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Transcript of Meridian Waste Solutions
Shareholder Update Conference Call
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Participants

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Jeff Cosman – Chairman & CEO
Chris Diaz – CFO

Analysts

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Keith Gill
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Presentation

Operator
Good day, ladies and gentlemen, and welcome to Meridian Waste Solutions Shareholder Update Conference Call. All lines have been placed on a listen-only mode and the floor will be open for questions and comments following the presentation. [Operator instructions].

At this time it is my pleasure to turn the floor over to your host Stephen Hart of Hayden Investor Relations. Sir, the floor is yours.

Stephen Hart – Hayden Investor Relations
Thank you. Good afternoon, everyone. I'd like to welcome everyone to Meridian Waste Solutions Shareholder Update Call, its first ever public conference call as a publicly traded company and what will become customary for every quarter going forward. Hosting the call today are Jeff Cosman, Chairman & Chief Executive Officer and Chris Diaz, Chief Financial Officer.

Before I turn the call over to management, I'd like to remind everyone that this conference call may contain projections or other forward-looking statements regarding future events or the future performance of the company. Meridian Waste Solutions does not assume any obligation to update that information. Actual events or results may differ materially from those projected as a result of the changing market trends, reduced demand, and the competitive nature of Meridian's industry as well as other risks identified and documented that are filed with the Securities and Exchange Commission.

In addition, certain non-GAAP financial measures will be discussed during the call. These non-GAAP measures are used by management to make strategic decisions, forecast future results and evaluate the company's current performance. Management believes the presentation of these non-GAAP financial measures are useful to investors understanding and assessment of the company's ongoing core operations and their prospects for the future. Unless it is otherwise stated it should be assumed that any financials discussed in this conference call will be on a non-GAAP basis. Full reconciliations of non-GAAP to GAAP financial measures are included in the earnings press release and SEC filings from the company.

With all that said, I'd now like to turn the call over to and introduce Jeff Cosman, Chairman & Chief Executive Officer. Jeff, the call is yours.

Jeff Cosman – Chairman & CEO
Thank you. Good afternoon, everybody. Welcome to Meridian Waste Solutions Shareholder Update Call. As illustrated, it's an update call to kind of get everybody up to speed. Naturally we've been doing things on a monthly basis or quarterly basis with some investor pools, but I want to thank everybody out there for joining today. This will be a recurring theme over the quarters going forward and we're happy to discuss the outlook of the company and whatnot.

Despite the fact that we've had a very productive year starting 2017. We've done the uplifting and we've done an acquisition and whatnot, but our funding goals have been a little short of where we expected. That was due to some market conditions and whatnot as we took the company from over the counter to the NASDAQ. We've been able to stay focused on our tasks that we've committed to and we continue to execute on building our existing marketplaces in Virginia and St. Louis.

I'm very excited about the identified opportunities we have with both Meridian Innovations and Mobile Science as we brought those in, as well as to the acquisitions of the Accord business, which is the solid waste business. But in each opportunity in the waste, innovations or technology, Meridian remains focused and committed to its integrated service platform from collection to transfer, to landfill with long-term contracted revenue and developing technologies [audio disruption] as a waste company not only differentiate ourselves, but become more efficient.

I can't say enough about the management team that we've assembled here at Meridian. From Wally Hall, who was initially into the garbage business in 1989 with BFI, worked his way up through BFI, Republic Services and one of the original founders of Advanced Disposal. I can't say enough about how his approach, his expertise and all the things that he's doing on a daily basis to make the business better, more efficient and to integrate some assets that we've owned or have acquired this year, to make them better and work with the former owners.

In addition to Wally, we've now got a top rated, just incredible executive in Chris Diaz as our CFO. He's really driven home the need for the efficiencies we're starting to get to on the billing systems, taking four billing systems to one, getting into a more robust GL package. All the things that we've had to get in place, he's executed that in the first six months, which I'm very proud of.

We also have special projects people. Mary O'Brien has been running our special projects. She's integral to some of the things that we've got working on not only in the Mobile Science area, but also the marketing area as well.

So, two recent business developments that Meridian's been able to commit to excellence. In April 2017, we began picking up 20,000+ homes in St. Louis County, which was 2 contracts that we won from the Big Four strategic competitors. We were able to beat them and achieve the long-term contract basis for that. Those are five years and the outlook is very positive for us. We expect those contracts to be about $25 million over five-years.

