ALJ REGIONAL HOLDINGS, INC.
SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 10, 2023

April 6, 2023

Dear Stockholder:

You are invited to attend a special meeting of stockholders of ALJ Regional Holdings, Inc. ("**ALJ**" or the "**Company**"), which will be held at the offices of Shearman & Sterling LLP, located at 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, on May 10, 2023, at 10:00 a.m. Pacific Time. There are two proposals on which you are being asked to vote:

1. To adopt and approve the Agreement and Plan of Merger by and between ALJ Regional Holdings, Inc. and ALJ NewCo, Inc. ("**NewCo**") (the "**Reorganization**") pursuant to which, among other items, (A) each outstanding share of ALJ common stock will be converted automatically into the right of a stockholder to receive one (1) share of NewCo common stock, par value $0.01 per share (the "**NewCo Shares**"), for each one hundred (100) shares of ALJ common stock, par value $0.01 per share, unless a stockholder is not an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, an "**Accredited Investor**"), in which case such stockholder will instead be entitled to receive $1.97 per share in cash in lieu of the NewCo Shares, and (B) the existing ALJ stockholders who become stockholders of NewCo will be able to act by written consent in lieu of an annual or special meeting of the stockholders.

2. To approve the adjournment or postponement of the special meeting to another date, time or place, if necessary or appropriate, for the purpose of soliciting additional proxies for the proposal to be acted upon at the special meeting in the event that there are insufficient votes at the time of the special meeting or any adjournment thereof to approve the foregoing proposal.

Our Board of Directors, after consideration of a variety of factors, has determined that consummation of the Reorganization is advisable, fair and in the best interests of the Company and its stockholders and unanimously approved the Reorganization. **Our Board of Directors unanimously recommends that you vote "FOR" the proposal to approve the Reorganization and "FOR" each of the other proposals to be voted upon at the special meeting.**

The proposal to approve the Reorganization must be approved by the holders of a majority of the shares of our common stock outstanding on the record date for the special meeting and entitled to vote on the proposal. More information about the proposal and the special meeting (including any adjournment or postponement thereof) is contained in the accompanying proxy statement. We encourage you to read the accompanying proxy statement in its entirety because it describes the terms of the Reorganization, as well as provides specific information about the special meeting and any adjournment or postponement thereof.

YOUR VOTE IS EXTREMELY IMPORTANT
REGARDLESS OF THE NUMBER OF SHARES YOU OWN.

In order to ensure that your shares are represented at the special meeting, whether you plan to attend or not, please vote in accordance with the enclosed instructions. You can vote your shares by telephone, electronically via the Internet or by completing and returning the enclosed proxy card or vote instruction form. If you vote using the enclosed proxy card or vote instruction form, you must sign, date and mail the proxy card or vote instruction form in the enclosed envelope. If you wish to attend the special meeting, you may be requested to present valid, government-issued photo identification to gain admission. Any record stockholder attending the special meeting may vote in person, even if that stockholder has returned a proxy or voted by telephone or the Internet.

Thank you for your continued support of ALJ Regional Holdings, Inc.

Very truly yours,

Jess M. Ravich, Chief Executive Officer

The proxy statement is dated April 6, 2023, and is being first mailed to stockholders on or about April 13, 2023.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF
ALJ REGIONAL HOLDINGS, INC.
TO BE HELD ON MAY 10, 2023

To the Stockholders of ALJ Regional Holdings, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting (the "**Special Meeting**") of stockholders of ALJ Regional Holdings, Inc., a Delaware corporation (the "**Company**," "**ALJ**," "**we**" or "**our**"), will be held on May 10, 2023, at 10:00 a.m. Pacific Time, at the offices of Shearman & Sterling LLP, located at 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, for the following purposes:

1. To consider and vote upon a proposal (the "**Reorganization Proposal**") to adopt and approve the Agreement and Plan of Merger by and between ALJ Regional Holdings, Inc. and ALJ NewCo, Inc. ("**NewCo**") (the "**Reorganization**") pursuant to which, among other items, (A) each outstanding share of ALJ common stock will be converted automatically into the right of a stockholder to receive one (1) share of NewCo common stock, par value $0.01 per share (the "**NewCo Shares**"), for each one hundred (100) shares of ALJ common stock, par value $0.01 per share, unless a stockholder is not an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, an "**Accredited Investor**"), in which case such stockholder will instead be entitled to receive $1.97 per share in cash in lieu of the NewCo Shares, and (B) the existing ALJ stockholders who become stockholders of NewCo will be able to act by written consent in lieu of an annual or special meeting of the stockholders; and

2. To consider and vote upon a proposal to approve the adjournment or postponement of the Special Meeting to another date, time or place, if necessary or appropriate, for the purpose of soliciting additional proxies for the proposal to be acted upon at the Special Meeting in the event that there are insufficient votes at the time of the Special Meeting or any adjournment thereof to approve the foregoing proposal (the "**Adjournment Proposal**").

Our Board of Directors has fixed the close of business on March 31, 2023 as the record date for the determination of stockholders entitled to notice of and to vote at the Special Meeting and any adjournment or postponement thereof. Each share of the Company's common stock is entitled to one vote on all matters presented at the Special Meeting and any adjournment or postponement thereof.

Our Board of Directors has determined that consummation of the Reorganization is advisable, fair and in the best interests of the Company and its stockholders and approved the Reorganization.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE REORGANIZTION PROPOSAL AND "FOR" THE ADJOURNMENT PROPOSAL.

We cannot complete the Reorganization unless ALJ's stockholders approve the Reorganization Proposal. The Reorganization Proposal will not be approved unless the proposal receives the affirmative vote of the holders of a majority of the shares of our common stock outstanding on the record date and entitled to vote on the proposal. Pursuant to an existing voting agreement between ALJ and Jess Ravich (the "**Major Stockholder**"), ALJ's Chief Executive Officer, any ALJ common stock the Major Stockholder and certain of his family members, who collectively hold 14,864,630 shares of ALJ common stock, or 58.9% of the outstanding shares as of the record date, own or as to which they have voting rights in excess of 40% of the outstanding common stock of ALJ will be voted in accordance with the manner in which a majority of the outstanding shares of common stock not owned by the Major Stockholder or his family members are voted. As such, the Reorganization Proposal will not be approved without the vote of the other stockholders.

In order to ensure that your shares are represented at the Special Meeting, whether you plan to attend or not, please vote in accordance with the enclosed instructions. You can vote your shares by telephone, electronically via the Internet or by completing and returning the enclosed proxy card or vote instruction form. If

you vote using the enclosed proxy card or vote instruction form, you must sign, date and mail the proxy card or vote instruction form in the enclosed envelope.

YOUR VOTE IS EXTREMELY IMPORTANT
REGARDLESS OF THE NUMBER OF SHARES YOU OWN.

The failure of any stockholder to vote on the Reorganization Proposal will have the same effect as a vote against the proposal. If you fail to return your proxy card or fail to submit your proxy by telephone or via the Internet and you fail to attend the Special Meeting, your shares will not be counted for purposes of determining whether a quorum is present at the meeting, and will not affect the outcome of the vote regarding the Adjournment Proposal.

If you wish to attend the Special Meeting, you may be requested to present valid, government-issued photo identification to gain admission. Attendance at the meeting will not, by itself, revoke a proxy. If you are a stockholder of record, voting in person at the Special Meeting will revoke any previously submitted proxy. If you hold your shares through a broker, bank or other nominee, please follow the instructions provided by your broker, bank or other nominee as to how you may change your vote or obtain a "legal proxy" to vote your shares if you wish to cast your vote in person at the special meeting.

By Order of the Board of Directors,

Jess M. Ravich
Chief Executive Officer and Chairman of the Board

April 6, 2023

PROXY STATEMENT
FOR SPECIAL MEETING OF STOCKHOLDERS OF
ALJ REGIONAL HOLDINGS, INC.
TO BE HELD ON MAY 10, 2023

This proxy statement (the "**Proxy Statement**") is being furnished to the holders of common stock, par value $0.01 per share, of ALJ Regional Holdings, Inc., a Delaware corporation (the "**Company**," "**ALJ**," "**we**" or "**our**"), in connection with the solicitation by our Board of Directors of proxies to be voted at a special meeting of stockholders of the Company to be held on May 10, 2023, at 10:00 a.m. Pacific Time (the "**Special Meeting**"), at the offices of Shearman & Sterling LLP, located at 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, or at any adjournment or postponement of the Special Meeting, for the purposes set forth in the accompanying Notice of Special Meeting.

This Proxy Statement and the other proxy materials are being first mailed to stockholders on or about April 13, 2023. If a stockholder of record executes and returns the enclosed proxy card or submits vote instructions to us by telephone or via the Internet, the stockholder may nevertheless revoke his, her or its proxy at any time prior to its use by filing with the Company's counsel, Shearman & Sterling LLP, located at 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, Attention: Christopher M. Forrester, a written notice of revocation, or it may be revoked by a later-dated vote, by mail, by Internet or by telephone, or by attending the meeting and voting in person. Only a stockholder's latest proxy received by 11:59 p.m. Eastern Time on May 9, 2023 will be counted.

If you wish to attend the Special Meeting in person, you may be requested to present valid, government-issued photo identification to gain admission. Attendance at the meeting will not, by itself, revoke a proxy. If you are a stockholder of record, voting in person at the special meeting will revoke any previously submitted proxy. If you hold your shares through a broker, bank or other nominee, please follow the instructions provided by your broker, bank or other nominee as to how you may change your vote or obtain a "legal proxy" to vote your shares if you wish to cast your vote in person at the Special Meeting.

Unless revoked or unless contrary instructions are given, each proxy that is properly signed, dated and returned or authorized by telephone or via the Internet in accordance with the instructions on the enclosed proxy card or vote instruction form prior to the start of the Special Meeting will be voted as indicated on the proxy card or vote instruction form or via telephone or the Internet, and if no indication is made, each such proxy will be deemed to grant authority to vote "FOR" each of the proposals described in this Proxy Statement.

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SUMMARY OF THE REORGANIZATION PROPOSAL

This section highlights key aspects of the Reorganization Proposal, including the Agreement and Plan of Merger (the "**Reorganization Agreement**"), which are described in greater detail elsewhere in this Proxy Statement. It does not contain all of the information that may be important to you. To better understand the Reorganization Proposal, and for a more complete description of the legal terms of the Reorganization Agreement, you should read this entire document carefully, including the description provided in "*Proposal 1: Reorganization Proposal*" on page 32, the Annex to this Proxy Statement, and other documents incorporated by reference to this Proxy Statement. See "*Incorporation By Reference*" on page 42.

The Principal Parties

ALJ Regional Holdings, Inc.
244 Madison Avenue, PMB #358
New York, NY 10016
Telephone: (888) 486-7775

ALJ Regional Holdings, Inc. was originally incorporated in the State of Delaware under the name Nuparent, Inc. on June 22, 1999. The Company's name was changed to YouthStream Media Networks, Inc. on June 24, 1999 and that name was used through October 23, 2007. The Company's name was changed to ALJ Regional Holdings, Inc. on October 23, 2007.

Upon completion of the transactions contemplated by the Reorganization Agreement, ALJ Regional Holdings, Inc. will merger with ALJ NewCo, Inc. ("**NewCo**"), a newly formed Delaware corporation, with NewCo surviving the merger (the "**Reorganization Merger**," and such surviving entity, "**Post-Merger ALJ**"). Upon the completion of the Reorganization Merger, the corporate name of Post-Merger ALJ will be "ALJ Regional Holdings, Inc."

We refer to the Reorganization Merger and the transactions described in this paragraph collectively as the "**Reorganization**." Immediately following the Reorganization Merger, Post-Merger ALJ will continue to engage in ALJ's current business. All of ALJ's contractual, employment and other business relationships will generally continue at Post-Merger ALJ unaffected by the Reorganization Merger.

ALJ NewCo, Inc.
244 Madison Avenue, PMB #358
New York, NY 10016
Telephone: (888) 486-7775

NewCo is a Delaware corporation formed in order to effectuate the Reorganization Merger. Prior to the Reorganization Merger, NewCo will have no property, assets, liabilities or operations, other than those incident to its formation. NewCo is not currently subject to any legal proceedings.

The Reorganization (Page 32)

The Reorganization will be effected pursuant to the Reorganization Agreement, a copy of which is attached to this proxy statement as Annex A. We encourage you to read the Reorganization Agreement in its entirety.

Following the adoption and approval of the Reorganization Proposal by the requisite ALJ stockholders and the satisfaction or waiver of the other conditions specified in the Reorganization Agreement (which are described below), ALJ will merge with NewCo, with NewCo surviving the merger. The result of the Reorganization Merger will be that NewCo will be the new holding company of the existing ALJ businesses.

Following the Reorganization, additional steps may be taken to align our corporate structure with our business operations and liability management strategy, but such steps are not considered part of the Reorganization for purposes of this Proxy Statement.

Reasons for the Reorganization; Recommendation of the ALJ Board

At a meeting of the Board held on March 28, 2023, the Board determined that the Reorganization is advisable, fair and in the best interest of ALJ and its stockholders. Thereafter, through a Unanimous Written Consent dated as of April 6, 2023, the Board determined that the terms of the Reorganization Agreement are advisable, fair and in the best interests of ALJ and its stockholders and adopted and approved the Reorganization Agreement, subject to the stockholder approval. The Board recommends a vote "**FOR**" the adoption and approval of the Reorganization Proposal (including the Reorganization Agreement). During the course of its deliberations, the Board consulted with management, outside legal counsel and considered a number of factors, including that the Reorganization is expected to:

- provide us with enhanced strategic and business flexibility;
- significantly reduce our Delaware Franchise Tax obligations; and
- allow us to provide stockholders with the ability to act via written consent through approval of the Reorganization by a simple majority of the existing ALJ stockholders, as opposed to amending the Certificate of Incorporation of ALJ by 80% of the existing ALJ stockholders.

What ALJ Stockholders Will Receive in the Reorganization Merger (Page 32)

Immediately after the completion of the Reorganization Merger, subject to the procedures set forth in the Reorganization Agreement, each ALJ stockholder will have the right to receive one (1) share of NewCo common stock, par value $0.01 per share, for each one hundred (100) shares of ALJ common stock, par value $0.01 per share (the "**Stock Consideration**"), unless a stockholder is not an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, an "**Accredited Investor**"), in which case such stockholder will be entitled to receive $1.97 per each share of ALJ common stock in cash (the "**Cash Consideration**," and together with the Stock Consideration, the "**Reorganization Consideration**") in lieu of the Stock Consideration.

NewCo will not issue any fractional shares of NewCo common stock in the Reorganization Merger. ALJ stockholders who would otherwise be entitled to a fraction of a share of NewCo common stock upon the completion of the Reorganization Merger will instead receive, for the fraction of a share, an amount in cash (rounded to the nearest whole cent) based on valuation of $1.97 per each share of ALJ common stock. The Board determined the price per share of $1.97 to be fair, advisable and in the best interest of the stockholders after considering (i) the Company's December 2022 Tender Offer, whereby the Company repurchased shares from tendering stockholders at $1.99 per share, (ii) the private, unsolicited repurchases conducted in March 2023 at an aggregate price of $1.97 per share and (iii) the average closing price of $1.91 per share of ALJ common stock over the 30-day period prior to the Board's determination of the price per share.

Any outstanding option issued under ALJ's Omnibus Equity Incentive Plan to purchase shares of ALJ common stock, if not exercised before the completion of the Reorganization Merger, will be adjusted automatically into an option to acquire one (1) share of NewCo common stock for each one hundred (100) shares of ALJ common stock exercisable under such option. Any outstanding restricted award for ALJ common stock will be adjusted automatically into a restricted award for one (1) share of NewCo common stock for each one hundred (100) shares of ALJ common stock issuable under such award. Any resulting fractional shares of NewCo common stock from the exercise of such option or award will be rounded up to the next whole number. Except as set forth in the immediately preceding sentences, all such options and awards will continue to have the same terms and conditions as applied immediately prior to the Reorganization Merger.

Additionally, in connection with the Reorganization Merger, NewCo will assume the Omnibus Equity Incentive Plan, and the shares available for issuance under the Omnibus Equity Incentive Plan will be adjusted in accordance with the terms of the Omnibus Equity Incentive Plan to reflect shares of NewCo common stock.

On the Record Date, there were outstanding 25,224,748 shares of ALJ common stock and options to acquire an aggregate of 410,000 shares of ALJ common stock.

As of the Record Date, approximately 72.4% of the outstanding shares of ALJ common stock were beneficially owned by ALJ's directors and executive officers and their affiliates. We currently expect that ALJ's directors and executive officers will vote their shares in favor of the Reorganization Proposal, although they are under no obligation to do so.

Conditions to Completion of the Reorganization Merger (Page 34)

We will complete the Reorganization Merger only if each of the following conditions is satisfied or waived:

- absence of any order or proceeding that would suspend or prohibit the issuance of NewCo common stock to be issued in the Reorganization Merger;
- adoption and approval of the Reorganization Proposal by the affirmative vote of at least a majority of the issued and outstanding shares of ALJ common stock entitled to vote at the Special Meeting; and
- absence of any order or proceeding that would prohibit or make illegal completion of the Reorganization Merger.

Deferral and Abandonment; Termination of Reorganization Agreement (Page 35)

We may defer or abandon the Reorganization Merger prior to the effective time of the Reorganization Merger (including by terminating the Reorganization Agreement) or all or any part of the Reorganization, even after adoption and approval by ALJ's stockholders, if we determine that for any reason the completion of all or such part of the Reorganization would be inadvisable or not in the best interests of our Company and its stockholders.

Board of Directors and Executive Officers of NewCo Following the Reorganization Merger (Page 35)

The Board of Directors of NewCo following the Reorganization Merger will consist of the same persons comprising the Board of ALJ immediately prior to the Reorganization Merger. Similarly, the executive officers of NewCo following the Reorganization Merger will be the same as those of ALJ immediately prior to the Reorganization Merger.

U.S. Federal Income Tax Considerations (Page 35)

Holders that receive Stock Consideration should generally not recognize gain or loss upon the completion of the Reorganization for U.S. federal income tax purposes, except with respect to any cash in lieu of fractional shares. A U.S. Holder (as defined below in "*Proposal 1: The Reorganization Proposal—U.S. Federal Income Tax Considerations*") that, pursuant to the Reorganization, receives Cash Consideration, cash in lieu of a fractional share, or exercises its appraisal rights should recognize capital gain or loss in an amount equal to the difference, if any, between the amount of cash received and the portion of the U.S. Holder's aggregate adjusted tax basis in the ALJ common stock surrendered that is allocated to such Cash Consideration and/or fractional share. Non-U.S. Holders (as defined below in "*Proposal 1: The Reorganization Proposal—U.S. Federal Income Tax Considerations*") generally will not be subject to U.S. federal income tax as a result of the Reorganization unless such Non-U.S. Holder has certain connections with the United States. The tax consequences of the Reorganization will depend on the particular circumstances of each ALJ stockholder, and therefore each ALJ stockholder is urged to read "*Proposal 1: The Reorganization Proposal—U.S. Federal Income Tax Considerations*" on page 35 for more information.

Markets and Market Prices

NewCo common stock is not currently traded on any stock exchange. ALJ common stock is traded under the ticker symbol "ALJJ" on the OTC Markets. On April 5, 2023, the most recent trading day for which prices were available, the closing per-share price of ALJ common stock was $1.73. NewCo common stock received in connection with the merger will be "restricted securities" within the meaning of the Federal Securities laws and can

be resold only in transactions registered in accordance with Section 5 of the Securities Act of 1933, as amended (the "**Securities Act**"), or pursuant to an exemption from such registration requirements. In addition, Accredited Investors who receive NewCo common stock will be issued a stock certificate imprinted with applicable legends required by the NewCo Certificate of Incorporation and the Reorganization Agreement, including a restriction on transfer. Immediately following the Reorganization Merger, NewCo common stock will not be quoted on the OTC Market and no publicly traded market may develop as NewCo common stock cannot be traded without an applicable registration or exemption from the registration requirements under the Securities Act. See "*Risk Factors — The shares of NewCo common stock issued in connection with the Reorganization are restricted securities and may not be transferred in the absence of registration or the availability of a resale exemption*" and "*Risk Factors — The Reorganization, if effected, may decrease the liquidity available to its stockholders.*"

Appraisal Rights (Page 38)

Holders of ALJ common stock will have appraisal rights under Section 262 of the DGCL in connection with the Reorganization Merger. Stockholders who (i) do not consent to the adoption of the Reorganization Proposal, (ii) follow the procedures set forth in Section 262 of the DGCL (including making a written demand of appraisal to the Company within 20 days after the date of mailing of the notice of appraisal rights) and (iii) have not otherwise waived the appraisal rights, will be entitled, under Section 262 of the DGCL, to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the "fair value" of the shares, exclusive of any element of value arising from the accomplishment or expectation of the Reorganization, together with interest, if any, to be paid on the amount determined to be "fair value."

Certain Financial Information

We have not included pro forma financial comparative per share information concerning ALJ that gives effect to the Reorganization Merger because, immediately after the completion of the Reorganization Merger, the consolidated financial statements of NewCo will be the same as ALJ's consolidated financial statements immediately prior to the Reorganization Merger. In addition, we have not provided financial statements of NewCo because, prior to the Reorganization Merger, it will have no properties, assets, liabilities or operations other than those incident to its formation.

RISK FACTORS

In considering whether to vote in favor of the Reorganization Proposal, you should consider all of the information we have included in this Proxy Statement, including the description in "Proposal 1: The Reorganization Proposal" on page 32, the Annex to this Proxy Statement and all of the information included in the documents incorporated by reference to this Proxy Statement. For a discussion of additional risk considerations, we refer you to the Company's Annual Report for the fiscal year ended September 30, 2022 and the Quarterly Report for the fiscal quarter ended December 31, 2022. See "Incorporation By Reference" on page 42.

