

**UNITED STATES  
SECURITIES & EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2021

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_ to \_\_\_

Commission File No. 333-73996

**Morgan Group Holding Co.**

(Exact name of Registrant as specified in its charter)

Delaware

(State of other jurisdiction of incorporation or organization)

13-4196940

(I.R.S. Employer Identification No.)

401 Theodore Fremd Avenue, Rye, NY

(Address of principle executive offices)

10580

(Zip Code)

(914) 921-5216

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	MGHL	OTC Pink®

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the Registrant's classes of Common Stock, as of the latest practical date.

Class  
Common Stock, \$0.01 par value

Outstanding at April 30, 2021  
600,090

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**MORGAN GROUP HOLDING CO. AND SUBSIDIARY**

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\* Items other than those listed above have been omitted because they are not applicable.

**MORGAN GROUP HOLDING CO. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**  
**UNAUDITED**

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,919,365	\$ 4,746,403
Receivables from brokers and clearing organizations	107,310	66,211
Receivables from affiliates	117,010	62,514
Deposits with clearing organizations	200,000	200,000
Income taxes receivable (including deferred tax asset of \$0 and \$0, respectively)	273,735	273,735
Fixed assets, net of accumulated depreciation of \$43, 782 and \$40,956, respectively	31,090	33,915
Other assets	<u>232,226</u>	<u>220,799</u>
Total assets	<u>\$ 4,880,736</u>	<u>\$ 5,603,577</u>
<b>LIABILITIES AND EQUITY</b>		
Compensation payable	\$ 227,415	\$ 455,492
Payable to affiliates	17,572	29,376
Income tax payable	46,850	46,850
Accrued expenses and other liabilities	<u>543,989</u>	<u>464,554</u>
Total liabilities	<u>835,826</u>	<u>996,272</u>
Commitments and contingencies (Note 9)	-	-
Equity		
Common stock, \$0.01 par value; 100,000,000 shares authorized and 600,090 shares issued and outstanding	6,001	6,001

Additional paid-in capital		
.....	53,886,180	53,886,180
Accumulated deficit		
.....	<u>(49,847,271)</u>	<u>(49,284,876)</u>
Total equity		
.....	<u>4,044,910</u>	<u>4,607,305</u>
Total liabilities and equity		
.....	<u>\$ 4,880,736</u>	<u>\$ 5,603,577</u>

See accompanying notes.

**MORGAN GROUP HOLDING CO. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**UNAUDITED**

	<u>Three Months Ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenues		
Commissions		
.....	\$ 655,608	\$ 1,038,943
Principal transactions		
.....	(3,256)	(903)
Dividends and interest		
.....	8,985	36,256
Underwriting fees		
.....	6,311	30,488
Sales manager fees		
.....	-	334,825
Other revenues		
.....	<u>10,453</u>	<u>3,107</u>
Total revenues		
.....	678,101	1,442,716
Expenses		
Compensation and related costs		
.....	688,153	1,143,433
Clearing charges		
.....	185,025	302,838
General and administrative		
.....	266,260	287,653
Occupancy and equipment		
.....	<u>101,058</u>	<u>127,897</u>
Total expenses		
.....	<u>1,240,496</u>	<u>1,861,821</u>
Loss before income tax benefit		
.....	(562,395)	(419,105)
Income tax benefit		
.....	<u>-</u>	<u>(136,651)</u>
Net loss		
.....	<u>\$ (562,395)</u>	<u>\$ (282,454)</u>
Net loss per share		
Basic and diluted		
.....	<u>\$ (0.94)</u>	<u>\$ (0.47)</u>

Weighted average shares outstanding:

Basic and  
diluted

.....  
600,090

600,090

See accompanying notes.

**MORGAN GROUP HOLDING CO. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**UNAUDITED**

	<u>Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at December 31, 2020	600,090	\$ 6,001	\$ 53,886,180	\$ (49,284,876)	\$ 4,607,305
Net loss	-	-	-	(562,395)	(562,395)
Balance at March 31, 2021	<u>600,090</u>	<u>6,001</u>	<u>53,886,180</u>	<u>(49,847,271)</u>	<u>4,044,910</u>

	<u>Shares</u>	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at December 31, 2019	600,090	\$ 6,001	\$ 53,886,180	\$ (47,854,840)	\$ 6,037,341
Net loss	-	-	-	(282,454)	(282,454)
Balance at March 31, 2020	<u>600,090</u>	<u>6,001</u>	<u>53,886,180</u>	<u>(48,137,294)</u>	<u>5,754,887</u>

See accompanying notes.

