



**CONTINENTAL**  
STOCK TRANSFER & TRUST

# Notes

## FROM THE CHAIRMAN

SPRING 2018 NEWSLETTER

**INDEPENDENT SPIRIT • RELENTLESS DEDICATION**

*I am pleased to report to you that 2017 was a banner year for Continental in every way! First, as you know, we moved into fabulous new offices at One State Street with breathtaking views of New York harbor in a state-of-the-art building. Second, we changed our operating platform to TS Partners' Transtar system, which has catapulted us ahead technologically to the point where we now have capabilities we never had before, including automated billing, automated account and check reconciliation, and cloud retrieval of our records on Amazon's cloud storage facilities. (Read on >)*

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*Steve Nelson  
President & Chairman*

Connect with me directly  
at 212.845.3201



*Thanks Steven...  
you have been an  
absolutely fantastic  
individual to do  
business with.*

*– Ross Franklin  
Vice President & Chief  
Financial Officer  
Atlantic American  
Corporation*



## LETTER FROM THE CHAIRMAN

Finally, 2017 was a record-setting year for Continental's revenues, which is reflective of our ever-burgeoning core stock transfer business, as well as our mergers and acquisitions processing business and our dominant position in the SPAC IPO and servicing business. Be assured, however, that we are not resting on our laurels. Indeed, 2018 has already gotten off to a fantastic start, and we are outperforming even last year's record pace.

To meet the growing needs of our additional customers and the expansion of our Corporate Actions and SPAC business lines, we have hired extensively from a rich pool of very experienced talent who have been attracted by our growth as other industry participants sell, cut back or move their operations cross-border or to less attractive locales.

*Amazingly, after the closing of the sale of Wells Fargo Shareholder Services business to Great Britain-based Equiniti Group PLC in February 2018, Continental is now the oldest and largest US owned commercial stock transfer agent in the United States!*

Our three largest competitors are now all foreign owned – something I never thought possible when I started in this business in 1987, when there were 70 US banks in the industry larger than Continental. While others have fled the industry or sold to overseas competitors, Continental's laser focus has led to record revenues and growth in all business lines thanks in large measure to the loyalty and support of our great customers. We thank you!

### Industry Update

As I have previously noted, I serve on the Executive Committee of the Securities Transfer Association ("STA") and chair its legal committee. In those roles, I and my colleagues recently met with SEC Chairman Jay Clayton as well as the two new Commissioners, Hester Pierce and Robert Jackson. We also met separately with the Staff of the Division of Trading and Markets and the Division of Corporate Finance. In these meetings we discussed two major areas: adoption of new, long-overdue transfer agent rules and changes to the seriously flawed proxy "plumbing" system. The meetings were far-ranging and candid, and we came away with the view that while wholesale changes to transfer agent rules are not imminent, the Commissioners were open to looking at the Commission's current requirement that agents obtain legal opinions for all original stock issuances and restricted transfers. They agreed that it was unfair that the SEC examines agents and requires them to obtain opinions without written rules or guidelines to that effect.

With regard to proxy reform, my guess is that while the ultimate fix would be pre-vote reconciliation by banks and brokers (which would eradicate over-voting and insure the integrity of the voting system), that is unlikely to be mandated in the near term. Nor is the Commission likely to do away with NOBO/OBO distinctions,



which would achieve a similar beneficial result. What IS possible or likely in the near term is an SEC requirement that shareowners would be able to verify through their nominees and tabulators that their votes were properly cast and recorded. This would force the banks, brokers and Broadridge as their processor to make significant beneficial changes to their reconciliation and voting practices. What it would NOT do, however, is get rid of their ridiculously high Broadridge charges for distribution of proxy material and related unfair suppression charges. I know this unfairness is extremely irritating to all of our customers, and we will continue to push hard for lower prices and true proxy reform.

Finally, I continue to impress on both the Commissioners and the Staff the importance of opening DTC FAST eligibility to the hundreds of companies who cannot gain entry and whose shareholders are left out in the cold with no market for their holdings. Clearing brokers simply will not accept issuers' stock for trading and deposit unless the issuers' stock is FAST eligible. This catch-22 is simply unfair and killing the small investor.

I will keep you updated on all of these fronts as events unfold.

## The Markets

The capital markets continue to roll along at an impressive pace with no sign of letting up even though the bull market is now fully 10 years old. The traditional IPO market was stronger in 2017 than it had been, and Continental was successful in handling upwards of 25% of the 2017 IPO market, a level we have never reached before.

