



CONTINENTAL
STOCK TRANSFER & TRUST

Notes

FROM THE CHAIRMAN

FALL 2019 NEWSLETTER

INDEPENDENT SPIRIT • RELENTLESS DEDICATION

2019 thus far has continued the trend from prior years with all three of our major business lines continuing to flourish. 2018 was a record year for Continental in terms of revenues and profit, and 2019 has thus far surpassed last year in a major way. Our core stock transfer business continues to grow, particularly in the community bank and regional bank space.

(Read on >)

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*Steve Nelson
President & Chairman*

Connect with me directly
at 212.845.3201

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*We really appreciate
all of your help.
Ya'll are
wonderful!!!*

– Sarah Parsley
Assistant Corporate
Secretary,
Chesapeake Bank

”

LETTER FROM THE CHAIRMAN

We are particularly proud to have taken on the account of Old National Bank, one of the oldest and largest banks in the United States. Old National had been a co-transfer agent account of Continental for many years, and decided this year to fully outsource their business to Continental based on our unique service offerings and proven capabilities. We welcome Old National into the long list of financial service companies which we now handle.

Similarly, in the SPAC arena, Continental continues to dominate with a 95% market share.

While in 2018 we acted as trustee and transfer agent on a record 45 SPAC IPOs, which raised more than \$12 billion, 2019 has surpassed that record pace. We expect to have closed more than 50 SPAC IPOs by the end of 2019, which is rather mind-boggling when I think back to 2003 when the first new generation SPAC was created. While SPACs were for many years an almost incidental part of the IPO market, they are a core component and represent more than 25% of the entire IPO market. Moreover, the participation of bulge bracket underwriters and large private equity firms underscores the validity of the SPAC concept and market. Amazingly, Continental handled its 300th SPAC IPO in 2019 and the backlog of impending deals is longer now than it has ever been. Our success in this ever-expanding space is a testament to our unique proprietary platform developed over more than 15 years and to the expertise and dedication of our SPAC leaders, Fran Wolf and Mark Zimkind, as well as the contributions of our Account Administration team.

Similarly, our corporate action and paying agency business continues to percolate at a fever's pitch. We have handled more than 100 such transactions this year already, including many large and complex corporate action transactions for both our ongoing customers and for those referred by our large institutional bank partners. These are high value, highly time sensitive transactions with the largest mergers and acquisitions law firms and financial institutions in the country, who recognize our unique ability to process these transactions timely and flawlessly when they need it most.

Finally, our business continues to expand rapidly in the co-transfer agency space. Continental has had a unique position in this arena for over 50 years, where we have serviced many large issuers, including a number of utilities and banks, who kept their own records but needed additional functionality and expertise from a commercial agent. Old National Bank (referred to above) was a perfect example of that type of relationship until they became a full service customer this year.

Additionally, we have historically provided co-transfer agent services to other banks who did not offer some of the services we provide. One of these, TSX Trust in Ontario, Canada has partnered with Continental for many years to provide transfer agent services to US traded Canadian customers of TSX, which is owned by the Toronto Stock Exchange. We now act as co-transfer agent for more than

70 companies whose primary agent is TSX, and that number has expanded rapidly in the past two years. We are grateful to Ms. Claire Johnson and her extraordinary staff for entrusting this business to us.

So you can see from the foregoing summary that 2019 will be a record year for Continental following up impressively on last year's record performance. Be assured that we are not resting on our laurels, as we continue to expand and hire aggressively, and we continue to automate and embrace new service offerings at a breakneck pace. We are grateful to our many new customers and to our legacy clients who have placed their trust in us.

Industry Update

In my last newsletter piece, I highlighted my continuing role on the Executive Committee of the Securities Transfer Association (STA) relative to industry initiatives and interfacing with the Commissioners and staff of the SEC. I reported on the progress that is being made on the serious issues surrounding proxy plumbing which have dogged issuers both in terms of excessive fees charged by intermediaries including Broadridge, and the lack of integrity in the proxy voting system. Issuers do not get to communicate directly with their beneficial holders under the current system, and there is a history of rampant over-voting due to the fact that the bank and broker intermediaries are not currently required to properly pre-reconcile their votes before mailing. Moreover, the NOBO / OBO system is ungainly working to impede the ability of issuers to communicate effectively with their shareholders.