**MORGAN GROUP HOLDING CO. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**

	<b>Three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (562,395)	\$ (282,454)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,825	3,038
Deferred income tax, net	-	(8,568)
(Increase)/decrease in assets:		
Receivables from brokers and clearing organizations	(41,099)	509,476
Receivables from affiliates	(52,287)	(141,356)
Income taxes receivable	-	(113,668)
Other assets	(11,429)	44,096
Increase/(decrease) in liabilities:		
Payable to affiliates	(14,012)	(765,044)
Income taxes payable	-	3,673
Compensation payable	(228,076)	(367,443)
Accrued expenses and other liabilities	79,435	200,022
Total adjustments	(264,643)	(635,774)
Net cash used in operating activities	(827,038)	(918,228)
Net decrease in cash and cash equivalents and restricted cash	(827,038)	(918,228)
Cash, cash equivalents, and restricted cash at beginning of period	4,946,403	6,787,097
Cash, cash equivalents, and restricted cash at end of period	\$ 4,119,365	\$ 5,868,869

**Supplemental disclosures of cash flow information:**



Cash received from Associated Capital Group, Inc. for income taxes		
.....	\$ -	\$ 18,087
<b>Reconciliation to cash, cash equivalents, and restricted cash</b>		
Cash and cash equivalents		
.....	\$ 3,919,365	\$ 5,668,869
Restricted cash: deposits from clearing organizations		
.....	<u>200,000</u>	<u>200,000</u>
Cash, cash equivalents, and restricted cash		
.....	<u>\$ 4,119,365</u>	<u>\$ 5,868,869</u>

See accompanying notes.

**MORGAN GROUP HOLDING CO. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2021**  
**(Unaudited)**

**Organization and Business Description**

Morgan Group Holding Co. (the “Company,” “Morgan Group,” or “Morgan”) was incorporated in November 2001 as a Delaware corporation to serve as a holding company which seeks acquisitions as part of its strategic alternatives. Prior to the October 31, 2019 merger with G.research, LLC (“G.research”), discussed below, Morgan Group had no operating companies.

The Company acquired G.research from Associated Capital Group, Inc. (“AC”), an affiliate of the Company, on October 31, 2019, in exchange for issuing 500,000 shares of the Company’s common stock to AC (the “Merger”). Accordingly, G.research became a wholly owned subsidiary of the Company. Prior to the transaction, G.research was a wholly-owned subsidiary of Institutional Services holdings, LLC, which, in turn, was a wholly-owned subsidiary of AC. After the transaction, AC had an 83.3% ownership interest in the Company. As a result of this common ownership, the transaction was treated as a combination between entities under common control that led to a change in the reporting entity. The recognized assets and liabilities were transferred at their carrying amounts at the date of the transaction.

On March 16, 2020, AC’s Board of Directors approved the spin-off of the Company to AC’s shareholders. Upon execution of the spin-off on August 5, 2020, AC distributed to its shareholders on a pro rata basis the 500,000 shares of Morgan that AC owned.

On May 5, 2020, the Morgan Group board approved a reverse stock split of the issued and outstanding shares of their common stock, par value \$0.01 per share, in a ratio of 1-for-100 that was effective on June 10, 2020.

G.research is a broker-dealer registered with the Securities and Exchange Commission (the “SEC”) and is regulated by the Financial Industry Regulatory Authority (“FINRA”).

The Company provides institutional investors and investment partnerships with investment research with a particular focus on small-cap and mid-cap companies. The team of sell-side analysts follows industry sectors on a global basis and performs fundamental security analysis using a Private Market Value (“PMV”) framework. PMV investing is a disciplined, research-driven approach based on security analysis. In this process, the analyst selects stocks whose intrinsic value, based on the analyst’s estimate of current asset value and future growth and earnings power, is significantly different from the public market value as reflected in the public market. PMV is defined as the price an informed industrial buyer would be likely to pay to acquire the business. The research focuses on company fundamentals, cash flow statistics, and catalysts that will help realize returns.

The Company generates brokerage commission revenues from securities transactions executed on an agency basis on behalf of institutional clients and mutual funds, private wealth management clients, and retail customers of affiliated companies. The Company generates revenue from syndicated underwriting activities. It primarily participates in the offerings of certain closed-end funds advised by Gabelli Funds, LLC, a wholly-owned subsidiary of GAMCO Investors, Inc. (“GBL”), an affiliate. The Company also earns investment income generated from its proprietary trading activities.

