% of new vehicle revenue from luxury cars, which generally enjoys a high margin.
- Spare parts are highly profitable: Spare parts generate roughly 12% of revenue but contribute approximately 40% of total gross profit.

2. SIGNIFICANT CHANGES AFTER THE APPOINTMENT OF NEW CEO

In January 2018, the company appointed David Hult as CEO. He had served as COO since November 2014. Below are the changes under his tenure.

a) Strong recovery

Stagnant/decline:

- After several years of continued sales growth and profitability, the company's revenue and profitability declined in FY 2016 and FY 2017 due to a decline in new vehicle sales.
- From mid-2015 till late 2018, the company's stock price crashed and remained stagnant.

Recovery

- After the appointment of Mr. Hult as CEO, the company's revenue started increasing from FY 2018 - revenue grew from \$6.2 billion in FY 2017 to \$9 billion in LTM September 2021.
- Moreover, operating income more than doubled from \$297 million FY 2017 to \$686 million in LTM Sep 2021.
- Recent nine months' performance: Total revenue for the nine months ended September 2021 increased by 47% to \$2.29 billion.

b) Introduction of Clicklane

- In December 2020, the company introduced Clicklane, the automotive retail industry's first end-to-end 100% online vehicle retail tool.

- The platform offers its customers a straightforward approach to the purchase or sale of vehicles entirely online, including all documentation.
- **Solid outcome:** In Q3 2021, the company sold 6,000 vehicles, 11% of total vehicle units, through Clicklane, of which 47% of them were new vehicles and 53% used.

c) Aggressive acquisition

Prior to his appointment as CEO, from 2012 to 2019, the company spent less than \$500 million towards acquisition. After his appointment, the company started acquiring dealerships aggressively.

- In 2019 and 2020, the company spent roughly \$1.1 billion towards acquisition (2019: \$210mm; 2020: \$889mm acquisition of Park place).
- **Recent big-ticket acquisitions**
 - Between August and October 2021, the company acquired three car dealerships for roughly \$202 million.
 - In December 2021, the company acquired two companies - Larry H. Miller Dealerships and Total Care Auto (collectively "LHM" acquisition) for roughly \$3.3 billion and also acquired Stevinson Automotive for an undisclosed amount. If we assume that the company paid Stevinson a revenue multiple similar to LMH, the acquisition cost of Stevinson would be roughly \$400 million.
 - Revenue: LMH: \$5.7 billion; Stevinson: \$715 million
 - Pro forma revenue of the combined company (LTM September 2021): \$15.1 billion; Adjusted EBITDA: \$1.28 billion.
 - The combined company will be the 4th largest franchised dealership group in the United States based on pro forma revenue in 2020.

d) Strategic plan to reach \$20 billion revenue

- In December 2021, the company announced its five-year strategic plan to reach \$20 billion of revenue by 2025 (20% CAGR).
 - Driving same-store revenue growth of \$2 billion over five years
 - Acquiring \$5 billion of additional revenue over five years
 - Adding an incremental \$5 billion of revenue through the new Clicklane platform

e) Potential deleverage

In Q3 2021, the company announced that it will take steps to deleverage in 2022 and 2023.

We will be in a deleveraging mode in 2022 and 2023 just to bring that leverage back down to our 3 times target. But we can also take the cash flow for deleveraging perspective, either pay back debt or if we found some acquisitions that provided EBITDA that didn't require additional leverage, that would also provide some deleveraging ability as well. – CEO - Q3 2021 Conference call,

OVERALL

The company generates roughly \$918 billion in free cash flow. After the recent two acquisitions, the company will generate free cash flow in excess of \$1 billion. This can be used to repay debt and other big-ticket acquisitions.

The US auto dealership is highly fragmented. The company has a huge potential to grow big by acquiring dealerships.

Suggested further reading

<https://tcbmag.com/consolidation-sweeps-across-auto-dealerships-during-pandemic/>

Trinseo S.A. (TSE): Strong market share; 10% buyback initiated; recent acquisition; significant changes after the appointment of new CEO

- Market Cap: \$2.2 billion | Trinseo (NYSE: TSE) is a global materials company and manufacturer of plastics, latex binders, and synthetic rubber.
- Major shareholders: M&G INVESTMENT MANAGEMENT – 19.7% | BLACKROCK – 16.1% | FMR – 5.6%
- Screen: 8-K (Keywords)

BASICS

- The Company is a manufacturer of plastics, latex binders, and synthetic rubber, including various advanced specialty products and sustainable solutions.
- The company's products are incorporated into a wide range of customer's products including products for automotive applications, tires, carpet, and artificial turf backing, coated paper, specialty paper and packaging board, food packaging, appliances, medical devices, consumer electronics, and construction applications.

WHAT WE LIKE

I. Leading player

- The company is the #1 global producer of styrene-butadiene latex; #2 in Europe and #1 in North America.
- The company is the #1 producer of synthetic rubber in Europe. #1 solution – styrene-butadiene rubber (SSBR) in Europe.
- The company is the #2 producer of ABS – Base plastic in Europe. #3 global producer of polystyrene.
- In 2020, Americas Styrenics was the #1 producer of polystyrene, based on capacity data, and supplied 18% of the styrene monomer capacity in North America.

II. Track record of Mr. Bozich, who was appointed as CEO in early 2019

In March 2019, the company appointed Frank A. Bozich as CEO.

Sale of SI Group

- From 2013 to 2019, Mr. Bozich served as CEO of SI Group, a global specialty chemical company with more than \$2 billion in annual sales.
- Sale of the company: In October 2018, SI Group was acquired by SK Capital Partners, a private investment firm, for an undisclosed price.

Head of BASF's \$7 billion Catalyst division

- Bozich served as president of BASF's catalyst division, which was the global leader in chemical and mobile emission catalysts with revenue of more than \$7 billion.

Founder & subsequent sale of the company

- Mr. Bozich has founded Apex Adhesives in 1986, which was sold to Croda in 1993 for an undisclosed price.

III. Significant changes after the appointment of the new CEO

1. Major management shakeup

Seven out of the top ten executives (excluding CEO) were appointed/promoted after the appointment of Mr. Bozich as CEO.

- CEO - March 2019
- VP, Manufacturing and Operational Excellence - October 2019
- CFO - July 2019
- VP. Supply Chain Services - April 2020
- VP of Plastics & Feedstocks – May 2020
- VP, Corporate Development & Marketing Communication– May 2020

- VP, Engineered Materials & Synthetic Rubber - May 2020
- VP, Latex Binders – September 2020

2. Transformation to high margin business:

- The new CEO outlined the company's shift towards a solutions-focused specialty chemical company. Reason/logic? The specialty chemicals are less cyclical and offer higher margin potentials.
- Acquisition of PMMA business of Arkema (\$1.36 billion)
 - In May 2021, the company acquired polymethyl methacrylates and activated methyl methacrylates businesses (PMMA business) of Arkema SA for roughly \$1.36 billion.
 - Pro forma revenue of the combined company in 2020: \$3.6 billion (20% increase); Adjusted EBITDA: \$484 million
 - The company claims that the acquisition will have \$50mm cost-saving opportunities. Presentation- [Link](#)
- Acquisition of Aristech Surfaces (\$450mm):
 - In September 2021, the company acquired Aristech Surfaces LLC, a manufacturer of polymethyl methacrylates (PMMA) continuous cast and solid surface sheets, for roughly \$450 million.
 - Revenue: \$194 million; Adjusted EBITDA of \$46 million.
- Divestment of rubber business (\$491 mm):
 - In December 2021, the company sold its synthetic rubber business based in Schkopau, Germany, for approximately \$491 million.
 - Synthetic rubber's revenue decreased from \$572 million in 2018 to \$319 million in 2020, and its adjusted EBITDA decreased from \$77 million to \$1.7 million.
- Possible sale of styrenics businesses:
 - In 2021, the company announced its decision to explore the divestiture of

styrenics businesses. This segment's financial performance has suffered since 2018 - adjusted EBITDA decreased from \$144 million in 2018 to \$67 million in 2020. During the same period, the segment's revenue declined by 58%.

3. Sign of recovery

- Strong revenue growth:
 - The company's revenue for the nine months ended September 2021 was \$3.52 billion compared to \$1.97 billion for the nine months ended September 2020.
 - Of the 87% increase in net sales, 61% was attributable to increased selling prices, mainly due to the pass-through of higher raw material costs, and 24% was due to the contribution from acquisitions in 2021.
 - Gross margin:
 - During the same period, the company's gross profit margin increased from 9% to 16% due to strong demand and tight supply, mainly in polystyrene, ABS, and PC, and higher volume, particularly in latex binders and from high margin acquisitions.
 - During the same period, the company's adjusted EBITDA margin increased from 8% to 17%.
 - Free cash flow:
 - In Q3 2021, the company generated a free cash flow of \$173 million, and the company expects its full-year free cash flow of \$300 million to \$325 million
 - Future goals:
 - By 2025, the company's goal is to achieve an EBITDA margin of at least 20% & free cash flow conversion above 80%.
- ## 4. 10% buyback
- In December 2021, the company authorized the repurchase of up to \$200 million shares in the next 18 months.
 - This is roughly 10% of the current market capitalization.

Bank7 Corp. (BSVN): Solid growth; Recent acquisition; Owner-operator; A few governance concerns

- Market Cap: \$235 million | Bank7 Corp. is a bank holding company. Bank7 is a full-service Oklahoma-based community bank chartered in 1901.
- Major shareholders: WILLIAM BRADFORD HAINES FINANCIAL SERVICES TRUST – 51.2% | FRIEDMAN MARTIN S – 5.4% | FJ CAPITAL MANAGEMENT – 5.3%
- Screen: 8-K (Keywords)

I. WHAT WE LIKE

1. Owner-operator:

- William B. "Brad" Haines is the founder of the company and has served as the chairman of the board since 2004.
- 52% stake: Haines Family Trusts owns 52.5% of the o/s shares of the company (as of December 16, 2021).

2. Strong growth

- Total interest income grew from \$20 million in FY 2013 to \$53.3 million in LTM Sep 2021.
- The company's tangible book value increased from \$4.28 per share in FY 2013 to \$11.69 per share in FY 2020.
- Total loan increased from \$289 million in FY 2013 to \$925 million on September 30, 2021.

Year	Interest income (\$,mm)	Growth
FY 2013	20.03	
FY 2014	23.7	18%
FY 2015	28.4	20%
FY 2016	33.15	17%
FY 2017	42.9	29%
FY 2018	46.8	9%
FY 2019	51.7	10%
FY 2020	53.3	3%
LTM Sep 2021	55	3%

3. Awards/recognition

- 2020 Community Bankers Cup: In May 2021, Bank7 was the recipient of the seventh annual Raymond James Community Bankers Cup award. The award recognizes the top 10% of community banks across the U.S. Bank7

was one of 25 banks chosen for the award and is the only Oklahoma-based bank that was recognized.

- Bank7 has been ranked as one of the Top 100 Best-Performing Community Banks in the US by S&P Global Market Intelligence, out of a total of 4,287 banks with assets under \$3 billion.

II. WHY ARE WE FLAGGING NOW?

Acquisition of Watonga Bancshares:

- In December 2021, the company acquired Watonga Bancshares, Inc., the bank holding company of Cornerstone Bank, for approximately \$32 million.
- The acquisition increases Bank7's total assets by \$254 million to \$1.4 billion, total deposits by \$228 million to \$1.2 billion and total loans by \$118 million to \$1 billion, as of September 30, 2021.
- Presentation - [Link](#)

This is the company's third acquisition in the last ten years.

- In 2011, the company acquired First State Bank in Camargo, Oklahoma, from FDIC.
- In 2014, the company expanded its operations into Kansas with the acquisition of Montezuma State Bank (total assets: \$107 million).

III. OTHER NOTES

a) Loan exposure

- As of September 30, 2021, hospitality loans were 20% of total gross loans with outstanding balances of

\$188.0 million and unfunded commitments of \$47.2 million; energy loans were 13% of total gross loans with outstanding balances of \$119.4 million and unfunded commitments of \$10.6 million.

b) Heads-up: Governance:

i) Executive compensation includes perks like cell phone allowances, country club membership fees, life insurance premiums, etc. This is on top of the rich cash compensation paid to the executives.

ii) Family relationships

The chairman of the board is

- The father of Lisa K. Haines, the bank's EVP and chief marketing officer.
- The brother of Doug Haines, the bank's regional president for Western Oklahoma and Kansas.
- The uncle of Drew Haines, the bank's VP – commercial lending.
- The grandfather of one of the bank's employees working in the operations department.

iii) Branch Lease Transaction

- Chairman Haines is the manager of Haines Realty Investments Co., LLC, or Haines Realty, a business entity owned by trusts established for Lisa K. Haines and Julee S. Thummel, his daughters.
- The bank leases its branch located in Woodward, Oklahoma, from Haines Realty. During 2020, lease and common area maintenance payments to Haines Realty totaled \$177,000.

iv) Loan Purchases

- Chairman Haines is the sole member and manager of Haines Capital Group, LLC.
- In 2020, Haines Capital Group, LLC, purchased two loans from Bank7 totaling \$20.4 million. The loans were sold in full, at par value, and without recourse.

First Foundation (FFWM): Solid growth; Huge insider ownership; Recent acquisition

- Market Cap: \$1.5 billion | First Foundation is a financial services company with two wholly-owned operating subsidiaries, First Foundation Advisors and First Foundation Bank.
- Major shareholders: FMR – 8.9% | BLACKROCK – 6.6%
- Screen: 8-K (Keywords)

I. KEY FACTS

- Even though the company operates in two segments (banking and wealth management), the banking segment generates roughly 99% of total earnings before tax.
- Diversified commercial lending with 30% of loans comprised of commercial term loans, revolving lines of credit, public financing, and equipment leasing.
- 74% of the core deposit base is made up of commercial business deposits with 44% in non-interest bearing.
- Mature commercial real estate offerings with 48% of total loans in multi-family. Moreover, over 74% of originations in 3Q21 YTD were sourced directly from borrowers – i.e., with no broker involvement.
- The company, for the second time, was named as one of 35 banks chosen in 2021 for Sm-All Stars (that represent the top performing small-c banks and thrifts in the country).

II. WHAT WE LIKE

1. Solid growth

- 7X growth: In the last ten years, net interest income grew by roughly 7X, from \$28 million in 2012 to \$223 million for the LTM September 2021.
- Deposits at 24% CAGR: The Company's total deposits grew from \$650 million in FY 2012 to a staggering \$6.8 billion in Q3 2021.

- Tangible book value grew from \$74 million in FY 2012 to \$673 million in Q3 2021.

2. Stable portfolio

- The company has minimal portfolio exposure to businesses that are impacted by COVID-19.
 - No exposure to the oil & gas industry and aviation & cruise industry.
 - Only 9% of the commercial loans (retail and food services) have exposure to businesses that are impacted by COVID-19.
- Approximately 78% of the company's total loan portfolio is secured by stabilized real estate properties.
- The company has zero Federal Home Loan Bank advances, while at the same time, its loan-to-deposit ratio remains at 85% in Q3 2021.

3. Insider ownership

- CEO owns 3.1%
- Executive chairman owns 5.2%
- Director and president of First Foundation Advisors (FFA) holds 2%
- President of First Foundation Bank (FFB) owns 1.6%

4. Governance

- No major red flags
- Related party transaction
 - David DePillo, president of FFB, owned a 10% interest in Lending-Link LLC, an entity that provides software services to FFB.
 - Joseph DePillo, senior vice president for Corporate Development of FFB and the son of David

DePillo, was paid \$243,000 in total compensation by FFB during 2020, and owned a 20.5% interest in LendingLink LLC.

- During 2020, FFB paid LendingLink \$0.3 million for services it provided to FFB.

5. B Riley's Vision List

- The company is one of the 24 stocks picked by B. Riley's research team to be featured in B Riley's Vision List.
- It is a list of 24 stocks picked across all industries that are expected to outperform the small-cap benchmark Russell 2000 Index in FY 2020.
<https://brileyfin.com/blog/b.riley-securities-presents-top-small-cap-picks-at-2021-vision-day>

III. WHY ARE WE FLAGGING THIS

Recent acquisition

Acquisition of TGR Financial

- In December 2021, the company acquired TGR Financial for roughly \$295

million. TGR Financial would receive 20% of the o/s shares of First Foundation.