Risks Related to the Reorganization Proposal

The Board may choose to terminate the Reorganization Agreement or defer or abandon the Reorganization.

The Reorganization Agreement may be terminated and completion of all or any part of the Reorganization may be deferred or abandoned, at any time, prior to the effective time of the Reorganization Merger, by action of the Board, whether before or after the Special Meeting. While we currently expect the Reorganization Merger to take place shortly after the Special Meeting, assuming that the Reorganization Proposal is adopted and approved at the Special Meeting, the Board may terminate the Reorganization Agreement or defer completion or abandon all or any part of the Reorganization, even after adoption and approval by its stockholders, but prior to the effective time of the Reorganization Merger, if the Board determines that completion of all or such part of the Reorganization would be inadvisable or not in the best interests of the Company and its stockholders.

We may not obtain the expected benefits of the Reorganization.

We believe the Reorganization will provide us with benefits in the future. These expected benefits may not be obtained if market conditions or other circumstances prevent us from taking advantage of the strategic, business and financial flexibility that we believe the Reorganization will afford us. As a result, we may incur the Reorganization without realizing the possible benefits.

The Reorganization may result in substantial direct and indirect costs, whether or not it is completed.

Implementing the Reorganization may result in substantial direct costs. These costs and expenses are expected to consist primarily of attorneys' fees, filing fees and financial printing expenses, which are expected to be substantially incurred prior to the vote of its stockholders. The Reorganization may also result in certain indirect costs by diverting the attention of our management and employees from our business and by increasing our administrative costs and expenses. The Reorganization may also result in certain state transfer or other taxes.

The shares of NewCo common stock issued in connection with the Reorganization are restricted securities and may not be transferred in the absence of registration or the availability of a resale exemption.

The shares of NewCo common stock will be issued in reliance on an exemption from the registration requirements under Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"). Consequently, these shares will be subject to restrictions on transfer under the Securities Act and may not be transferred in the absence of registration or the availability of a resale exemption. In particular, in the absence of registration, such securities cannot be resold to the public until certain requirements under Rule 144 or another resale exemption promulgated under the Securities Act have been satisfied, including certain holding period requirements. As a result, an ALJ stockholder who receives NewCo common stock issued in connection with the Reorganization may be unable to sell such shares at the time or at the price or upon such other terms and conditions as the stockholder desires, and the terms of such sale may be less favorable to the stockholder than might be obtainable in the absence of such limitations and restrictions. If you are a recipient of restricted shares, a resale exemption may not be available to you at the time you may wish to sell your shares. You should be prepared to hold the investment in NewCo common stock indefinitely and to bear the financial risk of a complete loss of your investment.

The Reorganization may have adverse effect on our existing business relationships and contracts.

Any consent, non-renewal, termination or other similar rights under any of our contracts that are triggered by the Reorganization could have an adverse effect on our operations and financial performance. Additionally, our relationships with our customers, suppliers, landlords, employees and other third parties are typically governed by written contracts. Certain of these contracts may include provisions that would permit the third party to terminate or modify the contract, or that would require its consent under the terms of the contract, as a result of the Reorganization Merger or other aspects of the Reorganization. In those situations, we may need to negotiate with the applicable third party to obtain a consent or waiver of a contractual right, and the third party may fail to grant the consent or waiver or impose new terms or conditions that are adverse to us in connection with doing so. Any such terminations, unfavorable Renegotiation or changes in the terms of our third-party contracts following the Reorganization could have an adverse effect on our business and operations, including product or service availability and cost, and on our financial performance and results of operations.

The Certificate of Incorporation of NewCo will permit action by written consent of the stockholders, which may interfere with the intended effects of the voting agreement with Mr. Ravich.

Following the Reorganization Merger, the Certificate of Incorporation of NewCo will permit its stockholders to act by written consent in lieu of a meeting. As a result, NewCo stockholders representing a majority of NewCo's interest may approve a matter that requires a stockholder approval by a written consent without voting at an annual or special stockholder meeting. On September 6, 2019, in connection with his employment agreement with the Company, Mr. Ravich and the Company entered into a voting agreement (the "**Voting Agreement**"), pursuant to which any stock held by Mr. Ravich or certain of his family members in excess of 40% of the outstanding shares of the Company (the "**Excess Shares**") shall be automatically voted via a proxy designee with the majority of all other outstanding stock of the Company, excluding the shares held by Mr. Ravich and certain of his family members constituting 40% percent of the outstanding shares of the Company (the "**Controlling Minority**"). The Voting Agreement will be binding upon, inure to the benefit of and be enforceable by NewCo against Mr. Ravich upon the Reorganization Merger. However, as the Certificate of Incorporation of NewCo will permit its stockholders to act by written consent in lieu of an annual or special meeting, if a matter is approved through a written consent of NewCo stockholders, the intended effects of the Voting Agreement may not be achieved as the proxy designee will not be able to identify the Controlling Minority for the purpose of voting the Excess Shares.

The concentration of our capital stock ownership with insiders will likely limit stockholder influence in corporate matters.

Our executive officers, directors and their affiliated entities, including Jess Ravich, our current Chief Executive Officer, together beneficially own more than 70% of ALJ's outstanding common stock prior to the Reorganization Merger. The Reorganization Merger will result in further increase in the percentage ownership of NewCo outstanding common stock by our executive officers, directors and their affiliated entities. As a result, these stockholders, if they act together or in a block, could have significant influence over most matters that require approval by our stockholders in NewCo, including the election of directors and approval of significant corporate transactions, even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of NewCo that other stockholders may view as beneficial.

The Reorganization, if effected, may decrease the liquidity available to its stockholders.

The liquidity of NewCo's common stock may be lower than ALJ's common stock, given the one-hundred-to-one conversion ratio of ALJ common stock to NewCo common stock, which will reduce the number of shares that would be outstanding after the Reorganization, particularly if the per-share trading price does not increase proportionately as a result of the Reorganization. While the Board believes that a higher per-share stock price of NewCo may help generate the interest of new investors, the Reorganization may not result in a per-share price that will attract certain types of investors, such as institutional investors or investment funds. In addition, higher per-share price of NewCo common stock may deter retail investors from making investment in NewCo common stock. Furthermore, as a result of the Merger, the restrictive legend on the common stock of NewCo will prohibit any public trading of the shares. This may decrease of the liquidity and marketability of the NewCo common stock because stockholders may not trade their NewCo common stock without an applicable registration or exemption from the registration requirements under the Securities Act.

If you hold less than one hundred shares of ALJ common stock prior to the Reorganization Merger or if you are not an Accredited Investor, you will not be entitled to receive any NewCo common stock.

NewCo will not issue any fractional shares of NewCo common stock in the Reorganization Merger. ALJ stockholders who hold less than one hundred shares of ALJ common stock will instead receive, for the fraction of a share, an amount in cash (rounded to the nearest whole cent) equal to $1.97 per share of ALJ common stock. See "*Treatment of Fractional Shares*" starting on page 32. Furthermore, if you are not an Accredited Investor, you will not be able to receive NewCo common stock in lieu of the Cash Consideration.

The Reorganization will be a taxable event to certain ALJ stockholders who receive Cash Consideration or receive cash for their fractional shares or as a result of exercising appraisal rights.

The Cash Consideration or cash received in lieu of fractional shares or as a result of exercising appraisal rights will be taxable to U.S. Holders of ALJ common stock who have a gain on their shares, but generally will not be taxable to Non-U.S. Holders unless such Non-U.S. Holder has certain connections with the United States. For more detailed discussion of these and other tax consequences of the Reorganization, see "*Proposal 1: The Reorganization Proposal—U.S. Federal Income Tax Considerations*" starting on page 35.

Risks Related to the ALJ Business

A widespread health crisis, such as the COVID-19 pandemic, may adversely affect our business, results of operations and financial condition.

A widespread health crisis, including the COVID-19 pandemic, and related governmental responses may adversely affect our business, results of operations and financial condition. These effects could include disruptions to our workforce due to illness or "shelter-in-place" restrictions, temporary closures of our facilities, the interruption of our supply chains and distribution channels, and similar effects on our customers or suppliers that may impact their ability to perform under their contracts with us or cause them to curtail their business with us. In addition, we have taken and will continue to take temporary precautionary measures intended to help minimize the risk of COVID-19 to our employees, including requiring certain employees to work remotely and suspending non-essential travel and in-person meetings, which could negatively affect our business. Further, COVID-19 has and is expected to continue to adversely affect the economies and financial markets of many countries and most areas of the United States, which may affect demand for our products and services and our ability to obtain additional financing for our business. Further impacts specific to our subsidiaries' businesses may include:

- Prolonged interruption of physical customer contact centers due to illness or stay-at-home regulations and costs related to transitioning to work from home arrangements;
- Disruption of production facilities due to illness or stay-at-home regulations; and
- Similar impacts that negatively affect significant customer or suppliers.

Any of these events could materially and adversely affect our business and our financial results. To the extent that the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, such as those relating to our high level of indebtedness, our need to generate sufficient cash flows to service our indebtedness and our ability to comply with the covenants contained in our credit agreement.

The extent to which COVID-19 will impact our business and our financial results will depend on future developments, which are highly uncertain and cannot be predicted with certainty. Such developments may include the ongoing spread of the virus, the vaccination rates against the virus, the emergence of new variants of the virus, the severity of the disease, the duration of the outbreak and the type and duration of actions that may be taken by various governmental authorities in response to the outbreak and the impact on the economy. As a result, at the time of this filing, it is not possible to predict the overall impact of COVID-19 on our business, liquidity, and financial results.

ALJ is no longer listed on the Nasdaq and, as such, will no longer be required to provide current and quarterly reports under the SEC. ALJ is quoted on OTC Markets and intends to provide unaudited financial reporting of

the company on a regular basis. Furthermore, upon consummation of the Reorganization, NewCo will not be trading on OTC Markets.

ALJ is no longer listed on the Nasdaq which could have adverse results, including, but not limited to, a decrease in the liquidity and market price of our common stock, loss of confidence by our employees and investors, loss of business opportunities, and limitations in potential financing options. Furthermore, upon consummation of the Reorganization, NewCo common stock issued to ALJ stockholders will be "restricted securities" and the NewCo common stock may never be traded on OTC Markets or any stock exchange, which may adversely affect the liquidity and market price of NewCo's common stock.

We have in the past, and may in the future, incur indebtedness that could adversely affect our financial flexibility and expose us to risks that could materially adversely affect our liquidity and financial condition.

We no longer have any outstanding indebtedness other than certain convertible promissory notes outstanding. We may incur additional indebtedness in the future, which could have significant effects on our business, including:

- limiting our ability to make investments, including acquisitions, loans and advances, and to sell, transfer or otherwise dispose of assets;
- requiring us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our borrowings, which would reduce availability of our cash flow to fund working capital, capital expenditures, acquisitions, execution of our growth strategy and other general corporate purposes;
- increasing our vulnerability to adverse changes in general economic, industry and competitive conditions, in government regulation and in our business by limiting our ability to plan for and react to changing conditions;
- placing us at a competitive disadvantage compared with our competitors that have less debt; and
- exposing us to risks inherent in interest rate fluctuations if our future borrowings are at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates.

In addition, we may not be able to generate sufficient cash flow from our operations to repay our future indebtedness when it becomes due and to meet our other cash needs. If we are not able to pay our borrowings under future indebtedness as they become due, we will be required to pursue one or more alternative strategies, such as selling assets, refinancing or restructuring our indebtedness or selling additional debt or equity securities. We may not be able to refinance our future debt or sell additional debt or equity securities or our assets on favorable terms, if at all, and if we must sell our assets, it may negatively affect our business, financial condition and results of operations. In addition, we may be subject to prepayment penalties depending on when we repay our future indebtedness, which amounts could be material.

The industries in which our subsidiaries operate are highly competitive, which could decrease demand for our subsidiaries' products or force them to lower their prices, which could have a material adverse effect on their business and our financial results.

Competitive pressures or the inability by our subsidiaries to adapt effectively and quickly to a changing competitive landscape could affect prices, margins or demand for products and services. If our subsidiaries are unable to respond timely and appropriately to these competitive pressures, from existing or new competitors, their business, market share and financial performance could be adversely affected.

A failure to attract and retain necessary personnel, skilled management, and qualified subcontractors may have an adverse impact on the business of our subsidiaries.

Because each of our subsidiaries operates in intensely competitive markets, its success depends to a significant extent upon each subsidiary's ability to attract, retain and motivate highly skilled and qualified personnel and to subcontract with qualified, competent subcontractors. If our subsidiaries fail to attract, develop, motivate, retain, and effectively utilize personnel with the desired levels of training or experience, or, as applicable, are unable to contract with qualified, competent subcontractors, their business will be harmed. Experienced and capable personnel remain in high demand, and there is continual competition for their talents. Quality service depends on the

ability to retain employees and control personnel turnover, as any increase in the employee turnover rate could increase recruiting and training costs and could decrease operating effectiveness and productivity. Additionally, our subsidiaries' businesses are driven in part by the personal relationships, skills, experience and performance of each subsidiary's senior management team. Despite executing employment agreements with members of each subsidiary's senior management team, such members may discontinue service with our subsidiaries and we may not be able to find individuals to replace them at the same cost, or at all. The loss or interruption of the services of any key employee or the loss of a key subcontractor relationship could hurt our business, financial condition, cash flow, results of operations and prospects.

If we are unable to retain key members of our management team or attract, integrate and retain additional executives and other skilled personnel we need to support our operations and growth, we may be unable to achieve our goals and our business will suffer.

Our future success depends on our ability to continue to attract, train, integrate and retain highly skilled employees, particularly those on our management team, including Jess Ravich, our Chief Executive Officer, whose services are essential to the execution of our corporate strategy and ensuring the continued operations and integrity of financial reporting within our company. Our executive officers and other key employees are generally employed on an at-will basis, which means that such personnel could terminate their relationship with us at any time. The loss of any member of our senior management team could significantly delay or prevent us from achieving our business and/or development objectives and could materially harm our business.

Some of our officers may have outside business interests, which could impair our ability to implement our business strategies and lead to potential conflicts of interest.

Some of our officers, in the course of their other business activities, may become aware of investments, business or other information which may be appropriate for presentation to us as well as to other entities to which they owe a fiduciary duty. They may also in the future become affiliated with entities that are engaged in business or other activities similar to those we intend to conduct. As a result, they may have conflicts of interest in determining to which entity particular opportunities or information should be presented. If, as a result of such conflict, we are deprived of investments, business or information, the execution of our business plan and our ability to effectively compete in the marketplace may be adversely affected.

We may not be able to consummate additional acquisitions and dispositions on acceptable terms or at all. Furthermore, we and our subsidiaries may not be able to integrate acquisitions successfully and achieve anticipated synergies, or the acquisitions and dispositions we and our subsidiaries pursue could disrupt our business and harm our financial condition and operating results.

As part of our business strategy, we intend to continue to pursue acquisitions and dispositions. Acquisitions and dispositions could involve a number of risks and present financial, managerial and operational challenges, including:

- adverse developments with respect to our results of operations as a result of an acquisition which may require us to incur charges and/or substantial debt or liabilities;
- disruption of our ongoing business and diversion of resources and management attention from existing businesses and strategic matters;
- difficulty with assimilation and integration of operations, technologies, products, personnel or financial or other systems;
- increased expenses, including compensation expenses resulting from newly hired employees and/or workforce integration and restructuring;
- disruption of relationships with current and new personnel, customers, and suppliers;
- integration challenges related to implementing or improving internal controls, procedures and/or policies at a business that prior to the acquisition lacked the same level of controls, procedures and/or policies;
- assumption of certain known and unknown liabilities of the acquired business;

- regulatory challenges or resulting delays; and
- potential disputes (including with respect to indemnification claims) with the buyers of disposed businesses or with the sellers of acquired businesses, technologies, services, or products.

We may not be able to consummate acquisitions or dispositions on favorable terms or at all. Our ability to consummate acquisitions will be limited by our ability to identify appropriate acquisition candidates, to negotiate acceptable terms for purchase and our access to financial resources, including available cash and borrowing capacity. In addition, we could experience financial or other setbacks if we are unable to realize, or are delayed in realizing, the anticipated benefits resulting from an acquisition, if we incur greater than expected costs in achieving the anticipated benefits or if any business that we acquire or invest in encounters problems or liabilities which we were not aware of or were more extensive than believed.

We do not currently plan to pay dividends to holders of our common stock.

We do not currently anticipate paying dividends to the holders of our common stock. Accordingly, holders of our common stock must rely on price appreciation as the sole method to realize a gain on their investment. There can be no assurances that the price of our common stock will ever appreciate in value.

Changes in U.S. tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions

On December 22, 2017, then President Trump signed into law the final version of the new tax reform law (the "**Tax Reform Law**"). The Tax Reform Law significantly reforms the Internal Revenue Code of 1986, as amended, with many of its provisions effective for tax years beginning on or after January 1, 2018. The Tax Reform Law, among other things, contains significant changes to corporate taxation, including a permanent reduction of the corporate income tax rate, a partial limitation on the deductibility of business interest expense, a limitation of the deduction for net operating loss ("**NOL**") carryforwards, an indefinite NOL carryforward, and the elimination of the two-year NOL carryback, temporary, immediate expensing for certain new investments and the modification or repeal of many business deductions and credits. We continue to examine the impact this tax reform legislation may have on our business. Notwithstanding the reduction in the corporate income tax rate, the overall impact of the Tax Reform Law is uncertain and our business and financial condition could be adversely affected. The impact of this reform on our stockholders is uncertain. Stockholders should consult with their tax advisors regarding the effect of the Tax Reform Law and other potential changes to the U.S. Federal tax laws on them.

The market price of our common stock is volatile.

The market price of our common stock could fluctuate substantially in the future in response to a number of factors, including the following:

- our quarterly operating results or the operating results of other companies in our industry;
- changes in general conditions in the economy, the financial markets or our industry;
- relatively low trading volumes;
- announcements by our competitors of significant acquisitions; and
- the occurrence of various risks described in these Risk Factors.

Also, the stock market has experienced extreme price and volume fluctuations recently. This volatility has had a significant impact on the market prices of securities issued by many companies for reasons unrelated to their operating performance. Other factors including inflation, the ongoing COVID-19 pandemic, Russia's invasion of Ukraine and instability in U.S. and global banking markets all contribute to market volatility. These broad market fluctuations may materially adversely affect our stock price, regardless of our operating results.

We are subject to claims arising in the ordinary course of our business that could be time-consuming, result in costly litigation and settlements or judgments, require significant amounts of management attention and result in the diversion of significant operational resources, which could adversely affect our business, financial condition, and results of operations.

We and our subsidiaries are currently involved in, and from time to time may become involved in, legal proceedings or be subject to claims arising in the ordinary course of our business. Litigation is inherently unpredictable, time-consuming and distracting to our management team, and the expenses of conducting litigation are not inconsequential. Such distraction and expense may adversely affect the execution of our business plan and our ability to compete effectively in the marketplace. Further, if we do not prevail in litigation in which we may be involved, our results could be adversely affected, in some cases, materially.

Any business disruptions due to political instability, armed hostilities, acts of terrorism, natural disasters or other unforeseen events could adversely affect our financial performance.

If terrorist activities, armed conflicts (including Russia's invasion of Ukraine), political instability, or natural disasters, including climate change related events, such events may negatively affect our operations, cause general economic conditions to deteriorate or cause demand for our services to decline. A prolonged economic slowdown or recession could reduce the demand for our services, and consequently, negatively affect our future sales and profits. Any disruption of operations due to unforeseen events at any of our principal facilities could adversely affect our business, results of operations, cash flows, and financial condition.

Account data breaches involving stored data, or the misuse of such data could adversely affect our reputation, performance, and financial condition.

We and certain of our subsidiaries provide services that involve the storage of non-public information. Cyber-attacks designed to gain access to sensitive information are constantly evolving, and high-profile electronic security breaches leading to unauthorized releases of sensitive information have occurred recently at several major U.S. companies, including several large retailers, despite widespread recognition of the cyber-attack threat and improved data protection methods. Any breach of the systems on which sensitive data and account information are stored or archived and any misuse by our employees, by employees of data archiving services or by other unauthorized users of such data could lead to damage to our reputation, claims against us and other potential increases in costs. If we are unsuccessful in defending any lawsuit involving such data security breaches or misuse, we may be forced to pay damages, which could materially and adversely affect our profitability and financial condition. Also, damage to our reputation stemming from such breaches could adversely affect our prospects. As the regulatory environment relating to companies' obligations to protect such sensitive data becomes stricter, a material failure on our part to comply with applicable regulations could subject us to fines or other regulatory sanctions.

We recently conducted a tender offer and may do so again in the future, which may subject the holders of our common stock to risks associated with a decrease in the outstanding number of shares of our common stock.

On December 1, 2022 we launched a tender offer and published an Offer to Purchase up to 10,000,000 shares of our common stock at a purchase price not to be less than $1.84 and not to be greater than $2.00. The tender offer expired on December 29, 2022. Pursuant to the tender offer, we repurchased 10,236,945 shares of our common stock at $1.99 per share. While we have no plans to conduct another tender offer at this time, we may conduct another tender offer or engage in the repurchase of our shares in the future. Stockholders could be adversely affected by a reduction in our "public float," that is, the number of shares owned by outside stockholders. Although the Company is not currently pursuing a tender offer or repurchase program, it may do so in the future.

We cannot assure you that our common stock will become listed on any securities exchange.