The Company acts as an introducing broker, and all securities transactions for the Company and its customers are cleared through and carried by three New York Stock Exchange (“NYSE”) member firms on a fully disclosed basis. The Company has Proprietary Accounts of Introducing Brokers (“PAIB”) agreements with these firms. Accordingly, open customer transactions are not reflected in the accompanying Condensed Consolidated Statement of Financial Condition. The Company is exposed to credit losses on these open transactions in the event of nonperformance by its customers, pursuant to conditions of its clearing agreements with its clearing brokers. This exposure is mitigated by the clearing brokers’ policy of monitoring the collateral and credit of the counterparties until the transaction is completed.

The Company’s principal market is in the United States (“U.S”).

**1. Significant Accounting Policies**

**Basis of Presentation**

The unaudited interim condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for the fair presentation of financial position, results of operations, and cash flows of Morgan for the interim periods presented and are not necessarily indicative of a full year’s results.

The interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, G.research. Intercompany accounts and transactions have been eliminated.

These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2020.

## Use of Estimates

The Company's financial statements are prepared in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

## Recent Accounting Developments

In June 2016, the FASB issued ASU 2016-13, *Accounting for Financial Instruments - Credit Losses (Topic 326)* ("ASU 2016-13"), which requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Currently, U.S. GAAP requires an "incurred loss" methodology that delays recognition until it is probable a loss has been incurred. Under ASU 2016-13, the allowance for credit losses must be deducted from the amortized cost of the financial asset to present the net amount expected to be collected. The consolidated statements of operations will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), Leases (Topic 842): Effective Dates* (ASU 2019-10), which deferred the effective date of this guidance for smaller reporting companies for three years. This guidance is effective for the Company on January 1, 2023 and requires a modified retrospective transition method, which will result in a cumulative-effect adjustment in retained earnings upon adoption. Early adoption is permitted. The Company is currently assessing the potential impact of this new guidance on the Company's consolidated financial statements.

## Reclassification of Prior Period Presentation

Certain general and administrative expenses reported in the prior period have been reclassified to occupancy and equipment rental to conform to the current period presentation in the consolidated statements of operations. This reclassification had no effect on the reported results of operations.

## 2. Revenue from Contracts with Customers

The Company records revenue from contracts with customers in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). Under Topic 606, the Company must identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when the Company satisfies a performance obligation.

Significant judgments that affect the amounts and timing of revenue recognition:

The Company's analysis of the timing of revenue recognition of each revenue stream is based on the provisions of each respective contract. Performance obligations could, however, change from time to time if and when existing contracts are modified or new contracts are entered into. These changes could potentially affect the timing of satisfaction of performance obligations, the determination of the transaction price, and the allocation of the price to performance obligations. In the case of the revenue streams discussed below, the performance obligation is satisfied either at a point in time or over time. The judgments outlined below, where the determination as to these factors is discussed in detail, are continually reviewed and monitored by the Company when new contracts or contract modifications occur. Transaction price is in all instances formulaic and not subject to significant (or any) judgment at the current time.

The Company's assessment of the recognition of these revenues is as follows:

Revenue from contracts with customers includes commissions, fees earned from affiliated entities pursuant to research services agreements, underwriting fees, and sales manager fees.

### *Commissions*

Brokerage commissions. Acting as agent, the Company buys and sells securities on behalf of its customers. Commissions are charged on the execution of these securities transactions made on behalf of client accounts and are negotiated. The Company recognizes commission revenue when the related securities transactions are executed on the trade date. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon, and the risks and rewards of ownership have been transferred to/from the customer. Commissions earned are typically collected from the clearing brokers utilized by the Company on a daily or weekly basis.

Hard dollar payments. The Company provides research services to unrelated parties, for which direct payment is received. The company may, or may not, have contracts for such services. Where a contract for such services is in place, the contractual fee for the period is recognized ratably over the contract period, which is considered the period over which the Company satisfies its performance obligation.

For payments where no research contract exists, revenue is not recognized until agreement is reached with the client at which time the performance obligation is considered to have been met and revenue is recognized.

Commission revenues are impacted by the perceived value of the research product provided to clients, the volume of securities transactions, and the acquisition or loss of new client relationships.