- This is the largest acquisition in the bank's history. In fact, it is the only acquisition in the last three years.
- First Florida Integrity Bank, a subsidiary of TGR Financial, has \$2.2 billion in assets, \$1.1 billion in loans, and \$2.2 billion in deposits.
- First Florida - Huge market share in an affluent market
 - Ranked 1st for deposit market share in Collier County among banks headquartered in Florida, or 5th rank overall.
 - Affluent market: Collier County ranks 2nd in Florida and 22nd in the US per capita income.
- The acquisition would increase the asset by roughly 29%—pro-forma assets: \$9.9 billion.

Selected Financial Information

Financial Highlights: As of for 3Q21 YTD			
Loans	\$5.8 Billion	Revenue:	\$228 Million
Deposits	\$6.8 Billion	Net Income:	\$86 Million
Total Assets	\$7.7 Billion	ROAA	1.52%
FFA AUM & Trust AUA	\$6.7 Billion	ROATCE³	18.3%
TBV per share	\$14.96 ⁽²⁾	Efficiency Ratio	46% ⁽¹⁾

Growth	
Loan production:	2019 – \$1.93 billion; 2020 – \$2.49 billion; 3Q21 YTD– \$2.70 billion
Deposit growth:	2019 – \$358 million; 2020 – \$1.02 billion; 3Q21 YTD– \$932 million
AUM & AUA growth:	2019 – \$650 million; 2020 – \$705 million; 3Q21 YTD– \$694 million
Revenue growth:	2019 – 11%; 2020 – 19%; 3Q21 YTD (over 3Q20 YTD) – 21%
Net Income growth:	2019 – 31%; 2020 – 50%; 3Q21 YTD (over 3Q20 YTD) – 38%

1) See "Non-GAAP Measurements" slide on page 42.
2) See "Non-GAAP Measurements" slide on page 45.
3) See "Non-GAAP Measurements" slide on page 42.

Home Bancorp (HBCP): Solid growth; recent acquisition

- Market Cap: \$376 million | Home Bancorp, Inc. is the holding company for Home Bank, National Association, a nationally chartered bank headquartered in Lafayette, Louisiana
- Major shareholders: FJ CAPITAL MANAGEMENT – 7.3% | HOME BANCORP – 6.9%
- Screen: 8-K (Keywords)

WHAT WE LIKE

1. Solid growth:

- Since 2010, the company's net interest income has increased by 4X, from \$28 million in 2010 to \$103 million in LTM September 2021.
- The number of branches doubled from 18 in 2010 to 39 in September 2021.

- Since 2010, the company's net income increased from \$4.6 million to \$48.9 million in LTM September 2021.
- Recent quarter: In Q3 2021, the company generated a net income of \$15.1 million, up by 32% from the prior quarter.
- Asset growth: Since 2010, the company's asset has increased roughly by 4X, from \$700 million in 2010 to \$2.76 billion in LTM September 2021.

(\$ in millions, except share and per share data)	2016	2017	2018	2019	2020	LTM ended September 2021
Net interest income	62.4	67.8	92.0	85.9	92.2	101.5
Income before taxes	23.5	29.3	38.2	33.7	30.8	60.9
Net income	16.0	16.8	31.5	27.9	24.7	48.9
Total assets	1,556.7	2,228.1	2,153.6	2,200.4	2,591.8	2,763.4
Deposits	1,248.0	1,866.2	1,773.2	1,820.9	2,213.8	2,365.7
Book value per common share	24.47	29.57	32.14	34.19	36.82	40.38
Tangible book value per common share (Non-GAAP)	22.73	22.33	25.16	27.22	29.6	33.1

2. Recent acquisition

- In the last ten years, the company acquired only three companies for a total deal value of \$206 million.

Year	Name	Deal value (\$,mm)
2017	St. Martin Bank & Trust	96
2015	Bank of New Orleans	75
2014	Britton & Koontz Bank	35

- Acquisition of Friendswood – to expand into Houston

- In December 2021, the company entered into an agreement to acquire Friendswood Capital Corporation for approximately \$67 million. The transaction is expected to close in the first quarter of 2022.
- As of September 30, 2021, Friendswood had assets of \$445.3 million, \$342.8 million in loans, and \$376.3 million in deposits.
- The company anticipates the transaction will be over 20% accretive to

[Go to index page](#)

EPS once cost savings are fully realized and accretive to tangible book value per share within 3.5 years of closing.

3. Stock buyback

- **5% share repurchase:** In October 2021, the company approved a new share repurchase plan to purchase up to 430,000 shares, or roughly 5% of the company's o/s shares.
- In 2020 and 2021, the company repurchased 0.14 million shares at

\$25.79 per share and 0.24 million shares at \$36.13 per share, respectively.

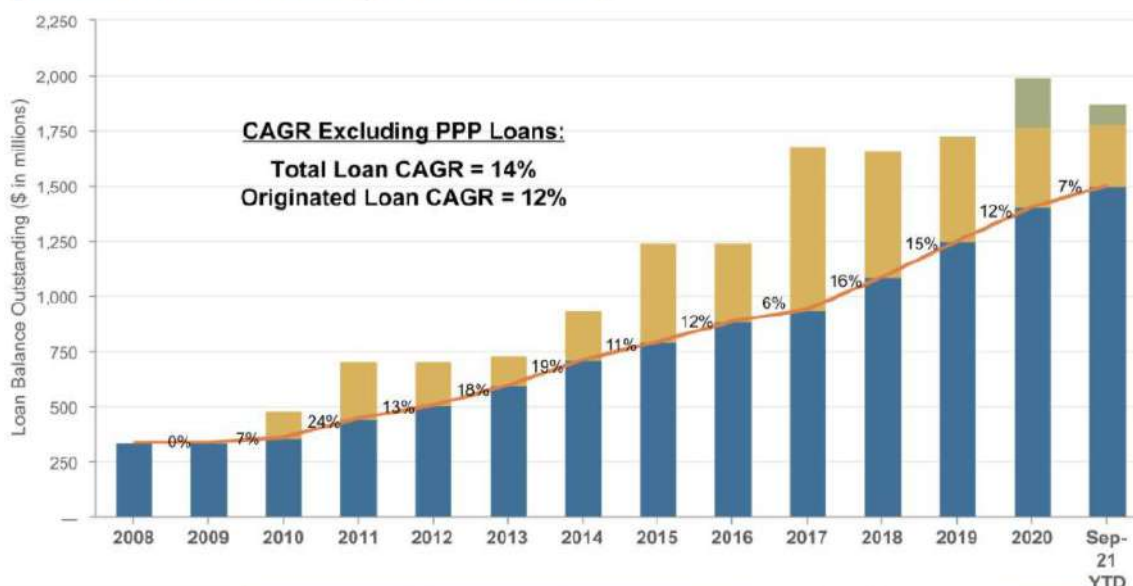
OTHER NOTES

- CEO owns roughly 2% of the o/s shares.
- Dividend per share increased from \$0.30 per share in 2015 to \$0.91 per share in 2021.

Organic Loan Growth

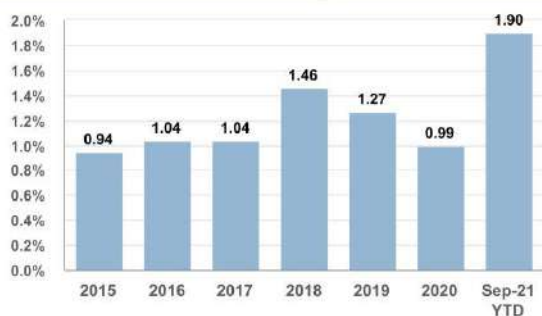
(excludes acquisition accounting & unearned income)

Home **HB** Bancorp, Inc.

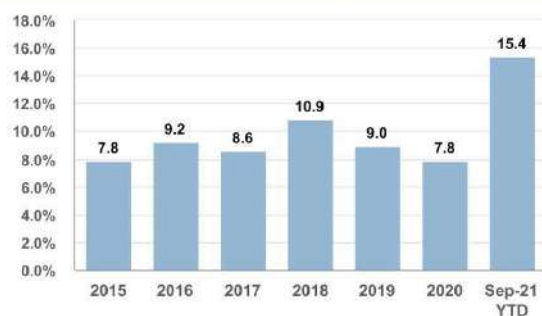


Profitability

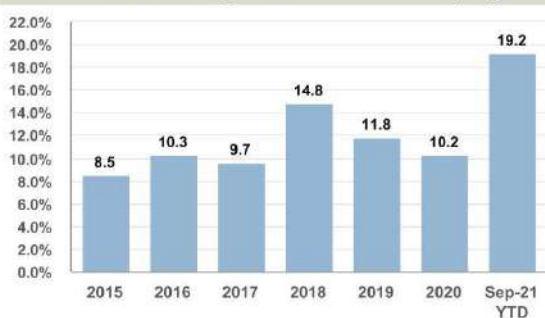
Return on Average Assets



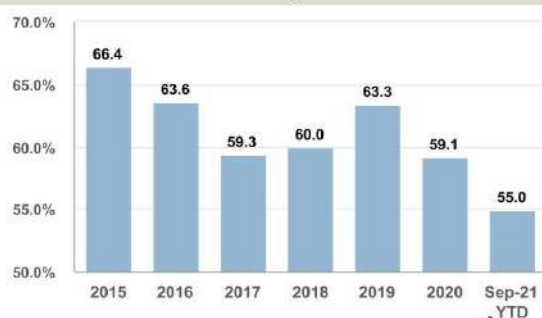
Return on Average Equity



Return on Tangible Common Equity⁽¹⁾



Efficiency Ratio



(1) See appendix for reconciliation of Non-GAAP items.

CalAmp (CAMP): Significant changes after the appointment of CEO; migration to SaaS business model; stock is down due to supply-chain problem

- Market Cap: \$221 million | CalAmp is a connected intelligence company helping businesses and people track, monitor, and recover vital assets with real-time visibility and insights.
- Major shareholders: BLACKROCK – 14.7% | TRIGRAN INVESTMENTS – 9% | ARISTOTLE CAPITAL BOSTON – 8% | VANGUARD GROUP – 6.8%
- Screen: 8-K (Keywords)

I. BASIC

It is a provider of software applications, cloud services, data intelligence and telematics products and services. Telematics and tracking devices utilize the latest cellular technology to monitor and provide data on the customer's cargo, vehicles and other assets in any environment.

- Telematics Products (47% of revenue in Q3 FY2022) – It provides a series of telematics products for the broader connected vehicle and emerging industrial IoT marketplace. It includes asset tracking units, mobile telematics devices, fixed and mobile wireless gateways, and routers.
- Software & Subscription Services (53% of revenue in Q3 FY2022) – It offers cloud-based application enablement and telematics service platforms that facilitate integration of the company's applications, as well as those of third parties.

II. WHAT WE LIKE

1. Ongoing transformation to a software & subscription service business model

- The company generates revenue through two sources – a) Sale of telematics products and b) software subscription service ("SaaS").

- The company's SaaS-based solutions provide customers the ability to wirelessly communicate with monitoring devices via its software applications. SaaS arrangement includes the price for the customized device, installation, and application subscriptions.
- Superior margin: For the nine months ended November 2021, the subscription segment generated a gross margin of 50% compared to the telematics segment's gross margin of 31%.

2. Significant changes after the new CEO

In July 2020, the company appointed Jeffrey R. Gardner as CEO.

Track record of the new CEO:

In July 2020, the company appointed Jeff Gardner as CEO. He had served as a member of the company's board since 2015 and served as interim CEO from March 2020 to July 2020.

CEO of Brinks Home Security

- From September 2015 to February 2020, Mr. Gardner served as CEO of Brinks Home Security, one of the US's largest home security and alarm monitoring companies. The company generated revenue of \$540 million in 2018 (financials are not available publicly).
- Bankruptcy: In June 2019, the company filed for bankruptcy and

emerged from bankruptcy in August 2019.

- We cannot blame Mr. Gardner for the bankruptcy because most of the debt was inherited by him when he was appointed CEO.

CEO of \$5.8 billion Windstream

- From 2006 to 2014, Mr. Gardner served as CEO of Windstream Corporation, provider of advanced network communications and technology solutions, including cloud computing and managed services.
- He claims that he oversaw the acquisition of nine companies since 2006 with a combined value of over \$5 billion.
- The company's revenue increased from \$3.0 billion in 2006 to \$5.8 billion in 2014.

CFO of \$8 billion Alltel

- For seven years, from 1998 to 2005, Gardner served as CFO of Alltel, an \$8 billion wireless and wireline communications company.

Significant changes after the new CEO

a) Management changes:

Out of the top nine executives, six executives were appointed/promoted after the appointment of Gardner as CEO.

- CEO: July 2020
- SVP - Global supply chain and operations - June 2020
- SVP - Product Management - March 2020
- SVP Chief Revenue officer - March 2020 (will resign in January 2022)
- Chief Technology officer - June 2021
- SVP, General Counsel & Secretary - July 2021

b) Rapid transformation to SaaS business model

- Under his watch, the company aggressively pushed the transition to SaaS by hiring various experts, initiating a new sales incentive program, and acquiring Tracker UK, LoJack Mexico, and Synovia.

- Before the appointment of Gardner as CEO, the subscription segment contributed approximately 17%-21% of the total revenue from FY2017 to FY2019. As of November 2021, the subscription segment contributed 48% of total revenue.

To further help with the advancement and progress of our go-to-market strategy towards the SaaS model, we internally established a transformation office with the express charter of improving cross-functional alignment within the organization. We've also continued to expand our team with highly qualified and experienced software sales professionals as part of our SaaS sales group, while also hiring the best engineering talent to augment our product development group." - Mr. Gardner, CEO, Q3 FY2022 conference call.

c) Exit of LoJack North America business:

- In December 2020, the company announced its decision to wind down the LoJack US operations due to a prolonged secular decline in revenue. In March 2021, the company sold its LoJack North America business for \$8 million.
- The company expects to save \$12 million to \$15 million annually beginning in fiscal 2022.

d) Expansion in Spain

- In early 2021, the company announced the launch of a wholly-owned subsidiary in Spain.
- Spain is Europe's third-largest market with the highest vehicle theft rates.
- The company believes that its decision to open a subsidiary in Spain would help sell the cloud-based connected car SaaS solutions across that country and across the Pan European region.

3. Insider buying: In 2021, the company's insiders bought \$0.11 million worth of shares at an average price of \$11.6 per

share. The CEO, who was appointed in July 2020, bought \$0.05 million worth of shares at an average price of \$11.1 per share.

WHY ARE WE FLAGGING THIS?

The recent stock price crash

- Revenue declined by 12%: In December 2021, the company announced its financial results for Q3 FY2022. In Q3 FY 2022, the company's revenue declined by 12% to \$68.7 million compared to \$78.5 million in Q3 FY2021.
- Share price crash: On this news, the company's share price crashed by

roughly 26%, from \$9.89 per share on December 21, 2021, to \$7.34 per share on December 22, 2021.

- Analyst downgraded: Various analysts have downgraded the stock from \$14-\$15 per share range to the \$10-\$12 per share range.

OUR THOUGHTS

The decline in revenue is predominantly due to the supply chain problem. The company stated that the supply chain problem limited its ability to fulfill customer orders.

(\$ in millions)	FY2017	FY2018	FY2019	FY2020	FY2021	LTM ended November 2021
Telematics Systems - revenue	274.3	302.1	287.3	241.2	178.6	161.6
Software & Subscription Services - revenue	61.7	63.7	76.4	124.8	129.9	147.7
Total revenue	351.1	365.9	363.8	366.1	308.5	309.3

CommScope Holding (COMM): Significant changes under the CEO appointed by a PE firm; Spin-off

- Market Cap: \$2.1 billion | CommScope Holding Company, Inc. is a global leader in network connectivity solutions.
- Major shareholders: VANGUARD GROUP – 11.7% | FPR PARTNERS – 8.5% | HARTFORD MUTUAL FUNDS – 8.3% | WELLINGTON MANAGEMENT GROUP – 8.2% | BLACKROCK – 5.2%
- Screen: 8-K (Keywords)

I. BASICS

The Company provides infrastructure solutions for communication and entertainment networks.