While our performance in traditional IPOs was strong, Continental's performance in the SPAC IPO market was unprecedented. Since 2003, we have handled well over 200 SPAC IPOs, and over 90% of all US SPACs brought to market. These deals have raised more than \$25 billion. In 2017, Continental's market share approximated 95% and we were transfer and trustee on 32 SPAC IPOs which raised more than \$10 billion!

*(Continued on page 4)*

## The Live Call Representative Interaction

How many times have you been frustrated at having to push numerous buttons just to get your question answered by a live agent? Continental believes that client communication is an invaluable asset and therefore does not employ an IVR service.

24  
7

**Our client service reps (CSRs) are able to resolve issues or answer your questions immediately or can follow up with you via phone or email. Furthermore, our senior reps have 24/7 phone availability allowing our customers to communicate with us at any time.**

Fact sheets on all corporate actions are uploaded to one of our data bases so that CSRs have information at their fingertips and are able to answer shareholder questions on the spot.

As such 2017 far surpassed any prior year in number of IPOs closed and trust funds raised. Thus far in 2018 there is absolutely no sign of a let up, and almost all recent SPAC IPOs have led to successful business combinations. Likewise, after-market performance of SPACs has been strong.

Similarly, our Corporate Actions processing business in 2017 yielded more than 200 closed transactions on behalf of our own customers as well as customers referred by Citibank and other very large US banks. All signs for 2018 expansion are positive.

## Alternative Markets

I previously reported to you that Continental had been successful in handling Reg A+ offerings which were brought to market in 2017 under SEC exemptions provided by the JOBS Act, designed to facilitate capital raising by small companies. Unfortunately while dozens of Reg A+ offerings

were closed in 2017, the lack of an effective secondary trading market has led to significant after-market share price reductions from the IPO price. While Continental has proven itself as an effective agent for Reg A+ issuers, the future of this model is now cloudy.

On a more positive note, Continental is very pleased to have onboarded a total of 8 crypto-related issuers, including 2 Bitcoin issuers, 2 Ethereum issuers, Grayscale Investment Trust and Litecoin Investment Trust. We're excited about the breadth of our coverage in the fast-emerging digital currency space and continue in our preparations to grow with it as blockchain technologies proliferate.

So, as you can see, 2018 was an important and successful year of growth for Continental. We have a great team of seasoned professionals, and we hope that you will visit with us soon. Most of all, thank you for your business and your continued support!

## Welcome New Talent/Employees

Continental Stock Transfer & Trust is pleased to employ dedicated professionals to contribute value to our organization and ensure quality service to our customers. We welcomed the following team members so far in 2018 (January through April):

- Rachelle M. Bastien, *Transfer - Stock Transfer*
- Kenya Burch, *Mailroom*
- Veronica Clarke, *Reorg - Corporate Actions*
- Charlotte P. Couzens, *Executive Assistant*
- Albert L. Davis, *Mailroom*
- Frank T. Formisano, *Proxy*
- Shannon L. Gayle, *Account Admin Assistant*
- Ana P. Gois, *Account Admin*
- Fredrick L. Green, *Mailroom*
- Yvonne P. Griffith, *Proxy*
- Leo V. Jaquez, *Reorg - Assistant Operations Manager*
- Patrick Kearns, *Mailroom*
- Christopher E. Martinez, *Escrow & SPAC Admin*
- Erick L. Montanez, *Reorg - Corporate Actions*
- Patrick M. Small, *Trust Services - Assistant Operations Manager*
- Oliver Torres, *Reorg - Assistant Operations Manager*

## Get to Know Our Team



### Ana Gois, Account Administration

Ana Gois has been in the Transfer Agent business for over 15 years and has held various key positions throughout her career servicing small, mid and

large-cap clients. She brings a depth of experience in shareholder relations, client services administration and relationship management.

In her tenure, Ana assisted clients with planning and preparation of all aspects of their shareholder meetings, mergers, acquisitions, IPO's, stock split and dividends. She has also held senior positions as an Assistant Vice President and Team Leader at two other major Stock Transfer Agencies.

Ana is a graduate of Montclair State University. She resides in New Jersey with her husband, daughter and son. Her daughter is a junior at Montclair State University and her son a freshman at Rutgers University. In her free time, Ana enjoys reading books, taking long bike rides with her family and traveling overseas.



### Celeste Gonzalez, Trust Services Administration

Celeste Gonzalez is a Trust Services Administrator, managing the cash and investment account activity for our Special Purpose Acquisition Company ("SPAC")

and escrow clients. She manages all account openings, coordinates all cash movements and investment activity, client system access needs within Continental as well as for our 15 asset management banking partners. To keep these diverse and expanding businesses in order, she's had to draw on her over 20 years of experience in financial services, operations and audit, mixing in an unbridled passion for ever-improving the processes under her supervision.