***Fees earned from affiliated entities pursuant to research services agreements***

The Company receives direct payments for research services provided to related parties pursuant to contracts. The contractual fee for the period is fixed and recognized ratably over the contract period, typically a calendar year, which is considered the period over which the Company satisfies its performance obligation. Payments for contracts with affiliated parties are collected monthly.

***Underwriting fees***

*Underwriting fees.* The Company acts as underwriter in an agent capacity. Revenues are earned from fees arising from these offerings and the terms are set forth in contracts between the underwriters and the issuer. The Company’s underwriting revenue is considered to be conditional revenue because it is subject to reduction to zero once the offsetting syndicate expenses have been quantified by the syndicate manager (i.e., lead underwriter) and allocated to each underwriter in proportion to their participation in the offering. Revenue recognition is therefore delayed until it is probable that a significant reversal in the amount of revenue recognized will not occur. That is, it is recognized only when uncertainty associated with the syndicate expenses is subsequently resolved and final settlement of syndicate accounts is affected by the syndicate manager. Payment is typically received from the syndicate manager within ninety days after settlement date.

*Selling concessions.* The Company participates as a member of the selling group of underwritten equity offerings and receives compensation based on the difference between what its customers pay for the securities sold to its institutional clients and what the issuer receives. The terms of the selling concessions are set forth in contracts between the Company and the underwriter. Revenue is recognized on the trade date (the date on which the Company purchases the securities from the issuer) for the portion the Company is contracted to buy. The Company believes that the trade date is the appropriate point in time to recognize revenue for securities underwriting transactions as there are no significant actions the Company needs to take subsequent to this date, and the issuer obtains the control and benefit of the capital markets offering at this point. Selling concessions earned are typically collected from the clearing brokers utilized by the Company on a daily or weekly basis.

***Sales manager fees***

The Company participates as sales manager of at-the-market offerings of certain affiliated closed-end funds and receives a tiered percentage of proceeds as stipulated in agreements between the Company, the funds and the funds’ investment adviser. The Company recognizes sales manager fees upon sale of the related closed-end funds. Sales manager fees earned are fixed and typically collected from the clearing brokers utilized by the Company on a daily or weekly basis.

***Revenue Disaggregated***

Total revenues from contracts with customers by type were as follows for the three months ended March 31, 2021 and 2020:

	<b>Three months ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Commissions	\$ 591,248	\$ 936,784
.....		
Hard dollar payments	64,360	102,159
.....	<u>655,608</u>	<u>1,038,943</u>
Underwriting fees	-	30,488
.....		
Sales manager fees	6,311	334,825
.....	<u>\$ 661,920</u>	<u>\$ 1,404,256</u>

**3. Related Party Transactions**

At March 31, 2021 and December 31, 2020, the Company had an investment of \$3,900,445 and \$4,724,290, respectively, in The Gabelli U.S. Treasury Money Market Fund advised by Gabelli Funds, LLC, which is an affiliate of the Company. The amount is recorded in cash and cash equivalents in the Condensed Consolidated Statements of Financial Condition. Income earned from this investment totaled

\$116 and \$29,550 for the three months ended March 31, 2021 and 2020, respectively, and is included in dividends and interest revenues in the Condensed Consolidated Statements of Operations.

For the three months ended March 31, 2021 and 2020, the Company earned \$372,250 and \$691,784, or approximately 57% and 62%, respectively, of its commission revenue from transactions executed on behalf of funds advised by Gabelli Funds, LLC. (“Gabelli Funds”) and private wealth management clients advised by GAMCO Asset Management Inc., (“GAMCO Asset”), each affiliates of the Company.

The Company participated as agent in the secondary offerings of the GAMCO Global Gold, Natural Resources & Income Trust (“GGN”). Pursuant to sales agreements between the parties, the Company earned sales manager fees related to this offering of \$0 and \$334,825 during the three months ended March 31, 2021 and 2020, respectively. Sales manager fees are separately disclosed in the Condensed Consolidated Statements of Operations.

The Company participated in the secondary offerings of the preferred stock of affiliated closed end funds in December 2019. The final settlements were received during March 2020 resulting in additional underwriting profit of \$30,488.

The Company pays AC a management fee equal to 20% of the Company’s year-to-date pretax profits before consideration of this fee. In the three months ended March 31, 2020, the Company did not pay a management fee to AC as there were no pretax profits.