- Broadband Networks (34.3% of revenue) – Its products are converged cable access platform, video systems, access technologies, fiber and coaxial cable, fiber and copper connectivity, and hardened closures
- Venue and Campus Networks (23% of revenue) – It combines Wi-Fi and switching, distributed antenna systems, licensed and unlicensed small cells, and enterprise fiber and copper infrastructure.
- Outdoor Wireless Networks (14.7% of revenue) - Its products are base station antennas, RF filters, tower connectivity, microwave antennas, metro cell products, cabinets, steel, accessories.
- Home Networks (28.0% of revenue) – Devices that provide residential connectivity to a service provider network, such as digital subscriber line and cable modems and telephony.

II. WHAT WE LIKE

1. Major management and board changes by Carlyle Group

Board and management shakeup after 70% erosion in stock price

- In 2019, the company funded its big-ticket ARRIS acquisition (\$7.7 billion) by issuing "convertible preferred stock" to Carlyle Group for \$1 billion – equal to approximately 16% of the o/s

shares. Since then, the company's value has eroded by 70%.

- Some background: In 2011, Carlyle acquired Commscope and exited its position through an IPO in 2013. Many directors who are appointed by Carlyle Group still serve the board.

Board and management shakeup

- Senior Advisor of Carlyle Group appointed as chairman: After the stock price erosion, in October 2020, the company appointed a senior advisor of Carlyle Group (Claudius E. "Bud" Watts IV) as chairman of the board.
- Founder transitioned to chairman emeritus: Frank Drendel, the company's founder and chairman, resigned as CEO and chairman and was named chairman emeritus.
- Carlyle Group's executive appointed as CEO: In October 2020, the company appointed Charles "Chuck" Treadway, an executive of Carlyle Group, as CEO.

2. Track record of Mr. Treadway, new CEO:

- Operating executive at Carlyle Group: Most recently, Mr. Treadway served as an operating executive with the Carlyle Group LP from July 2020 to September 2020. The Carlyle Group is a private equity firm with \$293 billion of assets.
- Accudyne Industries: From 2016 to 2020, Mr. Treadway served as CEO of Accudyne Industries, a portfolio company of BC Partners and the Carlyle Group. He claims that he completed three sales processes and delivered

over 20% top-line growth while improving overall EBITDA margins by 50+%.

- **Thomas & Betts:**

- From 2012 to 2016, Mr. Treadway served as CEO of Thomas & Betts Corporation, a manufacturer of electrical components.
- In 2012 ABB Ltd (NYSE: ABB) acquired Thomas & Betts for roughly \$3.9 billion and appointed Mr. Treadway as CEO.
- Mr. Treadway claims that he developed Thomas & Bett's go-to-market strategy and completed three acquisitions and one divestment, resulting in revenue growth of 33% from 2009 to 2012 and EBITDA margin growth of 360 bps.

3. Significant changes after the appointment of new CEO

- **Management changes:** Since the appointment of Mr. Treadway as CEO in October 2020, 7 out of the company's top 15 executives have been newly appointed/promoted.

- Chief commercial officer - November 2020
- Chief transformation officer - December 2020
- Global Chief Information Officer - March 2021
- Chief Legal Officer - April 2021
- Interim chief technology officer - July 2021
- SVP - Broadband Networks - July 2021
- CFO - November 2021

- **Board declassified:** At 2021 AGM (in May 2021), the company declassified the board.

- **Company-wide strategic initiative:**

- In February 2021, the company announced a strategic initiative to drive profitable growth, undertaking a complete portfolio evaluation and eliminating unnecessary non-value-added complexity and cost across the business.

- **Goal:** The Company's goal is to achieve a 2023 EBITDA exit run-rate by \$500 million and reduce its leverage ratio to 4.0 to 5.0 level by 2024. The company also plans to achieve \$600-\$700 million free cash flow by 2024.

- **Strategic transformation update:** <https://ir.commscope.com/static-files/0810ff4d-3b3f-4e1d-a490-47df34584b36>

- **Spin-off**

- In April 2021, the company announced its decision to spin-off its Home Networks business, which is expected to close in Q1 2022.

- **Pro forma financials:** The company stated that the pro forma revenue of the remaining core CommScope's business to be \$6.1 billion in 2020 (27% decline compared to combined revenue of \$8.4 billion in 2020). Pro forma gross margin of the remaining core business increased to 39% from 33% in 2020.

- In Q2 2021 and Q3 2021, Home Networks business declined 28.1% and 27.6%, respectively.

- Suggested further reading - [company presentation](#).

4. Insider buying:

- In 2021, the company's insiders bought \$3.1 million worth of shares at an average price of \$12.1 per share. CEO bought \$0.49 million worth of shares at an average price of \$14.93 per share.

5. Others

- **Huge market share**

- The company claims that it is the only player that can support multi-system operators (MSOs) across all network upgrade options
- #1 market position in NAR Fiber Connectivity, Coax cable related to outside plant cable & connectivity

- #1 market position in NAR Cell Site Conn. Solution, NAR Fiber-to-the Antenna related to Copper & Fiber Solutions
- #1 market position in Copper, Intelligent patching related to Inside Plant Cable & Connectivity
- #1 market position in Head end Optics, Nodes, RF network amps related to Access Technology
- #1 market position in Passive Antennas, External RF Filter Solutions related to Base Station Antennas
- #1 market position in Microwave Antennas

- #1 market position in Video systems related to Converged Network and Video systems

- Patents: The Company has approximately 15,000 patents and patent applications and approximately 3,000 registered trademarks and trademark applications.

e) Free Cash Flow: The company generates strong free cash flows – FY 2019: \$492 million; FY 2020: \$315 million; LTM Sep 2021: \$192 million.

Heads up

Massive debt: \$9.5 billion

FirstCash Holdings (FCFS): Latin operation is a hidden gem; Recent acquisition expands the business from pawn industry to POS payment market

- Market Cap: \$2.9 billion | FirstCash is a leading international operator of over 2,800 retail pawn stores in the U.S. and Latin America.
- Major shareholders: RIPPEL DOUGLAS RICHARD – 19.9% | FMR – 14.6% | BLACKROCK – 11% | VANGUARD GROUP – 9% | EARNEST PARTNERS – 7.4% | COOKE & BIELER – 6.2%
- Screen: 8-K (Keywords)

RESEARCH

- The company runs pawn stores in the US and Latin America.
- The company generates 64% of total revenue from the US and the remaining 36% from Latin America.

1. Stagnant US pawn business (64% of total revenue)

- The company runs roughly 1,069 pawn stores in the US. In 2016, the company acquired Cash America for \$1 billion and significantly expanded its operation in the US.
- 9% market share: Given the fact that there are roughly 12,000 to 14,000 pawnshops in the US, we can reasonably conclude that the company enjoys approximately 8% to 9% market share in the US (in terms of shop count).
- Stagnant revenue: The segment's revenue has been hovering around \$1 billion for the past four years.

(\$, mm)	2016	2017	2018	2019	2020	2021	LTM
Retail merchandise	386	717.4	709.5	722.1	720.2	699.1	709.1
Pawn loan fees	195.8	380.5	373.4	379.3	310.4	294.5	310.4
Wholesale scrap jewelry	47.6	119.1	85.7	71.8	45.4	27.9	45.4
Total	629	1,217	1,169	1,173	1,076	1,017	1,076

2. Growing Latin America (primarily Mexican) – 36% of total revenue

- The company operates 1,739 pawn shops in Latin America. Out of which, roughly 95% are based out of Mexico.
- 24% market share (Mexico): Given the fact that there are roughly 7,000 to 8,000 pawnshops in Mexico, we believe the company controls roughly 20% to 24% market share in Mexico.
- The company is steadily growing its operation in Latin America through organic and acquisition.
- Except for FY 2020, the segment's revenue has consistently increased. Revenue declined in FY 2020 predominantly due to the COVID-19 pandemic.
- In the investor presentation, the company mentioned that this segment has a runway for continued store openings and strategic acquisitions.

(\$, mm)	2016	2017	2018	2019	2020	LTM
Retail merchandise sales	283	334	382	453	355	369
Pawn loan fees	117	130	152	185	147	166
Wholesale scrap jewelry	15	22	22	32	51	38
Total revenue	417	487	557	671	553	573
Growth		17%	14%	21%	-18%	4%

3. Recent acquisition: Expansion from the pawn industry to POS payment market

Acquisition of the fourth largest provider of POS payment solutions

- In December 2021, the company acquired American First Finance for approximately \$1.17 billion.
- American First Finance (AFF) is a technology-driven virtual lease-to-own ("LTO") and retail finance provider focused on underserved, non-prime customers.
- 4th largest player: AFF is the **fourth largest provider of POS payment solutions** to underserved retail customers in the US.
- Growth: AFF's growth in invoice volume with merchant partners increased from less than \$350 million in 2019 to an estimated \$800 million in 2021.
- Financials: AFF generated revenue of approximately \$350 million in 2020 with estimated revenues of over \$600 million and over \$800 million in 2021 and 2022, respectively. AFF projects adjusted EBITDA for 2022 between \$120 million and \$140 million.
- Pro forma revenue of the combined company: \$1.9 billion (19% increase compared to FirstCash's 2020 revenue) in 2020.

Please insert – slide 8 of 37 - <https://investors.firstcash.com/static-files/858dd94c-5040-418d-a0f8-60287f022715>

4. Other notable points

- Strong free cash flow: The Company has generated consistent free cash flow throughout its operations.

(\$ in millions)	Free cash flow	Cash Acquisitions
2017	235.1	2.2
2018	217.8	113.7
2019	221.6	52.4
2020	291.7	44.3
LTM ended September 2021	31.8	84.4

- Consistent repurchase of shares
 - Roughly 15% of the o/s shares have been repurchased over the last four years:
 - The o/s shares declined from 47.8 million in FY 2017 to the current o/s shares of 40.5 million shares.

(\$ in millions, except share and per share data)	Shares repurchased	Value of repurchased shares
2016	0	0
2017	1,616,000	91.7
2018	3,343,000	273.6
2019	1,305,000	116.1
2020	1,427,000	106.9
Nine months September 2021	688,000	49.6

-
- Improving results - Recent quarterly performance: In Q3 2021, the company's revenue increased approximately 11% to \$399.6 million. EBITDA and adjusted EBITDA in Q3 2021 increased 85% and 39%, respectively.

AFF PRODUCT OVERVIEW

TECHNOLOGY-DRIVEN POINT-OF-SALE FINANCING SOLUTIONS FOR NON-PRIME CONSUMERS PURCHASING DURABLE GOODS & SERVICES

- AMERICAN FIRST FINANCE OFFERS RETAIL TRANSACTION FINANCING OPTIONS IN THE FORM OF:
 - LEASE-TO-OWN: MERCHANDISE IS OWNED BY AFF AND LEASED TO CONSUMER.
 - RETAIL INSTALLMENT SALES: CONTRACT BETWEEN THE CONSUMER AND MERCHANT IN EXCHANGE FOR GOODS & SERVICES
 - BANK INSTALLMENT LOANS: CLOSED END INSTALLMENT LOAN ORIGINATED BY PARTNER BANK
- ALL THREE PRODUCTS ARE PRICED TO GENERATE SIMILAR YIELD
- ONLY ONE OF AFF'S PRODUCTS CAN BE OFFERED AT A GIVEN LOCATION

ORIGINATIONS BY TYPE¹

Product Type	Percentage
Lease-to-Own	60%
Retail Installment Sales & Bank Installment Loans	40%

UP TO \$5,000

**TYPICALLY
12-MONTH TERMS**

**EARLY
BUYOUT OPTION**

**ANNUALIZED
RETURN OF 2X+**

1. LTM RESULTS as of 9/30/2022 23

AFF BUSINESS HIGHLIGHTS

- 1. PROVEN PROPRIETARY UNDERWRITING PLATFORM SUPPORTED BY SIGNIFICANT DATA AND ROBUST ANALYTICS**
 - CENTRALIZED UNDERWRITING SUPPORTED BY DATA ANALYTICS
 - 2+ MILLION CUSTOMERS IN DATABASE
- 2. PLATFORM BUILT FOR SCALE**
 - KEY INITIATIVES INCLUDING THE USE OF DATA ANALYTICS AND IMPLEMENTATION FOR AUTO DECISIONING SYSTEMS UNDERTAKEN SINCE 2015
 - SIGNIFICANT SCALABILITY FOR GROWING NUMBER OF APPLICATIONS AND OUTSTANDING PORTFOLIO; AUTOMATED DECISIONS FOR OVER 93% OF APPLICATIONS
- 3. ATTRACTIVE AND FLEXIBLE BUSINESS MODEL**
 - CUSTOMER CENTRIC PRODUCT DRIVES REPEAT BUSINESS
 - SHORT AVERAGE DURATION OF LEASES AND RECEIVABLES ENABLE MODEST CAPITAL REQUIREMENTS AND ABILITY TO SELF-FUND GROWTH
 - A NIMBLE CREDIT BOOK ALLOWS AFF TO QUICKLY ADAPT TO CHANGING ECONOMIC AND CREDIT ENVIRONMENT
- 4. STRONG MERCHANT PARTNERSHIPS AND PIPELINE**
 - DIVERSIFIED ACROSS 26 VERTICALS
 - CUSTOM POINT OF SALE INTEGRATIONS DRIVE STICKY RELATIONSHIPS AND MINIMAL VOLUNTARY MERCHANT CHURN
 - STRONG DEAL PIPELINE OF \$400 - 700MM INCREMENTAL ORIGINATION POTENTIAL IN 2022
- 5. ATTRACTIVE FINANCIAL PROFILE**
 - STRONG RISK-ADJUSTED RETURNS AND CASH FLOW GENERATION
 - HIGHLY PROFITABLE GENERATING \$92MM LTM ADJUSTED EBITDA¹

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Calavo Growers (CVGW): Heads up - very unfavourable credit agreement (short notes)

- Market Cap: \$761 million | Calavo Growers is a global leader in the avocado and value-added fresh food industries
- Major shareholders: BLACKROCK – 15.3% | VANGUARD GROUP – 7% | NUANCE INVESTMENTS – 5.8%
- Screen: Heads up

In December 2021, the company entered into the fourth amendment to a credit agreement. Here are a few notable amendments-

- The interest rate is increased by 0.50%.
- Consolidated financial statements must be submitted monthly for the month and year-to-date period, beginning with the financial statements for the month of November 2021.
- The Company will pledge the 1,677,000 shares it holds of Limoneira stock as collateral
- Calavo de Mexico, S.A. de C.V. (“Calavo Mexico”) is added as a guarantor

<https://www.sec.gov/Archives/ed->

[gar/data/0001133470/000155837021016557/cvgw-20211201x8k.htm](https://www.sec.gov/Archives/edgar/data/0001133470/000155837021016557/cvgw-20211201x8k.htm)

13D – December 13 2021 to January 14, 2022

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

Market Cap: \$18 million | It is a commercial real estate investment company focused on owning and operating income-producing retail properties with a primary focus on grocery anchored centers.

(a) Daniel Khoshaba

- On January 6, 2020, Daniel Khoshaba (7.5%) expressed his belief that the company's financial performance can be improved to increase shareholder value. Accordingly, Mr. Khoshaba has sent a letter (refer, "[Exhibit B](#)") to the Chairman of the Board, in which he requested that the company immediately appoint him to fill the current vacancy on the Board.
- On February 25, 2020, the company filled the vacancy on the Board by electing Daniel Khoshaba to be a director. [Source](#)
- On April 13, 2020, the company terminated the employment of the company's CEO and President David Kelly and appointed Daniel Khoshaba, a current director of the Company, as a CEO. [Source](#)
- On July 5, 2021, Daniel Khoshaba has tendered his resignation as the President and CEO of the company and as a member of the Board.
- On August 23, 2021, Mr. Khoshaba, the ex-CEO of the company (11.4%) sent a letter (refer, "[Exhibit A](#)") to the company and the Board expressing his concerns with the recent developments at the company. Mr. Khoshaba believes that the Board has failed to provide effective corporate governance and sound leadership to the company, especially in the wake of the Board's decision to pressure him to resign as CEO..He stated that he may seek to improve the composition of the Board.