Under the leadership of Commissioner Roisman, who the Chairman tasked with overseeing meaningful proxy reform, we are now seeing real progress for the first time in over 20 years. The SEC recently convened a roundtable of all major industry participants who together operate the current system. After the roundtable, the SEC designated 5 working groups comprised of key interested parties to move the ball forward. The STA is taking a lead role in these working groups and we now appear to have a chance at real reform. I will keep you posted.

On another front, the Commission issued a Concept Release aimed at streamlining and harmonizing the current securities offering structures to benefit issuers, investors and industry participants. We at the STA submitted a detailed comment letter last month specifically dealing with the continued lack of a formal opinion requirement as well as renewing our proposal for a "safe harbor" for transfer agents

(Continued on page 4.)

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I just wanted to send a note saying thank you for all the great work CST has done for us the last few years. And especially Steve. He has done an AMAZING job on all of the stuff we've dropped in his lap, and some of it has been very difficult and complex to work through. I never have to worry about getting the right answers and quick results when it comes to Steve. And he goes above and beyond every time.

”

– Ryan Abney,
Vice President of Finance -
SAExploration Holdings, Inc.

(Letter continued from page 3.)

who obtain legal opinions and/or issuer authorizations on restricted transfers and original issuances. The STA submission can be found at STAI.org and SEC.gov.

Blockchain Update

At the recent STA Conference there was a very interesting and comprehensive review of blockchain/distributed ledger technology and its applicability to the transfer agent world. The panel confirmed our view as previously expressed here that while blockchain technology may be useful for transfer agents for some limited functions e.g. proxy, it cannot take the place of traditional transfer agent recordkeeping; nor is it able to keep and effectively deal with all the many fields of information we are required to keep to comply with SEC and IRS regulations and various state law statutory obligations (e.g. escheatment, tax reporting, privacy, etc).

The STA panel confirmed as well that using blockchain technology would require two different operating systems (traditional OS and distributed ledger OS), and they would have to correlate with each other. This will be expensive and take many years to develop and integrate.

The real problem that I see with implementation of blockchain technology relates to regulatory and risk/compliance concerns. As you are likely aware, blockchain first gained notoriety around the time of the bitcoin launch. Bitcoin and other similar protocols were developed with the explicit or understood benefit of keeping private the identity of owners and participants. Not surprisingly, this raised all kinds of alarms with regulators about possible money laundering or other illicit activities being shielded from public view and law enforcement. While some of this may have been overblown, and many other blockchain protocols have been developed for legitimate purposes, regulators, both state and federal, have been very active in scrutinizing this space.

Regulators are skeptical by nature about new technologies which claim to be foolproof and “immutable” such as blockchain. Banks, trust companies and other “financial institutions” must meet expansive AML/BSA, cyber security, internal audit, and transaction monitoring requirements (including OFAC/Patriot Act) to satisfy their regulatory obligations and internal risk management standards. At this point in time, it is not at all clear that these hurdles can be cleared, and certainly not in the immediate future.

Nevertheless, Continental continues to explore best case uses for blockchain/distributed ledger technologies, and will likely participate in one or more pilot programs in the foreseeable future. We will continue to keep you apprised of developments in this exciting new space.



CNEWS

HOW TO GET ON OUR MAILING LIST

Sign up for our “CNews” electronic newsletter, which offers updates on Continental’s most recent news, insights, events, and more.

To sign up, go to
<http://eepurl.com/gIXP-D>

California Consumer Privacy Act



The California Consumer Privacy Act ("CCPA") is a legal framework that creates new consumer rights relating to the access to, deletion of, and sharing of personal identifying

information ("PPI") that is collected by businesses for consumers with a residence status in the state of California ("CA"). The CCPA covers all companies that deal with data of CA residents. The CA Department of Justice (Attorney General) proposes to adopt sections §§ 999.300 through 999.341 of Title 11, Division 1, Chapter 20, of the California Code of Regulations (CCR) concerning the California Consumer Privacy Act, and its proposed effective date is January 1, 2020.

Continental has been gathering information and attending webinars for the past several months with a goal of creating a policy to comply with the CCPA, so long as those regulations do not conflict with our recordkeeping requirements under current SEC regulations. We will provide certifications to all of our issuers located within CA or other issuers with CA resident shareholders to the extent such shareholders have provided PPI to us. We will provide notices of instruction to all such shareholders as well, giving them the option of electing to have us delete from our records their email addresses, telephone numbers, or other PPI that we are not required to retain. Thereafter, we will maintain records and logs of all contacts with such affected issuers and/or shareholders and respond to inquiries within 45 days as required by the CCPA. In addition, we will require our vendor partners who assist us with lost shareholder searches, escheatment of abandoned property, OFAC screening, etc. to confirm on an annual basis, that they are in compliance with the CCPA regulations as to our records.