AC has a sublease agreement with GBL that expired on April 1, 2020 and continues on a month to month basis. AC allocates this expense to the Company based on the percentage of square footage occupied by the Company’s employees (including pro rata allocation of common space). Pursuant to the sublease, AC and the Company pay a monthly fixed lease amount. For the three months ended March 31, 2021 and 2020, the Company paid \$26,131 and \$27,113, respectively, under the sublease agreement. These amounts are included within occupancy and equipment expenses on the Condensed Consolidated Statements of Operations.

#### 4. Fair Value

The carrying amounts of all financial instruments in the Condensed Consolidated Statements of Financial Condition approximate their fair values.

The Company’s financial instruments have been categorized based upon a fair value hierarchy:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 assets include cash equivalents.
- Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. These assets include infrequently traded common stocks.

The following tables present information about the Company’s assets and liabilities by major category measured at fair value on a recurring basis as of March 31, 2021 and December 31, 2020 and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value:

#### Assets Measured at Fair Value on a Recurring Basis as of March 31, 2021:

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash equivalents	\$ 3,900,445	\$ -	\$ -	\$ 3,900,445
<b>Total assets at fair value</b>	<b>\$ 3,900,445</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,900,445</b>

There were no transfers between any levels during the year ended March 31, 2021.

**Assets Measured at Fair Value on a Recurring Basis as of December 31, 2020:**

<u>Assets</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
Cash equivalents	\$ 4,724,290	\$ -	\$ -	\$ 4,724,290
<b>Total assets at fair value</b>	<u>\$ 4,724,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,724,290</u>

There were no transfers between any levels during the year ended December 31, 2020.

Cash equivalents primarily consist of an affiliated money market mutual fund which is invested solely in U.S. Treasuries and valued based on the net asset value of the fund.

*Financial assets disclosed but not carried at fair value*

The carrying value of other financial assets and liabilities approximates their fair value based on the short term nature of these items.

**5. Retirement Plan**

The Company participates in Associated Capital's incentive savings plan (the "Plan"), covering substantially all employees. Company contributions to the Plan are determined annually by management of the Company and AC's Board of Directors but may not exceed the amount permitted as a deductible expense under the Internal Revenue Code. Amounts expensed for allocated contributions to this Plan amounted to approximately \$4,436 and \$4,436 for the three months ended March 31, 2021 and 2020, respectively, and were recorded as compensation and related costs in the Condensed Consolidated Statements of Operations.

**6. Income Taxes**

The effective tax rate for the three months ended March 31, 2021 and 2020 was (.01)% and 32.6%, respectively. For the three months ended March 31, 2021 the impact to effective tax rate was mostly related to the change in the federal and state valuation allowance offset by state deferred income taxes.

**7. Earnings per Share**

Basic earnings per share is computed by dividing net income / (loss) attributable to shareholders by the weighted average number of shares outstanding during the period. There were no dilutive shares outstanding during the periods.

The computations of basic and diluted net loss per share are as follows:

	<u>Three Months Ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Basic and diluted: Net loss attributable to shareholders	\$ (562,395)	\$ (282,454)
Weighted average shares outstanding	<u>600,090</u>	<u>600,090</u>
Basic and diluted net loss per share	<u>\$ (0.94)</u>	<u>\$ (0.47)</u>

**8. Equity**

In conjunction with the Merger on October 31, 2019, the Company issued 50,000,000 shares of common stock to AC. The common stock, additional paid in capital, earnings per share, and accumulated deficit amounts in these consolidated financial statements for the period prior to the Merger have been restated to reflect the recapitalization in accordance with the shares issued as a result of the Merger.

See the Organization and Business Description Note above for detail.

**9. Guarantees, Contingencies, and Commitments**

The Company has agreed to indemnify its clearing brokers for losses they may sustain from the customer accounts that trade on margin introduced by the Company. At March 31, 2021 and December 31, 2020, the total amount of customer balances subject to indemnification (i.e., unsecured margin debits) was immaterial. The Company also has entered into arrangements with various other third parties, many of which provide for indemnification of the third parties against losses, costs, claims, and liabilities arising from the performance of the Company's obligations under the agreements. The Company has had no claims or payments pursuant to these or prior agreements, and management believes the likelihood of a claim being made is remote, and therefore, an accrual has not been made in the consolidated financial statements.

From time to time, the Company is named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. The Company is also subject to governmental or regulatory examinations or investigations. The examinations or investigations could result in adverse judgments, settlements, fines, injunctions, restitutions, or other relief. The Company cannot predict the ultimate outcome of such matters. The consolidated financial statements include the necessary provisions for losses that the Company believes are probable and estimable, if any. Furthermore, the Company evaluates whether losses exist which may be reasonably possible and, if material, makes the necessary disclosures. Such amounts, both those that are probable and those that are reasonably possible, are not considered material to the Company's financial condition, operations, or cash flows.