Update:

- On December 13, 2021, Mr. Khoshaba sent a letter (refer "[Exhibit A](#)") to the board reiterating his concerns on the company.

(b) Steamboat Capital Partners

- On June 24, 2020, Steamboat Capital Partners disclosed a 12% and sent a letter to the board requesting that a meeting be called to elect directors to represent the Series D Preferred Shareholders and indicating that it had suggested potential candidates for the company to nominate to fill those seats.
- On December 31, 2020, Steamboat Capital Partners (12%) stated that it had determined, at this time, not to take further action or make further efforts to seek the calling of a meeting to elect directors to represent the Series D Preferred Shareholders or to have particular candidates fill any such seats. [Source](#)
- On October 11, 2021, Steamboat Capital Partners (14.3%) sent a [letter](#) to the company explaining that the company's distribution of rights and notes when accrued preferred dividends had not been fully paid breached the provisions of the company's governing documents. Steamboat Capital believes that, as a result of such breach, unpaid dividends on the preferred stock accrued as of July 15, 2021 became immediately due and payable. In addition, the letter requests that such dividends be paid and that the proposal to amend the company's governing documents to deprive

the Series B Cumulative Preferred Stock of its right to accrued dividends be withdrawn from consideration at the meeting of the stockholders scheduled to take place on November 3, 2021.

- On October 25, 2021, Steamboat Capital Partners filed a [complaint](#) against the company alleging that the company's distribution of rights to the common stockholders, and notes pursuant to the rights, when accrued Series B and Series D preferred dividends had not been fully paid, breached the provisions of the company's governing documents and violated the rights of the Series B and Series D preferred stockholders and, in the case of the notes so distributed, Maryland law. The Complaint seeks, as a result, to require the company to pay all dividends accrued, as of the date of the distribution of rights, on the Series B and Series D preferred stock and to prohibit the company from paying interest on the notes distributed to the common stockholders upon exercise of the rights until all accrued dividends on the Series B and Series D preferred stock are paid. [Source](#)

(c) Joseph Stilwell

- On December 19, 2019, the Stilwell Group [announced](#) that shareholders have elected all three of Stilwell's director nominees, Joseph D. Stilwell, Paula J. Poskon and Kerry G. Campbell, to the Board.
- On June 19, 2020, the Board voted to increase the size of the Board from seven directors to eight directors and appointed Ms. E. J. Borrack as a director to the Board to fill the resulting vacancy with immediate effect. In addition, Ms. Borrack was appointed to the Compensation Committee of the Board. Since 2013, Ms. Borrack has been the General Counsel at a group of private investment partnerships known as The Stilwell Group. [Source](#)
- On September 22, 2020, the Stilwell Group increased its stake to 13.1%.

Custodian Ventures/ Activist Investing initiates an active stake in Electro-Sensors

Market Cap: \$22 million | Electro-Sensors, Inc. is an industry leading designer and manufacturer of rugged and reliable machine monitoring sensors and wireless/wired hazard monitoring systems applied across multiple industries and applications.

On January 14, 2022, Custodian Ventures/ Activist Investing (5.7%) issued a [press release](#) stating that, " We are pleased to announce our significant investment in ELSE given the meaningful opportunity we believe the Company represents and are eager to begin working with the Board of Directors and management to actively explore potential strategic options to drive shareholder value."

Julian Singer seeks board and management changes at Catalyst Biosciences

Market Cap: \$27 million | Catalyst Biosciences, Inc., a clinical-stage biopharmaceutical company, focuses on developing medicines to address hematology indications.

Background:

- On July 22, 2019, Julian Singer (3.1%) delivered a letter to the Board expressing his concerns with the company's precipitous value destruction and prolonged share price

underperformance. In the Letter, Julian Singer stated his belief that the company has strong potential for success as a clinical-stage biopharmaceutical company, noting its recent success in certain clinical trials. Julian Singer stated in the letter that the Board should consider taking steps to remediate shareholder concerns to restore investor confidence and maximize shareholder value, including by adding shareholder representation on the Board, adopting best practices for good corporate governance and retaining an investment bank as an independent adviser to evaluate potential strategic alternatives. Julian Singer stated his belief that the Board should work cooperatively with him, by voluntarily adding two highly-qualified shareholder representatives to the Board. In addition, Julian Singer questioned the company's need for a classified Board. Further, the Letter noted the lack of diversity on the Board, a plurality voting standard in electing directors with no director resignation policy and a supermajority voting requirement to amend the governing documents.

- On January 13, 2020, Julian Singer (3.3%) entered into a Cooperation Agreement with the company pursuant to which, within five business days of the execution of the Cooperation Agreement, the Board shall irrevocably appoint Sharon Tetlow and Geoffrey Ling, M.D. (together, the “New Directors”) as directors of the company, effective on January 15, 2020.
- On October 26, 2021, Julian Singer (2.1%) stated his belief that shareholder value is at immediate risk unless the company eliminates the classified board, drastically reforms its governance and board structure, and engages an independent financial advisor to explore strategic alternatives, including a sale of the company. He also seeks immediate wholesale changes in the board to include more qualified directors as well as wholesale changes in senior management. He urges Augustine Lawlor to step down as chairman in light of his overly long tenure as a director and his commitments to serving on other boards, and urges the board to appoint a leader who will focus on shareholder interests and value creation.

Update:

On January 5, 2022, Julian Singer (2.5%) stated that in light of the precipitous fall in stock price (recently trading below the critical one dollar mark), outsized pay packages for executives misaligned with declining market capitalization, excessive cash burn with no return, and a belated decision to seek a buyer for the hemophilia assets, Julian Singer believes that management and the board have failed in their duties of oversight and accountability to shareholders. He seeks immediate wholesale changes in the board of directors to include more qualified directors as well as wholesale changes in senior management. He urges Augustine Lawlor to step down as chairman in light of his overly long tenure as a director and his commitments to serving on other boards, and urge the board to appoint a leader who will focus on shareholder interests and value creation. [Source](#)

Masters Capital Management plans to nominate a director candidate to Venus Concept's board

Market Cap: \$111 million| Venus Concept Inc., a medical technology company, develops, commercializes, and delivers minimally invasive and non-invasive medical aesthetic and hair restoration technologies worldwide.

On December 23, 2021, Masters Capital Management (9.99%) stated that it has the right to nominate a director to the board and intends to nominate Dr. S. Tyler Hollmig, the director of Dermatologic Surgery and Director of Laser & Cosmetic Dermatology at Dell Medical School at the University of Texas and Ascension Texas, who is unaffiliated with Masters Capital Management. [Source](#)

Ancora Advisors initiated an active stake in Ampco-Pittsburgh Corporation

Market Cap: \$106 million | Ampco-Pittsburgh Corporation is a producer of forged and cast rolls for the steel and aluminum industries across the world, as well as ingot and open die forged products for the oil and gas, aluminum, and plastic extrusion industries.

(a) Ancora Advisors

On January 7, 2022, Ancora Advisors disclosed a 5.6% active stake in the company and stated that it had engaged and intends to continue to engage in discussions with members of the board and management regarding means to create shareholder value, including, but not limited to, improving capital allocation, divesting non-core assets, conducting a strategic review of current lines of business and enhancing corporate governance (including changes to the composition of the board). [Source](#)

(b) Crawford United

- On February 1, 2021, Crawford United (10.3%) nominated Mr. Ambassador Edward Crawford and Mr. John D. Grampa for election as members of the board at the 2021 AGM. [Source](#)
- On February 13, 2021, the CEO of the company called Mr. Crawford and notified him that the board had decided not to include the Crawford United Nominees as nominees for election at the annual meeting.
- On April 9, 2021, Crawford United stated that it had determined not to solicit on their proxies with respect to the 2021 annual meeting, scheduled to occur May 13, 2021. [Source](#)
- Who is Edward Crawford? Edward Francis Crawford is an American businessman and entrepreneur who served as the US Ambassador to Ireland from 2019 to 2021. He previously served as chairman and CEO of Park-Ohio Holdings, an industrial supply chain logistics and diversified manufacturing business.

Stuart M. Grant plans to nominate board candidates to Eyenovia

Market cap: \$111 million | Eyenovia is a clinical stage ophthalmic biopharmaceutical company developing a pipeline of microdose therapeutics utilizing its patented piezo-print delivery technology.

Background:

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

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

Update:

On December 23, 2021, Stuart M. Grant (18.5%) expressed his dissatisfaction with the performance of the company's stock price and the ineffectiveness of its board. He announced that he is considering nominating director candidates for election to the board at the next AGM. Also, he delivered two letters (refer, "[Exhibit A & B](#)") to the company relating to (i) a demand for certain books and records of the company and (ii) a stockholder proposal seeking to amend the amended and restated by-laws of the company to add a mandatory retirement age of seventy-two (72) years for directors of the company.

PL Capital Advisors sends a letter to Community West Bancshares

Market Cap: \$112 million | Community West Bancshares is a bank holding company.

Background

(a) PL Capital Advisors, LLC

- On December 22, 2021, PL Capital Advisors (6.2%) disclosed that on October 5, 2021, John Palmer, principal of PL Capital, sent a [letter](#) to Marty Plourd, president, CEO and director of Community West Bancshares regarding proposed changes to the company's corporate governance.
- On December 23, 2021, PL Capital Advisors stated that it intends to monitor the performance and corporate governance of the company, as well as the actions of the company's management and board. [Source](#)

(b) Philip J. Timyan

On April 4, 2016, Philip J. Timyan (5.4%) stated that he would consider seeking board representation if the bank takes actions that dilute tangible book value per share.

Comrit Investments sends letter to New York City REIT stockholders regarding the urgent need for a boardroom change

Market Cap: \$141 million | New York City REIT, Inc. (NYSE: NYC) is a publicly-traded real estate investment trust listed on the NYSE that owns a portfolio of high-quality commercial real estate located within the five boroughs of New York City.

- On December 1, 2021, Comrit Investments nominated a director candidate to the board. It stated that it is concerned that despite stockholders enduring stock price depreciation of approximately 60% over the past 15 months, the company paid more than \$11.2 million in 2020 and \$10.5 million in 2019 in management fees and reimbursements to its advisor and property manager, which are entities owned and controlled by AR Global Investments, LLC. It also expressed its concerns that in addition to holding the dual chairman and CEO role at NYC REIT, Michael Weil is the CEO of AR Global. [Source](#)
- On January 4, 2022, Comrit Investments issued a [press release](#) and delivered a letter to the stockholders of the company. It expressed its concerns about the performance of the company and urged shareholders to vote for its nominee.

JCP Investment Management urges Westwood Holdings Group to commence a strategic review process

Update:

On January 5, 2022, JCP Investment Management (10.4%) stated that it privately wrote to the board. The private letter called on the board to release a three-year plan and outline the value creation plan for shareholders, or, alternatively, commence and disclose a robust strategic review process. It stated that on January 5, 2022, the shares are trading at \$16.87, which is nearly 33% less than the \$25 per share cash offer that the board rejected. Given the company's continued underperformance under the stewardship of the current board and management team, JCP Investment Management believes that the company should immediately commence a strategic review process, including a possible sale of the company, as a means to maximize stockholder value. [Source](#)

KORR Value announces nomination of two candidates to Medallion Financial Board

Market Cap: \$145 million | Medallion Financial Corp., together with its subsidiaries, operates as a finance company in the United States. It originates, acquires, and services loans that finance taxi medallions and various types of commercial businesses.

Background:

- On March 31, 2021, KORR Acquisitions Group (4.4%) encourage the Board to improve its corporate governance by adding additional Board members with more relevant experience. Also, it stated that in February 2021, it has released a presentation regarding its proposals to remedy the company's underperformance and maximize value for all shareholders. In its presentation, KORR is pushing for change that it believes will unlock MFIN's true value of over \$20 per share. It encourages the company to, (i) change its name, (ii) repurchase shares, (iii) consolidate office locations, (iv) reduce headcount, (v) sell non-core assets, (vi) re-align senior management compensation with shareholders, (vii) segregate Medallion loans.
- On June 30, 2021, KORR Acquisitions Group delivered a letter to the company demanding inspection of certain of the company's books and records.

Update

On December 30, 2021, KORR Value (5.6%) delivered a [letter](#) to the company nominating a slate of two candidates, Andrew S. Fox and Philip P. Scala, for election to the board at the 2022 AGM. In the press release and letter, KORR Value expressed its deep concerns with a lawsuit recently filed by the SEC making alarming allegations of fraudulent schemes perpetrated by the company and its president, Andrew Murstein, to boost the company's stock price and urged, among other things, for Andrew Murstein and Alvin Murstein to resign from the board, for the board to immediately appoint the nominees to fill the resulting vacancies and for the board to form a special committee of the board to investigate and respond to the SEC allegations with the assistance of independent legal counsel. KORR Value also set forth various recommendations to enhance stockholder value, including the divestment of underperforming assets and reduction of unnecessary costs.

Bradley Radoff reaches agreement with Enzo Biochem

Market Cap: \$154 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:

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 opposed the re-election of Dr. Rabbani and the company's other nominees. The company announced that Dr. Rabbani did not receive a majority of the votes cast and tendered his resignation to the board. Subsequently, the board rejected the resignation of Dr. Rabbani.
- On March 16, 2021 Harbert Discovery Fund (10.73%) sent a letter to the Board calling on them to pursue strategic alternatives and enter into discussions with potential acquirers. The letter also expressed disappointment in the Board's apparent decision to not accept Dr. Rabbani's resignation.
- On October 27, 2021, Harbert Discovery Fund (10.68%) sent a letter (refer Exhibit 12) to the independent members of the board, urging them (i) to make corporate governance changes that ensure newly appointed CEO, Hamid Erfanian, will have the authority to manage the business without interference from Dr. Rabbani; and (ii) to fulfil his or her fiduciary duties and represent the interests of all shareholders.

Roumell Asset Management

- In November 2020, in a surprising move, Roumell Asset Management nominated two director candidates for election to the board at the 2021 AGM. The company rejected the nomination letter.
- 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, the members of the board acted against the will of the shareholders. Moreover, the fund also urged the company to provide updates on the several initiatives,

including hiring executive search firm Korn Ferry to identify CEO candidates, hiring Gary M. Huff (former CEO of LabCorp) as the board's strategic consultant, and hiring a financial advisor to evaluate strategic alternatives.

- On September 29, 2021, RAM (6%) delivered a letter to the company nominating a slate of two director candidates, 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](#)

James G. Wolf

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

Bradley L. Radoff

- On October 6, 2021, Mr. Radoff (6.4%) announced that he has nominated himself and Lorrie A. Carr for election to the board at the 2021 AGM. He stated his belief that the company desperately needs to improve its corporate governance practices and refresh the board in order to generate shareholder value. Mr. Radoff stated that not only has the incumbent board overseen drastic share price underperformance, but the board has also routinely disregarded the will of shareholders, including by failing to accept the resignation of Dr. Elazar Rabbani. [Source](#)
- On October 19, 2021, Mr. Radoff issued an open letter to Dr. Mary Tagliaferri and Dr. Ian B. Walters, who joined the board in November 2020. Mr. Radoff urges to consider the following: (i) the board needs to take swift action to prevent Dr. Rabbani from perpetually controlling the company as if it is his private fiefdom; (ii) the board needs to transparently update shareholders on its months-long strategic review; (iii) the board should pursue a negotiated resolution with shareholders who have nominated director candidates, rather than force another costly contested election.
- On November 19, 2021, Mr. Radoff (6.4%) filed [proxy materials](#) nominating two director nominees to the Board.

Update:

- On December 27, 2021, Mr. Radoff increased his stake to 8.9%
- On January 3, 2022, Bradley L. Radoff entered into a [Cooperation Agreement](#) with the company. Pursuant to the Cooperation Agreement, the company agreed to immediately appoint Hamid Erfanian and Mr. Radoff to the Board.

Armistice Capital secured a board seat in Avalo Therapeutics; company splits CEO and Chairman Role

Market Cap: \$199 million | Avalo Therapeutics, Inc., a clinical-stage precision medicine company, discovers, develops, and commercializes therapeutics for patients with unmet Clinical need in immunology, immuno-oncology, and rare genetic diseases.