Because of the extensive system programming as well as manpower required to effect this regulatory change it will be necessary to charge all affected issuers an annual fee plus transaction charges.

Get to Know Our Team



Narisha Tilhoo – Vice President of Accounting

Narisha Tilhoo is currently employed at Continental Stock Transfer & Trust (CST) as a Vice President of Accounting. She started working at the company

in August 2016. She plans, organizes, and maintains the accuracy of all financial information recorded and reported. In this role her main responsibilities include managing a staff of 3, the month-end close, monthly/quarterly/annual payroll tax reporting, analytical review, providing financials to management and Human Resources. She supports all aspects of the Accounting department in order to meet deadlines, complete audits and daily processing.

Prior to joining CSTT, Narisha worked at Hunt Mortgage Group as a Senior Accountant, Sizmek Inc. as an Accounting Manager and Dreier LLP as a Senior Accountant. Narisha is a graduate from Hunter College with a Bachelor of Sciences degree with a concentration in Accounting. Altogether since graduating from Hunter, she has been in the field for approximately 14 years.

In her free time away from the office she enjoys traveling, trying new foods/restaurants and cooking.

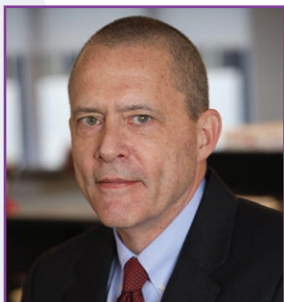
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Welcome New Talent/Employees

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 2019 (April 2019 – October 2019):

- Bryce Hixson – *Accounting*
- Tinka Welch – *Account Administration*
- Kirsten Kulmaczewski – *Corporate Actions*
- George Dalton – *Account Administration*

Get to Know Our Team (Continued)



George Dalton – Account Administration

George has 30+ years of experience in the stock transfer industry having begun his career at Morgan Guaranty Trust Company in 1986. He worked with Equiserve

and its predecessor companies for 14 years where he concentrated on all areas of the stock transfer and corporate actions business lines including management responsibilities in operations, investor relations, systems development and project management.

George joined The Bank of New York Mellon in May of 2000 to manage the Corporate Actions Client Administration group. Upon the acquisition by Computershare of the stock transfer business of The Bank of New York Mellon in 2012, he transitioned into a client administration and transaction/project management role. He has overseen a wide variety of high profile voluntary and mandatory corporate actions for both domestic and international clients with specific experience in the execution of corporate actions involving Depositary Receipts. George has a B.A. in international economics from Allegheny College, PA and obtained a Chartered Financial Analyst (CFA) designation in 2002. He lives in Brooklyn, NY where he enjoys spending his off time with family and friends.



Patrick Small – Trust Services Administrator

Patrick Small is a Trust Services Administrator, managing the cash, Know Your Customer, and documentation for the Escrow product. He reviews all daily cash movements for both escrows and SPACS,

manages account openings and closings, and coordinates the cash movements for the initial, in-project, and closing periods.

One of his earliest work assignments was with IBJ Schroder Bank and Trust Company in their Reorg department back in 1988 which was located at One State Street so his New York experience has come full circle. Most of his career was with BNY Mellon working in the Reorg Department of their Stock Transfer division where he worked side by side with several of his current colleagues at Continental. His final years at BNY Mellon were in the Settlements Department of the BNY Mellon American Depositary Receipts division.

Patrick graduated from Temple University with a Bachelor of Science in Business Administration. When he's not at Continental, Patrick enjoys outings with his family and attending Indie pop/new wave/80s English music at unique New York venues. Pet Shop Boys, Morrissey, New Order and The Cure are some of his favorites.

Bank Director FOF Registration Discount

Continental Stock Transfer & Trust is a proud sponsor of the Bank Director – Acquire or Be Acquired conference in January 2020.

Use our special Friend of Firm (FOF) promotional code "CSTT2020" when registering for an exclusive registration discount.