## **10. Net Capital Requirements**

As a registered broker-dealer, G.research is subject to the SEC Uniform Net Capital Rule 15c3-1 (the "Rule"), which specifies, among other requirements, minimum net capital requirements for registered broker-dealers. G.research computes its net capital under the alternative method as permitted by the Rule, which requires that minimum net capital be the greater of \$250,000 or 2% of the aggregate debit items in the reserve formula for those broker-dealers subject to Rule 15c3-3. G.research is exempt from Rule 15c3-3 pursuant to paragraph (k)(2)(ii) of that rule which exempts all customer transactions cleared through another broker-dealer on a fully disclosed basis. In addition, our assets at the clearing broker-dealer are treated as allowable assets for net capital purposes as we have in place PAIB agreements pursuant to Rule 15c3-3. These requirements also provide that equity capital may not be withdrawn, advances to affiliates may not be made, or cash dividends paid if certain minimum net capital requirements are not met. G.research had net capital, as defined, of \$3,013,082 and \$3,490,673 exceeding the required amount of \$250,000 by \$2,763,082 and \$3,240,673 at March 31, 2021 and December 31, 2020, respectively.

## **11. Subsequent Events**

The Company has evaluated subsequent events for adjustment to or disclosure through May 17, 2021, the date of this report and the Company has not identified any subsequent events not otherwise reported in these financial statements or the notes thereto, that required recognition or additional disclosures in the financial statements.

## **ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Unless indicated otherwise, or the context otherwise requires, references in this report to the "Company," "Morgan Group," "Morgan," "we," "us," and "our" or similar terms are to Morgan Group Holding Co. and its subsidiary.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Our disclosure and analysis in this Form 10-Q contains some forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements because they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will," "should," "may," and other words and terms of similar meaning. They also appear in any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance of our products, expenses, the outcome of any legal proceedings, and financial results. Although we believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know about our business and operations, there can be no assurance that our actual results will not differ materially from what we expect or believe. We are providing these statements as permitted by the Private Litigation Reform Act of 1995. We do not undertake to update publicly any forward-looking statements if we subsequently learn that we are unlikely to achieve our expectations or if we receive any additional information relating to the subject matters of our forward-looking statements.

### **OVERVIEW**

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Part I, Item 1 of this Form 10-Q. This discussion contains forward-looking statements and involves numerous risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking statements as discussed under "Cautionary Statement Regarding Forward-Looking Statements" appearing elsewhere in this Form 10-Q.*

Morgan Group (OTC Pink®: MGHL), through G.research, acts as an underwriter and provides institutional research services. Institutional research services revenues consist of brokerage commissions derived from securities transactions executed on an agency basis or direct payments from institutional clients as well as underwriting profits, selling concessions and management fees associated with underwriting activities. Commission revenues vary directly with the perceived value of the research provided, as well as account activity and new account generation.

In light of the dynamics created by COVID-19 and its impact on the global supply chain and banks, oil, travel and leisure including the temporary closure of businesses deemed non-essential across the United States, we anticipate lower transaction volumes from our institutional clients. As a result of this pandemic, the majority of our employees are working remotely, including our order execution services. However, there has been no material impact of remote work arrangements on our operations, including our financial reporting systems, internal control over financial reporting, and disclosure controls and procedures, and there has been no material challenge in implementing our business continuity plan. The sponsored conferences are taking place as planned using virtual service providers. While at the present time, the Company is unable to estimate the potential impact of COVID-19 on its financial condition, a significant prolonged disruption in the financial markets leading to materially lower trading activity of the Company's clients would have a material adverse effect on the Company's revenue, operating results and financial position. Any potential impact to our results of operations and financial condition will depend to a large extent on future developments and new information that could emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact, all of which are beyond our control. We will continue to monitor the virus' impact on our customers, clients, and financial results.