We delisted our common stock from the NASDAQ Stock Market on September 12, 2022. Although we may apply again to list our common stock on NASDAQ, the New York Stock Exchange or some other securities exchange in the future, we currently have no plans to do so. We also cannot assure you that we will be able to meet the initial listing standards, including the minimum per share price and minimum capitalization requirements, or that we will be able to maintain a listing of our common stock on either of those or any other trading venue. Until such time as we qualify for listing on NASDAQ, the New York Stock Exchange or another major exchange, an investor may have difficulty in disposing our common stock or obtaining accurate quotations as to the market value of our

common stock. Although we currently intend to continue to provide information to our stockholders and to take such actions within our control to enable our common stock to be quoted on the Pink Sheets, there is no guarantee that a broker-dealer will continue to make a market in our common stock and that trading of our common stock will continue on the Pink Sheets. In addition, rules promulgated by the SEC impose various practice requirements on broker-dealers who sell securities that fail to meet certain criteria set forth in those rules to persons other than established customers and accredited investors. Consequently, these rules may deter broker-dealers from recommending or selling our common stock, which may further affect the liquidity of our common stock. It would also make it more difficult for us to raise additional capital.

Climate change related events may have a long-term impact on our business.

While we seek to mitigate our business risks associated with climate change, we recognize that there are inherent climate related risks regardless of where we conduct our businesses. Access to clean water and reliable energy in the communities where we conduct our business is a priority. Any of our locations may be vulnerable to the adverse effects of climate change. Climate related events have the potential to disrupt our business, including the business of our customers, and may cause us to experience higher attrition, losses and additional costs to resume operations.

The Company could be adversely affected if it or any of its subsidiaries are required to register as an investment company under the Investment Company Act of 1940 as amended (the* "1940 Act*").

The Company conducts its operations so that neither it nor its subsidiaries are required to register as an investment company under the 1940 Act. We believe we are not an investment company because we do not engage primarily, or hold ourselves out as being engaged primarily, and do not propose to engage primarily, in the business of investing, reinvesting or trading in securities. If the Company or its subsidiaries are required to register as an investment company it could adversely affect the Company or subsidiary.

We have ongoing investments in the securities of other companies and may continue to make investments in the securities of other companies, among other ongoing investments. The strategic investments of the Company present many risks, and we may not realize intended financial and strategic goals.

We have invested in, and may continue to invest in, other companies, businesses, products, services, technologies and other strategic initiatives. These investments may involve significant risks and uncertainties, including failure to realize anticipated benefits. Investments are inherently risky and the anticipated benefits or value of these investments may not materialize and there can be no assurance that such investments will not adversely affect our business, financial condition or results of operations.

Risks Related to Faneuil

Faneuil is subject to uncertainties regarding healthcare reform that could materially and adversely affect that aspect of our business.

Since its adoption into law in 2010, the Affordable Care Act has been challenged before the U.S. Supreme Court, and several bills have been and continue to be introduced in Congress to delay, defund, or repeal implementation of or amend significant provisions of the Affordable Care Act. In addition, there continues to be ongoing litigation over the interpretation and implementation of certain provisions of the law. The Tax Reform Law includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the Affordable Care Act on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate," which could lead to fewer enrollments in healthcare exchanges. Further significant changes to, or repeal of, the Affordable Care Act could materially and adversely affect that aspect of Faneuil's business.

Economic downturns, reductions in government funding and other program-related and contract-related risks could have a negative effect on Faneuil's business.

Demand for the services offered by Faneuil has been, and is expected to continue to be, subject to significant fluctuations due to a variety of factors beyond its control, including economic conditions, particularly since contracts for major programs are performed over extended periods of time. During economic downturns, the ability of both private and governmental entities to make expenditures may decline significantly. We cannot be certain that economic or political conditions will be generally favorable or that there will not be significant

fluctuations adversely affecting Faneuil as a whole, or key industry segments targeted by Faneuil. In addition, Faneuil's operations are, in part, dependent upon state government funding. Significant changes in the level of state government funding, changes in personnel at government authorities, the failure of applicable government authorities to take necessary actions, opposition by third parties to particular programs, any delay in the state government budget process or a state government shutdown could have an unfavorable effect on Faneuil's business, financial position, results of operations and cash flows.

Faneuil's profitability is dependent in part on Faneuil's ability to estimate correctly, obtain adequate pricing, and control its cost structure related to fixed "price per call" contracts.

A significant portion of Faneuil's revenues are derived from commercial and government contracts awarded through competitive bidding processes. Many of these contracts are extremely complex and require the investment of significant resources in order to prepare accurate bids and pricing based on both current and future conditions, such as the cost of labor, that could impact profitability of such contracts. Our success depends on Faneuil's ability to (i) accurately estimate the resources and costs that will be required to implement and service any contracts we are awarded, sometimes in advance of the final determination of such contracts' full scope and design, and (ii) negotiate adequate pricing for call center services that provide a reasonable return to our shareholders based on such estimates. Additionally, in order to attract and retain certain contracts, we are sometimes required to make significant capital and other investments to enable us to perform our services under those contracts, such as facility leases, information technology equipment purchases, labor resources, and costs incurred to develop and implement software. If Faneuil is unable to accurately estimate its costs to provide call center services, obtain adequate pricing, or control costs for fixed "price per call" contracts, it could materially adversely affect our results of operations and financial condition.

Faneuil's dependence on a small number of customers could adversely affect its business or results of operations.

Faneuil derives a substantial portion of its revenue from a relatively small number of customers. We expect the largest customers of Faneuil to continue to account for a substantial portion of its total revenue for the foreseeable future. Faneuil has long-standing relationships with many of its significant customers. However, because Faneuil customers generally contract for specific projects or programs with a finite duration, Faneuil may lose these customers if funding for their respective programs is discontinued, or if their projects end and the contracts are not renewed or replaced. The loss or reduction of, or failure to renew or replace, any significant contracts with any of these customers could materially reduce Faneuil revenue and cash flows. Additionally, many Faneuil customers are government entities, which can unilaterally terminate or modify the existing contracts with Faneuil without cause and penalty to such government entities in many situations. If Faneuil does not replace them with other customers or other programs, the loss of business from any one of such customers could have a material adverse effect on its business or results of operations.

The recovery of capital investments in Faneuil contracts is subject to risk.

In order to attract and retain large outsourcing contracts, Faneuil may be required to make significant capital investments to perform its services under the contract, such as purchases of information technology equipment and costs incurred to develop and implement software. The net book value of such assets, including intangible assets, could be impaired, and Faneuil earnings and cash flow could be materially adversely affected in the event of the early termination of all or a part of such a contract, reduction in volumes and services thereunder for reasons including, but not limited to, a client's merger or acquisition, divestiture of assets or businesses, business failure or deterioration, or a client's exercise of contract termination rights.

Faneuil's dependence on subcontractors and equipment manufacturers could adversely affect it.

In some cases, Faneuil relies on and partners with third-party subcontractors as well as third-party equipment manufacturers to provide services under its contracts. To the extent that Faneuil cannot engage subcontractors or acquire equipment or materials, its performance, according to the terms of the customer contract, may be impaired. If the amount Faneuil is required to pay for subcontracted services or equipment exceeds the amount Faneuil has estimated in bidding for fixed prices or fixed unit price contracts, it could experience reduced profit or losses in the performance of these contracts with its customers. Also, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms for any reason, including the deterioration of its financial condition, Faneuil may be required to purchase the services, equipment or materials from another source at a higher price. This may reduce the expected profit or result in a loss of a customer contract for which the services, equipment or materials were needed.

Partnerships entered into by Faneuil as a subcontractor with third parties who are primary contractors could adversely affect its ability to secure new projects and derive a profit from its existing projects.

In some cases, Faneuil partners as a subcontractor with third parties who are the primary contractors. In these cases, Faneuil is largely dependent on the judgments of the primary contractors in bidding for new projects and negotiating the primary contracts, including establishing the scope of services and service levels to be provided. Furthermore, even if projects are secured, if a primary contractor is unable to deliver its services according to the negotiated terms of the primary contract for any reason, including the deterioration of its financial condition, the customer may terminate or modify the primary contract, which may reduce Faneuil profit or cause losses in the performance of the contract. In certain instances, the subcontract agreement includes a "Pay When Paid" provision, which allows the primary contractor to hold back payments to a subcontractor until they are paid by the customer, which has negatively impacted Faneuil cashflow.

If Faneuil or a primary contractor guarantees to a customer the timely implementation or performance standards of a program, Faneuil could incur additional costs to meet its guaranteed obligations or liquidated damages if it fails to perform as agreed.

In certain instances, Faneuil or its primary contractor guarantees a customer that it will implement a program by a scheduled date. At times, they also provide that the program will achieve or adhere to certain performance standards or key performance indicators. Although Faneuil generally provides input to its primary contractors regarding the scope of services and service levels to be provided, it is possible that a primary contractor may make commitments without Faneuil's input or approval. If Faneuil or the primary contractor subsequently fails to implement the program as scheduled, or if the program subsequently fails to meet the guaranteed performance standards, Faneuil may be held responsible for costs to the client resulting from any delay in implementation, or the costs incurred by the program to achieve the performance standards. In most cases where Faneuil or the primary contractor fails to meet contractually defined performance standards, Faneuil may be subject to agreed-upon liquidated damages. To the extent that these events occur, the total costs for such program may exceed original estimates, and cause reduced profits, or in some cases a loss for that program.

If our cloud platforms and third-party software and systems experience disruptions due to technology failures or cyberattacks and if we fail to correct such impacts promptly, our business will be materially impacted.

Our cloud platforms and third-party software and systems that we use to serve our clients are complex and may, from time to time have service interruptions, contain design defects, configuration or coding errors, and other vulnerabilities that may be difficult to detect or correct, and which may be outside of our control. We may not have sufficient redundant operations to cover a loss or failure of our systems in a timely manner. Any significant interruption could severely harm our business and reputation and result in a loss of revenue and clients. Although our commercial agreements limit our exposure from such occurrences, they may not always effectively protect us against claims in all jurisdictions and against third-party claims. If our clients' business is damaged, our reputation could suffer, we could be subject to contract termination and payments for damages, adversely affecting our business, our reputation, our results of operations and financial condition.

If we fail to maintain and improve our systems, demand for our services could be adversely affected.

In our markets, there are continuous improvements in computer hardware, network operating systems and technologies. These improvements, as well as changes in client preferences or regulatory requirements, may require changes in the technology used to gather and process our data and deliver our services. Our future success will depend, in part, upon our ability to:

- internally develop and implement new and competitive technologies;
- use leading third-party technologies effectively;
- respond to changing client needs and regulatory requirements; and
- transition client and their customer data and data sources successfully to new interfaces or other technologies.

We cannot provide assurance that we will successfully implement new technologies, cause our cloud platforms and third-party software and systems providers to implement compatible technologies or adapt our technology to evolving customer, regulatory and competitive requirements. If we fail to respond or fail to cause our cloud platforms and third-party software and systems providers to respond, to changes in technology, regulatory requirements or client preferences, the demand for our services, the delivery of our services or our market reputation

could be adversely affected. Additionally, our failure to implement important updates could affect our ability to successfully meet the timeline for us to generate cost savings resulting from our investments in improved technology. Failure to achieve any of these objectives would impede our ability to deliver strong financial results.

Faneuil's business is subject to many regulatory requirements, and current or future regulation could significantly increase Faneuil's cost of doing business.

Faneuil's business is subject to many laws and regulatory requirements in the United States, covering such matters as data privacy, consumer protection, healthcare requirements, labor relations, taxation, internal and disclosure control obligations, governmental affairs and immigration. For example, Faneuil is subject to state and federal laws and regulations regarding the protection of consumer information commonly referred to as "non-public personal information." For instance, the collection of patient data through Faneuil's contact center services is subject to HIPAA, which protects the privacy of patients' data. These laws, regulations, and agreements require Faneuil to develop and implement policies to protect non-public personal information and to disclose these policies to consumers before a customer relationship is established and periodically after that. These laws, regulations, and agreements limit the ability to use or disclose non-public personal information for purposes other than the ones originally intended. Many of these regulations, including those related to data privacy, are frequently changing and sometimes conflict with existing ones among the various jurisdictions in which Faneuil provides services. Violations of these laws and regulations could result in liability for damages, fines, criminal prosecution, unfavorable publicity, and restrictions placed on Faneuil operations. Faneuil's failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to Faneuil's reputation in the marketplace, which could have a material adverse effect on Faneuil's business, results of operations and financial condition. In addition, because a substantial portion of Faneuil operating costs consists of labor costs, changes in governmental regulations relating to wages, healthcare and healthcare reform and other benefits or employment taxes could have a material adverse effect on Faneuil's business, results of operations or financial condition.

Matters relating to employment and labor laws and prevailing wage standards may adversely affect our business.

The industries in which Faneuil competes is labor intensive and governed by various federal and state labor laws with respect to its relationship with its employees. Faneuil's ability to meet its labor needs on a cost-effective basis is subject to numerous external factors, including the availability of qualified personnel in the workforce in the local markets in which it operates, unemployment levels within those markets, prevailing wage rates, health and other insurance costs and changes in employment and labor laws. Such laws related to employee hours, wages, job classification and benefits could significantly increase Faneuil's operating costs. Faneuil is also subject to employee claims against it based on such laws and other actions or inactions of its employees. Some or all of these claims may give rise to litigation, including class action litigation under the Fair Labor Standards Act and state wage and hour lawsuits. Such class action lawsuits are typically brought by specialized plaintiff law firms who often seek large settlements based entirely on the number of potential plaintiffs in a class, whether or not there is any basis for the claims that they make on behalf of their clients, most of whom do not believe themselves to be aggrieved nor seek recourse until solicited. Due to the inherent uncertainties of litigation, Faneuil may not be able to accurately determine the impact on it of any future adverse outcome of such proceedings. The ultimate resolution of these matters could have a material adverse impact on Faneuil's financial condition, results of operations, and liquidity. In addition, regardless of the outcome, these proceedings could result in substantial cost to Faneuil and may require Faneuil to devote substantial resources to defend itself.

Additionally, in the event prevailing wage rates increase in the local markets in which Faneuil operates, Faneuil may be required to concurrently increase the wages paid to its employees to maintain the quality of its workforce and customer service. To the extent such increases are not covered by our customers, Faneuil's profit margins may decrease as a result. If Faneuil is unable to hire and retain employees capable of meeting its business needs and expectations, its business and brand image may be impaired. Any failure to meet Faneuil's staffing needs or any material increase in turnover rates of its employees may adversely affect its business, results of operations and financial condition.

Further, Faneuil relies on the ability to attract and retain labor on a cost-effective basis. The availability of labor in the local markets in which Faneuil operates has declined in recent years and competition for such labor has increased, especially under the economic crises experienced throughout the COVID-19 pandemic. Faneuil's ability to attract and retain a sufficient workforce on a cost-effective basis depends on several factors discussed above, including the ability to protect staff during the COVID-19 pandemic. Faneuil may not be able to attract and retain a

sufficient workforce on a cost-effective basis in the future. In the event of increased costs of attracting and retaining a workforce, Faneuil's profit margins may decline as a result.

Risks Related to Ranew's

Price increases, business and supply chain interruptions, declines in the supply of raw materials or disruptions to our key partnership arrangements could have a significant impact on our ability to grow or sustain earnings.

Ranew's Companies' fabrication and coating processes consume significant amounts of raw materials, the costs of which are subject to change based on fluctuations in worldwide supply and demand as well as other factors beyond our control, including inflationary pressures like those in recent years. In rising raw material price environments, we may be unable to pass along these increased costs to our customers. In declining raw material price environments, customers may seek price concessions from us greater than any raw material cost savings we realize. If we are not able to fully offset the effects of higher raw materials costs, or if customers demand greater raw material price concessions than we obtain in low raw material cost environments, our financial results could deteriorate.

Additionally, we obtain certain of our raw materials from selected key suppliers. If any sole source supplier of raw materials ceases supplying raw materials to us, or if any of our key suppliers is unable to meet its obligations in a timely fashion or at an acceptable price, or at all, we may be forced to incur higher costs to obtain the necessary raw materials elsewhere or, in limited instances, we may not be able to obtain the necessary raw materials. Additionally, in certain instances, we rely on third parties to manufacture certain of our intermediates and products used in providing our services. If any of our key partners cease to provide services to us, either permanently or temporarily, we would be required to procure alternative arrangements, which we may not be able to arrange on a timely basis or at all.

In addition to the risks associated with raw materials prices, supplier capacity constraints, supplier production disruptions, including supply disruptions from our sole source or other key suppliers, supply chain and logistics congestion and disruptions, increasing costs for energy, the unavailability of certain raw materials or disruptions to our key partnership arrangements could result in harm to our fabrication, coating and assembly capabilities or supply imbalances that may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our ability to understand our customers' specific preferences and requirements, and to innovate, develop, produce and market services that meet customer demand is critical to our business results.

Ranew's Companies' business relies on continued demand for our fabrication, coating and assembly services. To achieve our business goals, we must develop and sell fabrication, coating and assembly services that appeal to customers. This is dependent on a number of factors, including our ability to provide services that meet the quality, performance and price expectations of our customers and our ability to develop effective sales, advertising and marketing programs.

Our future growth will depend on our ability to continue to innovate our existing services and to develop and introduce new services. If we fail to keep pace with innovation on a competitive basis or to predict market demands for our services, our businesses, financial condition and results of operations could be adversely affected.

Our operations are subject to risks inherent in businesses working with refined chemicals, and we could be subject to liabilities for which we are not fully insured or that are not otherwise mitigated.

Ranew's Companies maintain property, business interruption, product, general liability, casualty and other types of insurance that we believe are appropriate for our business and operations as well as in line with industry practices. However, we are not fully insured against all potential hazards incident to our business, including losses resulting from natural disasters or climate-related exposures, wars or terrorist acts. Changes in insurance market conditions have caused, and may in the future cause, premiums and deductibles for certain insurance policies to increase substantially and, in some instances, for certain insurance to become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, we

might not be able to finance the amount of the uninsured liability on terms acceptable to us or at all, and might be obligated to divert a significant portion of our cash flow from normal business operations.

Our business, including our results of operations and reputation, could be adversely affected by safety or product liability issues.

Failure to appropriately manage safety, human health, product liability and environmental risks associated with our fabrication, coating and assembly services and processes could adversely impact employees, communities, stakeholders, our reputation and our results of operations. Public perception of the risks associated with our services could impact our brand acceptance and influence the regulatory environment in which we operate. While we have procedures and controls to manage safety risks, issues could be created by events outside of our control, including natural disasters, severe weather events and acts of sabotage.

Hazardous incidents if they do result or are perceived to result from use of our services, may harm our reputation, threaten our relationships and/or lead to customer attrition and financial losses. Our policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective. As a result, our financial condition and results of operation would be adversely affected, and other companies with competing services may have the opportunity to secure a competitive advantage.

Interruptions of operations at our facilities may result in increased liabilities or lower operating results.

Ranew's Companies own and operate large-scale facilities. Our operating results are dependent on the continued operation of our various facilities and the ability to complete projects on schedule. Interruptions at our facilities may materially reduce the productivity and profitability of a particular fabrication, coating or assembly facility, or our business as a whole, during and after the period of such operational difficulties.

Although we take precautions to enhance the safety of our operations and minimize the risk of disruptions, our operations are subject to hazards inherent in fabrication, coating and assembly businesses and the related storage and transportation of raw materials, products and wastes. These potential hazards include:

- pipeline leaks and ruptures;
- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure;
- unscheduled downtimes;
- supplier disruptions;
- labor shortages or other labor difficulties;
- transportation interruptions;
- remediation complications;
- chemical and oil spills;
- discharges or releases of toxic or hazardous substances or gases;
- storage tank leaks;
- other environmental risks; and
- cyber attack or other terrorist acts.

Some of these hazards may cause severe damage to or destruction of property and equipment or personal injury and loss of life and may result in suspension of operations or the shutdown of affected facilities.

Rising inflation could reduce the demand for our services as well as decrease our profit on our existing contracts, with respect to our fixed-price contracts.

Recently, there have been market indicators of a pronounced rise in inflation and the Federal Reserve has raised certain benchmark interest rates in an effort to combat inflation. Inflation generally increases the cost of goods and services Ranew's Companies will use in our business operations, such as raw materials, electricity and other utilities, and wages to retain our employees, which increase our expenses. In addition, we bear all of the risk of rising

inflation and wages with respect to those contracts that are fixed-price. If we continue to experience inflationary pressures, inflation may have a larger impact on our results of operations in the future, particularly if we fail to re-negotiate our fixed-price contracts or expand our business into markets and geographic areas where fixed-price work is more prevalent. Furthermore, our customers will also be affected by inflation and the rising costs of goods and services used in their businesses, which could have a negative impact on their ability to use our services and afford to pay our fees. Therefore, increases in inflation could have a material adverse impact on our business, financial condition and results of operations.

We are subject to stringent environmental laws and regulations that impose significant compliance costs, and we cannot predict with certainty the extent of future costs under environmental, health and safety and other laws and regulations.

Ranew's Companies may face liability arising out of the normal course of business, including alleged personal injury or property damage due to exposure to chemicals or other hazardous substances at our current or former facilities or chemicals used in our fabrication, coating and assembly processes. In addition, because our services are components of a variety of other end-use products, we, along with other members of the fabrication, coating and assembly industries, may be subject to potential claims related to those end-use products. Any substantial increase in the success of these types of claims could negatively affect our operating results.

Our facilities, operations and services are subject to increasingly stringent environmental laws and regulations, including laws and regulations governing emissions to noise, air, releases to soil and discharges to water and the generation, handling, storage, transportation, treatment and disposal of non-hazardous and hazardous waste materials. Some environmental laws impose strict, retroactive and joint and several liability for the remediation of the release of hazardous substances, even for conduct that was lawful at the time it occurred, or for the conduct of, or conditions caused by, prior operators, predecessors or other third parties. Many of these laws and regulations provide for substantial fines and potential criminal sanctions for violations. Some of these laws and regulations are subject to varying and conflicting interpretations. In addition, some of these laws and regulations require us to meet specific financial responsibility requirements. Any substantial liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows.