In July 2017, we successfully renewed our contract in Florissant, which was our first original contract we got on the municipal side. We've renewed that. We pick up about 17,000+ homes and that goes through 2021, and we're very excited about partnering with Florissant again.

The Company's strategy in its base platform business of the waste service is two-fold: (1) to grow existing markets with new contracts and acquiring tuck-in operations and (2) to enter new regional markets by competing more with significant acquisitions. In the first quarter of 2017, Meridian Waste executed on both strategies, obtaining both bid contracts in St. Louis, as I mentioned, as well as acquiring CFS Group in Richmond, Virginia where we were able to acquire two additional MSW landfills, as well as a transfer station collection opportunity and recycling opportunity. So as a small little company starting in May 2014 with its first acquisition in St. Louis, Missouri called Meridian Waste Services with just the collection company, we are now a three municipal solid waste landfill strong, roughly three transfer stations and over 200+ trucks with 300+ employees. So, we've come a long way over this short period of time; we have a long way to go. And being on the NASDAQ and having great investors and focusing on our business, we can see the momentum growing.

The one thing about Meridian is we've had to learn to differentiate ourselves, because as we go into contract basis with municipal markets, we need to be able to step out and say we're a little different than the normal guy. So Meridian Waste is also developing technologies to support growth and provide that differentiation. The Company has advanced two operating subsidiaries: Meridian Innovations, Inc. ("Meridian Innovations") and Mobile Science Technologies, Inc. ("Mobile Science").

Real quick, the Mobile Science Technologies will help us drive our customers from a paper-based invoicing as well as remittance of checks to a notification based off a mobile app to drive the costs down of implementing our service and to provide better service focused on the service itself rather than bills and remittance of payment. So, we look for Mobile Science to kind of step up that game and drive some cost savings.

On the innovation side, we've looked at a joint venture with a group that is instrumental in taking waste [ph] streams and creating value out of them. We're not looking to do a whole lot of research and development in the processing of this; we're looking to have revenue immediately as well as cash flow, so we're looking to do some stock deals and some implementation of our innovation with our license and patents that we currently have in alignment with the patent holders. So, we look for that to generate significant opportunity for us going forward.

With that I would like to introduce Chris Diaz, our CFO, to give some additional detailed review about our financial results through the first half of 2017. Following that, we'll open it up for questions. And again, I appreciate everybody for getting on the call and thank you very much. Chris.

Chris Diaz – CFO
Good afternoon, everybody. Glad to be here. Before we get into the numbers, I'm just going to give you a really brief introduction to myself since this is our first call.

I joined Meridian in April of this year. This is actually my 10th year in the waste industry, and prior to joining Meridian, I was the corporate Controller for another publicly traded waste company where I worked with our current COO, Wally Hall. I met Jeff about a year and a half ago through Wally and I was really intrigued by the story of Meridian and Jeff's desire to build a great company.

When the opportunity arose earlier this year to join the company, I was really excited because I knew Meridian had a great asset base and a leadership team that focuses on quality and earnings, and I really felt like I could add some value to the organization. And I can tell you that the improvements we've made as a company in the last several months have made me even more excited to be here, because I know we have the infrastructure and team in place to achieve the goals and absorb any significant growth we have planned in the future.

With that being said, I'll now get into reviewing the first half numbers with you.

For the six months ended June 30, 2017, revenues were $25.1 million, a 62% increase from $15.5 million for the six months ended June 30, 2016. Organic revenue growth of the Midwest segment of 9.5% was driven by additional customers and price increases.

Gross profit improved by $1.3 million to $6.7 million in the six months ended June 30, 2017, as compared to a $5.4 million gross profit in the six months ended June 30, 2016.

Operating expenses were $18.4 million or 73% of revenue, for the six months ended June 30, 2017 as compared to $10.1 million, or 65% of revenue, for the six months ended June 30, 2016. This is an increase of 8% of revenue from the six months ended June 30, 2016. The increase is primarily due to increased labor costs in 2017 in the Midwest segment. Operating labor expenses for the 2016 period were 19.5% of revenue, whereas 2017 expenses are 27.1% of revenue. The reason for this is twofold: first, the Company needed to increase driver wages to help stabilize the work force and avoid turnover; second, add-on revenue from the St. Louis contracts has not materialized as quickly as expected, but the Company has increased its labor force to service the expected increased revenue.

Management believes there is an opportunity to improve efficiencies of operations at CFS, and we expect its operating margins to improve over time. There are also synergistic opportunities, such as creating density in some of its routes and internalization of its waste, which are also in process.