Celeste began her career in the New York Attorney General's office, overseeing undercover Medicaid financial fraud investigations. In 1999, she joined The Bank of New York's stock transfer division, gaining broad experience in securities transfer, corporate reorg, and unclaimed property. Prior to joining Continental in 2016, she worked in Merrill Lynch's Global Custody client services and prime brokerage settlements unit, managing over \$100MM cash and securities transactions daily.

Married to her husband Dimas, Celeste has two daughters Joan, a Cornell University graduate, and Angelina who will attend George Washington University this fall, and sons Dimas III, a high school sophomore, and 2-year old Sebastian.

Celeste is actively involved in the PTA and with her son's engineering academy. She has also served as a volunteer teacher at the Women's Development Center of New York, empowering low-income immigrant women by providing them a variety of programs through English as a Second Language.

Celeste graduated from Mercy College with a Master's of Science in Banking and a minor in International Business. In her spare time, she enjoys cooking, listening to music, and swimming.



*I can't say thank you enough for reaching out to me on your personal day off.*

*I hope management realizes the loyalty, professionalism & exceptional customer service.*

– Catherine Merola  
Network 1 Financial Securities, Inc.



## SPECIAL PURPOSE ACQUISITION COMPANIES (“SPACS”)

*By Francis E. Wolf, Jr., Vice President and Assistant Secretary, Trust and Corporate Actions Services*

Special Purpose Acquisition Companies or ‘blank check companies’, are public corporations formed specifically for the purpose of raising money in the public markets to make an acquisition. The SPAC will conduct an initial public offering, begin a 12 to 24 month search for a merger candidate, solicit an approval vote of its public stockholders, and if successful, complete the merger using cash raised in the IPO. Since their advent in 2003, SPACs have grown in popularity from being a specialty niche market to a global multi-billion dollar, widely-accepted acquisition vehicle, achieving deal sizes from \$50 million to in excess of \$1 billion.

To form a SPAC, a group of industry-seasoned executives called “sponsors” selects a team of lawyers and underwriting banks to plan and execute an initial public offering. Rounding out their team, the sponsors and their lawyers will select accountants, a transfer agent for the securities, a trustee to hold and manage the funds raised in the IPO, and an asset manager to allow for the investing of its cash in the trust. The SPAC will generally sell “units” in the IPO consisting of one common share and a fraction of a warrant. Each unit will be separable into the share and warrant a few weeks after the IPO launches. The funds placed in



*Mark Zimkind (left) and Steven G. Nelson (right), at the SPAC Conference 2018 on Thursday, February 15th in New York City.*

the trust account after the IPO will be moved to an asset management bank which will invest the funds in accordance with directions from the SPAC.

With the broad range of securities and trust services the SPAC will require in its brief lifetime, our company is especially well-suited to support each offering. In fact, Continental played a key role in developing the mechanics to create the modern SPAC, participating in the original working group that designed the structure for the first such offering - Millstream I - in 2003. Since then, our company has been selected as transfer agent and trustee for well over 90% of all U.S. deals brought to market, winning a total 88 of 91 deals offered since January 2014 alone.

Continental, provides transfer agency services for the units and common stock, warrant and rights agency services, and stock escrow services for the SPAC. Our entire administration team is highly experienced in managing SPACs and given the number of deals offered to us, has seen nearly every deal structure proposed.

From the initial launch of the IPO, the management of unit separations and day-to-day processing of the public and sponsor securities to the design and execution



*Francis E. Wolf, Jr., at the SPAC Conference 2018 on Thursday, February 15th in New York City.*

of the business combination and proprietary share redemption processing, our team expertly guides all recordkeeping under a dedicated account management team.

Also important to the SPAC structure is the appointment of a trustee to hold funds following the IPO. Our company is a trustee by virtue of our charter as a New York State banking institution and we've been appointed as trustee for every SPAC our company has won, holding in excess of \$13 billion in 2017 alone. Our Trust Services Group partners with nearly every major US asset manager for investing the IPO funds and coordinating all aspects of the SPAC's ongoing trust account needs, from confirming and investing the initial IPO and underwriter overallotment proceeds to coordinating treasury reinvestments and expense payment withdrawals. We track share redemption cash distributions as well as

mandatory principal contributions, where applicable, so that the per share trust value for public stockholders is known at all times. When the business combination is executed, we can coordinate a host of payment structures, including outright disbursement of funds for the payment to shareholders in a merger, distribution of funds for merger related expenses, and establishing escrow accounts to accept and distribute the proceeds of PIPE investments. And Continental has also handled overseas SPACs, one of which raised over \$1 billion in a single IPO and we can maintain accounts with our partner banks in either USD or Euros for these overseas SPACs. From our broad experience and history with SPACs to our unique processing capabilities, there is simply no agent in the industry that can equal our company's reach, capabilities and understanding of the SPAC market.