Although we have compliance programs and other processes intended to ensure compliance with all such regulations, we are subject to the risk that our compliance with such regulations could be challenged. Failure to comply with environmental laws could expose us to penalties or clean-up costs, civil or criminal liability and sanctions on certain of our activities, as well as damage to property or natural resources. The potential liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws and regulations could negatively impact our ability to conduct our operations and our financial condition and results of operations.

Furthermore, environmental laws and regulations may change from time to time, as may related interpretations and other guidance. Changes in environmental laws or regulations could result in higher expenses and payments. Uncertainty relating to environmental laws or regulations may also affect how we conduct our operations and structure our investments and could limit our ability to enforce our rights. Changes in environmental and climate change laws or regulations, including laws relating to greenhouse gas emissions, could increase environmental compliance expenditures. Changes in climate change concerns, or in the regulation of such concerns, including greenhouse gas emissions, could subject us to additional costs and restrictions, including increased energy, raw materials and waste management costs. If environmental laws or regulations are either changed or adopted and impose significant operational restrictions and compliance requirements upon us or our services, they could negatively impact our reputation, business, capital expenditures, results of operations, financial condition and competitive position.

Our industry is subject to extensive government regulation, and existing, or future regulations may restrict our operations, increase our costs of operations or require us to make additional capital expenditures. Compliance with regulatory requirements will result in higher operating costs, such as regulatory requirements relating to emissions, the security of our facilities, and the transportation, export or registration of our services. We generally expect that regulatory controls will become increasingly more demanding but cannot accurately predict future developments.

Increasingly strict environmental laws and inspection and enforcement policies could affect the handling, manufacture, use, emission or disposal of wastes, other materials or hazardous and non-hazardous waste. Stricter environmental, safety and health laws, regulations and enforcement policies could result in increased operating costs or capital expenditures to comply with such laws and regulations. Additionally, we are required to have permits for our businesses and are subject to licensing regulations. These permits and licenses are subject to renewal, modification and in some circumstances, revocation. Further, the permits and licenses are often difficult, time consuming and costly to obtain and could contain conditions that limit our operations.

We operate in a highly competitive environment, which could adversely affect our sales and pricing.

Ranew's Companies operate in a highly competitive environment. We compete on the basis of a variety of factors, including performance, customer service, quality and price. There can be no assurance that our services will be able to compete successfully with other companies' services. Thus, our share of industry sales could be reduced due to aggressive pricing or strategies pursued by competitors, unanticipated difficulties, our failure to price our services competitively or our failure to provide our services at a competitive cost. In addition, if we cannot maintain the quality and competitive pricing of our services, customers may decide to build or expand their in-house capabilities to fulfill the services we provide.

Lack of customer acceptance of price increases we announce from time to time, changes in customer requirements for price discounts, changes in our customers' behavior or a weak pricing environment could have an adverse impact on our business, results of operations and financial condition.

Disputes with employees or other labor matters could adversely affect our operations and financial results.

There can be no assurance that any current or future issues with our employees will be resolved or that we will not encounter future work stoppages or other disputes with our employees. A work stoppage or other limitations on production at our facilities for any reason could have an adverse effect on our business, results of operations and financial condition. Any strikes or work stoppages experienced by our customers or suppliers could have an adverse effect on our business, results of operations and financial condition.

Our services may experience quality problems from time to time that can result in decreased sales and operating margin, product liability, warranty or other claims that could result in significant expenses and harm to our reputation.

Ranew's Companies provide fabrication, coating and assembly services to various industrial products, which could result in undetected fabrication, coating or assembly defects or errors that, despite inspection and testing, are not discovered until after the product has been delivered and used by customers. Defects may also occur in components and products we purchase from third parties. There can be no assurance we will be able to detect and fix all defects from our fabrication, coating and assembly services. Failure to do so could result in lost revenue, product liability, claims from customers, end-users or others, and significant warranty claims and other expenses to correct the defects, diversion of management time and attention and harm to our reputation.

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the Special Meeting and the Reorganization. These questions and answers may not address all questions that may be important to you as an ALJ stockholder.

Special Meeting and Voting

Q. *When and where is the Special Meeting going to be held?*

A. The Special Meeting will be held at the offices of Shearman & Sterling LLP, located at 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, on May 10, 2023 at 10:00 a.m. Pacific Time.

Q. *What is the purpose of the Special Meeting?*

A. At the Special Meeting, stockholders will be asked to vote on the following matters:

1. the Reorganization Proposal: to approve the Reorganization and the Reorganization Agreement; and

2. the Adjournment Proposal: to approve the adjournment or postponement of the Special Meeting to another date, time or place, if necessary or appropriate, for the purpose of soliciting additional proxies for the proposal to be acted upon at the Special Meeting in the event that there are insufficient votes at the time of the Special Meeting or any adjournment thereof to approve the foregoing proposal.

No other matters will be brought for a vote at the Special Meeting.

Q. *Which stockholders may vote?*

A. Our Board of Directors has fixed the close of business on March 31, 2023 as the record date for determining the stockholders entitled to receive notice of the Special Meeting, and to vote their shares at the Special Meeting and any adjournment or postponement of the Special Meeting. Only stockholders of record at the close of business on the record date will be entitled to notice of, and to vote at, the Special Meeting and any adjournment or postponement of the Special Meeting. Each share of the Company's common stock is entitled to one vote on each matter properly brought to a vote at the Special Meeting.

At the close of business on the record date, the Company had issued and outstanding 25,224,748 shares of common stock.

Q. What are the Board of Directors' recommendations for how I should vote my shares?

Our Board of Directors recommends that you vote your shares as follows:

- FOR the Reorganization Proposal; and
- FOR the Adjournment Proposal.

Q. Why is the Company seeking a stockholder vote on the Adjournment Proposal?

A. Adjourning the Special Meeting to a later date will give us additional time to solicit proxies to vote in favor of approval of the Reorganization Proposal if there are not sufficient votes in favor of such proposal. Consequently, we are seeking your approval of the Adjournment Proposal to ensure that, if necessary, we will have enough time to solicit the required votes for approval of the Reorganization Proposal.

Q. What is the difference between record stockholders and street name stockholders?

A. The difference between record stockholders and street name stockholders is as follows:

Record Stockholders. If, as of the record date, your shares are registered directly in your name with American Stock Transfer & Trust Company, our transfer agent, you are considered, with respect to those shares, the stockholder of record, and the proxy materials are being sent to you by us. As the stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote by telephone or the Internet as instructed on the proxy card or in person at the special meeting.

Street Name Stockholders. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered, with respect to those shares, the beneficial owner of shares held in street name. The proxy materials are being forwarded to you by your broker or nominee, who is considered, with respect to those shares, the record holder. As the beneficial owner, you have the right to direct your broker or nominee how to vote, and you are also invited to attend the special meeting. However, since you are not the record holder, you may not vote these shares in person at the special meeting unless you follow your broker's procedures for obtaining a legal proxy. Your broker or nominee will provide a voting instruction card for you to use.

Q. Can I attend the Special Meeting in person?

A. Yes. You are invited to attend the Special Meeting if you are a record stockholder or street name stockholder as of March 31, 2023, the record date. You may be required to present valid, government-issued photo identification, such as a driver's license or passport, to gain admission to the Special Meeting.

Q. How many votes must be present at the Special Meeting to constitute a quorum?

A. Stockholders holding a majority of the issued and outstanding shares of our common stock entitled to vote as of the record date, March 31, 2023, must be present, in person or by proxy, to constitute a quorum at the Special Meeting. As of the record date, there were 25,224,748 shares of our common stock issued and outstanding. Shares voted to ABSTAIN and broker non-votes on any proposal to be acted upon by stockholders at the Special Meeting will be treated as present at the Special Meeting for purposes of determining whether a quorum is present.

Q. How many votes can be cast by all stockholders?

A. 25,224,748 votes may be cast at the Special Meeting. Each stockholder is entitled to cast one vote for each share of common stock held by such stockholder as of the record date.

Q. What vote is needed for each of the proposals to be adopted?

A. The Reorganization Proposal requires the affirmative vote of the holders of a majority of the total number of shares of our common stock issued and outstanding and entitled to vote on the matter. Pursuant to an existing voting agreement between ALJ and Jess Ravich (the "**Major Stockholder**"), ALJ's Chief Executive Officer, any ALJ common stock the Major Stockholder and certain of his family members, who collectively hold 14,864,630 shares of ALJ common stock, or 58.9% of the outstanding shares as of the record date, own or as to which they have voting rights in excess of 40% of the outstanding stock of ALJ will be voted in accordance with manner in which a majority of the outstanding shares of common stock not owned by the Major Stockholder or his family members are voted. As such, the Reorganization Proposal will not be approved without the vote of the other stockholders.

Under Sections 2.7 and 2.10 of our Restated Bylaws, the approval of the Adjournment Proposal each requires the affirmative vote of a majority of the votes cast on such proposal at a special meeting at which a quorum is present.

Q. What is a broker non-vote?

A. Generally, a broker non-vote occurs when shares held by a bank, broker or other nominee for a beneficial owner are not voted with respect to a particular proposal because (i) the nominee has not received voting instructions from the beneficial owner and (ii) the nominee lacks discretionary voting power to vote such shares.

Under the rules of the New York Stock Exchange ("**NYSE**"), which are applicable to many bank, broker or other nominees, a nominee does not have discretionary voting power with respect to "non-routine" matters.

Each of the matters to be brought before the special meeting is a "non-routine" matter. As a result, your bank, broker or other nominee may only vote your shares at the special meeting if you have provided your bank, broker or other nominee with specific voting instructions.

Thus, if your shares are held in "street name" and you do not provide instructions as to how your shares are to be voted at the special meeting, your bank, broker or other nominee will not be able to vote your shares on your behalf and your shares will be reported as "broker non-votes."

However, broker non-votes will be counted for purposes of calculating whether a quorum is present at the Special Meeting. Accordingly, a broker non-vote will not negatively impact our ability to obtain a quorum but will have the effect of a vote against the Reorganization Proposal.

We urge you to provide instructions to your bank, broker or other nominee so that your votes may be counted for each proposal to be voted upon at the Special Meeting. You should vote your shares by following the instructions provided on the vote instruction form that you receive from your bank, broker or other nominee.

Q. How do I vote?

A. You can vote in person or by valid proxy received by telephone or over the Internet, or by mail. We urge you to vote by doing one of the following:

Vote by Telephone or over the Internet:	**Vote by Mail:**
You may vote your shares by telephone or via the Internet by following the instructions provided in the proxy materials. If you vote by telephone or via the Internet, you do not need to return a proxy card by mail. Telephone and Internet voting are available 24 hours a day. Votes submitted by telephone or through the Internet must be received by 11:59 p.m. Eastern Time on May 9, 2023.	If you received printed proxy materials, you may submit your vote by marking, dating, signing and mailing the enclosed proxy card in the prepaid envelope. Giving a proxy will not affect your right to vote your shares if you attend the special meeting and want to vote in person. The shares represented by the proxies received in response to this solicitation and not properly revoked will be voted at the Special Meeting in accordance with the instructions therein.

Q. ***Can I change my vote?***

A. Yes. Please follow the applicable instructions described below for record stockholders and street name stockholders:

- Record Stockholders: You may change your vote at any time prior to the vote at the special meeting. Your vote may be revoked by filing with the Company's counsel, Shearman & Sterling LLP, located at 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, Attention: Christopher M. Forrester, a written notice of revocation, or it may be revoked by a later-dated vote, by mail, by Internet or by telephone, or by attending the meeting and voting in person. Only a stockholder's latest proxy received by 11:59 p.m. Eastern Time on May 9, 2023 will be counted. Attendance at the meeting will not, by itself, revoke a proxy.

- Street Name Stockholders: If you hold your shares through a broker, bank or other nominee, please follow the instructions provided by your broker, bank or other nominee as to how you may change your vote or obtain a "legal proxy" to vote your shares if you wish to cast your vote in person at the Special Meeting.

Q. *Could other matters be decided at the Special Meeting?*

A. No. No matters other than the Reorganization Proposal and, if necessary, the Adjournment Proposal will be brought for a vote at the Special Meeting.

Q. *What if I vote for some but not all of the proposals?*

A. Shares of our common stock represented by proxies received by us (whether received through the return of the enclosed proxy card or received via telephone or the Internet) where the stockholder has provided voting instructions with respect to the proposals described in this proxy statement, including the Reorganization Proposal and the Adjournment Proposal, will be voted in accordance with the voting instructions so made. If your proxy card is properly executed and returned but does not contain voting instructions as to one or more of the proposals to be voted upon at the special meeting, or if you give your proxy by telephone or via the Internet without indicating how you want to vote on each of the proposals to be voted upon at the special meeting, your shares will be voted:

- FOR the Reorganization Proposal; and
- FOR the Adjournment Proposal.

If your shares are held in street name and you do not properly instruct your bank, broker or other nominee how to vote your shares on any proposal to be brought before the special meeting, your bank, broker or other nominee matters would not be able to vote your shares on such proposal. We encourage you to provide instructions to your bank, broker or other nominee by carefully following the instructions provided to ensure that your shares are voted at the special meeting in accordance with your desires.

Q. Do I have appraisal rights if I vote "AGAINST" the Reorganization Proposal?

A. Stockholders who (i) do not consent to the adoption of the Reorganization Proposal, (ii) follow the procedures set forth in Section 262 of the DGCL (including making a written demand of appraisal to the Company within 20 days after the date of mailing of the notice of appraisal rights) and (iii) have not otherwise waived the appraisal rights, will be entitled, under Section 262 of the DGCL, to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the "fair value" of the shares, exclusive of any element of value arising from the accomplishment or expectation of the Reorganization, together with interest, if any, to be paid on the amount determined to be "fair value."

Q. Who will pay for the cost of this proxy solicitation?

A. We will pay the cost of preparing, assembling, printing, mailing, distributing and making available these proxy materials and soliciting votes. We may, on request, reimburse brokerage firms and other nominees for their expenses in forwarding or making available proxy materials to beneficial owners. In addition to soliciting proxies by mail, we expect that our directors, officers and employees may solicit proxies in person, by phone or by other electronic means. None of these individuals will receive any additional or special compensation for doing this, although we will reimburse these individuals for their reasonable out-of-pocket expenses.

Q. How are votes counted?

A. All votes will be tabulated by the inspector of elections appointed for the special meeting by the Company, who will tabulate affirmative and negative votes, abstentions and broker non-votes. Votes for and against, abstentions and broker non-votes will each be counted for determining the presence of a quorum.

General

Q. Who can help answer my questions?

A. If you have any questions about the special meeting, any of the Reorganization Proposal or the Adjournment Proposal, how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, you should contact our Corporate Secretary at (888) 486-7775, or by writing to Corporate Secretary at 244 Madison Avenue, PMB #358, New York, NY 10016.

THE SPECIAL MEETING

Date, Time and Place

The Special Meeting will take place on May 10, 2023, at 10:00 a.m. Pacific Time, at the offices of Shearman & Sterling LLP, 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025.

Purpose

At the Special Meeting, you will be asked to consider and vote upon: (1) the Reorganization Proposal and (2) the Adjournment Proposal.

Record Date and Voting Securities

You are entitled to notice of, and to vote at, the Special Meeting and any adjournment or postponement thereof, if you are a holder of record of our common stock as of the close of business on March 31, 2023, the record date for the Special Meeting. You will have one vote for each share of our common stock that you owned on the record date. As of the record date, there were 25,224,748 shares of our common stock issued and outstanding and entitled to receive notice of and to vote at the Special Meeting.

Quorum; Vote Required

Under Section 2.7 of our Restated Bylaws, a majority of all the stock issued and outstanding and entitled to vote, present in person or represented in proxy, shall constitute a quorum for the Reorganization at the Special Meeting. The Reorganization Proposal requires the affirmative vote of the holders of a majority of the total number of shares of our common stock issued and outstanding and entitled to vote on the matter as of the record date. Pursuant to an existing voting agreement between ALJ and Major Stockholder, ALJ's Chief Executive Officer, and certain of the Major Stockholder's family members, who hold 14,864,630 shares of ALJ common stock, or 58.9% of the outstanding shares as of the record date, any ALJ common stock the Major Stockholder and certain of his family members own or as to which they have voting rights in excess of 40% of the outstanding stock of ALJ will be voted in accordance with manner in which a majority of the outstanding shares of common stock not owned by the Major Stockholder or his family members are voted. As such, the Reorganization Proposal will not be approved without the vote of the other stockholders. As such, the Reorganization Proposal will not be approved without the vote of the other stockholders. Under Sections 2.7 and 2.10 of our Restated Bylaws, any adjournment of the Special Meeting each requires the affirmative vote of a majority of the votes cast on such proposal at a meeting at which a quorum is present.

Abstentions and Broker Non-Votes

For each proposal, you may vote "FOR", "AGAINST" or "ABSTAIN". Abstentions will not be counted as votes cast or shares voting on the Adjournment Proposal, but will count for the purpose of determining whether a quorum is present at the Special Meeting. **If you vote "ABSTAIN" or do not vote on the Reorganization Proposal, it will have the same effect as a vote "AGAINST" the Reorganization Proposal**.

Under the rules of the NYSE, brokers who hold shares in street name for customers have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. However, brokers are precluded from exercising their voting discretion with respect to approving non-routine matters such as the approval of the Reorganization Proposal. As a result, absent specific instructions from the beneficial owner of such shares, brokers cannot vote those shares, referred to generally as "broker non-votes." **Any broker non-votes will be counted for purposes of determining whether a quorum is present at the Special Meeting but will have the same effect as a vote "AGAINST" the Reorganization Proposal**. However, any broker non-votes will have no effect on the outcome of the vote for the Adjournment Proposal.

Proxies and Revocation

If you submit a proxy by telephone, via the Internet or by returning a signed proxy card by mail, your shares will be voted at the Special Meeting as you indicate. If you sign your proxy card without indicating your vote, your shares will be voted "FOR" the Reorganization Proposal and "FOR" the Adjournment Proposal. If your shares of common stock are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. If you do not instruct your broker to vote your shares, it has the same effect as a vote against the Reorganization Proposal.

Proxies received at any time before the Special Meeting, and not revoked or superseded before being voted, will be voted at the Special Meeting. You have the right to change or revoke your proxy at any time before it is voted at the Special Meeting in the following ways:

- Record Stockholders: You may change your vote at any time prior to the vote at the Special Meeting. Your vote may be revoked by filing with the Company's counsel, Shearman & Sterling LLP, located at 1460 El Camino Real, 2nd Floor, Menlo Park, CA 94025, Attention: Christopher M. Forrester, a written notice of revocation, or it may be revoked by a later-dated vote, by mail, by Internet or by telephone, or by attending the meeting and voting in person. Only a stockholder's latest proxy received by 11:59 p.m. Eastern Time on May 9, 2023 will be counted. Attendance at the meeting will not, by itself, revoke a proxy.

- Street Name Stockholders: If you hold your shares through a broker, bank or other nominee, please follow the instructions provided by your broker, bank or other nominee as to how you may change your vote or obtain a "legal proxy" to vote your shares if you wish to cast your vote in person at the Special Meeting.

Our Board of Directors has selected Jess Ravich, our Chief Executive Officer, to serve as proxy at the Special Meeting. The shares of common stock represented by each executed and returned proxy will be voted in accordance with the directions indicated on the proxy card. If no direction is indicated on a signed proxy card, the proxy holders will vote your shares "FOR" each of the Reorganization Proposal and the Adjournment Proposal. No matter other than the Reorganization Proposal and, if necessary, the Adjournment Proposal will be brought for a vote at the Special Meeting.

Adjournments and Postponements

Although it is not currently expected, the Special Meeting may be adjourned or postponed for the purpose of soliciting additional proxies. Whether or not a quorum is present, a Special Meeting of stockholders may be adjourned without notice by announcement made at the Special Meeting, of the time, date and place of the adjourned meeting. Any signed proxies received by us in which no voting instructions are provided on such adjournment matter will be voted "FOR" the Adjournment Proposal to approve any adjournment or postponement of the Special Meeting for the purpose of soliciting additional proxies.

Solicitation of Proxies

This proxy solicitation is being made and paid for by the Company on behalf of our Board of Directors. Our directors, officers and employees may solicit proxies by personal interview, mail, e-mail, telephone, facsimile or other means of communication. These persons will not be paid additional remuneration for their efforts. We will also request brokers and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of our common stock that the brokers and fiduciaries hold of record. Upon request, we will reimburse them for their reasonable out-of-pocket expenses.

Questions and Additional Information

If you have more questions about the Reorganization Proposal, the Adjournment Proposal or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting

instructions, please call our Corporate Secretary at (888) 486-7775, or write to Corporate Secretary at 244 Madison Avenue, PMB #358, New York, NY 10016.

Our Board of Directors unanimously recommends that you vote "FOR" the Reorganization Proposal and "FOR" the Adjournment Proposal.

CERTAIN INFORMATION CONCERNING ALJ REGIONAL HOLDINGS, INC.

The Company

ALJ is a holding company. During its latest fiscal year ended September 30, 2022, ALJ consisted of the following subsidiaries:

- Faneuil, Inc. (including its subsidiaries, "**Faneuil**"). Prior to Faneuil Asset Sale, Faneuil was a leading provider of call center services, back-office operations, staffing services, and toll collection services to government and regulated commercial clients across the United States, focusing on the healthcare, utility, transportation, and toll revenue collection industries. Faneuil is headquartered in Hampton, Virginia. ALJ acquired Faneuil in October 2013. On April 1, 2022, ALJ completed the sale of Faneuil's tolling and transportation and health benefit exchange verticals (the "**Faneuil Asset Sale**").