A promotional poster for the Bank Director 'ACQUIRE OR BE ACQUIRED' conference. The left side has an orange background with the text 'Bank Director.' in small white font, 'ACQUIRE OR BE ACQUIRED' in large white bold font, and 'Exploring Your Growth Options' in smaller white font. The right side shows a desert landscape with saguaro cacti and mountains under a blue sky. A white box in the top right corner says 'REGISTER NOW'. At the bottom right, it says 'January 26-28, 2020' and 'Phoenix, AZ Arizona Biltmore'.

ESCROW HIGHLIGHT

Continental Stock Transfer & Trust Company is an authorized escrow agent by virtue of our charter as a New York State banking institution. As the country's fifth largest stock transfer agent, we provide a diverse selection of cash and share escrow services in support of our thousands of public and private transfer agent and paying agent clients, as well as from a broad group of referring law firms and financial institutions. We are overseen by both the Securities and Exchange Commission and the New York State Banking Department.

As a paying agent, Continental provides cash and stock payment services in support of M&A activity that will often call for the inclusion of working capital, indemnity, tax or other related escrow structures. These escrow opportunities may call for holding cash in a variety of currencies, or securities and when downstream distributions are necessary to perhaps hundreds or thousands of depositors.

This capability is particularly important to our Special Purpose Acquisition Company (SPAC) business where we manage the transfer agency and trustee services for over 90% of the companies brought to market. Each may require one or more escrow accounts — sale of sponsor warrants, PIPE to backstop the business combination, indemnity escrow for the target, etc. — during its life as a SPAC. Continental has the compliance, payment processing, call center, and tax reporting infrastructure to smoothly handle the entire operation.

Continental also has an active practice in providing escrow accounts to support public and private capital raises. We accept investor deposits, perform as-needed cash reporting either in-person or through direct client on-line access and efficiently initiate closing payments upon receipt of final instructions. Our account opening and compliance procedures are efficient and are generally completed within one day. We can perform these cash services whether or not we are the transfer agent of record for the issued securities.

Continental uses JPMorgan Chase Bank, NA to hold all of its deposits in individually segregated accounts. We use the bank's JPMorgan ACCESS platform and as such have full control over account opening, inquiry access, statement production and transaction processing.

Combined with our dedicated escrow account managers, same day closings, and fast turnaround wire transfer capabilities, Continental's escrow service offerings provides the deal team with the tools and flexibility so important in a fast moving business environment.

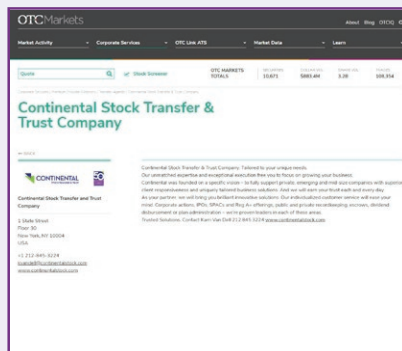
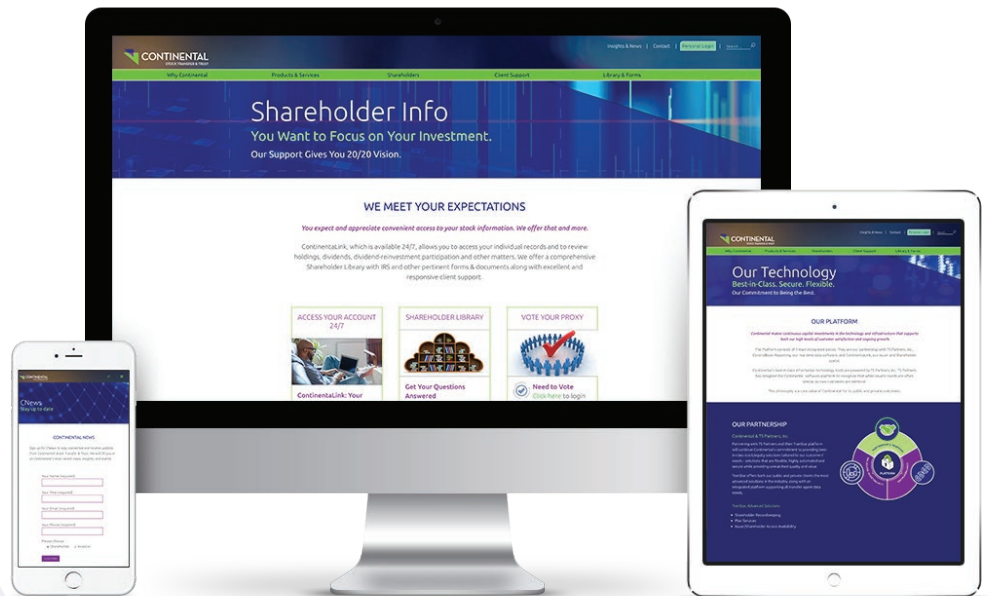
As the country's fifth largest stock transfer agent, we provide a diverse selection of cash and share escrow services in support of our thousands of public and private transfer agent and paying agent clients...