For the six months ended June 30, 2017, adjusted EBITDA was $5.4 million.

Net loss for the six months ended June 30, 2017 increased by $2.1 million to $12.7 million or $1.78 per share, as compared to $10.6 million or $9.05 per share for the six months ended June 30, 2016. Included in the net loss attributable to common stockholders for the six months ended June 30, 2017 is a deemed dividend related to beneficial conversion feature and accretion of a discount on Series C Preferred Stock of $2.1 million.

That's a summary for the first half. I'd like to hand the call over to Jeff at this point.

Jeff Cosman – Chairman & CEO
Thanks, Chris.

Again, we couldn't be more excited about the future and what it holds for Meridian, as we are seeing tremendous opportunities to continue to grow our waste services business through strategic acquisitions in existing and new marketplaces. We are also excited about the prospects of our subsidiaries, Meridian Innovations, Inc. and Mobile Science Technologies, Inc. These subsidiaries are highly complementary to our waste service business and are making progress internally and with prospective outside partners.

We look forward to sharing our progress with shareholders, and being transparent and communicative to the Street. We expect to be attending several upcoming investor conferences starting in October and look forward to continuing quarterly conference calls going forward.

With that, Kat, I'll open it up to questions.

Operator
Thank you so much. The floor is now open for questions. [Operator instructions.]

Our first question comes from Jerry Sweeney from Rock Capital. Go ahead, Jerry.

Q: Hi, good afternoon, Jeff and Chris. How are you?

Jeff Cosman, Chairman and Chief Executive Officer
Hi, Jerry,

Chris Diaz, Chief Financial Officer
Hi, Jerry. Good talking to you.

Q: Maybe you could describe some of the opportunities within CFS in terms of margin improvement. You talked a little bit about internalization of waste. I think we've done acquisition of a couple landfills that were under-utilized or—and also getting trash from some, we'll say, lower quality trash. So, maybe you can give us a little bit of description as the opportunity there and maybe a timeline to some of that improvement.

Chris Diaz, Chief Financial Officer
Yes, I can talk real briefly, Jeff, then you can add some color to it if you like.

Jeff Cosman, Chairman and Chief Executive Officer
Okay.

Chris Diaz, Chief Financial Officer
So, goal number one at CFS is increasing volume. We got to increase volume. We have two great assets, two MSW [ph] landfills there that have a lot of capacity we could be utilizing. Right? Through the first six months, they're doing about—one of them located in Lunenburg is doing about 30% of daily volume; the other one is doing about 50%-55%, somewhere around there. So, we have a ton of upside on those landfills.

The other thing that we have going on there in the landfill is starting November 1, we've terminated a third party that was running the landfill. We're going to be doing it ourselves with our own equipment, which is going to equate to a huge EBITDA savings on an annualized basis.

But again, the success of CFS revolves around, like most waste situations, is volume. We need volume. And we have several things we're working on to get more volume through those landfills as well as looking at some ready contracts.

Jeff Cosman, Chairman and Chief Executive Officer
Just for additional color, Jerry, not only are the assets of the landfills and volume important, it's the people. Our former owner, who is instrumental in our marketplace there in Virginia, is a very dynamic, exciting manager of the business. With Wally's help and their partnership together in Virginia, they're being able to produce a lot of great things that we expect to be coming forth here in the next quarter to two quarters. People are very important for Meridian. We don't have the stable of bench that the big strategics have, the big guys have, so we have to hire, maintain and incentivize the right people in the right positions to help us win in this regard.

On a trailing side, CFS didn't look like a great deal, but the assets themselves with our former owner was able to compile is a tremendous boon for us because we know we can execute on a strategic strategy of not only tuck-ins, but also additional marketplaces around there that we feel that we can get volume there as well. So, those are really key components to our strategy there in Virginia.

Q: I appreciate that. Switching gears to the Midwest, you started breaking up some of the details on a segment basis and it kind of peeled back the onion there. You had a similar set of assets in the Midwest, meaning you acquired collections and you acquired the landfill and you started to internalize the landfill. I know there's been some calls for drivers, etc., but is there a way you can maybe provide some detail as to how well the margins are doing in the Midwest with that strategy, we'll say, 18 months ago versus today? Using what information I had, it does appear that the margins are accelerating out there based on that strategy.