- ALJ Vistio QOZB LLC (d/b/a Vistio) ("**Vistio**"). On July 31, 2019, Faneuil acquired Vistio, a business solutions provider focusing on intelligence augmentation, process innovation and user experience. Vistio uses next-best-action guidance and automation to help agents confidently provide quick and accurate resolution to customer inquiries, simplifying the agent's job and reducing the guesswork and stress of handling customer calls. In connection with the Faneuil Asset Sale, the Company reorganized Vistio to be a direct, wholly-owned subsidiary of the Company. On January 1, 2023, the Company completed an internal reorganization merging Vistio with and into ALJ Vistio QOZB LLC ("**VQOZB**"), each a wholly-owned subsidiary of the Company, with VQOZB as the surviving entity.

- Phoenix Color Corp. (including its subsidiaries, "**Phoenix**"). Prior to Phoenix Sale, Phoenix was a leading manufacturer of book components, educational materials and related products producing value-added components, heavily illustrated books and commercial specialty products using a broad spectrum of materials and decorative technologies. Phoenix is headquartered in Hagerstown, Maryland. ALJ acquired Phoenix in August 2015. On April 13, 2022, ALJ completed its sale of Phoenix (the "**Phoenix Sale**").

- Qualified Opportunity Zone Investment. As a result of the capital gains generated by the Faneuil Asset Sale and the Phoenix Sale, the Company invested $20 million in a newly formed Qualified Opportunity Zone investment entity, Qualified Opportunity Fund ("**QOF**"), on September 26, 2022 for the purpose of investing such funds in a Qualified Opportunity Zone (an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment) business by June 30, 2023. As a result of investing in a Qualified Opportunity Zone, the Company may have the ability to defer the recognition of related capital gains. Since inception, the QOF invested (i) $5 million in a self-storage build out in Lakeland, Florida anticipating stable cash flows of approximately $500,000 per year and a pre-tax IRR of 14.7% for the Company, (ii) $10 million and $2 million, respectively, into certain redevelopment projects in Reno, Nevada with interest accruing at 6% per annum (preferred) with planned dividend recapitalizations once fully leased and (iii) $440,000 into a condominium in Illinois which is being rented to Vistio for $9,831 per month, providing a 26.8% yield annually.

ALJ is reported as corporate overhead. For description of each business segments, see Note 1 of our 2022 Financial Statements included in our Annual Report for the fiscal year ending September 30, 2022 (the "**2022 Annual Report**"), incorporated by reference to this Proxy Statement. See "*Incorporation By Reference*."

Recent Developments

Ranew's Companies

On September 28, 2022, Resin Acquisition Corp., a wholly-owned subsidiary of the Company acquired an 80.01% of the equity interests of Ranew's Companies LLC, a Georgia limited liability company and parent of: Truck & Equipment Company, LLC, Ranew's Outdoor Equipment, Inc., Ranew's Management Company, Inc., Ranew's Well Services Division, LLC and Ranew's of Texas, Incorporated (collectively, "**Ranew's Companies**"). Ranew's Companies, headquartered in Milner, Georgia, are leading suppliers of industrial coating services to multinational

manufacturers of equipment and a provider of precision fabrication and assembly and logistics services. See Note 1 of our 2022 Financial Statements.

Hallador Energy Company

On August 12, 2022, the Company purchased an unsecured convertible promissory note (the "**Note**") from Hallador Energy Company (NASDAQ: HNRG) ("**Hallador**") for a principal sum of $10 million. The Note bears interest at 8% per annum paid, at Hallador's discretion, in cash or in shares of Hallador common stock at the lower of 30-day volume weighted average price ("**VWAP**") or $6.15 (the trailing VWAP on closing). The principal balance and all accrued and unpaid interest are required to be paid on the Note's maturity date of December 31, 2026, and no prepayments are permitted. The Note also contains a right to convert the principal and accrued interest amounts outstanding on the Note (in whole and not in part) into shares of Hallador common stock at a fixed conversion price of $6.15 (the trailing VWAP on closing). In connection with the foregoing, the Company and Hallador have entered into a registration rights agreement which provides the Company with customary shelf, demand and piggyback registration rights with respect to shares of Hallador common stock issuable upon conversion of the Note.

Caprice Capital Partners, LLC

On June 20, 2022, the Company entered into a subscription agreement with Caprice Capital Partners, LLC ("**Caprice**") in the amount of $5 million. Caprice is a private investment firm focused on providing debt and minority equity investments in small and lower-middle-market companies based in the United States.

A-Mark Precious Metals, Inc.

In September 2022, the Company purchased 350,000 shares of common stock of A-Mark Precious Metals, Inc. (NASDAQ: AMRK) ("**A-Mark**"). A-Mark is a fully integrated precious metals platform that offers an array of gold, silver, platinum, palladium, and copper bullion, numismatic coins, and related products to wholesale and retail customers via a portfolio of channels.

Tender Offer and Share Repurchase

We launched a tender offer on December 1, 2022. Upon the close of the tender offer on December 29, 2022, we purchased 10,236,945 shares of our common stock at a price of $1.99 per share. Since the tender offer, we have repurchased 827,600 shares in multiple unsolicited privately negotiated transactions at an average price of $1.97 per share.

Las Vegas Sands Corp.

In January 2023, the Company purchased an aggregate value of $10 million shares of Las Vegas Sands Corp. (NYSE: LVS) ("**LVS**"). LVS is a leading global developer and operator of destination properties that feature premium accommodations, world-class gaming, entertainment and retail malls, convention and exhibition facilities, celebrity chef restaurants and other amenities. Following LVS's fourth quarter earnings call, the Company sold its LVS shares for a total profit of approximately $1.1 million.

DocuSign, Inc.

In February and March 2023, the Company purchased 100,000 shares of DocuSign, Inc. (NASDAQ: DOCU) ("**DocuSign**"). DocuSign is a platform that enables businesses of all sizes to digitally prepare, sign, act on and manage agreements, thereby simplifying and accelerating the process of doing business.

Litigation, Claims, and Assessments

Christine McCune and Addesha Brady, et. al. v. Faneuil

On March 30, 2023, a putative class and collective action complaint was filed against Faneuil in the United States District Court for the Eastern District of Virginia. The complaint asserts claims against Faneuil based on

alleged violations of the Fair Labor Standards Act in connection with the calculation and payment of overtime wages to Faneuil's customer services representatives. The complaint seeks damages in excess of $5.0 million on behalf of the putative class. Faneuil has engaged counsel to evaluate the claims asserted in the complaint and to prepare its defense. At this time, it is too early for the company to make an assessment concerning any loss contingencies potentially associated with this matter.

Marshall v. Faneuil

On July 31, 2017, plaintiff Donna Marshall ("**Marshall**") filed a proposed class action lawsuit in the Superior Court of the State of California for the County of Sacramento against Faneuil and ALJ. Marshall, a previously terminated Faneuil employee, alleges various California state law employment-related claims against Faneuil. Faneuil has answered the complaint and removed the matter to the United States District Court for the Eastern District of California; however, Marshall filed a motion to remand the case back to state court, which has been granted. In connection with the above, an amended complaint was filed by certain plaintiffs to add a claim for penalties under the California Private Attorneys General Act (the "**PAGA Claim**"). Faneuil demurred to the PAGA Claim and it was eventually dismissed by the trial court. Following mediation, the parties negotiated a settlement agreement that was approved by the court and paid in December 2022. The settlement is immaterial to the Company's business, consolidated financial position, results of operations or cash flows.

Harris v. Faneuil

Lois Harris, an employee of Faneuil in Georgia, filed a collective action complaint on April 18, 2021 in the United States District Court for the Northern District of Georgia. Harris alleges, on behalf of herself and other current and former non-exempt Call Center Agent employees who received nondiscretionary bonuses for periods in which they worked overtime hours, that Faneuil violated the Fair Labor Standards Act by failing to include nondiscretionary bonuses in the regular rate of pay when calculating the overtime rate for Harris and other similarly-situated persons. Faneuil has engaged counsel to defend it in this action. The parties negotiated a settlement agreement that has been approved by the court. The settlement is immaterial to the Company's business, consolidated financial position, results of operations or cash flows.

Jesse James Pagan et. al. v. Faneuil

On April 26, 2022, a putative class action complaint was filed against Faneuil in the United States District Court for the Eastern District of Virginia. The complaint asserts claims against Faneuil for negligence, breach of an implied contract, and unjust enrichment in connection with an alleged data breach. The proposed class includes certain former employees of Faneuil who contend their personal identifiable information was compromised in the data breach. The complaint seeks damages in excess of $5.0 million on behalf of the putative class. Faneuil has engaged counsel to defend it in this action. The parties negotiated a settlement agreement that has been approved by the court. The settlement is immaterial to the Company's business, consolidated financial position, results of operations or cash flows.

Other Litigation

The Company has been named in, and from time to time may become named in, various other lawsuits or threatened actions that are incidental to its ordinary business. Litigation is inherently unpredictable. Any claims against the Company, whether meritorious or not, could be time-consuming, cause the Company to incur costs and expenses, require significant amounts of management time and result in the diversion of significant operational resources. The results of these lawsuits and actions cannot be predicted with certainty. The Company concluded as of December 31, 2022, that the ultimate resolution of these matters (including the matters described above) will not have a material adverse effect on the Company's business, consolidated financial position, results of operations or cash flows.

Interests of Directors and Executive Officers

The following table sets forth, as of March 31, 2023, the beneficial ownership of our common stock with respect to (i) each person who was known by us to own beneficially more than 5% of the outstanding shares of our common stock, (ii) each director, (iii) our executive officers, and (iv) all directors and executive officers as a group. As of March 31, 2023, we had 25,224,748 shares of our common stock issued and outstanding, which was the only class of voting securities authorized or outstanding.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Percent of Class
Jess M. Ravich, Chief Executive Officer and Chairman of the Board	23,561,450[2]	67.9%
John Scheel, Director and Vice Chairman of the Board	715,358	2.8%
Robert Scott Fritz, Director	931,591[3]	3.7%
Hal G. Byer, Director	53,940[4]	*
Rae G. Ravich, Director	85,419	*
Jeffrey Wiens, Chief Financial Officer	3,333[5]	*
All Directors and Executive Officers as a Group	25,351,091	72.4%
5% Stockholders:		
Elizabeth Glazer 2012 Trust c/o William Montgomery 825 West End Ave. 15C New York, NY 10025	4,684,305 [6]	16.6%

* Less than 1%

(1) Consistent with the regulations of the U.S. Securities and Exchange Commission, shares of Common Stock issuable upon exercise of derivative securities by their terms exercisable within 60 days of March 31, 2023 are deemed outstanding for the purpose of computing the percentage ownership of the person holding such derivative securities but are not deemed outstanding for computing the percentage ownership of any other person. Unless otherwise indicated below, to the knowledge of the Company, the persons and entities named in this table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

(2) Includes 4,853,804 shares held by the Exemption Trust under the Ravich Revocable Trust of 1989, 1,315,927 shares of common stock issuable upon exercise of currently vested warrants, and 8,170,116 shares of common stock issuable upon the conversion of a convertible promissory note.

(3) Includes 431,088 shares and 294,611 shares of common stock issuable upon exercise of currently vested warrants held by The Ravich Children Permanent Trust, for which Mr. Fritz is the sole trustee. Mr. Fritz disclaims all economic ownership of such shares.

(4) Includes 10,014 restricted shares held by the Hal G. Byer and Marihelene Byer Revocable Trust.

(5) Includes 3,333 shares of common stock issuable upon exercise of currently vested options.

(6) Includes 20,000 shares held by William Montgomery 2012 Trust and 466,171 shares and 2,989,067 shares of common stock issuable upon the conversion of a convertible promissory note held by the Elizabeth Glazer 2012 Trust, which William Montgomery may be deemed to beneficially own as a trustee and beneficiary of the Elizabeth Glazer 2012 Trust.

PROPOSAL 1: THE REORGANIZATION PROPOSAL

After careful consideration, the Board has determined that a reorganization transaction (the "**Reorganization**") in accordance with the Agreement and Plan of Merger (the "**Reorganization Agreement**"), as further described in this Proxy Statement, will benefit ALJ and its stockholders. The Board has (i) approved the Reorganization, (ii) determined that the terms of the Reorganization Agreement and the Reorganization are advisable, fair to and in the best interests of ALJ and its stockholders and (iii) adopted and approved the Reorganization Agreement, subject to the stockholder approval.

The Board unanimously recommends a vote "**FOR**" the adoption and approval of this Proposal 1: The Reorganization Proposal (the "**Reorganization Proposal**").

The Reorganization—Structure

We are asking you to adopt and approve the Reorganization and the Reorganization Agreement that would result in a reorganization of our corporate structure as further described herein. The reorganization is expected to:

- provide us with enhanced strategic and business flexibility;
- significantly reduce our Delaware Franchise Tax obligations; and
- allow us to provide stockholders with the ability to act via written consent through approval of the Reorganization by a simple majority of the existing ALJ stockholders, as opposed to amending the Certificate of Incorporation of ALJ by 80% of the existing ALJ stockholders.

Under the Reorganization Agreement, ALJ will merge with NewCo, with NewCo surviving the merger (the "**Reorganization Merger**").

Upon completion of the Reorganization Merger, NewCo will, in effect, replace ALJ as the holding company of ALJ's businesses, conducting, directly or through subsidiaries, all of the operations conducted by ALJ as of immediately prior to the Reorganization Merger. The Reorganization Agreement, which sets forth the plan of reorganization and is the primary legal document that governs the Reorganization Merger, is attached as Annex A to this Proxy Statement. You are encouraged to read the Reorganization Agreement carefully.

Following the Reorganization, additional steps may be taken to align our corporate structure with our business operations and liability management strategy, but such steps are not considered part of the Reorganization for purposes of this Proxy Statement.

What ALJ Stockholders Will Receive in the Reorganization Merger

Immediately after the completion of the Reorganization Merger, subject to the procedures set forth in the Reorganization Agreement, each ALJ stockholder will have the right to receive one (1) share of NewCo common stock, par value $0.01 per share, for each one hundred (100) shares of ALJ common stock, par value $0.01 per share (the "**Stock Consideration**"), unless a stockholder is not an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, an "**Accredited Investor**"), in which case such stockholder will be entitled to receive $1.97 per each share of ALJ common stock in cash (the "**Cash Consideration**," and together with the Stock Consideration, the "**Reorganization Consideration**") in lieu of the Stock Consideration.

Treatment of Fractional Shares

NewCo will not issue any fractional shares of NewCo common stock in the Reorganization Merger. ALJ stockholders who would otherwise be entitled to a fraction of a share of NewCo common stock upon the completion of the Reorganization Merger will instead receive, for the fraction of a share, an amount in cash (rounded to the nearest whole cent) equal to $1.97 per share of ALJ common stock.

If you are an Accredited Investor and do not hold sufficient ALJ common stock to receive at least one share of NewCo common stock after the Reorganization Merger, and you want to hold NewCo common stock after the Reorganization, you may do so by taking either of the following actions far enough in advance so that it is completed before the Reorganization Merger is effected:

- purchase a sufficient number of shares of ALJ common stock so that you would hold at least one hundred shares of ALJ common stock in your account prior to the completion of the Reorganization Merger; or

- if applicable, consolidate your accounts so that you hold at least one hundred (100) shares of ALJ common stock in one account. ALJ common stock held in registered form (that is, shares held by you in your own name on our Company's share register maintained by our transfer agent) and ALJ common stock held in "street name" (that is, shares held by you through a bank, broker or other nominee) for the same investor would be considered held in separate accounts and would not be aggregated for payment of the Stock Consideration. Also, ALJ common stock held in registered form but in separate accounts by the same investor would not be aggregated for such purpose.

After the Reorganization Merger, then-current stockholders would have no further interest in NewCo with respect to their fractional shares. A person otherwise entitled to a fractional share would not have any voting, dividend or other rights in respect of his or her fractional share except to receive the cash payment as described above. Such cash payments would reduce the number of NewCo stockholders to the extent that there are stockholders holding fewer than one hundred (100) shares of ALJ common stock.

ALJ stockholders should be aware that, under the escheat laws of the various jurisdictions where stockholders reside, where we are domiciled and where the funds for fractional shares would be deposited, sums due to stockholders in payment for fractional shares that are not timely claimed after the effective date may be required to be paid to the designated agent for each such jurisdiction. Thereafter, stockholders otherwise entitled to receive such funds may have to seek to obtain them directly from the designated agent for each such jurisdiction to which they were paid.

Authorized Capital Stock

ALJ is authorized to issue 105,000,000 shares of common stock, par value $0.01 per share, and 5,000,000 shares of preferred stock, par value $0.01 per share. The certificate of incorporation of NewCo (the "**NewCo Certificate of Incorporation**"), which would govern the rights of its stockholders after the Reorganization Merger, will authorize the issuance of 1,050,000 shares of common stock, par value $0.01 per share, and 50,000 shares of preferred stock, par value $0.01 per share.

Treatment ALJ Equity Awards and Stock Plans

Any outstanding option issued under ALJ's Omnibus Equity Incentive Plan to purchase shares of ALJ common stock, if not exercised before the completion of the Reorganization Merger, will be adjusted automatically into an option to acquire one (1) share of NewCo common stock for each one hundred (100) shares of ALJ common stock exercisable under such option. Any outstanding restricted award for ALJ common stock will be adjusted automatically into a restricted award for one (1) share of NewCo common stock for each one hundred (100) shares of ALJ common stock issuable under such award. Any resulting fractional shares of NewCo common stock from the exercise of such option or award will be rounded up to the next whole number. Except as set forth in the immediately preceding sentences, all such options and awards will continue to have the same terms and conditions as applied immediately prior to the Reorganization Merger.

Additionally, in connection with the Reorganization Merger, NewCo will assume the Omnibus Equity Incentive Plan, and the shares available for issuance under the Omnibus Equity Incentive Plan will be adjusted in accordance with the terms of the Omnibus Equity Incentive Plan to reflect shares of NewCo common stock.

Corporate Name Following the Reorganization Merger

Pursuant to the Reorganization, ALJ will merge with NewCo, with NewCo surviving the merger. Upon filing of the Certificate of Merger, NewCo's name will be changed from ALJ NewCo, Inc. to ALJ Regional Holdings, Inc.

Price Range of Shares; Dividends

ALJ's common stock was quoted on the NASDAQ Stock Market until September 12, 2022 under the trading symbol "ALJJ." Following September 12, 2022, ALJ's common stock is quoted on the OTC Markets—Pink Limited Information under the trading symbol "ALJJ." The following table sets forth the high and low closing selling prices for our common stock for each of the quarterly periods presented.

Fiscal 2023 (Year ending September 30, 2023)

	High	Low
First Quarter	$1.90	$1.62
Second Quarter (until April 5, 2023)	$2.01	$1.69

Fiscal 2022 (Year ending September 30, 2022)

	High	Low
First Quarter	$1.91	$0.99
Second Quarter	$2.67	$1.68
Third Quarter	$2.62	$2.02
Fourth Quarter	$2.17	$1.47

Fiscal 2021 (Year ending September 30, 2021)

	High	Low
First Quarter	$1.23	$0.79
Second Quarter	$2.03	$1.13
Third Quarter	$1.84	$1.30
Fourth Quarter	$1.69	$1.05

On April 5, 2023, the last reported sale price of our common stock on the OTC Markets—Pink Limited Information was $1.73 per share. We urge stockholders to obtain a current market quotation for the Shares before deciding whether and at what price or prices to tender their Shares.

Dividends

We have never declared or paid cash dividends on our common stock and we do not anticipate paying a cash dividend in the foreseeable future.

No Exchange of Stock Certificates

If you are to receive Stock Consideration in connection with the Reorganization Merger, your shares of ALJ common stock will be converted automatically into shares of NewCo common stock, subject to the 100:1 conversion ratio previously described (the "**Conversion Ratio**"). Your certificates of ALJ common stock, if any, will represent, before and after the Reorganization Merger, the applicable number of shares of NewCo common stock after applying the Conversion Ratio, and no action with regard to stock certificates will be required on your part. We expect to send you a notice after the Reorganization Merger is completed specifying this and other relevant information.

Conditions to Completion of the Reorganization Merger

We will complete the Reorganization Merger only if each of the following conditions is satisfied or waived:

- absence of any order or proceeding that would suspend or prohibit the issuance of NewCo common stock to be issued in the Reorganization Merger;
- adoption and approval of the Reorganization Proposal by the affirmative vote of at least a majority of the issued and outstanding shares of ALJ common stock entitled to vote at the Special Meeting; and
- absence of any order or proceeding that would prohibit or make illegal completion of the Reorganization Merger.

Effectiveness of the Reorganization Merger

The Reorganization Merger will become effective on the date we file a Certificate of Merger with the Secretary of State of the State of Delaware or a later date that we specify therein. We will not file the Certificate of Merger unless and until the conditions to the Reorganization Merger described above have been satisfied or waived.

Amendment of the Reorganization Agreement

The Reorganization Agreement may, to the extent permitted by the DGCL, as amended, be supplemented, amended or modified at any time prior to the completion of the Reorganization Merger (even after adoption and approval by its stockholders), by the mutual consent of the parties thereto.

Deferral and Abandonment; Termination of Reorganization Agreement

We may defer or abandon the Reorganization Merger prior to the effective time of the Reorganization Merger (including by terminating the Reorganization Agreement) or all or any part of the Reorganization, even after adoption and approval by its stockholders, if we determine that for any reason the completion of all or such part of the Reorganization would be inadvisable or not in the best interests of our Company and its stockholders.

Board of Directors and Executive Officers of NewCo Following the Reorganization Merger

The Board of Directors of NewCo following the Reorganization Merger will consist of the same persons comprising the Board of ALJ immediately prior to the Reorganization Merger. Similarly, the executive officers of NewCo following the Reorganization Merger will be the same as those of ALJ immediately prior to the Reorganization Merger.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations of the Reorganization that may be relevant to U.S. Holders and Non-U.S. Holders (each, as defined below). This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), existing and proposed treasury regulations promulgated thereunder ("**U.S. Treasury Regulations**"), judicial interpretations thereof and administrative rulings and published positions of the Internal Revenue Service (the "**IRS**"), all as in effect as of the date hereof and all of which are subject to change or different interpretations, possibly with retroactive effect, and any such change or interpretation could affect the accuracy of the statements and conclusions set forth herein.