LATEST NEWS HIGHLIGHTS

New Website Design

We are hard at work creating an enhanced website to promote an appealing environment for our clients and their shareholders.

More details on the launch date in the coming weeks!



OTC Premium Provider Directory

Continental Stock Transfer & Trust is proud to be featured in the exclusive OTC Premium Provider Directory.

For more details:
www.otcmarkets.com/corporate-services/premium-provider-directory/transfer-agents



Anniversary & Birthday

We recently celebrated a significant birthday and anniversary. Lucille has been with Continental for over 43 years and celebrated her 80th birthday on September 20, 2019. Anthony celebrated his 50th anniversary of working with Continental on September 22, 2019.



Bring Your Child to Work Day

Erika Young, Account Administrator, and her 12 year old daughter Jiyanna on Continental's Bring Your Child To Work Day.



SSA Annual Conference

Continental Stock Transfer & Trust was a proud sponsor of the SSA Annual Conference in Annapolis, Maryland in July 2019.

Jim Kiszka (far left panel member), CSTT Senior Relationship Manager, was a panelist for the Annual Meeting Best Practices panel.

ContinentalLink Tutorial

Continental's intuitive issuer and shareholder portal, ContinentalLink, has been a helpful tool to connect issuers and shareholders with their account information.

Continental is excited to announce we will be releasing an informational tutorial to help users better understand the platform and its capabilities.

Stay tuned for the CLink tutorial release this winter!



Proxy & Mobile Voting

Here at Continental we have been monitoring the number of active votes received by the phone voting option on our proxy cards. What we've discovered is that phone voting, although very popular in the 1990's, has diminished to very low activity monthly. Due to the setup fees and low number of active transactions, the monthly fees have risen. We will be phasing out phone voting after the 2020 proxy season, and at the same time, offering mobile voting to our clients.

Mobile voting is quick and easy to use: download a free QR barcode scanner from the app store on your mobile device (phone or tablet), simply scan the QR barcode using your mobile device, and you will be sent directly to the site where you can enter your control number and vote.

The process is quick, easy to use and a real cost saver for our clients.

Ask your Client Administrator for more information and the cost benefits of mobile voting.

To learn more go to
[www.continentalstock.com/
annual-meeting-and-proxy/](http://www.continentalstock.com/annual-meeting-and-proxy/)

NEW TRANSFER AGENT CUSTOMERS APRIL 2019 - OCTOBER 2019

Act II Global Acquisition Corp – NY	Lancadia Holdings II, Inc. – TX
AGBA Acquisition Limited – Hong Kong	Leviathan Cannabis Group, Inc. – Canada
Akerna Corp – CO	MiCommunity Bancorp, Inc. – MI
Akumin, Inc. – Canada	NeoVolta, Inc. – CA
Allied ESports Entertainment – CA	Nesco Holdings, Inc. – IN
Alvopetro Energy Ltd – Canada	Netfin Acquisition Corp – NY
Apex Technology Acquisition Corp – CA	New Providence Acquisition Corp – TX
AquaMed Technologies, Inc. – PA	Oaktree Acquisition Corp – CA
B.Riley Principal Merger Corp – NY	Old National Bancorp – IN
C21 Investments, Inc. – Canada	Pinnacle Financial Corporation – GA
Cardiol Therapeutics, Inc. – Canada	Pioneer Bancorp, Inc. – New York
CENTR Brands Corp – Canada	Pivotal Investment Corporation II – NY
Chesapeake Financial Shares, Inc. – VA	Radiant Technologies, Inc. – Canada
Churchill Capital Corp II – NY	Ranpak Holdings, Corp – OH
Clarivate Analytics Plc – United Kingdom	Repay Holdings Corporation – GA
Conyers Park II Acquisition Corp – CT	RePlay Acquisition Corp. – NY
Desert Mountain Energy – Canada	Rockwell Resources Corp – Canada
Diamond Eagle Acquisition Corp – CA	Softlab9 Software Solutions, Inc. – Canada
Draganfly, Inc – Canada	South Mountain Merger Corp – NY
Fellazo, Inc. – China	Spike Acquisition Corp – NY
FNS Bancshares, Inc. – AL	Switchback Energy Acquisition Corp – TX
Frankly, Inc. – Canada	TEB Bancorp, Inc. – WI
GigCapital2, Inc. – CA	The Peck Company, Inc. – VT
GX Acquisition Corporation – NY	Thunderbridge III Acquisition – VA
Harvest One Cannabais, Inc. – Canada	Tri-County Financial Group, Inc. – IL
Haymaker Acquisition Corp II – NY	Trilogy International Partners, Inc. – Canada
Health Sciences Acquisition Corp – NY	Tuscan Holdings Corp II – NY
Hydrofarm Holdings Group, Inc – CA	Xcel Brands, Inc. – NY
Kaixin Auto Holdings – China	Xortx Therapeutics, Inc. – Canada
Korth Direct Mortgage, Inc – FL	Xynomic Pharmaceuticals Holdings, Inc. – China