Background:

On November 4, 2021, Armistice Capital entered into a [cooperation agreement](#) with the Company. Pursuant to the agreement, the company agreed to appoint Dr. June Almenoff to the board and to appoint another director who would not be associated with Armistice.

Update:

On December 14, 2021, the board appointed Steven J. Boyd, a current non-employee director of the board, as chairman of the board. Mr. Boyd replaces Michael Cola as chairman and Mr. Cola will continue to serve on the board and as CEO of the company. [Source](#)

22NW seeks support for its nominees at DIRT T

M.Cap: \$234 million | DIRT T Environmental Solutions Ltd. designs, manufactures and installs prefabricated interior solutions for use primarily in commercial spaces across various industries and businesses in the United States, Canada, and internationally.

Background:

- On October 7, 2021, 22NW Fund (18.4%) stated that it has engaged, and intends to continue to engage, in communications with the management team and board of directors regarding means to enhance stockholder value.
- On November 16, 2021, 22NW Fund (18.9%) submitted a requisition of a meeting of shareholders to the company to remove incumbent directors Denis Karkkainen, Shauna King, Todd Lillibridge, Jim Lynch, Steve Parry, and Diana Rhoten, and to replace them with six candidates: Aron R. English, Cory J. Mitchell, Douglas A. Edwards, Scott L. Robinson, Scott C. Ryan and Kenneth D. Sanders. The requisition requested that the meeting be held no later than January 21, 2022. [Source](#)
- On December 7, 2021, the company announced that its board of directors, in response to a requisition made by 22NW Fund, LP, called an annual and special meeting of shareholders to be held on April 26, 2022. The company added that the meeting would deal both with normal course matters and matters related to the requisition.

Update:

- On December 9, 2021, 22NW Fund provided an update on its requisition for a meeting of shareholders. Notwithstanding the manner in which DIRT T has treated the requisition and 22NW, its largest shareholder, 22NW announced that it is attempting a constructive settlement with DIRT T by means of submitting a term sheet for a settlement proposal under which Todd Lillibridge, Denise Karkkainen and Steve Parry would retire from DIRT T's board to be replaced by Aron English, Ken Sanders and Scott Robinson. Under the proposal, 22NW would agree to support the director nominees of the board at DIRT T's 2022 AGM, which would remain at eight. It is a condition of the proposal that it is accepted no later than December 15, 2021. If DIRT T accepts the proposal, 22NW will withdraw the requisition. [Source](#)
- On January 14, 2022, 22NW Fund filed proxy materials seeking support for its nominees.

Driver Management sends a letter to Codorus Valley Bancorp

Market Cap: \$207 million | Codorus Valley Bancorp, Inc. operates as the bank holding company for PeoplesBank, which provides community banking services.

Background:

- On June 29, 2021, Driver Management (6.3%) stated its belief that the board should immediately hire a financial advisor and conduct a comprehensive review of all available options for increasing shareholder value, including a sale of the company. Source
- 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 urged the board to separate the roles of chairman and CEO, reinstate independent oversight of the executive management team and hold Mr. Miller accountable for years of underperformance.
- On September 3, 2021, Mr. Cooper (6.5%) sent a letter to the lead independent directors of the board expressing his concerns that CVLY's executive compensation practices encourage risk-taking while failing to hold executives accountable for loan losses and other credit costs and doing nothing to align management's interests with those of shareholders.
- On September 15, 2021, the company announced that as part of its long-term succession plan, the board of directors had appointed Craig L. Kauffman as president and CEO of the company effective October 1, 2021. Mr. Kauffman will succeed Larry J. Miller, who had served as president and CEO since 1986. Mr. Miller will serve as executive chair of the company and will continue in his role as executive chair of Peoples-Bank until December 31, 2021.
- On October 4, 2021, Mr. Cooper (6.5%) sent a letter to the lead independent directors of the board seeking clarification on whether Mr. Miller's tenure as a member of the board will cease as of December 31, 2021.
- On October 29, 2021, Driver Management filed a motion to compel statutory inspection and examination of corporate books and records (the "Motion to Compel") against the company in the Court of Common Pleas of York County, Pennsylvania.
- On November 15, 2021, Mr. Cooper (6.72%) sent a [letter](#) to the board regarding the restricted stock unit agreement dated November 9, 2021, between the company and the company's CEO.

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

Update:

- On December 20, 2021, the company [announced](#) several updates to the composition of its board, as well as initiatives to further enhance its corporate governance practices. As part of the company's long-term succession plan, the board of directors has appointed current PeoplesBank Director Keith Cenekofsky, CPA as director of the company effective January 1, 2022. The company also announced the appointments of Cynthia A. Dotzel, CPA and J. Rodney Messick to new positions on the company's board, effective January 1, 2022, until the annual reorganization meeting in May 2022. The board also announced that as part of its ongoing corporate governance review, it has approved and adopted the amended and restated by-laws of the corporation. The board has adopted a majority vote standard for uncontested director elections.
- On December 20, 2021, Mr. Cooper sent a [letter](#) to the board regarding the company's restated bylaws and stated that it would nominate candidates for election to the board at the 2022 AGM.
- On January 10, 2022, Driver Management sent a letter to the board. Kindly, [click here](#) to read the entire letter.

MNG Enterprises filed a complaint on rejection of its director nominees

Market Cap: \$145 million | Lee Enterprises, Incorporated (LEE) provides local news and information, and advertising services in the United States.

Background:

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

Update

- On December 15, 2021, MNG Enterprises filed a complaint with respect to the company's rejection of its previously reported director nominees. [Source](#)

Praetorian Capital Management

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

Valuation insight

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

LEE has produced Trailing Twelve Month (TTM) Adjusted EBITDA of \$116.2 million and this is despite the effects of COVID on the local marketing business and before the full synergies of the BH Media merger could be realized. I believe the company can earn north of \$150 million of Adjusted EBITDA in 2023 and if LEE traded at 15 times Enterprise Value (EV) to Adjusted EBITDA (adjusted for debt paydown), it would still trade at a discount to more dominant papers like the New York Times (NYT) at approximately 20 times EV/EBITDA, yet trade for north of \$300 per share. On December 15, 2021, MNG Enterprises filed a complaint with respect to the company's rejection of its previously reported director nominees. [Source](#)

Driver Management nominates director candidates to Republic First Bancorp

M.Cap: \$225 million | Republic First Bancorp, Inc. operates as the holding company for Republic First Bank that provides a range of credit and depository banking products and services to individuals and businesses.

- On December 9, 2021, Driver Management nominated three candidates for election to the Board at the 2021 AGM. [Source](#)
- On January 14, 2022, Driver Management filed proxy materials seeking support for its nominees.

SWK Holdings' special Committee concluded that it would not be able to reach an agreement with Carlson Capital; four directors resigned

Market Cap: \$249 million | SWK Holdings Corporation, a specialty finance company, focuses on the healthcare sector. The company operates in two segments, Finance Receivables and Pharmaceutical Development.

Background

(a) Carlson Capital

Strategic review committee: On May 17, 2021, the company announced that its board and Carlson Capital (71.1%) have jointly agreed that the board will form a strategic review committee to identify, review and explore strategic alternatives for the company with a view to maximizing stockholder value. In connection with this decision, the board has agreed to immediately appoint Mr. Marcus Pennington, a director at Carlson Capital, to serve as a member of the board and to nominate Mr. Pennington for election at the 2021 AGM. Mr. Pennington will serve as the chairman of the Strategic Review Committee. The company has also committed to Carlson Capital that, if requested by Carlson Capital prior to the 2022 AGM, the board will promptly appoint an additional non-executive, independent director, to be mutually agreed between the board and Carlson Capital, to serve as a member of the board.

Update:

Since November 2021, Carlson Capital proposed to acquire the company for a price of \$19.00 per share. Later it raised its offer to \$20.20 per share. On January 5, 2022, the company announced that the special committee concluded that it would not be able to reach an agreement with Carlson Capital with respect to the proposed transaction. In addition, following this announcement, on January 7, 2022, the company announced that four directors of the company have delivered their respective resignations as directors following the conclusion of the special committee's review of the proposed transaction and the remaining directors of the company intended to identify and appoint additional directors. Following the company's announcements on January 5, 2022, and January 7, 2022, Carlson Capital intends to engage in discussions with the company regarding the appointment and/or election of additional directors, which may include directors to be identified by Carlson Capital.

(b) Cannell Capital:

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

Taylor Maritime Investments may seek a board representation in Grindrod Shipping Holdings

Market Cap: \$270 million| Grindrod Shipping Holdings Ltd., an international shipping company, owns, charters-in, and operates a fleet of dry bulk carriers and tankers worldwide.

On December 20, 2021, Taylor Maritime Investments (25.7%) stated that it anticipates entering into discussions with the board to have a person appointed as a director of the company to represent its interests. [Source](#)

Kyma Capital seeks board representation in Atento

Market Cap: \$341 million | Atento S.A., together with its subsidiaries, provides customer relationship management, and business process outsourcing services and solutions in Brazil, the Americas, Europe, the Middle East, and Africa.

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

Comtech and Outerbridge agree to unified slate of directors

Market Cap: \$675 million | Comtech Telecommunications Corp. designs, develops, produces, and markets products, systems, and services for communications solutions in the United States and internationally.

Background:

- 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 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](#)
- On October 6, 2021, Outerbridge (4.95%) issued the following press release and open letter to the board expressing its concerns that shareholders have lost confidence in the company's leadership and highlighted the company's long-term underperformance, strategic inattention and history of failed M&A strategy. It urges shareholders to support its nominees.
- On October 15, 2021, Outerbridge Capital filed proxy materials seeking support for its nominees.
- On October 18, 2021, the company said that it has received a \$100 million investment from White Hat Capital Partners LP and Magnetar Capital.
- On October 25, 2021, Outerbridge Capital sent a letter to the board regarding Comtech's announcement of a \$100 million investment from White Hat Capital Partners LP and Magnetar Capital LLC. It stated that rather than pursue value-destructive transactions, Comtech should issue a broad mandate to a new financial advisor to undertake a robust and bona fide strategic review with the goal of enhancing shareholder value rather than entrenching management and the board.
- On November 2, 2021, Outerbridge Capital commented on a recent media report that Acacia Research Corporation has made an offer to acquire Comtech for \$30 per share. It stated that the Board should immediately form a Strategic Alternatives Committee to run a thorough review process. [Source](#)

- On November 4, 2021, Outerbridge Capital (4.9%) filed [proxy materials](#) seeking support for its two nominees and stated its belief that the double-digit decline in Comtech's share price in response to the planned appointment of Mr. Porcelain as Comtech's next CEO and a disappointing FY21 earnings announcement has again illustrated stockholders' lack of faith in Comtech's management team and Board.
- On November 15, 2021, Outerbridge Capital issued a press release seeking support for its two nominees.
- On November 22, 2021, Outerbridge Capital issued an Investor [Presentation](#) titled "The Case for Change at Comtech".
- On December 1, 2021, Outerbridge Capital issued an investor [presentation](#) refuting the false and misleading claims contained in Comtech's recent public materials.

Update

- On December 6, 2021, Outerbridge Capital [announced](#) that ISS has recommended that shareholders vote on the WHITE proxy card for Outerbridge director candidate Sidney "Sid" Fuchs for election to the board at the upcoming 2021 AGM.
- On December 13, 2021, Outerbridge Capital commented on the company's 2022 [first quarter](#) earnings results issued on December 9, 2021. Outerbridge believes that the quarterly results further underscore the dramatic and urgent need for both its highly qualified director candidates – Wendi Carpenter and Sidney "Sid" Fuchs – to be elected to the Comtech Board at the upcoming 2021 AGM. [Source](#)
- On December 15, 2021, Outerbridge Capital [announced](#) that Glass Lewis has joined ISS in recommending that shareholders vote on the WHITE proxy card for Outerbridge director candidate Sidney "Sid" Fuchs for election to the board at the upcoming 2021 AGM.
- On December 16, 2021, the company and Outerbridge Capital entered into a [cooperation agreement](#). Pursuant to the agreement, the Board will appoint Wendi Carpenter to the Board effective with the appointments of Michael Porcelain and Mark Quinlan to the Board no later than January 3, 2022.

Starboard increased its stake after securing Board seat in eHealth

Market Cap: \$642 million | eHealth, Inc. provides a private online source of health insurance for individuals, families and small businesses.

Background:

Hudson Executive Capital

- On February 19, 2021, Hudson Executive Capital disclosed a 5.8% active stake and stated that it had and may continue to have discussions with the company's management and board to discuss the company's business, strategies and corporate governance.
- On March 11, 2021, the company announced that it had reached an agreement with Hudson Executive Capital to immediately appoint one new director and to engage in a process to mutually agree upon a second director in the next 45 days.

Starboard

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- On March 11, 2021, Starboard (6.9%) delivered a letter to the company nominating a slate of four director candidates for election to the board at the 2021 AGM. Source
- On May 12, 2021, Starboard entered into an agreement with the company and secured a board seat.

Update:

On January 7, 2022, Starboard increased its stake to 8.5%.

Engaged Capital delivered a letter to the Board of Quotient Technology

Market Cap: \$694 million | Quotient Technology Inc. operates as a digital media and promotions technology company that offers power integrated digital media and promotions programs for brands and retailers.

Background:

On November 17, 2021, Engaged Capital (6%) issued a public [letter](#) to the board expressing its concerns with the company's consistently poor performance, both in regards to share price and operations. Engaged Capital believes that rather than taking decisive action to remedy the weak operating and share price underperformance, the board has selfishly focused on employing strategies to further entrench itself. Also, on November 17, 2021, Engaged Capital delivered a letter to the company formally requesting an exemption to be granted by the board under the NOL Pill to allow Engaged Capital to acquire up to 9.99% of the then outstanding shares.

Update

On January 10, 2022, Engaged Capital (6.5%) issued a [letter](#) to the board warning that the company should not pursue a potential share sale. Engaged said it has learned that the Quotient's CEO Steven Boal has allegedly reached out to third parties regarding the sale of 19.9% of the company outstanding shares. Engaged Capital claims that a share sale would be an effort at vote buying ahead of a likely proxy contest. Engaged threatened that if the Quotient board proceeds with such a transaction, it plans to start legal action against the company.

RR Donnelley & Sons to be acquired by Chatham Asset Management for \$10.85 per share in cash

Market Cap: \$780 million | RR Donnelley & Sons is a leading global provider of multichannel business communications services and marketing solutions.

Background:

- On February 26, 2020, the company hosted a conference call to discuss its fourth quarter and annual results for the period ended December 31, 2020. Following that call, Chatham Asset Management (12.9%) determined that management had not taken sufficient steps to address certain concerns that had been previously communicated to the company. Accordingly, in order to maintain the maximum flexibility that may

be necessary to effectuate the necessary changes at the company, Chatham Asset Management has determined to reduce their equity position below a 10% beneficial ownership interest, in accordance with the company's stockholder rights plan, and to promptly file this Schedule 13D. [Source](#)

- On February 28, 2020, Chatham Asset Management delivered a letter to the board expressing its concerns with the adoption of the poison pill and demanded that the board take swift and immediate action to revoke the poison pill. Also, Chatham Asset Management stated that it is prepared to initiate appropriate litigation against the company.
- On July 28, 2021, Chatham Asset Management (15%) stated that it intends to engage in discussions with members of management and the board to express its view that the board should not renew its stockholder rights plan upon its expiry on August 28, 2021 and that the board should concentrate its efforts on undertaking a strategic review of assets with an external advisor. [Source](#)
- On October 12, 2021, Chatham Asset Management (15%) delivered a non-binding proposal & inquiry letter to the board in respect of a potential offer to purchase the company at a price of \$7.50 per share.
- On November 2, 2021, Chatham Asset Management issued a press release calling upon the company to immediately execute a customary non-disclosure agreement with them, to begin discussions and due diligence to negotiate a successful transaction that provides stockholders full and certain value for their shares. [Source](#)
- On November 3, 2021, Chatham Asset Management delivered a [letter](#) to the board including an updated offer to purchase all of the common stock at a price equal to \$9.50 per share in cash.
- On November 16, 2021, Chatham Asset Management delivered a [letter](#) to the board including an updated offer to purchase all of the common stock at a price equal to \$9.10 per share in cash.
- On November 29, 2021, Chatham Asset Management delivered a [letter](#) to the board, including a revised offer, to purchase all of the common stock at a price equal to \$10.25 per share.