*Good Morning Bernie,*

*I am writing to thank you for the quality of service provided by you and the rest of the staff at Continental. I sincerely appreciate your efficient, gracious customer service, the level of detail and accountability you have demonstrated each and every day. I have, and will continue to, recommend your service to other companies and contacts. I could not be more satisfied with your work and I wanted to take this time and truly thank you for all that you have done for me and the bank.*

*Our Annual Meeting was last week and have to say it was such a breath of fresh air to work with Bruce, Luther, Maribel and the rest of the proxy team. They as you are kind, patient and willing to share their wealth of knowledge with the new girl.*

*Thanks again for all you and the others do each and every day. Your company is truly lucky to have such a dedicated group of people representing them."*

– Kelly Taylor  
Executive Assistant  
The Victory Bank



## PARTNER WITH CONTINENTAL

### Who is Friedman LLP?

Friedman LLP is a mid-size regional accounting firm that works with companies across the business spectrum to negotiate the maze of assurance, regulatory and transactional demands. Friedman's Public Company Services group specializes in entrepreneurial, emerging and micro-cap companies to provide attest, tax and consulting services along with services including:

- IPOs
- M&A due diligence
- PIPEs
- Reverse Mergers
- Roll-ups
- Secondary Public Offerings
- SPACs
- Spin-offs

**FRIEDMAN LLP®**  
ACCOUNTANTS AND ADVISORS

Friedman's unique approach provides client with direct access to partners, quick turnaround times and thorough, precise attention to filing obligations.

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*Please call your relationship manager for more information on this product.*

## Certificates on Demand

At Continental we have the ability to create certificates for your business on safety paper with all the security features included. We offer an array of boarder colors, Red, Gold, Green, Purple, & Blue.

We can create all the artwork from an existing certificate or we can custom design a layout for you. In addition, we also offer not only common stock certificates, but any different classes of stock and the ability to custom design warrants for your business transactions at a cost considerably less than your traditional stock certificate printer.

## CONTINENTAL PARTNERS WITH SNN INCORPORATED

Robert Kraft of Stock News now interviews Steven Nelson, President & Chairman, in a SNNLive Newscast in May 2018

<https://stocknewsnow.com/commentary/ANEWSID14052018100002/SNNLive-Newscast-Continental-Stock-Transfer-&-Trust>

For a written condensed version of the interview, please go to the *MicroCap Review Magazine*, Spring 2018, pages 67-69

<https://www.microcapreview.com/microcap-review-spring-2018/>



## Continental Was The Lanyard Sponsor For The Planet Microcap Showcase 2018 In April.



## NEW TRANSFER AGENT CUSTOMERS SEPTEMBER 2017 THROUGH MAY 2018

AbraPlata Resource Corp – Canada  
Adf Energy Trust, Inc – VA  
American Pacific Mining Corp. – Canada  
Appia Energy Corp. – Canada  
Beacon Community Bank – SC  
Big Rock Acquisition Corp. – FL  
Bitcoin Cash Investment Trust – NY  
Black Ridge Acquisition Corp. – MN  
Block One Capital Inc. – Canada  
Cameo Resources Corp – Canada  
Celcuity, Inc. – MN  
Chakana Copper Corp. – Canada  
CM Seven Star Acquisition Corp. – China  
Construction Partners, Inc. – AL  
Cronos Group Inc. – Canada  
DFB Healthcare Acquisition Corp. – NY  
Draper Oakwood Technology Acquisition, Inc – CA  
Duos Technologies Group – FL  
Exro Technologies Inc. – Canada  
F.S. Bancorp, Inc. – IN  
FFBW, Inc. – WI  
Fura Gems Inc. – Canada  
Galane Gold Ltd. – Canada  
GigCapital, Inc. – CA  
Global Blood Therapeutics Inc. – CA  
Gold Torrent Inc. – Canada  
Gordon Pointe Acquisition Corp – FL  
GrayScale Digital Large Cap Fund – NY  
Haymaker Acquisition Corp. – NY  
Infinity Bank – Canada  
Integra Resources Corp. – Canada  
Kolon TissueGene, Inc. – MD  
Lead Ventures Inc. – Canada  
Leo Holdings Corp. – UK  
Legacy Acquisition Corp. – OH  
Leisure Acquisition Corp. – NY  
Level One Bancorp, Inc. – MI  
Litecoin Investment Trust – NY  
Mosaic Acquisition Corp. – NY  
MTech Acquisition Corp. – FL  
Mudrick Capital Acquisition Corporation – NY  
NextSource Materials Inc. – Canada  
Northern Empire Resources Corp. – Canada  
Nuuvera Inc – Canada  
One Madison Group – NY  
Opes Acquisition Corp. – Mexico  
Platinum Eagle Acquisition Corp. – CA  
Pure Acquisition Corp. – TX  
RavenQuest BioMed Inc – Canada  
Regalwood Global Energy Ltd. – DC  
Sentinel Energy Services Inc. – TX  
Social Capital Hedosophia Holdings Corp. – CA  
SSB Bancorp, Inc. – PA  
The Victory Bancorp, Inc. – PA  
Tiberius Acquisition Corporation – LA  
Trinity Merger Corp. – HI  
Union Acquisition Corp. – NY  
VectolQ Acquisition Corp. – NY  
WeedMD – Canada  
West Shore Bank – MI  
White River Bancshares Co – AR  
XRP Investment Trust – NY  
Zcash Investment Trust – NY