ESCHEATMENT HIGHLIGHT

Escheatment is the process of remitting an asset to the state of the address of record as unclaimed property. Escheatment is an unfortunate fact of life for financial institutions and one that comes with many pitfalls if not managed correctly.

When not correctly managed and reported, there can be financial liabilities that can be imposed, coupled with the risk of state audits.

These fines and penalties can be material to your annual reviews, findings, and negatively affect your organization, not only materially, but reputationally.

As you may or may not be aware, given the economic situation in many states, unclaimed property accounting audits are occurring more frequently than ever before. It is imperative, now more than ever, to be vigilant and to conduct proper escheatment for all aspects of your organization.

The responsibility for unclaimed property compliance and escheatment for your registered shareholders is generally managed by your transfer agent, but be mindful that within your organization there should be a person or persons to manage your other escheatment needs such as general ledger, etc. Because many organizations have multiple business units and may not necessarily have a centralized escheatment compliance unit, it is imperative to understand and address the details necessary for accurate and timely compliance of the escheatment process. If you have concerns as to whether your organization is compliant, there are many firms that can review and assist you in reviewing your escheatment compliance and assist in developing processes and procedures. Firms such as KEANE, Laurel Hill, and Ryan to name a few. Thankfully, on the registered shareholder side, life is simpler for our corporate partners when it comes to managing abandoned property. Continental Stock Transfer as your transfer agent monitors, tracks and performs escheatment compliance for all reporting jurisdictions for your registered shareholders.

If your organization is selected for an unclaimed property audit by one of the many firms proliferating the industry such as Kelmar Associates, it is important that the audit be taken seriously and the appropriate individuals within your organization are notified. Kelmar Associates in many instances has been retained as the third-party auditor initiating a recent surge in multi-state examinations affecting many corporations.

These unclaimed property audits of public corporations may or may not be specific in scope to securities or equity related property and may extend to other areas of your organization.

It is important to note that for the purposes of unclaimed property liability, the states typically consider the individual business (issuers) as the entity with the ultimate responsibility for unclaimed property compliance, regardless of contractual provisions to the contrary. The issuer, not the transfer agent, will be susceptible to fines, penalties, and interest imposed by the states for any out of compliance property.

If your company is currently under audit or if it should come under audit in the future, it is recommended that you consider retaining the services of an independent and objective holder advocate to guide you through the audit process, in addition to trusted in-house or external legal counsel.

Companies should take proactive and precautionary measures by revisiting their existing unclaimed property policies and procedures, as well as conducting a full risk and liability assessment to identify and remediate any compliance gaps or potential areas of exposure prior to the onset of an audit.

You should rest a little easier knowing that Continental, as your transfer agent and or exchange agent has you covered when it comes to your issuer needs as they relate to escheatment compliance.

If you would like to further discuss, please feel free to reach out to your account administrator directly.



CONTINENTAL

STOCK TRANSFER & TRUST

Our Solutions



As a privately-held trust company our singular focus translates into an exceptional, exacting solution delivered at the best possible price.

Contact Karri Van Dell 212.845.3224

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