## RESULTS OF OPERATIONS

The following table (in thousands, except per share data) and discussion of our results of operations are based upon data derived from the Condensed Consolidated Statements of Income contained in our condensed consolidated financial statements and should be read in conjunction with those statements included in Part I, Item 1 of this Form 10-Q:

	<u>Three Months Ended March 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenues		
Commissions		
.....	\$ 656	\$ 1,039
Principal transactions		
.....	(3)	(1)
Dividends and interest		
.....	9	36
Underwriting fees		
.....	6	30
Sales manager fees		
.....	-	335
Other revenues		
.....	10	3
Total revenues	<u>678</u>	<u>1,443</u>
Expenses		
.....		
Compensation and related costs		
.....	688	1,143
Clearing charges		
.....	185	303
General and administrative		
.....	289	311
Occupancy and equipment		
.....	79	104
Total expenses	<u>1,240</u>	<u>1,862</u>
Loss before income tax benefit		
.....	(562)	(419)
Income tax benefit		
.....	-	(137)
Net loss	<u>\$ (562)</u>	<u>\$ (282)</u>
Net loss per share	<u>                    </u>	<u>                    </u>

.....		
.....		
Basic and diluted		
.....		
	<u>\$ (0.94)</u>	<u>\$ (0.47)</u>
	<b>Three Months Ended March 31,</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
Revenues		
Commissions		
.....	\$ 656	\$ 1,039
Principal transactions		
.....	(3)	(1)
Dividends and interest		
.....	9	36
Underwriting fees		
.....	6	30
Sales manager fees		
.....	-	335
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Total revenues	678	1,443
Expenses		
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Total expenses	<u>1,240</u>	<u>1,862</u>
Loss before income tax benefit	(562)	(419)
Income tax benefit		
.....	-	(137)
Net loss	<u>\$ (562)</u>	<u>\$ (282)</u>
.....		

Net loss per  
share

.....

Basic and  
diluted

.....

\$ (0.94)    \$ (0.47)

**Three Months Ended March 31, 2021 as Compared to the Three Months Ended March 31, 2020**

**Revenues**

Institutional research service revenues were \$.7 million for three months ended March 31, 2021, \$.7 million, or 53.0%, lower than total revenues of \$1.4 million for the three months ended March 31, 2020. Institutional research services revenues by revenue component, excluding principal transactions and dividends and interest, were as follows (dollars in thousands):

	Three Months Ended March 31,		Increase (Decrease)	
	2020	2019	\$	%
Commissions	\$ 591	\$ 937	\$ (346)	-36.9%
Hard dollar payments	64	102	(38)	-36.9%
	656	1,039	\$ (383)	-36.9%
Underwriting fees	6	30	(24)	-79.0%
Sales manager fees	-	335	(335)	n/a
Total	\$ 662	\$ 1,404	\$ (742)	-52.9%

Commissions and hard dollar payments in the 2021 period were \$0.7 million, a \$0.4 million, or 36.9%, decrease from \$1.0 million in the 2020 period. The decrease was primarily due to lower brokerage commissions from fewer securities transactions executed on an agency basis. For the three months ended March 31, 2021 and 2020, respectively, G.research earned \$0.4 million and \$0.7 million, or approximately 57% and 62%, of its commission revenue from transactions executed on behalf of funds advised by Gabelli Funds, LLC (“Gabelli Funds”) and clients advised by GAMCO Asset Management Inc. (“GAMCO Asset”).

The Company participated as agent in the secondary offerings of the GAMCO Global Gold, Natural Resources & Income Trust (“GGN”). Pursuant to sales agreements between the parties, the Company earned sales manager fees related to this offering of \$0.0 million and \$.3 million for the three months ended March 31, 2021 and 2020, respectively.

**Principal Transactions**

During the three months ended March 31, 2021 and 2020, net losses from principal transactions were negligible.

Interest and dividend income declined \$0.03 million to \$0.01 million in 2021 from \$0.04 million in 2020 primarily due to lower cash and cash equivalents balances.

**Expenses**

Total expenses were \$1.2 million for the three months ended March 31, 2021, a decrease of \$0.7 million, or 33.4%, from \$1.9 million in the 2020 period. The decrease results primarily from lower compensation costs and a reduction of expenses across all categories.

Compensation costs, which includes salaries, bonuses, and benefits, were \$0.7 million for the three months ended March 31, 2021, a decrease of \$0.4 million from \$1.1 million for the three months ended March 31, 2020 and was due to headcount reductions.

**Income Tax Benefit**

We recorded an income tax provision (benefit) of \$0 and \$(136,651) for the three months ended March 31, 2021 and 2020, respectively. The effective tax rate was (.01)% and 32.6% for the periods ended March 31, 2021 and 2020, respectively.

**Net Loss**

Net loss for the three months ended March 31, 2021 was \$0.6 million versus \$0.3 million for the three months ended March 31, 2020.