Jeff Cosman, Chairman and Chief Executive Officer
Chris, why don't you take that? I can give additional color into that. We've taken three companies in the Midwest. Our original acquisition with Meridian in regards to—it was just a collection company with about 53 trucks. Over the course of almost 20-some-odd months, we've been able to acquire another company that had additional contracted revenue, but transfer stations, and then finally, as you mentioned, the landfill—well, based on contractions, the volumes to a third party, disposal side, we were limited in scope in regards to what we could really bang out in regards to margins. We're now getting to that point. We've had to take four billing systems, convert it into one billing system; take a generic QuickBooks so now we've got a more robust GL package.

So, those things, those systems we've been building out over the last 18 months. With Wally's assistance, we are starting to look at pricing; we're starting to look at density of routes. We're starting to look at where we're located. I mean, that could be an integral part to where what we have for the future is the location of our shop and whatnot.

So, there's a lot of good things coming. We've moved the needle a tremendous amount, but we've also troughed [ph] at the integration, the expense associated with the integration and consolidation of all of these assets, and now we feel like after leaving the second quarter, we feel like we're on a good pathway/trajectory where the margins are in line--on a pathway to getting in line with some of the medium-sized players that we can compare ourselves to.

Chris, you want to add any additional—

Chris Diaz, Chief Financial Officer
Yes. Jerry, in addition to that, just a piece of good news, so, Q2—I anticipate Q2, our expenses were very heavy in Q2, partly because of our—the good news is the new contract that we got out there that to do things right, we hired ahead of that, number one, train the drivers; number two, we hire short-term admin staff to receive the phone calls and things like that, that are inevitably going to come on with our new contract. So, we—I don't want to say overstaffed, but you staff right to service because the number one priority is servicing the customers. So, you'll notice the margins are going to get better in Q3 just because—I mean, we had expenses that were—now, they're tailing off finally from that, but we built—that's just what you got to do. You build the expenses to service because you don't want that to get out of hand on you right out of the box. So, we did a great job up ahead of time. Knew margins were going to take a little bit of a dip for that, but it's all in practice now. Like Jeff said, we're stable now. We just got a long-term another contract with a transfer station. Now, it's just like with Wally's help trying to get some more synergy out there, but it's looking good.

Q: Right. I appreciate that. I'll jump back in line. Thanks a lot.

Jeff Cosman, Chairman and Chief Executive Officer
Thanks, Jerry.

Operator
Our next question comes from Barry Eggleson from Alfred Investments. Go on, Barry.

Q: Hi, Jeff. How are you doing?

Jeff Cosman, Chairman and Chief Executive Officer
How are you doing, Barry?

Q: I just had a quick question. Good. Good. On the equity and equity issuance and things like that, we've seen a couple equity issuances. One even like a couple weeks ago. What are your thoughts there? How many more? I mean, are those done to keep your debt ratios in line? When can we expect to not see that evolution take place going forward?

Jeff Cosman, Chairman and Chief Executive Officer
Barry, frankly it's a touchy subject just because we are a growth company. Growth doesn't always mean acquisitions. Growth means--we've got sales managers now that are focused on getting new business. As we get density, we're starting to overfill our trucks, so to speak, in plain and simple language, so we need to get new trucks. And with trucks, some new containers and all that different stuff. So, this is a very capital-intensive business, so capital is always needed.

We are going to continue to raise capital on a going forward basis. I don't believe that we'll hit the public markets until the stock rebounds. So, in order to do that, we have had to do these little private placements with very strategic investors, previous investors that have been with me for over 2.5 to 3 years now that we know that are long-minded and that are focused with us to build our business.

Q: I don't even know. I don't have much the last raise was. I didn't read it that closely, but can you give us the nature of the investors that did that? Were they prior? You say strategic.

Jeff Cosman, Chairman and Chief Executive Officer
It was $1.4 million roughly. Yes, they're absolutely—they're existing shareholders, prior shareholders, even before going into NASDAQ. So, these are very friendly, very great, from my standpoint. Just from a generic word, but it really goes to show you the kind of investor that we've attracted to help build our business. As a group, these groups of individuals that have come through, kind of Garden State, was my original banker, and they are very patient and excited about the growth trajectory of the existing business, but also the divisions that we've created and kind of the going forward of those divisions as well. So yes, they are previous investors. There's no new investor, I don't believe, in this last preferred.

Q: Oh, so that was a preferred? Was it convertible preferred with warrants or something? Is that what it was?

Jeff Cosman, Chairman and Chief Executive Officer
It was. Yes, sir. Yes. Certainly was.