As used herein, the term "**U.S. Holder**" means a beneficial owner of ALJ common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes, regardless of its source; or
- a trust (a) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of

the trust, or (b) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

A "**Non-U.S. Holder**" is a beneficial owner of shares of ALJ common stock that is neither a U.S. Holder nor a partnership (nor an entity or arrangement treated as a partnership) for U.S. federal income tax purposes.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares of ALJ common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding shares of ALJ common stock should consult its own tax advisors.

This discussion of the material U.S. federal income tax consequences of the Reorganization is not a complete description of all potential U.S. federal income tax consequences of the Reorganization. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. Furthermore, this discussion does not address the tax consequences of transactions occurring prior to, concurrently with or after the Reorganization Merger (whether or not such transactions are in connection with the Reorganization Merger) including, without limitation, the exercise of warrants, options or rights to purchase ALJ common stock in anticipation of the Reorganization. Finally, this discussion does not address any U.S. state or local or any non-U.S. tax consequences of the Reorganization, the potential application of the Medicare contribution tax on net investment income or any U.S. federal estate, gift or alternative minimum tax consequences. Accordingly, each ALJ stockholder should consult its own tax advisor to determine the particular U.S. federal, state, local or non-U.S. income or other tax consequences to it of the Reorganization.

No opinion of counsel or ruling from the IRS has been or will be obtained regarding the U.S. federal income tax consequences of the Reorganization described below. If the IRS contests a conclusion set forth herein, no assurance can be given that an ALJ stockholder would ultimately prevail in a final determination by a court.

U.S. Federal Income Tax Consequences to U.S. Holders

A U.S. Holder that is an Accredited Investor and receives Stock Consideration should generally not recognize gain or loss upon the completion of the Reorganization for U.S. federal income tax purposes, except with respect to any cash in lieu of fractional shares, as discussed below. A U.S. Holder's aggregate adjusted tax basis in NewCo common stock received pursuant to the Reorganization should equal the aggregate adjusted tax basis of the ALJ common stock surrendered (excluding the amount of such basis that is allocated to any fractional shares for which the U.S. Holder receives cash). A U.S. Holder's holding period in Newco common stock received pursuant to the Reorganization should include the holding period in ALJ common stock exchanged therefor. U.S. Treasury Regulations provide detailed rules for allocating the tax basis and holding period of common stock surrendered in a reorganization to shares received in the reorganization. U.S. Holders that acquired ALJ common stock on different dates and at different prices should consult their tax advisors regarding the allocation of the tax basis and holding period of such shares.

A U.S. Holder that, pursuant to the Reorganization, receives Cash Consideration, cash in lieu of a fractional share, or exercises its appraisal rights should recognize capital gain or loss in an amount equal to the difference, if any, between the amount of cash received and the portion of the U.S. Holder's aggregate adjusted tax basis in the ALJ common stock surrendered that is allocated to such Cash Consideration and/or fractional share. An individual U.S. Holder will generally be subject to U.S. federal income tax at a reduced rate with respect to such capital gain, assuming that the U.S. Holder has held all of its ALJ common stock for more than one year. The deductibility of capital losses is subject to certain limitations.

U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is an Accredited Investor and receives Stock Consideration shall be taxed the same as a U.S. Holder that is an Accredited Investor as discussed above.

A Non-U.S. Holder that, pursuant to the Reorganization, receives Cash Consideration, cash in lieu of a fractional share, or exercises its appraisal rights will not be subject to U.S. federal income tax unless:

- the gain, if any, recognized by the Non-U.S. Holder is effectively connected with a trade or business of the Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to the Non-U.S. Holder's permanent establishment in the United States);

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the Reorganization and certain other conditions are met; or

- the Non-U.S. Holder owned, directly or under certain constructive ownership rules of the Code, more than 5% of the ALJ common stock at any time during the five-year period preceding the Reorganization, and the Company is or has been a "U.S. real property holding corporation" within the meaning of Section 897(c)(2) of the Code for U.S. federal income tax purposes at any time during the shorter of the five-year period preceding the Reorganization or the period that the Non-U.S. Holder held the ALJ common stock.

Gain described in the first bullet point above will be subject to tax on a net income basis in the same manner as if the Non-U.S. Holder were a U.S. Holder (unless an applicable income tax treaty provides otherwise). Additionally, any gain described in the first bullet point above of a Non-U.S. Holder that is a corporation may also be subject to an additional "branch profits tax" at a 30% rate (or lower rate provided by an applicable income tax treaty). A Non-U.S. Holder described in the second bullet point above will be subject to tax at a rate of 30% (or a lower rate provided by an applicable income tax treaty) on any gain realized, which may be offset by U.S.-source capital losses recognized in the same taxable year. If the third bullet point above applies to a Non-U.S. Holder, gain recognized by such holder will be subject to tax at generally applicable U.S. federal income tax rates. The Company believes that it has not been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the five-year period preceding the Reorganization.

Backup Withholding and Information Reporting

Payments made to a U.S. Holder or Non-U.S. Holder in exchange for shares of ALJ common stock pursuant to the Reorganization may be subject, under certain circumstances, to information reporting and U.S. federal backup withholding (currently at a rate of 24%). To avoid backup withholding, a U.S. Holder that does not otherwise establish an exemption should complete and return an IRS Form W-9 (or applicable successor form), certifying under penalties of perjury that such U.S. Holder is a "United States person" (within the meaning of the Code), that the taxpayer identification number provided by such U.S. Holder is correct and that such U.S. Holder is not subject to backup withholding. To avoid backup withholding, a Non-U.S. Holder is required to establish an exemption, for example, by completing and providing to the applicable withholding agent the appropriate IRS Form W-8 (or applicable successor form) for the Non-U.S. Holder, in accordance with the instructions thereto.

Any amount withheld under the backup withholding rules will be allowed as a refund or credit against the U.S. federal income tax liability of a ALJ stockholder, provided that the required information is timely furnished to the IRS. The IRS may impose a penalty upon a ALJ stockholder that fails to provide the correct taxpayer identification number. Each U.S. Holder and Non-U.S. Holder is urged to consult its own tax advisor regarding the information reporting and backup withholding tax rules that may apply to it in light of its own circumstances.

HOLDERS OF ALJ COMMON STOCK SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR TAX CONSIDERATIONS RELEVANT TO THEM OF THE REORGANIZATION, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX LAWS.

No Compensation Related to the Reorganization

There are no agreements or understandings, whether written or unwritten, between any director or executive officer and ALJ or NewCo concerning any type of compensation, whether present, deferred or contingent, that is based on or otherwise relates to the Reorganization.

Appraisal Rights

Holders of ALJ common stock will have appraisal rights under Section 262 of the DGCL in connection with the Reorganization Merger. Stockholders who (i) do not consent to the adoption of the Reorganization Proposal, (ii) follow the procedures set forth in Section 262 of the DGCL (including making a written demand of appraisal to the Company within 20 days after the date of mailing of the notice of appraisal rights) and (iii) have not otherwise waived the appraisal rights, will be entitled, under Section 262 of the DGCL, to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the "fair value" of the shares, exclusive of any element of value arising from the accomplishment or expectation of the Reorganization, together with interest, if any, to be paid on the amount determined to be "fair value."

NewCo Certificate of Incorporation and Bylaws

The adoption and approval of the Reorganization Proposal by the holders of ALJ common stock will also constitute approval of the terms of the NewCo Certificate of Incorporation and the NewCo bylaws (the "**NewCo Bylaws**") in the forms attached to this Proxy Statement as Annex B and Annex C, respectively.

Restrictions on the Sale of NewCo Common Stock

The shares of NewCo common stock to be issued in the Reorganization Merger will not be registered under the Securities Act. Immediately following the Reorganization Merger, NewCo common stock will not be quoted on the OTC Market and no publicly traded market may develop as NewCo common stock cannot be traded without an applicable registration or exemption from the registration requirements under the Securities Act

Description of NewCo Capital Stock

NewCo is a corporation incorporated in the State of Delaware. As described below, the rights of NewCo stockholders after the completion of the Reorganization Merger will continue to be governed by the DGCL and common law, and will be governed by the NewCo Certificate of Incorporation and the NewCo Bylaws, which, other than the name of the entity, allowing stockholders to act by written consent, updating the reference to the corporate seal, updating the limitation on liability of certain corporate officers for breach of certain fiduciary duties permitted by the amended DGCL Section 102, removing the expired restrictions associated with net operating losses ("**NOLs**") and built-in losses under Section 382 of the Code and updating certain dates, will be identical to the Restated Certificate of Incorporation and Restated Bylaws of ALJ (the "**ALJ Charters**"). As a result, other than the foregoing items, there will be no substantive difference under the DGCL or the governing documents in the rights of holders of NewCo common stock and ALJ common stock and the descriptions of ALJ capital stock following the Reorganization Merger.

General

The following is a summary of the material provisions of the NewCo Certificate of Incorporation and the NewCo Bylaws, each of which will become effective as of the effective time of the Reorganization Merger pursuant to the Reorganization Agreement. This summary is not complete and is qualified by reference to Delaware statutory and common law and the full texts of such documents, which are attached as Annex B and Annex C, respectively, to this Proxy Statement.

The rights of ALJ stockholders are currently governed by the DGCL, common law, and the ALJ Charters. The rights of NewCo stockholders after the completion of the Reorganization Merger will continue to be governed by the DGCL and common law, and will be governed by the NewCo Certificate of Incorporation and the NewCo Bylaws, which, other than the name of the entity, allowing stockholders to act by written consent, updating the reference to the corporate seal, updating the limitation on liability of certain corporate officers for breach of certain fiduciary duties permitted by the amended DGCL Section 102, removing the expired restrictions associated with NOLs and built-in losses under Section 382 of the Code and updating certain dates, will be identical to the ALJ Charters. As a result, other than the foregoing items, there will be no substantive difference under the DGCL or the governing documents in the rights of holders of NewCo common stock and ALJ common stock.

Upon the completion of the Reorganization Merger, the authorized capital of NewCo will be 1,050,000 shares of common stock, par value $0.01 per share, and 50,000 shares of preferred stock, par value $0.01 per share. All of the shares of NewCo issued and outstanding upon completion of the Reorganization Merger will be fully paid and nonassessable.

Stockholder Action By Written Consent

DGCL Section 228 permits stockholders of a Delaware corporation to take action without a meeting of such stockholders if such action is consented to by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize such action at a stockholder meeting, unless otherwise provided in the corporations' charter. Currently, Article VI of ALJ's Restated Certificate of Incorporation prohibits its stockholders from acting by written consent in lieu of a meeting and any amendment of such Article VI would require the approval of the holders of 80% of the issued and outstanding shares of ALJ common stock.

The NewCo Certificate of Incorporation will provide that its stockholders will be able to take action without a meeting of such stockholders if such action is consented to by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize such action at a stockholder meeting.

Limitation of the Liability of Certain Officers for Breach of Certain Fiduciary Duties

Historically, DGCL Section 102(b)(7) enabled Delaware corporations to limit their directors' personal liability for monetary damages resulting from a breach of the fiduciary duty of care, subject to certain limitations, such as prohibiting exculpation for intentional misconduct or knowing violations of the law. In accordance of the DGCL, ALJ's Amended and Restated Certificate of Incorporation has exculpation provisions for our directors consistent with Section 102(b)(7) of the DGCL. Recently, the Delaware legislature amended Section 102(b)(7) of the DGCL to permit Delaware corporations to provide similar exculpatory protections to their officers, recognizing that both officers and directors owe fiduciary duties to corporations, and yet only directors were protected by the exculpatory provisions.

The NewCo Certificate of Incorporation will provide that the exculpatory provisions will include NewCo's directors as well as officers to the extent permissible by the revised Section 102(b)(7) of the DGCL.

Removing the Expired Restrictions Associated with NOLs and Built-In Losses under Section 382 of the Code

In May 2009, ALJ's Board adopted a shareholder rights plan (the "**Rights Plan**") designed to preserve stockholder value and the value of certain tax assets primarily associated with NOLs and built-in losses under Section 382 of the Code, whereby ALJ amended its certificate of incorporation to add Article IX, which restricts certain transfers of ALJ stock that may result in an ownership change under Section 382 of the Code. The restrictions under Article IX of the ALJ Certificate of Incorporation have expired and are no longer in effect. As such, the NewCo Certificate of Incorporation will not have the corresponding provisions of the Rights Plan.

Reorganization Consideration; Exchange of Certificates

NewCo will engage an exchange agent to handle the exchange of ALJ common stock for the Reorganization Consideration and the payment of cash for any fractional share interest. As promptly as practicable after the effective time of the Reorganization Merger (and in no event more than 10 calendar days after such effective time), the exchange agent will send to each ALJ stockholder that has not yet submitted such ALJ stockholder's stock certificates or noncertificated book entry shares with a completed form of election, a letter of transmittal for use in the exchange with instructions explaining how to surrender ALJ common stock certificates to the exchange agent. ALJ stockholders that surrender their certificates and book entry shares to the exchange agent, together with a properly completed letter of transmittal, will receive the Cash Consideration if such stockholder is not an Accredited Investor or receive the Stock Consideration if such stockholder is an Accredited Investor (subject to a verification procedure required by NewCo). ALJ stockholders that do not exchange their ALJ common stock will not be entitled to receive the Reorganization Consideration or any dividends or other distributions by NewCo until their certificates are surrendered. After surrender of the certificates representing ALJ shares, any unpaid dividends or distributions with respect to NewCo common stock represented by the certificates will be paid without interest.

Transfer Agent

We expect that the transfer agent for NewCo's common stock will be American Stock Transfer & Trust Company.

Exchange Agent

We expect that the exchange agent in connection with the Reorganization Merger will be American Stock Transfer & Trust Company.

VOTE REQUIRED

Approval of the Reorganization Proposal requires the affirmative vote of a majority of the issued and outstanding shares of ALJ stock entitled to vote at the Special Meeting. See "Risk Factors Related to the Reorganization Proposal" beginning on page 5, "Questions and Answers About The Special Meeting" beginning on page 20, and "The Special Meeting" beginning on page 25.

PROPOSAL 2: ADJOURNMENT PROPOSAL

General

If, at the Special Meeting, the number of shares of our common stock, present or represented by proxy at the special meeting and voting in favor of the approval of the Reorganization Proposal is insufficient to approve such proposal under our Certificate of Incorporation and Delaware law, we intend to move to adjourn the special meeting in order to enable our Board of Directors to solicit additional proxies in respect of approval of the Reorganization Proposal (the "**Adjournment Proposal**"). In that event, we will ask its stockholders to vote only upon the Adjournment Proposal, and not upon the Reorganization Proposal.

In the Adjournment Proposal, we are asking you to authorize the holder of any proxy solicited by our Board of Directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the special meeting to another time and place for the purpose of soliciting additional proxies. If the stockholders approve Adjournment Proposal, we could adjourn the special meeting and any adjourned session of the special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from stockholders that have previously voted.

Required Vote

The affirmative vote of a majority of all votes cast at the special meeting is required to approve the Adjournment Proposal, provided that a quorum is present. This means that, of the shares present in person or by proxy at the Special Meeting, a majority must vote in favor of the Adjournment Proposal in order for the Adjournment Proposal to be approved. Abstentions and broker non-votes will have no effect on the determination of the Adjournment Proposal.

Recommendation of our Board of Directors

Our Board of Directors believes that if the number of shares of our common stock present or represented by proxy at the Special Meeting and voting in favor of the approval of the Reorganization Proposal is insufficient to approve such proposal, it is in the best interests of its stockholders to enable us, for a limited period of time, to continue to seek to obtain a sufficient number of additional votes in favor of the approval of the Reorganization Proposal to bring about the approval of the proposal. **Our Board of Directors unanimously recommends that you vote "FOR" the Adjournment Proposal.**

EXPENSES AND SOLICITATION

We will pay the cost of soliciting proxies on behalf of our Board of Directors. Our directors, officers and employees may solicit proxies on our behalf in person or by telephone, facsimile or electronically through the Internet, as described above. We will also reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending our proxy materials to beneficial owners of our common stock as of the record date.

WHERE YOU CAN FIND MORE INFORMATION

The Company's Annual Report for the fiscal year ended September 30, 2022 and Quarterly Report for the fiscal quarter ended December 31, 2022 have been made available on the website of OTC Markets at https://www.otcmarkets.com as well as our website at www.aljregionalholdings.com. The Company's Annual Report and Quarterly Report, as well as any other information on our website, do not constitute, and should not be considered, a part of this Proxy Statement.

INCORPORATION BY REFERENCE

The following documents previously made available to public by ALJ contain important information about us and we incorporate them by reference to this Proxy Statement:

- Our Annual Report for the fiscal year ended September 30, 2022, made available on December 30, 2022; and
- Our Quarterly Report for the fiscal quarter ended December 31, 2022, made available on January 31, 2023.

Any statement contained in any document incorporated by reference into this Proxy Statement shall be deemed to be modified or superseded to the extent that an inconsistent statement is made in this Proxy Statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Proxy Statement. You can obtain any of the documents incorporated by reference above, free of charge, from our website at www.aljregionalholdings.com or from the website of OTC Markets at https://www.otcmarkets.com.

HOUSEHOLDING OF SPECIAL MEETING MATERIALS

Stockholders that share the same address may not receive separate copies of proxy materials, unless we have received contrary instructions from such stockholders. This practice is known as "householding" and is intended to reduce the printing and postage costs associated with mailing duplicative sets of proxy materials to stockholders sharing the same address. If you are receiving multiple sets of our proxy materials and wish to receive only one set in the future, or if you are currently only receiving one set of our proxy materials and wish to receive separate sets of proxy materials for you and the other stockholders sharing your address, please notify us or your bank, broker or other nominee by indicating your preference on the enclosed proxy card or vote instruction form. We will deliver an additional copy of our proxy materials to you, without charge, upon written request sent to our Corporate Secretary, 244 Madison Avenue, PMB #358, New York, NY 10016. Our proxy materials are also available on our website at www.aljregionalholdings.com.

OTHER BUSINESS

No matters other than the Reorganization Proposal and, if necessary, the Adjournment Proposal will be brought for a vote at the special meeting.

THIS PROXY STATEMENT DOES NOT CONSTITUTE THE SOLICITATION OF A PROXY IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM OR FROM WHOM IT IS UNLAWFUL TO MAKE SUCH PROXY SOLICITATION IN THAT JURISDICTION. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROXY STATEMENT TO VOTE YOUR SHARES AT THE SPECIAL MEETING.

WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS PROXY STATEMENT.

THIS PROXY STATEMENT IS DATED APRIL 6, 2023. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROXY STATEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND THE MAILING OF THIS PROXY STATEMENT TO STOCKHOLDERS DOES NOT CREATE ANY IMPLICATION TO THE CONTRARY.

Your vote is very important. Whether or not you plan to attend the special meeting, please sign and date the enclosed proxy card, and return it promptly in the envelope provided. Giving your proxy now will not affect your right to vote in person if you attend the meeting.

If you have questions about this proxy statement, the special meeting, the Reorganization, or voting your shares, please call:

ALJ Regional Holdings, Inc.
244 Madison Avenue, PMB #358
New York, NY 10016
Phone: (888) 486-7775

By Order of the Board of Directors

/s/ Jess M. Ravich

Chief Executive Officer and Chairman of the Board

ANNEX A

Agreement and Plan of Merger

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of April 6, 2023, is made by and between ALJ Regional Holdings, Inc., a Delaware corporation ("ALJ") and ALJ NewCo, Inc., a Delaware corporation ("NewCo").

RECITALS:

WHEREAS, as of the date hereof, the authorized capital stock of ALJ consists of (i) 105,000,000 shares of common stock, par value $0.01 per share (the "ALJ Common Stock"), of which approximately 25,224,748 shares are issued and outstanding, and (ii) 5,000,000 shares of preferred stock, par value $0.01 per share, of which no shares are issued and outstanding;

WHEREAS, as of the date hereof, the authorized capital stock of NewCo consists of (i) 1,050,000 shares of common stock, par value $0.01 per share (the "NewCo Common Stock"), of which no shares are issued and outstanding, and (ii) 50,000 shares of preferred stock, par value $0.01 per share, of which no shares are issued and outstanding;

WHEREAS, NewCo is a newly formed entity organized for the purposes of participating in the transactions herein contemplated;

WHEREAS, the board of directors of each of ALJ and NewCo have each unanimously determined that it is fair to, advisable and in the best interests of their respective companies and stockholders to reorganize ALJ by merging ALJ with and into NewCo, with NewCo being (in the case of ALJ) the surviving entity (the "Surviving Entity"), pursuant to which each outstanding share of ALJ Common Stock will be converted automatically into the right to receive one (1) share of NewCo Common Stock for each one hundred (100) shares of ALJ Common Stock, unless a stockholder is not an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended), in which case such stockholder will be entitled to receive $1.97 per each share of ALJ Common Stock in cash in lieu of NewCo Common Stock;

WHEREAS, pursuant to Section 264 of the General Corporation Law of the State of Delaware (the "DGCL"), the board of directors of each of ALJ and NewCo have unanimously approved and declared the advisability of the Merger (as defined below) and this Agreement;

WHEREAS, the board of directors of ALJ has unanimously determined to recommend to its stockholders the adoption, at the Stockholders' Meeting (as defined below), of this Agreement and the approval of the Merger, subject to the terms and conditions hereof and in accordance with the provisions of the DGCL; and

WHEREAS, for U.S. federal income tax purposes, the parties intend that (i) the Merger qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) this Agreement shall constitute, and hereby adopt this Agreement as, a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g).