## LIQUIDITY AND CAPITAL RESOURCES

Our principal assets are highly liquid in nature and consist of cash and cash equivalents, comprised primarily of a 100% U.S. Treasury money market fund, The Gabelli U.S. Treasury Money Market Fund, advised by Gabelli Funds, LLC, which is an affiliate of the Company. Summary cash flow data for the first three months of 2021 and 2020 was as follows (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Cash flows provided by (used in):		
Operating activities		
.....	\$ (827)	\$ (918)
Net decrease in cash and cash equivalents		
.....	(827)	(918)
Cash and cash equivalents at beginning of period		
.....	4,746	6,587
Cash and cash equivalents at end of period		
.....	\$ 3,919	\$ 5,669

Net cash used by operating activities was \$0.8 million for the three months ended March 31, 2021, resulting from a net loss of \$0.6 million and net decrease in operating liabilities of \$0.1 million offset and an increase in operating assets of \$0.2. Net cash used by operating activities was \$0.9 million for the three months ended March 31, 2020, primarily as a result of a net loss of \$0.3 million and a decrease in operating liabilities of \$0.9 million offset by an increase in operating assets of \$0.4 million.

### Critical Accounting Policies

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ significantly from those estimates. See Note B in Part II, Item 8, *Financial Statements and Supplementary Data*, and the Company's Critical Accounting Policies in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in Morgan Group's 2020 annual report on Form 10-K filed with the SEC on April 5, 2021 for details on Critical Accounting Policies.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Smaller reporting companies are not required to provide the information required by this item.

### ITEM 4. CONTROLS AND PROCEDURES

The Company maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be timely disclosed, is recorded, processed, summarized, and reported to management within the time periods specified in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. The Company's principal executive officer and principal financial officer, after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in the Exchange Act) as of the end of the period covered by this report, have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

There have been no changes in our internal control over financial reporting, as defined by Rule 13a-15(f) that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II: OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be named in legal actions and proceedings. These actions may seek substantial or indeterminate compensatory as well as punitive damages or injunctive relief. The Company is also subject to governmental or regulatory examinations or investigations. The examinations or investigations could result in adverse judgments, settlements, fines, injunctions, restitutions or

other relief. For any such matters, the condensed consolidated financial statements include the necessary provisions for losses that the Company believes are probable and estimable. Furthermore, the Company evaluates whether there exist losses which may be reasonably possible and will, if material, make the necessary disclosures. However, management believes such amounts, both those that are probable and those that are reasonably possible, are not material to the Company's financial condition, results of operations, or cash flows at March 31, 2020. See also Note 9, *Guarantees, Contingencies, and Commitments*, to the condensed consolidated financial statements in Part I, Item I of this Form 10-Q.

**ITEM 1A. RISK FACTORS**

Smaller reporting companies are not required to provide the information required by this item.

**ITEM 6. EXHIBITS**

31.1 Certification of CEO pursuant to Rule 13a-14(a).

31.2 Certification of CAO pursuant to Rule 13a-14(a).

32.1 Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of CAO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MORGAN GROUP HOLDING CO.

(Registrant)

By: /s/ Joseph L. Fernandez

Name: Joseph L. Fernandez

Title: Executive Vice President - Finance

Date: May 17, 2021



## Certification

I, Vincent Amabile, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Morgan Group Holding Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Vincent Amabile, Jr.

Vincent Amabile, Jr.  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 17, 2021

## Certification

I, Joseph L Fernandez, certify that:

6. I have reviewed this quarterly report on Form 10-Q of Morgan Group Holding Co.;
7. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
8. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
9. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - e) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - f) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - g) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - h) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
10. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - c) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; and
  - d) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Joseph L Fernandez

Joseph L Fernandez  
Executive Vice President – Finance  
(Principal Financial Officer)

Date: May 17, 2021

**Certification of CEO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Morgan Group Holding Co. (the “Company”) for the quarterly period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Vincent Amabile, Jr., as Chief Executive Officer (Principal Executive Officer) of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Vincent Amabile, Jr.  
Vincent Amabile, Jr.  
Chief Executive Officer  
(Principal Executive Officer)  
May 17, 2021

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

**Certification of PFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Morgan Group Holding Co. (the “Company”) for the quarterly period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Joseph L Fernandez, as Executive Vice President – Finance (Principal Financial Officer) of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph L Fernandez  
Joseph L Fernandez  
Executive Vice President – Finance  
(Principal Financial Officer)  
May 17, 2021

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.