Q: Is there a lockout with which it's immediately convertible, or how does it work?

Jeff Cosman, Chairman and Chief Executive Officer
So, the [indiscernible] at $1 with 150% warrant coverage. We've prepaid the dividend, so to speak, for that warrant. So, they're obviously going to be locked up for six months or whatnot.

Q: So, did you lock them up for six months, or they can—the value interest as my preferred today, which I didn't because I didn't even know about it—would I be able to sell my stock right now, or no?

Jeff Cosman, Chairman and Chief Executive Officer
No. They would have to convert into commons to get to that point and then either go 144 or some kind of registration statement.

Q: Right. So, that stock is off the market for six months or so?

Jeff Cosman, Chairman and Chief Executive Officer
Well, it just depends. I think there's some normal guidelines that they have to follow. But, yes, it's either 144 or registration statement.

Q: Got it. Okay.

Jeff Cosman, Chairman and Chief Executive Officer
They're great investors, I'll tell you that much, Barry. We've got great investors behind us. As we learned, going from the OTC after the NASDAQ, these guys were instrumental in help building that company in cap ex exposure that we've always had with new trucks and all the rest of it. So, great guys.

Q: One other question: I know Goldman has probably five times EBITDA. I don't know what their debt to cash flow numbers are. Where do you guys see the company right now? Will those debt covenants coming your way if you're losing or making money, going forward?

Jeff Cosman, Chairman and Chief Executive Officer
Chris, you want to answer that? You want me to answer that? I guess I'll take it.

Chris Diaz, Chief Financial Officer
No, I'm here. I don't know exactly what the question –

Q: I assume there's a max debt coverage, a max leverage number—

Chris Diaz, Chief Financial Officer
Yes, so, we're right on the cusp of what Goldman on our covenants, but we've actually—we're fine right now. Goldman's been a good partner with us. In fact, we've already forecasted leverage ratio going forward. We do that, we're on the phone with them almost every day. I don't anticipate any problems. I don't see any coming up in the next quarter, but we're easily ahead of the curve on that, I guess I could say. Jeff and my goal is above us. I mean, trust me. We talk about leverage every day. We want to lower our leverage. It's sitting at about 6.5 right now, which is reality.

Jeff Cosman, Chairman and Chief Executive Officer
Barry, let me shine this up a little bit. We're in constant contact with Goldman. They understand what our integration has been and the forward progress that we're making. They're comfortable with their credit. We remain committed to working with them as well as I've had some nice discussions with them about handling that issue. I believe we have a pathway to handle the issue where it benefits the company greatly. We're not necessarily worried too much about debt covenants going forward.

That is in discussion, but we can't really talk much about it, but we feel confident that, as Chris says, we're in constant contact, not necessarily on a—trying to dig in as much as it is as they'd just like to know what we're doing because we're a great credit for them. They've seen the progress we've made. We just keep updating them on the things that we're doing, as well as we've built all of our systems now, so it's being able to implement that going forward as well.

Q: In real life, that's expensive debt, 9% debt, so at some point, you would think you would want to move out of there, too.

Jeff Cosman, Chairman and Chief Executive Officer
If we can get all the investors on the call to buy this up to $5 to $6 a share, we can handle that issue.

Q: Right.

Operator
[Operator instructions.] Our next question comes from Keith Gill. Go ahead, Keith.

Q: Hi, Jeff. Good afternoon. How are you?

Jeff Cosman, Chairman and Chief Executive Officer
I'm good. How are you, Keith?

Q: I wonder if you could comment, perhaps, on the potential pipeline that you have in both the solid waste and in the Innovations market.

Jeff Cosman, Chairman and Chief Executive Officer
I appreciate the call. Keith, you're my favorite southern New Yorker.

Q: Lot of garbage down here in Florida, big guy.

Jeff Cosman, Chairman and Chief Executive Officer
Yes, so the pipeline is robust on the Waste side. Now, we've had to walk away from a few deals because those deals had a lot of debt on them. As Chris alluded to, we're not interested in levering up anymore, we're interested in delevering, so our focus on the Waste side has been to find acquisitions pipelines that are tuck-in materials, material that we can go below our leverage. Goldman will lend to us to acquire some tuck-ins where we're going to get volume and whatnot and that's going to be accretive to the business. So, we're focused a lot on that.