Update:

On December 14, 2021, the company [announced](#) that it has entered into a definitive merger agreement to be acquired by affiliates of Chatham Asset Management in an all-cash transaction with a total enterprise value of approximately \$2.3 billion. The company also announced that it has terminated its previously announced merger agreement with affiliates of Atlas Holdings LLC.

Voss Capital nominates three candidates for Griffon Corp. Board

Market Cap: \$1.5 billion | Griffon Corporation, through its subsidiaries, provides consumer and professional, and home and building products in the United States, Europe, Canada, Australia, and internationally.

Background:

- On November 23, 2021, Voss Capital issued a [press release](#) and public letter to the board and announced its nomination of three candidates for election as directors of

the company. Voss Capital stated that the best way to remedy the perpetual conglomerate and governance discount to the company's stock is to take the following steps: (i) immediately refresh the board with truly independent directors who will hold management accountable, (ii) bring management compensation in line with comps and base incentive pay on metrics that more accurately reflect value creation for shareholders (e.g., ROIC), and (iii) form an independent committee of the board to conduct a comprehensive strategic review with the goal of maximizing shareholder value.

Valuation insight

Voss Capital stated that "During one of our attempts to share our view on Griffon with Mr. Kramer (Chairman of the Board), he admitted to us that the Home and Building Products business alone, if valued at the current average transaction multiple of 12x EBITDA, would recoup more than Griffon's entire enterprise value. However, despite this admission, he claims that now is not the time to sell".

Update:

- On December 21, 2021, the company has entered into a definitive agreement to acquire Hunter Fan Company for \$845 million. [Source](#)
- On December 21, 2021, Voss issued a statement in opposition to Griffon's planned acquisition of Hunter Fan Company for \$845 million. Voss Capital stated that, "Griffon says their \$845 million purchase price is attractive. We disagree. Griffon is paying 9.4x their estimate of fiscal 2023 EBITDA² for Hunter Fan Company. Griffon currently trades at under 8x EV/FY 2023 EBITDA and is paying a far higher multiple to acquire Hunter Fan Company than Griffon's current or recent valuation. Given Griffon is trading near a 5-year low valuation and building products transaction valuations are hitting record highs, we believe the company should be **selling not buying.**" [Source](#)
- On December 29, 2021, Voss Capital filed a [proxy materials](#) seeking support for its nominees. Also, it has submitted shareholders proposals: (i) to conduct an advisory vote on the compensation of the company's executive officers; (ii) to approve an amendment to the company's Certificate of Incorporation to phase out the classified structure of the board; (iii) to approve an amendment to the charter to reduce the percentage of outstanding voting power required to call a special meeting; (iv) to approve an amendment and restatement to the company's 2016 Equity Incentive Plan; (v) to ratify the selection by the company's Audit Committee of Grant Thornton LLP to serve as the Company's independent registered public accounting firm for the Company's fiscal year ending September 30, 2022; (vi) to transact any other matters that properly come before the Annual Meeting.
- On January 10, 2022, Voss Capital issued a [letter](#) to the shareholders outlining clear path which would yield \$50 per share if implemented.
- Voss's 5-Step Plan to Unlock Shareholder Value
 - Sell defense electronics
 - Explore alternatives for home and building products
 - Use cash to reduce debt and pay a special dividend
 - Right-size corporate overhead
 - Improve margins at the consumer segment

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HG Vora Capital Management entered into an amendment to the agreement with ODP Corp

Market Cap: \$153 million | Enzo Biochem is a leading biosciences and diagnostics company.

Background:

HG Vora Capital Management

On January 25, 2021, the company entered into a cooperation agreement with HG Vora Capital Management (9.5%), and pursuant to it, the board increased the size of the board to ten directors and appointed Marcus B. Dunlop (the HG Vora Designee) to the board.

Kanen Wealth Management/ Philotimo Fund

On March 25, 2021, Kanen Wealth Management/ Philotimo Fund (1.15%) sent a letter to the board expressing its disappointment with the low valuation and urged the board to buy back shares. Kanen Wealth argues that the company is trading at a "criminally low valuation" and argues that the company has a potential upside of 8X

Valuation Insight

The Company generated \$417M in FCF in 2020 (a pandemic stricken year). This means ODP *should* have generated \$23.55/share in Free Cash Flow in 2020. With its net cash balance sheet; strong FCF generation; quality BSD distribution business (normalized); large opportunity for digital procurement market place platform; potential to capture a highly synergistic merger or outright sale of retail segment; and a Company that cares about creating value for shareholders...ODP *should* be trading for at least 12x FCF.

12 x \$23.55/share = **\$282.60 per share**, or more than 8x ODP's current trading price (\$40).

ODP has consistently traded at a criminally low valuation. The market is saying ODP is a loser and will continue to destroy value; the market also does not understand and gives little to no credit to (i) the strength of ODP's B2B distribution business, (ii) the new digital procurement platform/marketplace opportunity, (iii) the opportunity that ODP could harvest \$700M-\$1B+ for its retail/consumer business and become a pure play distributor/platformco, and (iv) The significant overcapitalization/strength of ODP's balance sheet.

Update:

On December 30, 2021, HG Vora Capital Management (9.7%) and the company entered into a First Amendment to the Agreement. Kindly [click here](#) to read the terms of the agreement.

JANA Partners nominated two Board candidates to TreeHouse Foods

Market Cap: \$2.2 billion | TreeHouse Foods, Inc. operates as a consumer packaged food and beverage manufacturer in the United States and internationally.

Background:

- On January 29, 2021, JANA Partners (7.5%) delivered a notice to the company of their intent to propose three nominees for election at the 2021AGM. [Source](#)
- On March 2, 2021, JANA Partners (7.4%) entered into a cooperation agreement with the company, and pursuant to it, TreeHouse will appoint to its board two new independent directors: John P. Gainor Jr. (one of the nominees of JANA Partners) and Kenneth I. Tuchman.
- On November 8, 2021, the company [announced](#) its plan to explore strategic alternatives including a possible sale of the Company or a transaction to allow the Company to focus on its higher growth Snacking & Beverages business by divesting a significant portion of its Meal Preparation business.

Update:

On December 30, 2021, JANA Partners (9.2%) stated that it has nominated two board candidates and intends to have constructive discussions with the board and management regarding avenues to resolve the company's undervaluation and total stockholder return, including evaluating a sale of the company, operations, capital allocation, changes to the composition of the board, corporate governance and compensation practices. [Source](#)

Inclusive Capital Partners secured a board seat in Verra Mobility Corporation

Market Cap: \$2.5 billion | Verra Mobility Corporation provides smart mobility technology solutions and services in the United States, Canada, and Europe.

On December 30, 2021, Sarah Farrell, a partner at Inclusive Capital Partners (6.7%) was appointed as a member of the board. [Source](#)

Famatown Finance Limited reaches support agreement with Valaris

Market Cap: \$2.8 billion | Valaris plc provides offshore drilling services in various water depths worldwide. It operates a rig fleet of ultra-deepwater drillships, versatile semisubmersibles, and modern shallow-water jackups.

Luminus Management

- On November 25, 2019, Luminus Management disclosed 18.7% and stated that on August 20, 2019, it [presented](#) to the Board that the company take a variety of actions, including with respect to marketing strategy, management, operational efficiencies, M&A and capital markets execution, liability and balance sheet management, Board composition and governance. To facilitate additional dialogue and negotiations, Luminus Management agreed to a standstill agreement with the company on September 5, 2019. Subsequently, Luminus Management and the company discussed the issues raised by the Luminus Management. In the course of these discussions, Luminus Management did not propose any mandatory return of capital to shareholders. Following the company's rejection of Luminus Management's final settlement proposal, on October 28, 2019, Luminus Management sent a notice to the company of its decision to terminate the Standstill Agreement. On November 7, 2019, the Luminus Management

sent a letter to the Board regarding its proposals for actions to be taken by the company and advising the company not to enter into certain debt capital markets transactions and exchanges that would be detrimental to shareholders.

- On December 4, 2019, Luminus Management LLC issued a press release containing a [letter](#) to shareholders expressing grave concerns regarding years of persistent strategic, operational and governance failures at the Company and the immediate need to upgrade the Board. Luminus expressed its view that Valaris' stock could be worth more than four times current trading levels if the Company was appropriately governed and shareholders had renewed confidence in its future direction. Also it released a [presentation](#) dated August 20, 2019 in its website www.RevitalizeValaris.com.
- On January 24, 2020, Luminus Management entered into a cooperation and support [agreement](#) with the company and pursuant to it, the company has agreed that the Board will appoint Adam Weitzman to the Board as a director.
- On August 14, 2020, Luminus Management (18.5%) has engaged, and intends to continue to engage, in discussions with the company regarding its publicly-announced consideration of a potential restructuring, including with respect to participation in any restructuring that it believes furthers the interests of the company and equity holders, including Luminus.
- On August 28, 2020, Luminus Management reduced its stake to 5.89% and entered into an amendment to the Cooperation Agreement. Pursuant to the Amendment, Adam Weitzman resigned from the company's Board of Directors on August 28, 2020, effective immediately. In addition, certain provisions relating to the Cooperation Agreement have been terminated, including, among others, (i) Luminus Management's right to recommend a replacement director for Mr. Weitzman, (ii) the size of the Board, and (iii) the company's engagement of certain advisors. [Source](#)
- On September 15, 2020, Luminus Management reduced its stake to 5.11%.

Update

- On December 9, 2021, Famatown Finance Limited (5%) announced that it has executed a [support agreement](#) with Valaris. Pursuant to the agreement, the company has agreed to appoint a representative of Famatown as an observer to the board until the 2022 AGM. [Source](#)

Luminus Management

- On January 24, 2020, Luminus Management entered into a cooperation and support [agreement](#) with the company, and pursuant to it, the company has agreed that the Board will appoint Adam Weitzman to the board as a director.
- On September 15, 2020, Luminus Management trimmed its stake to 5.11%.

Biglari Capital Corp issued a letter to the shareholders of Cracker Barrel

Market Cap: \$3.4 billion| Cracker Barrel Old Country Store, Inc. is engaged in the operation and development of the Cracker Barrel Old Country Store concept (Cracker Barrel).

Background:

- Biglari lost five proxy campaigns to elect directors in the FY 2011, 2012, 2013, 2014 and 2020

- On November 5, 2021, Biglari Capital Corp (8.7%) issued a [letter](#) to shareholders expressing its concerns on the performance of the company because it has lagged behind both the peer median and the S&P Midcap 400 Index since the onset of Covid-19 and since the 2020 shareholder meeting held on November 19, 2020. Further, it urged that the board should consider a more aggressive dividend payout policy.

Update:

On December 14, 2021, Biglari Capital Corp (8.7%) issued a [letter](#) to shareholders expressing its concerns on the performance of the company. It urged that the board should consider a more aggressive dividend pay-out policy.

JANA Partners intends to have discussions with Mercury Systems; Starboard urges the company to eliminate the rights plan

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

(a) Jana Partners

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

(b) Starboard

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

Letterone Investment Holdings plans to nominate board candidates to Turkcell Iletisim Hizmetleri

Market Cap: \$3.3 billion | Turkcell Iletisim Hizmetleri A.S. provides digital services in Turkey, Ukraine, Belarus, Azerbaijan, Cyprus, Germany, and the Netherlands.

On January 4, 2022, Letterone Investment Holdings (19.8%) stated that it intends to nominate a slate of four director candidates unaffiliated with Letterone Investment Holdings including three independent director candidates, to replace the four members who were appointed to the board on April 15, 2021. [Source](#)

Dana announces two appointments to board of directors; reaches agreement with Icahn Capital

Market Cap: \$3.4 billion | Dana Incorporated provides power-conveyance and energy-management solutions for vehicles and machinery in North America, Europe, South America, and the Asia Pacific.

On January 7, 2022, the company announced that it has entered into an [agreement](#) with Icahn Capital, whereby Brett Icahn and Gary Hu, both of whom are portfolio managers at Icahn Capital, will join the Dana Board of Directors, effective immediately, and stand for election at the company's 2022 AGM.

Sarissa Capital announced its intention to nominate candidates to Alkermes

Market Cap: \$3.9 billion | Alkermes plc, a biopharmaceutical company, researches, develops, and commercializes pharmaceutical products to address unmet medical needs of patients in various therapeutic areas in the United States, Ireland, and internationally.

Background:

- On May 10, 2021, Sarissa Capital (5.9%) disclosed that in December 2020, it nominated a director candidate for election to the board at the 2021 AGM. On April 29, 2021, Sarissa Capital reached an agreement with the company and secured the right to designate a director to the board. Sarissa Capital stated its belief that the company has attractive and underappreciated assets that can drive meaningful value creation.
- On November 18, 2021, Sarissa Capital's (8.17%) nominee, Cato T. Laurencin, was appointed to the board. Sarissa Capital believes the nomination of Dr. Laurencin is a positive outcome for shareholders. [Source](#)

Update

On January 7, 2022, the Sarissa Funds (8.68%) filed a notice with the company indicating its intention to nominate directors for election to the board at the 2022 AGM. [Source](#)

Southwest Gas Holdings completes acquisition of Questar Pipeline from Dominion Energy

Market Cap: \$4 billion | Southwest Gas Holdings, Inc., through its subsidiaries, purchases, distributes, and transports natural gas in Arizona, Nevada, and California.

Background:

- On October 4, 2021, the company announced that it has agreed to acquire Questar Pipeline Co, a gas transportation and storage business owned by Dominion Energy Inc (D.N), for \$1.98 billion.
- On October 4, 2021, Carl Icahn (4.91%) sent a letter to the Board stating that a purchase of Questar Pipeline for around \$2 billion would diminish shareholder value. Icahn stated that the company should instead focus on improving share price performance.
- On October 11, 2021, the company [announced](#) that it has adopted a short-term stockholder rights plan. The Rights Plan is designed to protect stockholder interests by reducing the likelihood that any person or group would gain control of Southwest Gas

Holdings through the open-market accumulation of the Company's shares without appropriately compensating Southwest Gas Holdings' stockholders for control.

- On October 20, 2021, Carl Icahn published an open [letter](#) to stockholders which serves as a rebuttal to the [Management's letter](#) dated October 13, 2021. Carl Icahn stated the reasons and reiterated that his proxy contest and tender offer are in the interest of all stakeholders. He urged shareholders to vote for his upcoming slate and decide whether to tender their shares or participate in long-term value creation.
- On October 27, 2021, Carl Icahn submitted an unsolicited tender offer to acquire the outstanding shares of the company for \$75 per share in cash.
- On November 9, 2021, the company announced that its board, after a thorough review with the assistance of its external financial and legal advisors, has unanimously determined that the tender offer from Carl Icahn is inadequate, undervalues the company, is structurally coercive and is not in the best interests of all of its stockholders. Accordingly, the board recommends that stockholders not tender any of their shares into the offer.
- Subsequently, Carl Icahn issued an open [letter](#) to the shareholders stating, "The statement issued today by the SWX board in response to our tender offer is almost inexplicable and frankly the height of hypocrisy. At the same time that they're telling stockholders their stock is worth more than our \$75 offer, they're amazingly also saying they've determined to issue up to \$1 billion of new stock, equivalent to almost 25% of the current market capitalization, in order to finance an ill-advised acquisition that will provide NO synergies and NO growth! That stock issuance would likely be at a valuation well below the currently depressed market price of \$68. In other words, it's fine for the board, in their infinite wisdom, to sell a block of SWX stock at somewhere below \$68, but they're advising YOU not to sell at \$75."
- On November 12, 2021, Carl Icahn issued an open [letter](#) to the board reiterating his proposal.
- On November 15, 2021, Carl Icahn issued a [presentation](#) titled, "Ratepayers and shareholders are suffering at the hands of the board and management."
- On November 24, 2021, Carl Icahn issued a [presentation](#) titled, "Customers should not suffer from poor management and bad decisions." In his presentation, Carl Icahn reiterated that he has nominated ten candidates for election to the board and launched a tender offer to purchase any and all shares of SWX's common stock that are tendered into the offer. The two proposals are independent of each other. Carl Icahn estimates that his slate could deliver customer savings of at least \$9 per year over the next 10 years with the potential for much more.

