

## Case Study

### HG - The Second Time Around!

July 2010 – April 2011

#### Scenario:

- A health supplement & biotech story with a product that is clinically proven to provide health benefits.
- A client through 2006 & 07, HG complimented strategies aimed at fund managers and sophisticated investors through numerous presentations and HG conferences. HG and its relationships assisted and participated in resolving an issue with a fund that had to divest of a large seven figure position in the client. HG was a key element of the team that saw the stock rise from under a \$1 to over \$8 during the first HG engagement.
- The stock ultimately plummeted to pennies from a combination of the economic meltdown and unrealized business expectations.

#### Kicking into action:

- ✓ July 2011 – HG re-engages after the company comes knocking on our door. Immediately focused on market perceptions and dashed hopes as the business pieces were finally falling into place but a market cloud hung over the company.
- ✓ Messaging was dramatically re-vamped starting with an HG initiated commentary re-introducing the company. Expectations & disappointments were tackled head-on while painting the picture of what had been accomplished and what was on the horizon.

#### The Results:

1. Stock jumps from \$1.20/share to over \$2/share within weeks of announcing re-engagement with The Howard Group, the release of the detailed HG commentary and the start of news flow from the client.
2. Investors needed assurance that the company was moving forward and was committed to communication.
3. Side panels are feedback to “The Howard Group’s Introduction”

Date: Fri, 3 Sep 2010 13:52:15 -0700

Subject: What a lovely way to end the summer!

I have fielded a number of calls from people whose interest was catalyzed by The Howard Group getting back involved. And the re-release of the cardiometabolic press release was a great way to kick off their involvement. Well done, and best regards to all!

Hugh

Hugh Cleland, CFA  
Portfolio Manager  
Executive VP  
Northern Rivers Funds  
A Blumont Capital Company

416-597-3101

Sent: August-30-10 5:00 PM

Subject: “Company Name”

Grant:

Every so often you see a business document that is a masterpiece.

Your writing painted a Monet for “A Little History”. Strong ‘impression’.

Cheers,

Jake Scudamore  
Scudamore & Associates Inc.  
2 Bloor Street West, 7th Floor

Toronto, ON M4W 3R1



“High expectations are the key to everything”  
(Sam Walton)



Stockhouse Bullboard

RE: Just like starting over . . .

09/03/10 13:01:52

SECOND CHANCE???? OR FINAL OPPORTUNITY?????

IT IS INTERESTING THAT THE HOWARD GROUP IS NOT AFRAID TO BRING UP THE “XXX” WORD WHILE MOST ON THIS BOARD LIKE TO PRETEND THAT THEY DO NOT EXIST. THE HOWARD GROUP DID UNDERSTATE THE STORY.

“XXX” NOW OWNS THE U.S. AND EUROPEAN MARKETS.

ABSENT OUTSTANDING NEWS WATCH THIS ONE OVER \$2.....



Our process means we are part of the team and not just consultants.  
There are clear reasons why our relationships last for years.