Additional new marketplaces, we're focused on who's going to take stock, an accretive deal that will take stock and not as much cash in the deal vis-à-vis the Republic service model, the Waste Management, all the original strategic waste connections. That's the model we're trying to follow. We're focused on that because we—the end result is we want to deleverage significantly pretty quickly and we'd like to use stock instead of cash to do these deals.

So, the second part of your question, the Innovations and the Technology side, we have a very robust pipeline with revenue and cash flow businesses in addition to infrastructure that we will need to process some of the things that we're looking at that we have patent material on. We have that. We're actively talking to them. We're looking to do those in mostly stock-related deals so that they're accretive to the business. And we want to build all three divisions, we want to continue to build based on that.

Q: Thank you.

Jeff Cosman, Chairman and Chief Executive Officer
Thank you. I hope you're safe down there, Keith.

Operator
Our next question comes from Tom Buldose from Thomas Asset Management. Go ahead, Tom.

Q: HI, guys. Can you please highlight on how you're going to get to some margin improvement on the top line and where you see SG&A going forward on—

Chris Diaz, Chief Financial Officer
So, your question, how are we going to massage SG&A, or margins on our revenues?

Q: I think you were saying early on the call, you were going to have some margin improvement on your gross margins. Correct? In this quarter?

Chris Diaz, Chief Financial Officer
Well, there's a myriad of things going on there. When I was talking about SG&A, we're going to have an improvement on the SG&A only because we had some temp labor we hired in Q2 to service one of the contracts that's going away. The other things is we have, on the top side, price increases that by the end of next month should be fully integrated in the system, so you have a lighting effect of that. We have no more that I'm aware of coming down the pike after next month or so. That's one of the things with Wally going through all the contracts and seeing what—there just wasn't a lot of active price increases in the past. We hit that pretty hard in these last few quarters. That's going to be pulling in a good—that's a big deal. Pricing, as far as Waste, being a little more selective on the Waste that we take in and what price we get. So, just things like that are, like I said—

I mean, pricing is something that never goes out of fashion. We constantly are pushing that envelope. Our margins, we always want to improve them. Even when they increase 2%, they won't be where we want to be. We always want to bump them up. We have so much room to go on the margin side, we keep on pushing all that, but that's where price increases, new volume, and good rollout—when I say new volume, I mean good volume, good prices. Sometimes you'll get caught in the trap of taking volume for volume sake and forgetting about the price, but we're looking at that every day. We're seeing returns on that now once we started doing that. So, we're really diligent there.

Q: So, we should see some margin improvement on the gross margins, hopefully, in the next quarter in SG&A improved from your temporary help?

Chris Diaz, Chief Financial Officer
Yes, no doubt about it.

Q: Clear, I want to see some improvement; I guess we all do.

Jeff Cosman, Chairman and Chief Executive Officer
Tom, for context, from a sales side, from a revenue side as well, when we bought the business from the previous owners in May of '14, they were doing $11.5 million. Essentially, I just provided them capital. We just raised capital, provided the business capital. We grew $1.5 million in revenue, essentially 10%/12% the first year. And we've kind of remained on a track record because the great former owner that we have in place, and now with Wally attached to him now, implementing these things, we're growing. We keep winning business away from the strategics time and time again. Every time we go out for bids, we're beating them. We're pricing based on the margins that we're expecting to get and we're getting that business because we outservice all of the big strategics.

Q: Okay, I appreciate that.

Can you give me the date of the—when that lock up comes off?

Jeff Cosman, Chairman and Chief Executive Officer
Which one? The preferreds?

Q: Yes, the preferred.

Jeff Cosman, Chairman and Chief Executive Officer

That'd be 144, so it'd be six months from last week or so.

Q: Okay.

Jeff Cosman, Chairman and Chief Executive Officer
Somewhere around that.

Q: All right, guys. Thank you. Appreciate—

Chris Diaz, Chief Financial Officer
Thanks, Tom.

Operator
There appear to be no questions at this time. I'm turning it back to management.

Jeff Cosman, Chairman and Chief Executive Officer
Thanks, Kat. Again, I want to appreciate everybody for getting on the call. Great questions. We look forward to doing these on a quarterly basis going forward. We're excited about the business; I'm excited about the management team we've got in place and the things that we have upcoming that we'll keep everybody abreast, whether it be through 8-K disclosure or press releases. I feel like we're on the right path. Having the right investor pool and the long-term investors that we want going forward will help us all on the market and whatnot. So again, I appreciate everybody being on the call and the questions. Hope everybody is safe and happy from the last couple of storms.