Update

- On December 15, 2021, Carl C. Icahn released [presentations](#) regarding Southwest Gas Holdings.
- On December 21, 2021, the company announced that the Court issued a ruling denying the motion of Icahn Partners for a temporary restraining order with respect to Southwest Gas' permanent financing for its acquisition of Dominion Energy Questar Pipeline LLC. Icahn unsuccessfully sought to constrain the ability of Southwest Gas to raise permanent financing for the company's acquisition of Questar. [Source](#)
- On January 3, 2022, the company [announced](#) that it has completed the acquisition of Dominion Energy Questar Pipeline, LLC, and its subsidiaries and certain affiliates.

H Partners Management seeks board representation in Harley-Davidson

Market Cap: \$5.7 billion | Harley-Davidson, Inc. manufactures and sells custom, cruiser, and touring motorcycles.

(a) H Partners Management

On December 16, 2021, H Partners Management disclosed an 8% active stake in the company and expressed its concerns regarding certain features of the company's executive compensation structure, corporate governance practices and board composition. To address these concerns, H Partners recently engaged, and expect to continue to engage, in discussions with the board regarding suggestions aimed at improvements to align the company with the best interests of shareholders, including the addition of a representative to the board. [Source](#)

(b) Impala Asset Management

- On March 18, 2010, Impala Asset Management (2%) announced that it had filed preliminary proxy materials in connection with its nomination of two director candidates for election to the board at the 2020 annual meeting of shareholders. [Source](#)
- On March 27, 2020, the company entered into a [settlement agreement](#) with Impala.

Tremblant Capital Group reduced its stake below 5% in Skechers U.S.A., Inc

Market Cap: \$7 billion | Skechers U.S.A., Inc. designs, develops, markets, and distributes footwear for men, women, and children; and performance footwear for men and women under the Skechers brand worldwide

- On December 1, 2021, Tremblant Capital Group disclosed a 5.1% active stake in the company and sent a letter (refer, "[Exhibit A](#)") to the board urging it to eliminate dual share class structure, start an aggressive share buyback program, pay a dividend, host an investor day, and hire someone to lead investor relations. While Tremblant praised the controlling Greenberg family's management of the brand, it raised concerns about whether the family's interests were fully aligned with shareholders, a mismatch that it said contributes to Skecher's shares trading at a significant discount to peers. Tremblant said that if its suggestions were implemented, they could add \$4 billion in incremental value to the Greenberg's \$1.1 billion stake over the next decade.

On December 23, 2021, Tremblant Capital Group reduced its stake to 2.8%.

Land & Buildings Investment Management seeks board seat in American Campus Communities

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

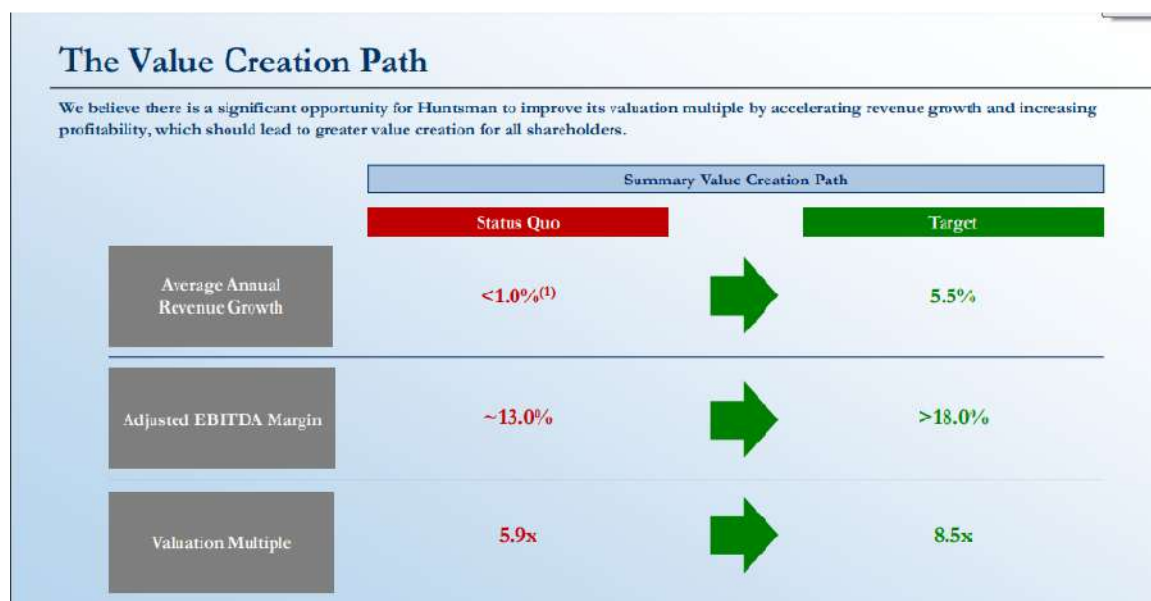
On December 17, 2021, Land & Buildings Investment Management filed proxy materials soliciting votes for the election of its director nominee at the 2022 AGM. [Source](#)

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Starboard nominated a slate of director nominees for the election to the board of Huntsman Corporation

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

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



Update

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

Cat Rock Capital Management seeks discussions with Just Eat Takeaway.com

Market Cap: \$11 billion | Just Eat Takeaway.com N.V. operates an online food delivery marketplace. The company focuses on connecting consumers and restaurants through its platforms.

Background:

On October 14, 2021, Cat Rock Capital Management disclosed a 6% active stake in the company and stated that it has sent public and private correspondence to the management/board and published public presentations, regarding the company's communications with investors and the public, operational divestitures, strategic alternatives and other opportunities to increase shareholder value, and stock performance. Cat Rock Capital stated that it seeks to engage in discussions with the board regarding these matters.

Update:

On December 21, 2021, Cat Rock Capital Management increased its stake to 6.96%

Starboard initiates an active stake in GoDaddy

Market Cap: \$13 billion | GoDaddy Inc. engages in the design and development of cloud-based technology products in the United States and internationally.

On December 27, 2021, Starboard disclosed a 6.5% active stake in the company.

Mantle Ridge nominates board candidates to Dollar Tree

M.Cap: \$31 billion | Dollar Tree, Inc. operates discount variety retail stores in the United States and Canada. It operates through two segments, Dollar Tree and Family Dollar.

Mantle Ridge

On December 10, 2021, Mantle Ridge (5.7%) stated its belief that the company will benefit from a refresh of the membership of the board. In addition, Mantle Ridge believes that the board should undertake a thoughtful and deliberative review of the company's strategy, with a view to, among other things, fully develop the combined value of its two primary segments. In furtherance of that objective, Mantle Ridge believes that the board should examine closely the possibility of the company's hiring Richard W. Dreiling (former chairman and CEO of Dollar General) to a leadership role with the company. It has sent a notice to the corporate secretary of the company of its decision to: (1) nominate eleven individuals as candidates for election to the board at the 2022 AGM and (2) propose the repeal of each provision of, or amendment to, the by-laws adopted by the board without the approval of the stockholders after June 10, 2021 and through the end of the 2022 AGM. [Source](#)

Starboard

- On January 7, 2019, Starboard (1.7%) issued a letter to the president and CEO of the company outlining the opportunities that the board and management should pursue in order to unlock value.
 - An exploration of all strategic alternatives for the underperforming Family Dollar business, including an outright sale.
 - An evaluation and initiation of a wide-scale market test of a multi-price point strategy at Dollar Tree bannered stores.
 - It nominated a slate of seven candidates to the board for election at the 2019 annual meeting of shareholders.

Also, it nominated a slate of seven candidates to the board for election at the 2019 AGM.

Valuation insight

“we believe that if Dollar Tree executes the key points of our proposed plan, the Company would be worth as much as \$150 per share or more. To read more, [Click here](#).”

- On April 5, 2019, Starboard withdraw its slate of nominees for election to the board at the 2019 AGM stating that it was pleased with the company's decision to test multiple price points at its stores.

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TABLES

Audit: Non-Timely (NT) filings

Company name (Ticker)	Stock exchange	Market cap. (\$, mm)	Revenue (\$, mm)	Last filed form 10-Q/10-K period	Last filed form 10-Q/10-K filing date	No. of pending quarters
EVO TRANSN & ENERGY SVCS INC (EVOA)	OTC	53	179	9/30/2019	8/27/2021	8
Youngevity International, Inc. (YGYI)	OTC	4	147	12/31/2019	6/25/2021	7
IEH CORP (IEHC)	OTC	29	32	3/31/2020	10/8/2020	6
LIBERATED SYNDICATION INC (LSYN)	OTC	54	25	9/30/2020	11/16/2020	4
TARONIS FUELS INC (TRNF)	OTC	35	28	9/30/2020	11/19/2020	4
China XD Plastics Company Limit (CXDC)	NasdaqGS	9	1030	12/31/2020	11/15/2021	3
CPI Aerostructures, Inc. (CVU)	NYSE American	36	88	3/31/2021	12/27/2021	2
IFRESH INC (IFMK)	NasdaqCM	31	94	12/31/2020	2/22/2021	3
SEQUENTIAL BRANDS GROUP, INC.(SQBGQ)	OTC	2	90	12/31/2020	4/15/2021	3
PFSWEB INC(PFSW)	NasdaqCM	284	286	3/31/2021	5/7/2021	2
VIEW, INC.(VIEW)	NasdaqGM	1389	35	3/31/2021	5/17/2021	2
CRONOS GROUP INC. (CRON)	NasdaqGM	1980	57	6/30/2021	8/6/2021	1
UNICO AMERICAN CORP (UNAM)	NasdaqGM	17	32	6/30/2021	8/17/2021	1
REDWIRE CORP (RDW)	NYSE	606	103	6/30/2021	8/13/2021	1
EARGO, INC. (EAR)	NasdaqGS	246	79	6/30/2021	8/12/2021	1
EACO CORP (EACO)	OTC	117	229	5/31/2021	7/15/2021	1
QUAD M SOLUTIONS, INC. (MMMM)	OTC	26	36	6/30/2021	8/23/2021	1
CEMTREX INC (CETX)	NasdaqCM	20	39	6/30/2021	8/16/2021	1

Non-Reliance on Previously Issued Financial Statements

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Date	Notes	Link
Inotiv, Inc. (NOTV)	1170	75	12/16/2021	The company notified its failure to properly account certain tax attributes related to an acquisition that occurred in Q3 FY2021	Link

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

Company name	No. of filed 10-K/10-Q forms	Market cap. (\$, mm)	Revenue (\$, mm)	Nt filed date	Pending quarter	Rectified date
RE/MAX HOLDINGS, INC. (RMAX)	1	596	293	11/10/2021	9/30/2021	12/21/2021
CLEANSARK, INC. (CLSK)	1	635	24	11/29/2021	9/30/2021	12/14/2021

Significant audit firm changes

Company Name	Date	Market cap. (\$, mm)	Revenue (\$, mm)	Trigger	Notes	Link
ESCO TECHNOLOGIES INC (ESE)	12/3/2021	2220	715.44	Material weaknesses	The Company did not maintain effective internal control over financial reporting because of the effect of a material weakness	Link
Vintage Wine Estates, Inc. (VWE)	12/3/2021	657.82	210.3	Material weaknesses	A material weakness relating to business processes and controls to perform reconciliations of certain account balances related to inventory and the received not invoiced and cellar accruals, on a regular basis.	Link
RADIANT LOGISTICS, INC (RLGT)	12/10/2021	372.44	999.36	Material weaknesses	The controls were not sufficient to prevent or detect a material misstatement in revenues as the design of the controls lacked the level of precision necessary to ensure the completeness and accuracy of revenue	Link
Inuvo, Inc. (INUV)	12/23/2021	68.05	53	Material weaknesses	MHM advised the Company of a material weakness in its internal control over financial reporting related to the valuation of certain deferred tax assets,	Link

List of all audit firm changes in December 2021

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Outgoing audit firm	Newly appointed audit firm	Link
12/3/2021	DSS, INC. (DSS)	62	20	Freed Maxick CPAs, P.C.	Turner, Stone & Company, L.L.P.	Link
12/3/2021	Driven Brands Holdings Inc. (DRVN)	5200	1360	Grant Thornton LLP	Pricewaterhouse-Coopers LLP	Link
12/3/2021	ESCO TECHNOLOGIES INC (ESE)	2220	715	KPMG LLP	Grant Thornton	Link
12/3/2021	Vintage Wine Estates, Inc. (VWE)	658	210	Moss Adams, LLP	Cherry Bekaert, LLP	Link
12/3/2021	HARTE HANKS INC (HHS)	57	190	Moody, Famiglietti and Andronico, LLP	Baker Tilly US, LLP	Link
12/6/2021	Quad M Solutions, Inc. (MMMM)	24	36	Slack & Company	Hudgens CPA PLLC	Link
12/10/2021	RADIANT LOGISTICS, INC (RLGT)	372	999	BDO USA, LLP	Moss Adams LLP	Link
12/10/2021	Redbox Entertainment Inc. (RDBX)	137	297	Marcum LLP	Grant Thornton LLP	Link
12/14/2021	CVENT HOLDING CORP. (CVT)	4940	220	WithumSmith+Brown, PC	Pricewaterhouse-Coopers LLP	Link
12/21/2021	Bowlero Corp. (BOWL)	1666	526	Marcum LLP	KPMG LLP	Link
12/22/2021	FARMER BROTHERS CO (FARM)	125	409	Deloitte & Touche LLP	Grant Thornton LLP	Link
12/23/2021	Inuvo, Inc. (INUV)	68	53	Mayer Hoffman McCann P.C	EisnerAmper LLP	Link
12/23/2021	TD Holdings, Inc. (GLG)	66	162	BF Borgers CPA PC	Audit Alliance LLP	Link
12/23/2021	Alset EHome International Inc. (AEI)	40	26	Briggs & Veselka Co.	Grassi & Co., CPAs, P.C.	Link
12/27/2021	LIQUIDITY SERVICES INC (LQDT)	759	258	Ernst & Young LLP	Deloitte & Touche 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 (WHLR)	34	60	57	STILWELL JOSEPH - 37.8% Khoshaba Daniel - 11.4% Steamboat Capital Partners, LLC - 7.4%
BUILD A BEAR WORKSHOP INC (BBW)	238	300	18	CANNELL CAPITAL LLC - 9.65% PHILOTIMCO 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)	0.2	363	18	MILLER NATHAN G - 6.6% ORCHESTRAPREMAMAN 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% VIEK 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% WICKERSHAM 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	33	Robert B. Barnhill, Jr. - 18.23% Lakeview Investment Group - 14.9%
ENZO BIOCHEM INC (ENZ)	151	112	32	ROUMELL ASSET MANAGEMENT, LLC - 6.01% HARBERT DISCOVERY FUND, LP - 10.7%. Bradley L Radoff - 8.9%, James G. Wolf - 5.4%
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% Cata-mount Strategic Advisors, LLC - 3.75%
Rocky Mountain Chocolate Factory, Inc. (RMCF)	50	28	33	AB Value Management LLC - 15.5% Global Value Investment Corp. - 8.1%, Bradley L. Radoff - 9.3%
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	40	ARBITER PARTNERS CAPITAL MANAGEMENT - 13.8%, PANGAEA VENTURES - 9%, 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%
Evolving Systems Inc (EVOL)	33	27	29	Karen Singer - 20.8%, Piton Capital Partners LLC - 8.1%
GRIFFON CORP (GFF)	1,530	2,270	8	GAMCO INVESTORS - 6.6%, VOSS CAPITAL - 1.6%
Lee Enterprises (LEE)	176	794	22	CANNELL CAPITAL - 8.2%, PRAETORIAN CAPITAL MANAGEMENT - 7.3%, MNG ENTERPRISES - 6.3%
Brightcove Inc (BCOV)	401	212	20	EDENBROOK CAPITAL - 11.2%, TENZING GLOBAL MANAGEMENT - 8.57%
Schmitt Industries (SMIT)	21	10	24	SENTENTIA CAPITAL MANAGEMENT - 13.7% ACTIVIST INVESTING - 9.9%
Trecora Resources (TREC)	202	256	16	Bradley L. Radoff - 5%, Pangaea Ventures, L.P. - 11%
NAM TAI PROPERTY INC.(NTP)	375	152	36	Peter R. Kellogg - 18.8%, IsZo Capital - 16.7%
HARLEY-DAVIDSON, INC. (HOG)	5,660	5,050	10	H Partners Management - 8%, IMPALA ASSET MANAGEMENT - 2%
VALARIS PLC (VAL)	2,997	1,220	6	Famatown Finance - 6.2%, Luminus Management - 0.02%