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ALJ and NewCo, intending to be legally bound, hereby agree as follows:

1. Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with Section 264 of the DGCL, ALJ shall be merged with and into NewCo (the "Merger"), and, at the Effective Time (as defined below), the separate existence of ALJ shall cease and NewCo shall continue its existence as the Surviving Entity under applicable Delaware law.

2. Effects of the Merger. After satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger, NewCo, which shall be the Surviving Entity, shall file a certificate of merger, substantially in the form attached as Exhibit A hereto, with the Secretary of State of the State of Delaware (the "Certificate of Merger") and make all other filings or recordings required by Delaware law in connection with the Merger. The Merger shall become effective at the time and on the date of the filing of the Certificate of Merger with the Secretary of State of the State of Delaware or such other time, if any, as may be designated in the Certificate of Merger (the "Effective Time"). The

Merger shall have the effects set forth in Section 259 of the DGCL. Without limiting the generality of the foregoing, from and after the Effective Time, the Surviving Entity shall be named as "ALJ Regional Holdings, Inc." and possess all the property, rights, privileges, immunities, powers and franchises and be subject to all of the debts, liabilities, obligations, restrictions, disabilities and duties of ALJ, all as provided under applicable law.

3. Certificate of Incorporation and Bylaws of NewCo. Subject to the terms and conditions of this Agreement, from and after the Effective Time, unless already adopted by the board of directors of NewCo, the certificate of incorporation and the bylaws of the Surviving Entity shall be amended and restated in its entirety in the form attached hereto as Exhibit B and Exhibit C, respectively.

4. Directors and Officers of NewCo. Prior to the Effective Time, ALJ, NewCo agrees to take, or cause to be taken, all such actions as are necessary to cause those persons serving as the directors and executive officers of ALJ immediately prior to the Effective Time to be elected or appointed, immediately following the Effective Time, as the directors and executive officers of NewCo, each such person to have the same office(s) with NewCo (and the same committee memberships in the case of directors) as he or she held with ALJ.

5. Consideration.

(a) Merger Consideration. At the Effective Time, by virtue of the Merger and without further action on the part of NewCo, ALJ or ALJ stockholders, each share of ALJ Common Stock (excluding Dissenting Shares, which shall be treated in the manner set forth in Section 5(e)) issued and outstanding as of immediately prior to the Effective Time shall be cancelled and extinguished and shall be converted automatically into the right to receive, upon the terms set forth in this Section 5 and throughout this Agreement, and subject to the provisions of Sections 5(b), 5(c) and 5(d), (i) one (1) share of NewCo Common Stock for each one hundred (100) shares of ALJ Common Stock (the "Stock Consideration"), unless a stockholder is not an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), an "Accredited Investor"), in which case such stockholder will be entitled to receive (ii) $1.97 per each share of ALJ Common Stock in cash (the "Cash Consideration," and together with the Stock Consideration, the "Merger Consideration") in lieu of the Stock Consideration.

(b) Cash Consideration. Notwithstanding anything to the contrary in this Agreement, in no event shall NewCo be required to issue any shares of NewCo Common Stock to any person that does not provide duly completed and executed Investor Suitability Documentation (as defined below) establishing to the satisfaction of NewCo that shares of NewCo Common Stock may be issued to such person in connection with the Merger and the other transactions pursuant to an exemption from the registration requirements of the Securities Act and other applicable securities laws. To the extent that NewCo is unable, in its sole discretion, to conclude that NewCo Common Stock may be issued to such stockholder in compliance with the Securities Act and other applicable securities laws, including making a determination that such stockholder is an Accredited Investor, NewCo shall be entitled to pay, in lieu of the Stock Consideration otherwise payable pursuant to Section 5(a)(i), an amount in cash equal to the Cash Consideration.

(c) Fractional Shares. For purposes of calculating the aggregate amount of shares of NewCo Common Stock issuable to each shareholder pursuant to Section 5(a)(i), the number of shares of NewCo Common Stock to be issued to each such holder with respect to its shares of ALJ Common Stock shall be aggregated and rounded down to the nearest whole share of NewCo Common Stock. No fraction of a share of NewCo Common Stock will be issued by virtue of the Merger, and such former ALJ shareholders shall not be entitled to any voting rights, rights to receive any dividends or distributions or other rights as a stockholder of NewCo with respect to any fractional shares of NewCo Common Stock that would have otherwise been issued to such former ALJ shareholders. Any ALJ shareholder who would otherwise be entitled to receive a fraction of a share of NewCo Common Stock pursuant to Section 5 shall receive an amount of cash equal to the product of (A) such fraction, multiplied by (B) $197.0, rounded down to the nearest whole cent.

(d) Withholding. Notwithstanding anything to the contrary in this Agreement, ALJ, the Exchange Agent, NewCo, the Surviving Entity or any person acting on their behalf, shall be entitled to deduct and withhold from any amounts payable or otherwise deliverable pursuant to this Agreement to any recipient such amounts as NewCo reasonably determines are required to be deducted and withheld therefrom under any provision of federal, local or foreign tax law or under any legal requirements or applicable orders. To the extent such amounts are so deducted and withheld and are timely remitted to the appropriate governmental entity, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid. Any amounts so deducted and withheld shall be promptly remitted to the applicable tax authority and an applicable document evidencing such withholding and remittance shall be provided to the applicable payee.

(e) Dissenting Stockholders. Notwithstanding any other provision of this Agreement to the contrary, any shares of ALJ Common Stock outstanding immediately prior to the Effective Time and with respect to which the holder thereof has properly demanded appraisal rights in accordance with Section 262 of Delaware Law, and who has not effectively withdrawn or lost such holder's appraisal rights under Delaware Law (collectively, the "Dissenting Shares"), shall not be converted into or represent a right to receive the applicable consideration for shares of ALJ Common Stock set forth in Section 5(a), as applicable, but the holder thereof shall only be entitled to such rights as are provided by Delaware Law. Notwithstanding the provisions of this Section 5(e), if any holder of Dissenting Shares shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's appraisal rights under Delaware Law, then, as of the later of the Effective Time and the occurrence of such event, such holder's shares shall automatically be converted into and represent only the right to receive, upon the terms set forth in this Section 5 and throughout this Agreement, the consideration for shares of ALJ Common Stock set forth in Section 5(a) without interest thereon. ALJ shall give NewCo prompt notice of any written demand for appraisal received by ALJ pursuant to the applicable provisions of Delaware Law and the opportunity to participate in all negotiations and proceedings with respect to such demands.

(f) Securities Law Compliance. No later than ten (10) business days following the Effective Time, NewCo shall use commercially reasonable efforts (including engaging a third-party service) to distribute to each ALJ shareholder who is eligible to receive Stock Consideration (except for those shareholders who has less than one hundred (100) shares of ALJ Common Stock) the documentation, in form and substance reasonably acceptable to NewCo, necessary to determine whether or not such person is an Accredited Investor (collectively, the "Investor Suitability Documentation"). NewCo shall use its commercially reasonable efforts to cause each ALJ shareholder to promptly deliver such Investor Suitability Documentation. For the avoidance of doubt, if a shareholder has not completed and returned Investor Suitability Documentation to NewCo or its agent or representative, NewCo shall have the right under Section 5 to determine that such shareholder is not an Accredited Investor.

6. Exchange.

(a) Exchange Agent. American Stock Transfer & Trust Company, or another person selected by ALJ or NewCo, shall serve as the exchange agent (the "**Exchange Agent**") for the Merger and satisfy withholding and associated reporting obligations in connection with certain payments made pursuant to this Agreement. At the Effective Time, NewCo shall transfer or cause to be transferred to the Exchange Agent, an amount of cash equal to all amounts to be paid in lieu of fractional shares pursuant to Section 5(c) (the "Fractional Share Payment Amount") plus all amounts to be paid for Cash Consideration pursuant to Section 5(a)(ii). The Exchange Agent shall be directed to make payments of Fractional Share Payment Amount and Cash Consideration or other payments as provided in Section 5 of this Agreement.

(b) Exchange Procedures. As soon as reasonably practicable after the Effective Time, NewCo or the Exchange Agent shall mail a letter of transmittal to each shareholder and each other person entitled to receive any Merger Consideration. After delivery to the Exchange Agent of a letter of transmittal and any other documents that NewCo or the Exchange Agent may reasonably require in connection therewith (collectively, the "Exchange Documents"), duly completed and validly executed in accordance with the instructions thereto, NewCo shall cause the Exchange Agent to pay, and, if applicable, shall cause its transfer agent to issue, to each shareholder applicable Merger Consideration and Fractional Share Payment Amount issuable and payable in respect thereto pursuant to Section 5. No portion of the Merger Consideration or Fractional Share Payment, as applicable, will be paid to any person with respect to shares of ALJ Common Stock held thereby until such person shall surrender such validly executed Exchange Documents pursuant hereto.

7. Restrictive Legend. The certificates evidencing shares of NewCo Common Stock issued by NewCo to the shareholders pursuant to Section 5 shall bear the following restrictive legend:

> "THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY U.S. STATE OR OTHER APPLICABLE JURISDICTION'S SECURITIES LAWS. THEY MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO SUCH SECURITIES UNDER THE ACT AND ANY APPLICABLE JURISDICTION'S SECURITIES LAW, OR UNDER AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS."

8. Additional Actions. Subject to the terms of this Agreement, the parties hereto shall take all such reasonable and lawful action as may be necessary or appropriate in order to effectuate the Merger and the other transactions contemplated hereby and to comply with the requirements of the DGCL.

9. Cancellation of the Shares of NewCo; Conversion of the Shares of ALJ. At the Effective Time, by virtue of the Merger and without any action on the part of ALJ or NewCo: (a) each share of NewCo Common Stock issued and outstanding immediately prior to the Effective Time shall be automatically cancelled, retired and shall cease to exist; and (b) each one-hundred (100) shares of ALJ Common Stock issued and outstanding immediately prior to the Effective Time shall be automatically converted into one (1) validly issued, fully paid and nonassessable share of NewCo Common Stock. From and after the Effective Time, holders of certificates formerly evidencing ALJ Common Stock shall cease to have any rights as stockholders of ALJ, except as provided by law.

10. Stock Transfer Books. At the Effective Time, the stock transfer books of ALJ shall be closed and thereafter there shall be no further registration of transfers of shares of ALJ Common Stock theretofore outstanding on the records of ALJ.

11. Assumption of ALJ Awards. At the Effective Time, NewCo shall assume ALJ's Omnibus Equity Incentive Plan (the "ALJ Stock Plan"), and each outstanding (a) option to purchase shares of ALJ Common Stock (each, a "ALJ Option") and (b) restricted share award for shares of ALJ Common Stock (each, an "ALJ RSU," and collectively with the ALJ Options, the "ALJ Awards"), in each case, then outstanding under the ALJ Stock Plan, whether or not then exercisable. The ALJ Awards will be adjusted in accordance with the provisions of the ALJ Stock Plan, as described in this Section 11, and each ALJ Award so adjusted and assumed by NewCo under this Agreement will continue to have, and be subject to, the same terms and conditions as set forth in the applicable ALJ Stock Plan and any award agreements thereunder immediately prior to the Effective Time (including, without limitation, the vesting schedule (without acceleration thereof by virtue of the Merger and the other transactions contemplated hereby) and per share exercise price, as applicable), except that each such ALJ Award will be adjusted such that it will be exercisable (or will become exercisable in accordance with its terms) for, or shall be denominated with reference to, one share (1) of NewCo Common Stock per each one-hundred (100) shares of ALJ Common Stock that were subject to such ALJ Award immediately prior to the Effective Time.

12. Assignment and Assumption of Agreements. Effective as of the Effective Time and consistent with the requirements of Section 11, ALJ hereby assigns to NewCo, and NewCo hereby assumes and agrees to perform, all obligations of ALJ pursuant to the ALJ Stock Plan and the award agreements with respect to outstanding ALJ Awards granted thereunder. ALJ and NewCo will take, or cause to be taken, all actions necessary or desirable to implement the assumption by NewCo of the ALJ Stock Plan, each award agreement entered into pursuant thereto, and each ALJ Award granted thereunder, all to the extent deemed appropriate by ALJ and NewCo and permitted under applicable law. On or prior to the Effective Time, NewCo will reserve sufficient shares of NewCo Common Stock to provide for the issuance of NewCo Common Stock upon exercise of the ALJ Awards outstanding under the ALJ Stock Plan.

13. Proxy. Following the execution of this Agreement, ALJ shall prepare and distribute to its stockholders a proxy statement relating to the Stockholders' Meeting (as defined below) (together with any amendments thereof or supplements thereto, the "Proxy Statement").

14. Meeting of ALJ Stockholders. ALJ shall take all action necessary in accordance with the DGCL and ALJ's amended and restated certificate of incorporation and bylaws (together, the "ALJ Charter Documents"), to call, hold and convene a meeting of its stockholders to consider the adoption of this Agreement (the "Stockholders' Meeting").

15. Conditions Precedent. The obligations of the parties to this Agreement to consummate the Merger and the transactions contemplated by this Agreement shall be subject to fulfillment or waiver by the parties hereto at or prior to the Effective Time of each of the following conditions:

(a) There is no order or proceeding that would suspend or prohibit the issuance of NewCo Common Stock to be issued in the Merger;

(b) This Agreement and the Merger shall have been approved by the requisite affirmative vote of the stockholders of ALJ at the Stockholders' Meeting in accordance with the DGCL and the ALJ Charter Documents; and

(c) No order, statute, rule, regulation, executive order, injunction, stay, decree, judgment or restraining order that is in effect shall have been enacted, entered, promulgated or enforced by any court or governmental or regulatory authority or instrumentality that prohibits or makes illegal the consummation of the Merger or the transactions contemplated hereby.

16. Amendment and Modification. At any time prior to the Effective Time, this Agreement may be amended or modified, to the fullest extent permitted by applicable law, by an agreement in writing duly approved by the parties hereto.

17. Termination. At any time prior to the Effective Time, this Agreement may be terminated and the Merger contemplated hereby may be abandoned by ALJ if ALJ should determine that for any reason the completion of the transactions provided for herein would not be fair to, would be inadvisable or would not be in the best interest of ALJ or its stockholders. In the event of such termination and abandonment, this Agreement shall become null and void and none of ALJ, NewCo, their respective stockholders, directors or officers shall have any liability with respect to such termination and abandonment.

18. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written or oral, among the parties hereto with respect to the subject matter hereof.

19. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles thereof.

20. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

21. Headings. The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

22. Severability of Provisions. If any term or other provision of this Agreement is declared invalid, illegal or incapable of being enforced by a court of competent jurisdiction otherwise becomes invalid, illegal or unenforceable in any respect, in whole or in part, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. Notwithstanding the foregoing, if such provision (or portion thereof) could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be deemed to be so narrowly drawn, without invalidating any of the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

23. Counterparts. This Agreement may be executed in any number of counterparts, and delivered by facsimile, .pdf or other similar electronic transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

24. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of, and be enforceable by, only the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other entity or person any right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized persons as of the date first above written.

ALJ Regional Holdings, Inc.:

By: _____

Name:
Title:

ALJ NewCo, Inc.:

By: _____

Name:
Title:

Exhibit A
Certificate of Merger

STATE OF DELAWARE
CERTIFICATE OF MERGER OF
DOMESTIC CORPORATIONS

[ ], 2023

Pursuant to Title 8, Section 251(c) of the Delaware General Corporation Law, the undersigned corporation executed the following Certificate of Merger:

FIRST: The name of the surviving corporation is ALJ NewCo, Inc., a Delaware corporation (the "**Surviving Corporation**"), and the name of the corporation being merged into this surviving corporation is ALJ Regional Holdings, Inc. ("**ALJ**"), a Delaware corporation.

SECOND: The Agreement and Plan of Merger, dated as of April 6, 2023 (the "**Merger Agreement**"), by and between the Surviving Corporation and ALJ has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations accordance with Section 251 of the Delaware General Corporation Law.

THIRD: The name of the surviving corporation is ALJ NewCo, Inc., a Delaware corporation.

FOURTH: The certificate of incorporation of the surviving corporation shall be its certificate of incorporation.

FIFTH: The merger shall be effective upon the filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

SIXTH: The Merger Agreement is on file at 244 Madison Avenue, PMB #358, New York, NY 10016, the place of business of the Surviving Corporation.

SEVENTH: A copy of the Merger Agreement will be furnished by the Surviving Corporation on request, without cost, to any stockholder of the constituent corporations.

[*Signature page follows*]

IN WITNESS WHEREOF, the Surviving Corporation has caused this Certificate of Merger to be signed by an authorized officer on the date first written above.

ALJ NEWCO, INC.

By: _____
Name: Jess Ravich
Title: Chief Executive Officer

Exhibit B
Form of Certificate of Incorporation

(See Annex B)

Exhibit C
Form of Bylaws

(See Annex C)

ANNEX B

NewCo Amended and Restated Certificate of Incorporation

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF

ALJ NEWCO, INC.

ARTICLE I

The name of the corporation is ALJ NewCo, Inc. (the "***Corporation***").

ARTICLE II

The registered office of the Corporation in the State of Delaware is to be located at 251 Little Falls Drive, in the City of Wilmington, County of New Castle, Delaware 19808. The name of its registered agent at that address is Corporation Service Company.

ARTICLE III

The purpose for which the Corporation is formed is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "***DGCL***").

ARTICLE IV

The Corporation is authorized to issue two classes of capital stock to be designated, respectively, "common stock" and "preferred stock." The total number of shares of capital stock the Corporation shall have authority to issue is One Million One Hundred Thousand (1,100,000) shares. One Million Fifty Thousand (1,050,000) shares shall be common stock, $0.01 par value per share (the "***Common Stock***"), and Fifty Thousand (50,000) shares shall be preferred stock, $0.01 par value per share (the "***Preferred Stock***"). The Board of Directors may authorize, without further stockholder approval, the issuance from time to time of the preferred stock in one or more series with such designations and such powers, preferences and rights, and such qualifications, limitations, or restrictions (which may differ with respect to each series) as the Board of Directors may fix by resolution. Shares of capital stock of the Corporation may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the Board of Directors, and shares issued for such consideration shall be fully paid and nonassessable.

ARTICLE V

Action required or permitted to be taken at a meeting of the stockholders of the Corporation may be taken by consent or consents in writing in lieu of meeting in accordance with the DGCL.

ARTICLE VI

6.1 The Board. The Board of Directors shall be not fewer than three, unless otherwise determined by the Board of Directors. Upon the filing of this Amended and Restated Certificate of Incorporation (the "***Effective Date***"), each director shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders. All directors shall hold office until the expiration of the term for which such director was elected, and until his or her respective successor is elected, except in the case of the death, resignation, or removal of any director.

6.2 General. Nominations of persons for election to the Board of Directors may be made at an annual meeting of stockholders or special meeting of stockholders called by the Board of Directors for the purpose of electing directors. Nominations may be made only (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation entitled to vote for the election of directors at such meeting who complies with the notice procedures set forth in this Section 6.2 of Article VI. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made

pursuant to timely notice in writing to the secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not fewer than 50 days or more than 80 days prior to the scheduled date of the stockholders' meeting, regardless of any postponement, deferral or adjournment of that meeting to a later date; provided, however, that, if fewer than 60 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so delivered or mailed and received not later than the close of business on the tenth day following the earlier of (x) the day on which such notice of the date of the meeting was mailed or (y) the day on which such public disclosure was made.

6.3 Notice. A stockholder's notice to the secretary shall set forth: (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of the Corporation beneficially owned by such person on the date of such stockholder's notice and (iv) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities & Exchange Act of 1934 or any successor statute (the "***Exchange Act***"), including, without limitation, such person's written consent to be named in the proxy statement as a nominee and to serve as a director if elected; (b) as to the stockholder giving notice, (i) the name and address, as such information appears on the Corporation's books, of such stockholder and any other stockholders known by such stockholder to be supporting such nominee(s), (ii) the class and number of shares of the Corporation beneficially owned by such stockholder and each other stockholder known by such stockholder to be supporting such nominee(s) on the date of such stockholder notice and (iii) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; and (c) a description of all arrangements or understandings between the stockholder and each nominee and other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder.

6.4 Determinations. No person shall be eligible for election as a director of the Corporation, unless nominated in accordance with the procedures set forth in this Article VI. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by this Article VI, and, if the chairman of the meeting should so determine, he/she shall so declare to the meeting and the defective nomination shall be disregarded.

6.5 Amendment or Repeal of Article VI. The stockholders of the Corporation owning 80% of the outstanding shares of Common Stock may, by a vote of stockholders present, in person or by proxy, at a meeting in which a quorum is present, amend or repeal this Article VI. The stockholders of the Corporation may not otherwise amend or repeal this Article VI.

ARTICLE VII

To the fullest extent permitted by law, no director or officer of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, as applicable, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended unless a director or officer, as applicable, violated his or her duty of loyalty to the Corporation or its stockholders, acted in bad faith, knowingly or intentionally violated the law, authorized unlawful payments of dividends, unlawful stock purchases or unlawful redemptions, or derived improper benefit from its actions as a director or officer, as applicable. Without limiting the effect of the preceding sentence, if the DGCL is hereafter amended to authorize the further elimination or limitation of the liability of directors or officers, then the liability of directors or officers of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Notwithstanding any such amendment to the DGCL, the liability of an officer or a director in any action by or in the right of the Corporation shall not be eliminated or limited by this Article VII. Any amendment, modification or repeal of the foregoing sentence shall not

adversely affect any right or protection of a director or officer, as applicable, of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification, or repeal.

To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers, employees and other agents of the Corporation (and any other persons to which applicable law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise in excess of the indemnification and advancement otherwise permitted by such applicable law. If applicable law is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Corporation shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII

The directors of the Corporation may, by a vote of a majority of directors present at a meeting in which a quorum is present, adopt, amend or repeal any Bylaw. The stockholders of the Corporation owning 80% of the outstanding shares of Common Stock may, by a vote of stockholders present, in person or by proxy, at a meeting in which a quorum is present, adopt, amend or repeal any Bylaw. The stockholders of the Corporation may not otherwise adopt, amend or repeal any Bylaw.