## CORPORATE ACTIONS

*By Francis E. Wolf, Jr., Vice President and Assistant Secretary, Trust and Corporate Actions Services*

Growth is essential in business and one key way corporations expand is by acquiring entire companies or portions of companies in a merger transaction, strengthening or expanding the acquirer's product or service offerings. Whether the target company is publicly traded or privately held, with a small number of shareholders or thousands of share, warrant, or option holders on its capitalization table, Continental has the capability of executing share exchanges for cash, stock, or a combination of each as well as tender offers, subscription offers and share redemptions for our own transfer agent clients as well as for those of other agents. Including our referrals for Citibank and other large US banks, we manage well over 200 corporate actions events a year, issuing thousands of fedwire, check payments and stock distributions totaling tens of billions of dollars.

for deal planning, fast closing date payment ability and vast experience in dealing with a multitude of deal structures are unmatched in the industry among processing agents of any size. Such responsiveness has led to strong partnerships and multiple public and private paying and exchange agency appointments by leading Silicon Valley technology, venture capital and private equity firms where speed, diligence and flexibility are essential.

Unlike our competitors, we don't outsource or offshore any of these services, including call center activities. This allows us to rapidly scale up for highly complex transactions and execute payments in a very short window, delivering large volume wire transfer and share issuances with just 24 – 48 hours advanced notice.

Our rates for delivering these services are highly competitive, on par with our being the value leader in

*Our swift file conversion capability, flexibility in using a variety of letter of transmittal templates, off-hours availability for deal planning, fast closing date payment ability and vast experience in dealing with a multitude of deal structures are unmatched in the industry among processing agents of any size*

Corporate Actions appointments are assigned to a member of our dedicated reorg administration team. They receive in and convert shareholder data files, distribute letters of transmittal and other shareholder communication, and coordinate the processing of merger cash and share payments to shareholders with the Reorg operations unit. For our Citibank Escrow and Corporate Trust deals, initial funding is remitted to Citibank which then releases funds to us upon our request based on our processing shareholder requests.

Our company is often pressed into service when there is little time to plan (as little as 2 days) and execute the payment portion of the M&A transaction. Our swift file conversion capability, flexibility in using a variety of letter of transmittal templates, off-hours availability

the stock transfer industry and generally lower than those charged by our competitors. But our real competitive edge is the depth of experience of our staff and unmatched execution capability which affords our clients significant flexibility as they plan and execute their acquisition strategies.



# Trusted Solutions.

## Tailored to your unique needs.

### THE PERFECT PARTNERSHIP.

*Our unmatched expertise and exceptional execution free you to focus on growing your business.*

Continental Stock Transfer & Trust was founded on a specific vision in 1964 – to fully support private and public companies with superior responsiveness, personal service and tailored shareholder-focused solutions. We will earn your trust each and every day.

As your partner, our mission is to bring you cutting edge solutions and individualized customer service. We are a leader in shareholder record keeping for financial institutions by providing dividend disbursement and plan administration services, corporate action event solutions, escrows, public and private offerings, annual meeting services, and DTCC transaction facilities.

- SEC Registered Transfer Agent
- New York State Chartered Trust Company
- 25M Blanket Bond
- DTCC Custodian Transfer Agent

**CONTINENTAL – OUR NAME SAYS TRUST FOR A REASON!**

Contact Karri Van Dell 212.845.3224