13D Filings

Date	Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	Filer Name
12/1/2021	KEMPHARM, INC (KMPH)	284	28	BRAUN SAMUEL J
12/1/2021	NAM TAI PROPERTY INC. (NTP)	667	153	KELLOGG PETER R
12/2/2021	GREENBROOK TMS INC. (GBNH)	116	48	MSS GB SPV LP
12/2/2021	ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. (RMCF)	53	31	RADOFF BRADLEY LOUIS
12/3/2021	RUTHS HOSPITALITY GROUP, INC. (RUTH)	627	380	HILL PATH CAPITAL LP
12/7/2021	GCP APPLIED TECHNOLOGIES INC. (GCP)	411	969	STARBOARD VALUE LP
12/7/2021	TESSCO TECHNOLOGIES INC (TESS)	343	401	LAKEVIEW INVESTMENT GROUP & TRADING CO LLC
12/8/2021	LEE ENTERPRISES, INC (LEE)	147	795	PRAETORIAN CAPITAL MANAGEMENT LLC
12/9/2021	CONSUMER PORTFOLIO SERVICES, INC. (CPSS)	184	191	BLACK DIAMOND CAPITAL MANAGEMENT, L.L.C.
12/10/2021	DOLLAR TREE, INC. (DLTR)	31843	26010	MANTLE RIDGE LP
12/10/2021	NAM TAI PROPERTY INC. (NTP)	498	153	ISZO CAPITAL LP
12/13/2021	JANUS HENDERSON GROUP PLC (JHG)	6989	2730	TRIAN FUND MANAGEMENT, L.P.
12/14/2021	CRACKER BARREL OLD COUNTRY STORE, INC (CBRL)	2884	2960	BIGLARI CAPITAL CORP.
12/14/2021	WHEELER REAL ESTATE INVESTMENT TRUST, INC. (WHLR)	18	61	KHOSHABA DANIEL
12/15/2021	RR DONNELLEY & SONS CO (RRD)	781	4940	CHATHAM ASSET MANAGEMENT, LLC
12/16/2021	AVALO THERAPEUTICS, INC. (AVTX)	200	7	ARMISTICE CAPITAL, LLC
12/16/2021	HARLEY-DAVIDSON, INC. (HOG)	5695	5050	H PARTNERS MANAGEMENT, LLC
12/16/2021	LEE ENTERPRISES, INC (LEE)	215	795	MNG ENTERPRISES, INC.
12/17/2021	ATENTO S.A. (ATTO)	341	1490	KYMA CAPITAL LTD
12/20/2021	CODORUS VALLEY BANCORP INC (CVLY)	208	76	DRIVER MANAGEMENT CO LLC
12/20/2021	GRINDROD SHIPPING HOLDINGS LTD. (GRIN)	277	425	TAYLOR MARITIME INVESTMENTS LTD
12/21/2021	JUST EAT TAKEAWAY.COM N.V. (GRUB)	11354	3140	CAT ROCK CAPITAL MANAGEMENT LP
12/23/2021	COMMUNITY WEST BANCSHARES / (CWBC)	115	45	PL CAPITAL ADVISORS, LLC
12/23/2021	MERCURY SYSTEMS INC (MRCY)	3139	943	JANA PARTNERS LLC
12/23/2021	SKECHERS USA INC (SKX)	6701	5980	TREMBLANT CAPITAL GROUP
12/23/2021	VALARIS LTD (VAL)	2807	1220	FAMATOWN FINANCE LTD
12/23/2021	VENUS CONCEPT INC. (VERO)	107	99	MASTERS CAPITAL MANAGEMENT LLC

12/27/2021	ENZO BIOCHEM INC (ENZ)	155	116	RADOFF BRADLEY LOUIS
12/27/2021	EYENOVIA, INC. (EYEN)	111	6	GRANT STUART M.
12/27/2021	GODADDY INC. (GDDY)	13714	3670	STARBOARD VALUE LP
12/30/2021	TREEHOUSE FOODS, INC. (THS)	2230	4340	JANA PARTNERS LLC

13G Filings (First-time filer)

Date	Company name	M.Cap	Revenue	Fund name
12/1/2021	IDEAYA Biosciences, Inc. (IDYA)	834	36	Avidity Partners Management LP
12/2/2021	Mereo Biopharma Group plc (MREO)	182	37	Rubric Capital Management LP
12/3/2021	ZIX CORP (ZIXI)	482	246	SPRING CREEK CAPITAL LLC
12/3/2021	SelectQuote, Inc. (SLQT)	1446	974	ABRAMS BISON PARTNERS, LP
12/7/2021	Esperion Therapeutics, Inc. (ESPR)	330	73	Flynn James E
12/8/2021	FTS International, Inc. (FTSI)	369	336	Man Group plc
12/8/2021	CytomX Therapeutics, Inc. (CTMX)	405	66	RTW INVESTMENTS, LP
12/8/2021	Volta Inc. (VLTA)	1525	29	Virgo Investment Group, LLC
12/9/2021	DallasNews Corp (DALN)	36	155	Allspring Global Investments Holdings, LLC
12/9/2021	DELTA APPAREL, INC (DLA)	204	437	Allspring Global Investments Holdings, LLC
12/9/2021	Mayville Engineering Company, Inc. (MEC)	306	437	Allspring Global Investments Holdings, LLC
12/9/2021	Esperion Therapeutics, Inc. (ESPR)	330	73	SABBY MANAGEMENT, LLC
12/9/2021	Esperion Therapeutics, Inc. (ESPR)	330	73	Deep Track Capital, LP
12/9/2021	Neenah Inc (NP)	778	971	Allspring Global Investments Holdings, LLC
12/9/2021	DENNY'S Corp (DENN)	955	371	Allspring Global Investments Holdings, LLC
12/9/2021	TriState Capital Holdings, Inc. (TSC)	982	215	Versor Investments LP
12/9/2021	Allbirds, Inc. (BIRD)	2196	260	FRANKLIN RESOURCES INC
12/10/2021	Manning & Napier, Inc. (MN)	149	141	WEG Sub Parent, LLC
12/10/2021	Esperion Therapeutics, Inc. (ESPR)	322	73	CVI Investments, Inc.
12/10/2021	Rimini Street, Inc. (RMNI)	497	363	FMR LLC
12/10/2021	CBL & ASSOCIATES PROPERTIES INC (CBL)	598	574	Strategic Value Partners, LLC
12/10/2021	Atea Pharmaceuticals, Inc. (AVIR)	662	208	EcoR1 Capital, LLC
12/10/2021	SUTRO BIOPHARMA, INC. (STRO)	677	60	SUVRETTA CAPITAL MANAGEMENT, LLC
12/10/2021	GENESIS ENERGY LP (GEL)	1266	2000	FMR LLC

12/10/2021	Allbirds, Inc. (BIRD)	2050	260	PRICE T ROWE ASSOCIATES INC /MD/
12/13/2021	FreightCar America, Inc. (RAIL)	63	189	CONTINENTAL GENERAL INSURANCE CO
12/13/2021	Cytosorbents Corp (CTSO)	201	44	AVENIR CORP
12/13/2021	Great Western Bancorp, Inc. (GWB)	1858	503	Versor Investments LP
12/17/2021	EXAGEN INC. (XGN)	180	48	Cowen Financial Products LLC
12/17/2021	Del Taco Restaurants, Inc. (TACO)	452	522	Versor Investments LP
12/17/2021	i3 Verticals, Inc. (IIIV)	480	224	INTEGRATED CORE STRATEGIES
12/20/2021	Apollo Endosurgery, Inc. (APEN)	326	60	Soleus Capital Master Fund, L.P.
12/21/2021	DAWSON GEOPHYSICAL CO (DWSN)	54	23	Arena Investors LP
12/22/2021	InvenTrust Properties Corp. (IVT)	1960	213	INTEGRATED CORE STRATEGIES
12/22/2021	ForgeRock, Inc. (FORG)	2109	169	ETF MANAGERS GROUP, LLC
12/22/2021	Jackson Financial Inc. (JXN)	3799	7830	Hagan Dan
12/23/2021	P10, Inc. (PX)	1476	130	Conversant Capital LLC
12/27/2021	EXAGEN INC. (XGN)	179	48	Stonepine Capital Management, LLC
12/27/2021	Harpoon Therapeutics, Inc. (HARP)	247	27	Logos Global Management LP
12/27/2021	Clear Secure, Inc. (YOU)	2287	227	United Airlines Holdings, Inc.
12/30/2021	ADMA BIOLOGICS, INC. (ADMA)	275	69	Stonepine Capital Management, LLC

CEO & CFO changes

Company Name	Market cap. (\$, mm)	Revenue (\$, mm)	CEO date) (8-k	CFO (8-k Date)	Number of months between the appointment of CEO and CFO
Groupon, Inc. (GRPN)	590	1090	12/1/2021	10/13/2021	1.6
IRONWOOD PHARMACEUTICALS INC (IRWD)	1790	413	6/7/2021	12/1/2021	5.9
DRIL-QUIP INC (DRQ)	673	332	9/2/2021	12/3/2021	3.1
Innovid Corp. (CTV)	983	82	12/6/2021	12/6/2021	0
ICAD INC (ICAD)	181	36	12/8/2021	8/6/2021	4.1
Investview, Inc. (INVU)	238	74	12/9/2021	6/9/2021	6.1
Proterra Inc (PTRA)	2118	229	12/9/2021	9/14/2021	2.9
IKONICS CORP (IKNX)	67	16	12/13/2021	12/13/2021	0
Purple Innovation, Inc. (PRPL)	656	714	12/13/2021	8/24/2021	3.7
Inogen Inc (INGN)	756	356	1/25/2021	12/13/2021	10.7
Dave & Buster's Entertainment, Inc. (PLAY)	1748	1080	9/21/2021	12/15/2021	2.8
AERIE PHARMACEUTICALS INC (AERI)	426	104	12/16/2021	8/4/2021	4.5

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Turning Point Brands, Inc. (TPB)	685	445	12/16/2021	3/24/2021	8.9
CONDOR HOSPITALITY TRUST, INC. (CDOR)	117	47	12/17/2021	12/17/2021	0
Goldman Sachs BDC, Inc. (GSBD)	1934	342	12/20/2021	7/19/2021	5.1
Landos Biopharma, Inc. (LABP)	585	18	11/10/2021	11/10/2021	0
Bowlero Corp. (BOWL)	1666	526	12/21/2021	12/21/2021	0
NMI Holdings, Inc. (NMIH)	1771	470	9/9/2021	12/21/2021	3.4
CALAVO GROWERS INC (CVGW)	753	1060	12/22/2021	9/17/2021	3.2

CEO changes

Date	Company Name	Internal/ External appointment	CEO Name	Market cap. (\$, mm)	Revenue (\$, mm)	Link
12/1/2021	Zovio Inc (ZVO)	External	Randy Hendricks	45	301	Link
12/1/2021	Groupon, Inc. (GRPN)	External	Kedar Deshpande	590	1090	Link
12/1/2021	TriState Capital Holdings, Inc. (TSC)	Internal	Brian S. Fetterolf	961	215	Link
12/1/2021	ENPRO INDUSTRIES, INC (NPO)	Internal	Eric A. Vaillancourt	2107	1140	Link
12/6/2021	FORUM ENERGY TECHNOLOGIES, INC. (FET)	Internal	Neal Lux	98	506	Link
12/6/2021	RAYONIER ADVANCED MATERIALS INC. (RYAM)	External	Vito J. Consiglio	359	1800	Link
12/6/2021	KFORCE INC (KFRC)	Internal	Joseph J. Liberatore	1576	1520	Link
12/8/2021	ICAD INC (ICAD)	Internal	Stacey M. Stevens	181	36	Link
12/8/2021	COMMUNITY FINANCIAL CORP /MD/ (TCFC)	Internal	James M. Burke	218	72	Link
12/9/2021	Investview, Inc. (INVU)	Internal	James R. Bell	238	74	Link
12/10/2021	CareTrust REIT, Inc. (CTRE)	Internal	David Sedgwick	2045	187	Link
12/13/2021	IKONICS CORP (IKNX)	External	Paul B. Prager	67	16	Link

12/13/2021	Purple Innovation, Inc. (PRPL)	External	Robert T. DeMartini	656	714	Link
12/16/2021	AERIE PHARMACEUTICALS INC (AERI)	External	Raj Kannan	426	104	Link
12/16/2021	Turning Point Brands, Inc. (TPB)	Internal	Yavor Efremov	685	445	Link
12/16/2021	Everi Holdings Inc. (EVRI)	Internal	Randy L. Taylor	1738	600	Link
12/7/2021	Hillenbrand, Inc. (HI)	External	Kimberly K. Ryan	3627	2860	Link
12/7/2021	GATX CORP (GATX)	Internal	Robert C. Lyons	3778	1240	Link
12/9/2021	EVERBRIDGE, INC. (EVBG)	Internal	Patrick Brickley	4449	341	Link
12/9/2021	EVERBRIDGE, INC. (EVBG)	Internal	Vernon Irvin	4449	341	Link
12/13/2021	Planet Labs PBC (PL)	Internal	William Marshall	2560	124	Link
12/14/2021	CVENT HOLDING CORP. (CVT)		Rajeev K. Aggarwal	4940	220	Link
12/15/2021	Cerence Inc. (CRNC)	Internal	Stefan Ortmanns	2667	387	Link
12/17/2021	Stem Holdings, Inc. (STMH)	Internal	Steven Hubbard	20	32	Link
12/17/2021	CONDOR HOSPITALITY TRUST, INC. (CDOR)	Internal	Jill Burger	117	47	Link
12/17/2021	AMERICAN REALTY INVESTORS INC (ARL)	External	Bradley J. Muth	181	64	Link
12/17/2021	TRANSCONTINENTAL REALTY INVESTORS INC (TCI)	External	Bradley J. Muth	337	63	Link
12/17/2021	NATUS MEDICAL INC (NTUS)	Internal	Thomas J. Sullivan	843	464	Link
12/20/2021	SALEM MEDIA GROUP, INC. /DE/ (SALM)	Internal	David Santrella	75	254	Link
12/20/2021	OppFi Inc. (OPFI)	Internal	Neville Crawley	68	247	Link
12/20/2021	Goldman Sachs BDC, Inc. (GSBD)	Internal	Alex Chi	1934	342	Link
12/20/2021	Goldman Sachs BDC, Inc. (GSBD)	Internal	David Miller	1934	342	Link
12/21/2021	CITIZENS, INC. (CIA)	Internal	Gerald W. Shields	285	246	Link
12/21/2021	Bowlero Corp. (BOWL)	Internal	Thomas F. Shannon	1666	526	Link

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12/22/2021	CALAVO GROWERS INC (CVGW)	External	Brian Kocher	753	1060	Link
12/23/2021	REGIS CORP (RGS)	Internal	Matthew Doctor	73	381	Link
12/23/2021	ESCALADE INC (ESCA)	Internal	Walter P. Glazer	211	315	Link
12/23/2021	Lazydays Holdings, Inc. (LAZY)	Internal	Robert T DeVincenzi	248	1110	Link
12/23/2021	WOLVERINE WORLD WIDE INC /DE/ (WWW)	Internal	Brendan Hoffman	2422	2290	Link
12/28/2021	Sanara MedTech Inc. (SMTI)	Internal	Zachary B. Fleming	218	22	Link