This Amended and Restated Certificate of Incorporation shall be effective on and as of the date of filing this Amended and Restated Certificate of Incorporation with the office of the Secretary of State of the State of Delaware.

* * *

ANNEX C

NewCo Bylaws

BYLAWS

OF

ALJ NEWCO, INC.

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BYLAWS

OF

ALJ NEWCO, INC.

ARTICLE I

OFFICES

Section 1.01. Registered Office. The registered office of ALJ NewCo, Inc. (the "Corporation") in the State of Delaware shall be at the office of Corporation Service Company, 251 Little Falls Drive, in the City of Wilmington, County of New Castle, Delaware 19808, and the registered agent in charge thereof shall be Corporation Service Company.

Section 1.02. Other Offices. The Corporation may also have an office or offices at any other place or places within or without the State of Delaware as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may from time to time require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.01. Annual Meetings. The annual meeting of stockholders of the Corporation for the election of directors of the Corporation, and for the transaction of such other business as may properly come before such meeting, shall be held at such place, date and time as shall be fixed by the Board and designated in the notice or waiver of notice of such annual meeting; provided, however, that no annual meeting of stockholders need be held if all actions, including the election of directors, required by the General Corporation Law of the State of Delaware (the "General Corporation Law") to be taken at such annual meeting are taken by written consent in lieu of meeting pursuant to Section 2.11 hereof.

Section 2.02. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called by the Board or the Chairman of the Board, the President or the Secretary of the Corporation or by the recordholders of at least a majority of the shares of common stock of the Corporation issued and outstanding and entitled to vote thereat, to be held at such place, date and time as shall be designated in the notice or waiver of notice thereof.

Section 2.03. Place of Meetings. Meetings of the stockholders of the Corporation may be held at such a place, either within or without the State of Delaware, as may be determined from time to time by the Board. The Board may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the General Corporation Law.

Section 2.04. Notice of Meetings. (a) Except as otherwise provided by law, written notice of each annual or special meeting of stockholders stating the place, date and time of such meeting and, in the case of a special meeting, the purpose or purposes for which such meeting is to be held, shall be given personally, by first-class (airmail in the case of international communications), certified or

registered mail, return receipt requested, facsimile or other form of electronic transmission to each recordholder of shares entitled to vote thereat, not less than 10 nor more than 60 days before the date of such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears in the records of the Corporation. If, prior to the time of mailing, the Secretary of the Corporation (the "Secretary") shall have received from any stockholder a written request that notices intended for such stockholder are to be mailed to some address other than the address that appears in the records of the Corporation, notices intended for such stockholder shall be mailed to the address designated in such request.

(b) Notice of a special meeting of stockholders may be given by the person or persons calling the meeting, or, upon the written request of such person or persons, such notice shall be given by the Secretary on behalf of such person or persons. If the person or persons calling a special meeting of stockholders give notice thereof, such person or persons shall deliver a copy of such notice to the Secretary. Each request to the Secretary for the giving of notice of a special meeting of stockholders shall state the purpose or purposes of such meeting.

Section 2.05. Waiver of Notice. Notice of any annual or special meeting of stockholders need not be given to any stockholder who files a written waiver of notice with the Secretary, signed by the person entitled to notice, whether before or after such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of stockholders need be specified in any written waiver of notice thereof. Attendance of a stockholder at a meeting, in person or by proxy, shall constitute a waiver of notice of such meeting, except when such stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the notice of such meeting was inadequate or improperly given. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 2.06. Adjournments. Whenever a meeting of stockholders, annual or special, is adjourned to another date, time or place, notice need not be given of the adjourned meeting if the date, time and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote thereat. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 2.07. Quorum. Except as otherwise provided by law or the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") or these Bylaws, the recordholders of a majority of the shares entitled to vote thereat, present in person, by remote communication or by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders, whether annual or special. If, however, such quorum shall not be present in person or by proxy at any meeting of stockholders, the chairman of the meeting or the stockholders present and entitled to vote thereat may, by the vote of the recordholders of a majority of the shares held by such present stockholders, adjourn the meeting from time to time in accordance with Section 2.06 hereof until a quorum shall be present in person or by proxy.

Section 2.08. Voting. Unless otherwise provided by the General Corporation Law or in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Except as otherwise provided by law or the Certificate of Incorporation or these Bylaws, when a quorum is present at any meeting of stockholders, the vote of the recordholders of a majority of the shares constituting such quorum shall decide any question brought before such meeting,

except that, where a separate vote by a class or series of classes of shares is required, a quorum shall consist of no less than a majority of the voting power of all outstanding shares of stock of such class or series of classes, as applicable.

Section 2.09. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express, in writing or by electronic transmission, consent to or dissent from any action of stockholders without a meeting may authorize another person or persons to act for such stockholder by proxy. Such proxy shall be filed with the Secretary before such meeting of stockholders or such action of stockholders without a meeting, at such time as the Board may require. No proxy shall be voted or acted upon more than three years from its date, unless the proxy provides for a longer period.

Section 2.10. Joint Owner of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or the order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each fraction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in General Corporation Law, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of General Corporation Law, Section 217(b)(3) shall be a majority or an even-split in interest.

Section 2.11. Stockholders' Consent in Lieu of Meeting.

(a) Any action required by the General Corporation Law to be taken at any annual or special meeting of stockholders, and any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the recordholders of shares having not less than the minimum number of votes necessary to authorize or take such action at a meeting at which the recordholders of all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation in the manner herein required, written consent or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business or any officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the Corporation as provided in Section 228(c) of the General Corporation Law. If the action which is consented to is such as would require the filing of a certificate under any section of the General Corporation Law if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall

state, in lieu of any statement required by such section concerning any vote of the stockholders, that written consent has been given in accordance with Section 228 of the General Corporation Law.

(d) An electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such electronic transmission sets forth or is delivered with information from which the Corporation can determine (i) that the electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such electronic transmission. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. Consents given by electronic transmission may be otherwise delivered to the principal place of business of the Corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of Stockholders are recorded if, to the extent and in the manner provided by resolution of the Corporation's Board. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. General Powers. The business and affairs of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these Bylaws directed or required to be exercised or done by stockholders.

Section 3.02. Number and Term of Office. The number of authorized directors shall be fixed from time to time by the Board. Directors need not be stockholders. Directors shall be elected at the annual meeting of stockholders or, if, in accordance with Section 2.01 hereof, no such annual meeting is held, by written consent in lieu of meeting pursuant to Section 2.11 hereof, and each director shall hold office until such director's successor is elected and qualified, or until such director's earlier death or resignation or removal in the manner hereinafter provided.

Section 3.03. Resignation. Any director may resign at any time by giving notice in written or by electronic transmission to the Board, the Chairman of the Board of the Corporation (the "Chairman") or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time is not specified, upon receipt thereof by the Board, the Chairman or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

Section 3.04. Removal. Any or all of the directors may be removed, with or without cause, at any time by vote of the recordholders of a majority of the shares then entitled to vote at an election of directors, or by written consent of the recordholders of shares pursuant to Section 2.11 hereof.

Section 3.05. Vacancies. Except as otherwise provided in the Certificate of Incorporation, vacancies occurring on the Board as a result of the removal of directors pursuant to Section 3.04 hereof may be filled only by vote of the recordholders of a majority of the shares then entitled to vote at an election of directors, or by written consent of such recordholders pursuant to Section 2.11 hereof. Vacancies occurring on the Board for any other reason, including, without limitation, vacancies occurring as a result of the creation of new directorships that increase the number of directors, may be

filled by such vote or written consent or by vote of the Board or by written consent of the directors pursuant to Section 3.08 hereof. If the number of directors then in office is less than a quorum, such other vacancies may be filled by vote of a majority of the directors then in office or by written consent of such directors pursuant to Section 3.08 hereof. Unless earlier removed pursuant to Section 3.04 hereof, each director chosen in accordance with this Section 3.05 shall hold office until the next annual election of directors by the stockholders and until such director's successor shall be elected and qualified.

Section 3.06. Meetings. (a) Annual Meetings. Unless otherwise provided by the Certificate of Incorporation, as soon as practicable after each annual election of directors by the stockholders, the Board shall meet for the purpose of organization and the transaction of other business, unless it shall have transacted all such business by written consent pursuant to Section 3.08 hereof.

(b) Other Meetings. Other meetings of the Board shall be held at such times as the Chairman, the CEO, the Secretary or a majority of the Board shall from time to time determine.

(c) Notice of Meetings. The Secretary shall give notice in writing or by electronic transmission to each director of each meeting of the Board, which notice shall state the place, date, time and purpose of such meeting. Notice of each such meeting shall be given to each director, if by mail, addressed to him or her at his or her residence or usual place of business, at least two days before the day on which such meeting is to be held, or shall be sent to him or her at such place by electronic transmission or other form of recorded communication, or be delivered personally or by telephone (including a voice messaging system or other systems or technology designed to record and communicate messages) not later than the day before the day on which such meeting is to be held. A written waiver of notice or a waiver by electronic transmission, signed by the director entitled to notice, whether before or after the time of the meeting referred to in such waiver, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of any meeting of the Board need be specified in any written waiver of notice thereof. All such waivers shall be filed with the corporate records or made part of the minutes of the meeting. Attendance of a director at a meeting of the Board shall constitute a waiver of notice of such meeting, except as provided by law.

(d) Place of Meetings. The Board may hold its meetings at such place or places within or without the State of Delaware as the Board or the Chairman may from time to time determine, or as shall be designated in the respective notices or waivers of notice of such meetings.

(e) Quorum and Manner of Acting. A number of directors equal to one-third of the total number of directorships, including vacancies (but in no event less than two if the total number of directorships, including vacancies, is two or more) shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of those directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board, except as otherwise expressly required by law, the Certificate of Incorporation or these Bylaws. In the absence of a quorum for any such meeting, a majority of the directors present thereat may adjourn such meeting from time to time until a quorum shall be present.

(f) Organization. At each meeting of the Board, one of the following shall act as chairman of the meeting and preside, in the following order of precedence:

1) the Chairman;

2) the CEO;

3) any director chosen by a majority of the directors present.

The Secretary or, in the case of the Secretary's absence, any person (who shall be an Assistant Secretary, if an Assistant Secretary is present) whom the chairman of the meeting shall appoint shall act as secretary of such meeting and keep the minutes thereof.

Section 3.07. Committees of the Board. The Board may designate one or more committees, each committee to consist of one or more directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board designating such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation; but no such committee shall have the power or authority in reference to the following matter: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporation Law to be submitted to the stockholders for approval or (ii) adopting, amending or repealing any bylaw of the Company.

Section 3.08. Directors' Consent in Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, without prior notice and without a vote, if a consent in writing or electronic transmission, setting forth the action so taken, shall be signed by all the members of the Board or such committee and such consent is filed with the minutes of the proceedings of the Board or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.09. Action by Means of Telephone or Similar Communications Equipment. Any one or more members of the Board, or of any committee thereof, may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

Section 3.10. Compensation. Unless otherwise restricted by the Certificate of Incorporation, the Board may determine the compensation of directors. In addition, as determined by the Board, directors may be reimbursed by the Corporation for their expenses, if any, in the performance of their duties as directors. No such compensation or reimbursement shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

OFFICERS

Section 4.01. Officers. The officers of the Corporation shall be the Chairman, the CEO, the President, the Secretary, and the CFO, all of which shall be chosen by the Board. In addition, the Board may appoint such other officers as may be deemed expedient for the proper conduct of the business of the Corporation, each of whom shall have such authority and perform such duties as the Board may from time to time determine.

Section 4.02. Inability to Act. In the case of absence or inability to act of any officer of the Corporation and of any person herein authorized to act in his or her place, the Board may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may select.

Section 4.03. Authority and Duties. All officers shall have such authority and perform such duties in the management of the Corporation as may be provided in these Bylaws or, to the extent not so provided, by resolution of the Board. The Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 4.04. Term of Office, Resignation and Removal. (a) Each officer shall be appointed by the Board and shall hold office for such term as may be determined by the Board. Each officer shall hold office until such officer's successor has been appointed and qualified or such officer's earlier death or resignation or removal in the manner hereinafter provided. The Board may require any officer to give security for the faithful performance of such officer's duties.

(b) Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board, the Chairman, the CEO or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board, the Chairman, the CEO or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

(c) All officers and agents appointed by the Board shall be subject to removal, with or without cause, at any time by the Board or by the action of the recordholders of a majority of the shares entitled to vote thereon.

Section 4.05. Vacancies. Any vacancy occurring in any office of the Corporation, for any reason, shall be filled by action of the Board. Unless earlier removed pursuant to Section 4.04 hereof, any officer appointed by the Board to fill any such vacancy shall serve only until such time as the unexpired term of such officer's predecessor expires unless reappointed by the Board.

Section 4.06. The Chairman. The Chairman shall have the power to call special meetings of stockholders, to call special meetings of the Board and, if present, to preside at all meetings of stockholders and all meetings of the Board. The Chairman shall perform all duties incident to the office of Chairman of the Board and all such other duties as may from time to time be assigned to the Chairman by the Board or these Bylaws. If no CEO is appointed, then the Chairman shall also serve as the CEO of the Corporation and shall have the powers and duties described in Section 4.07 hereof.

Section 4.07. The Chief Executive Officer . The Chief Executive Officer ("CEO") shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation, unless otherwise provided by the Board. Unless a separate Chairman of the Board has been appointed and is present, the CEO shall preside at all meetings of the stockholders and, if a director, of the Board and shall see that orders and resolutions of the Board are carried into effect. The CEO may sign bonds, mortgages, certificates for shares, and all other contracts and documents, whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board, or by these Bylaws to some other officer or agent of the Corporation. The CEO shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation, and his or her decision as to any matter affecting the Corporation shall be final and binding as between the officers of the Corporation subject only to the Board. The CEO shall perform other duties commonly incident to such office and shall also perform such other duties and have such other powers as the Board shall designate from time to time.

Section 4.08. The President. In the absence of the CEO or in the event of his or her inability or refusal to act, or if another individual has not been designated CEO, the President shall perform the duties of the CEO, and when so acting, shall have all the powers of and be subject to all the restrictions upon the CEO. At all other times, the President shall have the active management of the business of the Corporation under the general supervision of the CEO. The President shall have concurrent power with the CEO to sign bonds, mortgages, certificates for shares, and other contracts and documents, whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board, or by these Bylaws to some other officer or agent of the Corporation. In general, the President shall perform all duties commonly incident to such office and such other duties as the CEO or the Board may from time to time prescribe

Section 4.09. Vice Presidents. Vice Presidents, if any, in order of their seniority or in any other order determined by the Board, shall generally assist the CEO and perform such other duties as the Board or the CEO shall prescribe, and in the absence or disability of the CEO, shall perform the duties and exercise the powers of the CEO.

Section 4.10. The Chief Financial Officer. The Chief Financial Officer ("CFO"), shall have general management and control of the funds of the Corporation, and shall have the care and custody of all the funds of the Corporation and shall deposit such funds in such banks or other depositories as the Board, or any officer or officers, or any officer and agent jointly, duly authorized by the Board, shall, from time to time, direct or approve. He or she shall disburse the funds of the Corporation under the direction of the Board and the CEO. He or she shall keep a full and accurate account of all moneys received and paid on account of the Corporation and shall render a statement of his or her accounts whenever the Board, the Chairman or the CEO shall so request. He or she shall perform all other necessary actions and duties in connection with the administration of the financial affairs of the Corporation and shall generally perform all the duties usually appertaining to the offices of chief financial officer or treasurer of a company and all such other duties as may from time to time be assigned to him or her by the Board or these Bylaws. When required by the Board, he or she shall give bonds for the faithful discharge of his or her duties in such sums and with such sureties as the Board shall approve.

Section 4.11. The Secretary. The Secretary shall, to the extent practicable, attend all meetings of the Board and all meetings of stockholders and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform the same duties for any committee of the Board when so requested by such committee. He or she shall give or cause to be given notice of all meetings of stockholders and of the Board, shall perform such other duties as may be prescribed by the Board, the Chairman or the CEO and shall act under the supervision of the Chairman. He or she shall keep in safe custody the certificate books and stockholder records and such other books and records of the Corporation as the Board, the Chairman or the CEO may direct and shall perform all other duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board, the Chairman or the CEO.

Section 4.12. Compensation. The compensation of the officers shall be fixed from time to time by the Board and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the Corporation.

Section 4.13. Officers Holding More Than One Office. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

ARTICLE V

CHECKS, DRAFTS, NOTES, AND PROXIES

Section 5.01. Checks, Drafts and Notes. All checks, drafts and other orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be determined, from time to time, by resolution of the Board.

Section 5.02. Execution of Proxies. The Chairman or the CEO, or, in the absence or disability of both of them, any Vice President may authorize, from time to time, the execution and issuance of proxies to vote shares of stock or other securities of other corporations held of record by the Corporation and the execution of consents to action taken or to be taken by any such corporation. All such proxies and consents, unless otherwise authorized by the Board, shall be signed in the name of the Corporation by the Chairman, the President or any Vice President.

ARTICLE VI

SHARES AND TRANSFERS OF SHARES

Section 6.01. Certificates Evidencing Shares. Shares shall be evidenced by certificates in such form or forms as shall be approved by the Board. Certificates shall be issued in consecutive order and shall be numbered in the order of their issue, and shall be signed by the Chairman, the CEO or any Vice President and by the Secretary or the CFO. Any or all signatures on the certificate may be by facsimile. In the event any such officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to hold such office or to be employed by the Corporation before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such officer had held such office on the date of issue.

Section 6.02. Stock Ledger. A stock ledger in one or more counterparts shall be kept by the Secretary, in which shall be recorded the name and address of each person, corporation or other entity owning the shares evidenced by each certificate evidencing shares issued by the Corporation, the number of shares evidenced by each such certificate, the date of issuance thereof and, in the case of cancellation, the date of cancellation. Except as otherwise expressly required by law, the person in whose name shares stand on the stock ledger of the Corporation shall be deemed the owner and recordholder of such shares for all purposes.

Section 6.03. Transfers of Shares. Registration of transfers of shares shall be made only in the stock ledger of the Corporation upon request of the registered holder of such shares, or of his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, and upon the surrender of the certificate or certificates evidencing such shares properly endorsed or accompanied by a stock power duly executed, together with such proof of the authenticity of signatures as the Corporation may reasonably require.

Section 6.04. Addresses of Stockholders. Each stockholder shall designate to the Secretary an address at which notices of meetings and all other corporate notices may be served or mailed to such stockholder, and, if any stockholder shall fail to so designate such an address, corporate notices may be served upon such stockholder by mail directed to the mailing address, if any, as the same appears in the stock ledger of the Corporation or at the last known mailing address of such stockholder.

Section 6.05. Lost, Destroyed and Mutilated Certificates. Each recordholder of shares shall promptly notify the Corporation of any loss, destruction or mutilation of any certificate or certificates evidencing any share or shares of which such recordholder is the recordholder. The Board may, in its discretion, cause the Corporation to issue a new certificate in place of any certificate theretofore issued by it and alleged to have been mutilated, lost, stolen or destroyed, upon the surrender of the mutilated certificate or, in the case of loss, theft or destruction of the certificate, upon satisfactory proof of such loss, theft or destruction, and the Board may, in its discretion, require the recordholder of the shares evidenced by the lost, stolen or destroyed certificate or such recordholder's legal representative to give the Corporation a bond sufficient to indemnify the Corporation against any claim made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 6.06. Regulations. The Board may make such other rules and regulations as it may deem expedient, not inconsistent with these Bylaws, concerning the issue, transfer and registration of certificates evidencing shares.

Section 6.07. Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to, or to dissent from, corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other such action. A determination of the stockholders entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

ARTICLE VII

SEAL

Section 7.01. Seal. The Board may approve and adopt a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation, the year of its incorporation and the words "Corporate Seal Delaware".

ARTICLE VIII

FISCAL YEAR

Section 8.01. Fiscal Year. The fiscal year of the Corporation shall end on the thirty-first day of December of each year unless changed by resolution of the Board.

ARTICLE IX

INDEMNIFICATION AND INSURANCE

Section 9.01. Indemnification. (a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that the person is or was a director, officer, employee or

agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.01(a) and (b) of these Bylaws, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under Section 9.01(a) and (b) of these Bylaws (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in Section 9.01(a) and (b) of these Bylaws. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination: (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum; (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (iv) by the stockholders of the Corporation.

(e) Expenses (including attorneys' fees) incurred by an officer or director of the Corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation pursuant to this Article IX. Such expenses (including attorneys' fees) incurred by former directors and officers or

other employees and agents of the Corporation or by persons serving at the request of the Corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

(g) For purposes of this Article IX, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article IX with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(h) For purposes of this Article IX, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article IX.

(i) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 9.02. Insurance for Indemnification. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under Section 145 of the General Corporation Law.

Section 9.03. Saving Clause. If this Article IX or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director and officer to the fullest extent not prohibited by any applicable portion of this Article IX that shall not have been invalidated, or by any other applicable law. If this Article IX shall be invalidated due to the application of the indemnification provisions of another jurisdiction, then the Corporation shall indemnify each director and officer to the fullest extent under applicable law.

ARTICLE X

AMENDMENTS

Section 10.01. Amendments. Except as provided in the Certificate of Incorporation, any Bylaw (including these Bylaws) may be altered, amended or repealed by the vote of the recordholders of a majority of the shares then entitled to vote at an election of directors or by written consent of stockholders pursuant to Section 2.11 hereof, or by vote of the Board or by a written consent of directors pursuant to Section 3.08 hereof.